

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

*This prospectus supplement (the "**Prospectus Supplement**"), together with the accompanying short form base shelf prospectus dated April 23, 2021 (the "**Prospectus**") to which it relates, as amended or supplemented, and each document incorporated by reference into this Prospectus Supplement and the Prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.*

*The securities offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States of America, its territories, possessions or the District of Columbia (the "**United States**"), or to a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) (a "**U.S. Person**") unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This Prospectus Supplement together with the Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. Person. See "Plan of Distribution".*

Information has been incorporated by reference in this Prospectus Supplement and the Prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from Cresco Labs Inc. at 400 W. Erie St. #110, Chicago, IL, 60654, telephone 312-929-0993 and are also available electronically at www.sedar.com.

PROSPECTUS SUPPLEMENT (TO THE SHORT FORM BASE SHELF PROSPECTUS DATED APRIL 23, 2021)

New Issue

April 23, 2021

CRESCOLABS

CRESCO LABS INC. Up to US\$100,000,000 of Subordinate Voting Shares

This Prospectus Supplement of Cresco Labs Inc. ("**Cresco**" or the "**Corporation**"), together with the Prospectus, qualifies for distribution up to US\$100,000,000 of subordinate voting shares (the "**Subordinate Voting Shares**") of the Corporation (the "**Offering**"). The Corporation has entered into an equity distribution agreement dated April 23, 2021 (the "**Equity Distribution Agreement**") with Canaccord Genuity Corp. (the "**Agent**") relating to the Subordinate Voting Shares offered by this Prospectus Supplement and the accompanying Prospectus. In accordance with the terms of the Equity Distribution Agreement, and except as noted below, the Corporation may distribute up to US\$100,000,000 of Subordinate Voting Shares from time to time through the Agent, as agent for the distribution of the Subordinate Voting Shares pursuant to the Offering. See "*Plan of Distribution*".

The issued and outstanding Subordinate Voting Shares are listed and posted for trading on the Canadian Securities Exchange (the "**CSE**") under the symbol "CL." On April 22, 2021, the last trading day prior to the date of this Prospectus Supplement, the closing price per Subordinate Voting Share on the CSE was \$14.59. The Corporation has given notice to the CSE to list the Subordinate Voting Shares offered by this Prospectus Supplement and the Prospectus on the CSE. Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE.

Investing in securities of the Corporation is speculative and involves a high degree of risk and should only be made by persons who can afford the total loss of their investment. A prospective purchaser should therefore review this Prospectus Supplement and the Prospectus, as amended or supplemented, and the documents incorporated by reference herein and therein, as amended or supplemented, in their entirety and carefully consider the risk factors described or referenced under "*Risk Factors*" herein, in the Prospectus and in the annual information form of the Corporation incorporated by reference in the Prospectus at the relevant time and the risks otherwise described in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein, prior to investing in any Subordinate Voting Shares offered hereby.

Purchasing Subordinate Voting Shares may subject investors to tax consequences in Canada. Investors should consult their own tax advisors with respect to their own particular circumstances.

Sales of Subordinate Voting Shares, if any, under this Prospectus Supplement and the Prospectus are anticipated to be made in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102 *Shelf Distributions* ("NI 44-102"), involving sales made directly on the CSE or any other recognized Canadian "marketplace" within the meaning of National Instrument 21-101 *Marketplace Operation* upon which the Subordinate Voting Shares are listed, quoted or otherwise traded (a "Marketplace"). The Subordinate Voting Shares will be distributed at market prices prevailing at the time of the sale of such Subordinate Voting Shares. As a result, prices may vary as between purchasers and during the period of distribution. **There is no minimum amount of funds that must be raised under the Offering. This means that the Offering may terminate after only raising a small portion of the offering amount set out above, or none at all. An investor will not be entitled to a return of its investment if only a portion of the disclosed maximum offering amount set out above is in fact raised. See "Plan of Distribution".**

Pursuant to the terms of the Equity Distribution Agreement, the Corporation will compensate the Agent for its services in acting as agent in the sale of the Subordinate Voting Shares pursuant to the Offering in an amount equal to 2% of the gross proceeds from sales of the Subordinate Voting Shares made on the CSE or another Marketplace. The Corporation estimates that the total expenses that it will incur for the Offering, excluding compensation payable to the Agent under the terms of the Equity Distribution Agreement, will be approximately US\$500,000. See "Plan of Distribution".

No underwriter of the Offering, and no person or company acting jointly or in concert with an underwriter, may, in connection with the distribution, enter into any transaction that is intended to stabilize or maintain the market price of the Subordinate Voting Shares, including selling an aggregate number or principal amount of Subordinate Voting Shares that would result in the underwriter creating an over-allocation position in the Subordinate Voting Shares. See "Plan of Distribution".

Further particulars concerning the attributes of the Subordinate Voting Shares are set out under "Description of Share Capital of the Corporation – Subordinate Voting Shares" in the Prospectus, which provides for the issuance from time to time over a 25-month period of up to US\$1,000,000,000 of Subordinate Voting Shares, debt securities, subscription receipts, warrants and units.

The directors, chief executive officer and chief financial officer of the Corporation reside outside of Canada and each has appointed Bennett Jones LLP, 3400 One First Canadian Place, Toronto, Ontario, M5X 1A4, as his or her agent for service of process in Canada. Marcum LLP C/O FMD Service (Ontario) Inc., 333 Bay Street, Suite 2400, Toronto, Ontario, M5H 2T6, the auditor of the Corporation, is incorporated, continued or otherwise organized under the laws of a jurisdiction outside of Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that resides outside of Canada or is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction, even if the party has appointed an agent for service of process.

The Corporation's head office is located at 400 W. Erie Street, #110, Chicago, IL 60654 and its registered office is located at Suite 2500, 666 Burrard Street, Vancouver, BC, V6C 2X8.

This Prospectus Supplement is being filed in relation to the distribution of securities of an entity that currently directly derives a substantial portion of its revenues from the cannabis industry in certain U.S. states, which industry is illegal under U.S. federal law. The Corporation is directly involved (through its licensed subsidiaries) in both the adult-use and medical cannabis industry in the States of Illinois, Pennsylvania, Ohio, Nevada, Arizona and California, as permitted within such states under applicable state law which states have regulated such industries, and is in the process of acquiring businesses which would allow the Corporation to directly participate in the adult-use and medical cannabis industry in the States of New York, Massachusetts, Florida and Maryland, as permitted within such states under applicable state law and which states have regulated such industries.

The cultivation, sale and use of cannabis is illegal under United States federal law pursuant to the Controlled Substance Act (21 U.S.C. §811) (the "CSA"). The United States federal government regulates drugs through the CSA, which places controlled substances, including cannabis, in a schedule. Other than industrial hemp, cannabis is classified as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. Under the CSA, the policies and regulations of the United States federal government and its agencies are that cannabis has no medical benefit and a range of activities including cultivation and the personal use of cannabis is prohibited. The United States Food and Drug Administration ("FDA") has not approved cannabis for the treatment of any disease or condition. The agency has, however, approved one cannabis-derived drug product, Epidiolex, for the treatment of seizures associated with Lennox-Gastaut syndrome or Dravet syndrome.

Despite the current state of the federal law and the CSA, 35 U.S. states, Washington D.C., and the territories of Puerto Rico, the U.S. Virgin Islands, the Northern Mariana Islands and Guam have laws and/or regulations that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment for patients with certain qualifying conditions. The States of Alaska, Arizona, California, Colorado, Illinois, Maine, Massachusetts, Michigan, Montana, Nevada, New Jersey, Oregon, South Dakota, Vermont, Washington, and the District of Columbia, have legalized recreational use of cannabis, although the District of Columbia has not legalized commercial sale of cannabis. In early 2018, Vermont became the first state to legalize recreational cannabis by passage in a state legislature, but does not yet allow commercial sales of recreational cannabis.

Over half of the U.S. states have enacted legislation to legalize and regulate the sale and use of medical cannabis, provided that there are strict limits on the levels of THC. However, there is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions.

Accordingly, in the U.S., cannabis is largely regulated at the state level. State laws that permit and regulate the production, distribution and use of cannabis for adult-use or medical purposes are in direct conflict with the CSA. Although certain states authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under United States federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and in case of conflict between federal and state law, the federal law shall apply.

On January 4, 2018, former U.S. Attorney General Jeff Sessions issued a memorandum to U.S. district attorneys which rescinded previous guidance from the U.S. Department of Justice ("DOJ") specific to cannabis enforcement in the United States, including the DOJ Memorandum drafted by former Deputy Attorney General James Michael Cole in 2013 (the "Cole Memorandum"). With the Cole Memorandum rescinded, U.S. federal prosecutors have been given discretion in determining whether to prosecute cannabis related violations of U.S. federal law. Mr. Sessions resigned on November 7, 2018. Following the brief tenure of Matthew Whitaker as the acting United States Attorney General, on December 7, 2018, President Donald Trump announced the nomination of William Barr and, on February 14, 2019, Mr. Barr was confirmed as Attorney General. The DOJ under Mr. Barr did not take a formal position on federal enforcement of laws relating to cannabis. On December 14, 2020, President Trump announced that Mr. Barr would be resigning from his post as Attorney General, effective December 23, 2020. President Joseph Biden has nominated Merrick Garland to succeed Mr. Barr as the U.S. Attorney General. It is unclear what impact, if any, the new administration will have on U.S. federal government enforcement policy on cannabis. If the DOJ policy shifts to aggressively pursue financiers or equity owners of cannabis-related business, and United States Attorneys followed such policies through pursuing prosecutions, then the Corporation could face (i) seizure of its cash and other assets used to support or derived from its cannabis subsidiaries, and (ii) the arrest of its employees, directors, officers, managers and investors, who could face charges of ancillary criminal violations of the CSA for aiding and abetting and conspiring to violate the CSA by virtue of providing financial support to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis. Additionally, as has recently been affirmed by the U.S. Customs and Border Protection, employees, directors, officers, managers and investors of

the Corporation who are not U.S. citizens face the risk of being barred from entry into the United States for life.

On December 27, 2020, President Donald Trump signed the Consolidated Appropriations Act of 2021, which included the federal spending bill which prohibits the funding of federal prosecutions with respect to medical cannabis activities that are legal under state law (the "Rohrabacher-Blumenauer Amendment"). The Consolidated Appropriations Act of 2021 makes appropriations for the twelve months ending September 30, 2021. There can be no assurances that the Rohrabacher-Blumenauer Amendment will be included in future appropriations bills or budget resolutions. See "*United States Regulatory Environment*" in the accompanying Prospectus and in the AIF for additional information.

The Corporation's objective is to capitalize on the opportunities presented as a result of the changing regulatory environment governing the cannabis industry in the United States. Accordingly, there are a number of significant risks associated with the business of the Corporation. Unless and until the United States Congress amends the CSA with respect to medical and/or adult-use cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a significant risk that federal authorities may enforce current U.S. federal law, and the business of the Corporation may be deemed to be producing, cultivating, extracting, or dispensing cannabis or aiding or abetting or otherwise engaging in a conspiracy to commit such acts in violation of federal law in the United States. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Corporation's business, results of operations, financial condition and prospects would be materially adversely affected.

In light of the political and regulatory uncertainty surrounding the treatment of United States cannabis-related activities, on February 8, 2018, the Canadian Securities Administrators published CSA Staff Notice 51-352 – (Revised) *Issuers with U.S. Marijuana-Related Activities* ("Staff Notice 51-352") setting out the Canadian Securities Administrator's disclosure expectations for specific risks facing issuers with cannabis-related activities in the United States. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with United States cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the United States cannabis industry.

For these reasons, the Corporation's investments in the United States cannabis market may subject the Corporation to heightened scrutiny by regulators, stock exchanges, clearing agencies and other United States and Canadian authorities. There are a number of risks associated with the business of the Corporation. See the section entitled "*Risk Factors*" in this Prospectus Supplement, the accompanying Prospectus and in the AIF (as defined herein), as well as the section "*United States Regulatory Environment*" in the AIF.

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IMPORTANT NOTICE ABOUT INFORMATION IN THIS PROSPECTUS SUPPLEMENT AND THE PROSPECTUS

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Offering and also adds to and updates certain information contained in the Prospectus and the documents incorporated by reference into the Prospectus. The second part, the Prospectus, provides more general information. If the information varies between this Prospectus Supplement and the Prospectus, the information in this Prospectus Supplement supersedes the information in the Prospectus. Capitalized terms or abbreviations used in this Prospectus Supplement that are not defined herein have the meanings ascribed thereto in the Prospectus.

No person is authorized by the Corporation to provide any information or to make any representation other than as contained in this Prospectus Supplement or in the Prospectus in connection with the issue and sale of the Subordinate Voting Shares. An investor should rely only on the information contained in this Prospectus Supplement and the Prospectus (including the documents incorporated by reference herein and therein) and is not entitled to rely on parts of the information contained in this Prospectus Supplement or the Prospectus (including the documents incorporated by reference herein or therein) to the exclusion of others. The Corporation and the Agent have not authorized anyone to provide investors with additional or different information. The Corporation and the Agent take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give readers of this Prospectus Supplement. Information contained on, or otherwise accessed through, the Corporation's website shall not be deemed to be a part of this Prospectus Supplement and such information is not incorporated by reference herein.

The Corporation and the Agent are not offering to sell the Subordinate Voting Shares in any jurisdictions where the offer or sale of the Subordinate Voting Shares is not permitted. The information contained in this Prospectus Supplement (including the documents incorporated by reference herein) is accurate only as of the date of this Prospectus Supplement or as of the date as otherwise set out herein (or as of the date of the document incorporated by reference herein or as of the date as otherwise set out in the document incorporated by reference herein, as applicable), regardless of the time of any sale of the Subordinate Voting Shares. The business, financial condition, capital, results of operations and prospects of the Corporation may have changed since those dates. The Corporation does not undertake to update the information contained or incorporated by reference herein, except as required by applicable Canadian securities laws.

This Prospectus Supplement shall not be used by anyone for any purpose other than in connection with the Offering.

The Corporation's annual consolidated financial statements that are incorporated by reference into this Prospectus Supplement and the Prospectus have been prepared in accordance with International Financial Reporting Standards. Certain calculations included in tables and other figures in this Prospectus Supplement, the Prospectus and the documents incorporated by reference therein may have been rounded for clarity of presentation.

The documents incorporated or deemed to be incorporated by reference in this Prospectus Supplement or in the Prospectus contain meaningful and material information relating to the Corporation and readers of this Prospectus Supplement should review all information contained in this Prospectus Supplement, the Prospectus and the documents incorporated or deemed to be incorporated by reference herein and therein, as amended or supplemented.

CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this Prospectus Supplement and the Prospectus and the documents incorporated by reference herein constitute "**forward-looking information**" within the meaning of Canadian securities laws. All information, other than statements of historical facts, included in this Prospectus Supplement and the Prospectus that address activities, events or developments that the Corporation expects or anticipates will or may occur in the future is forward-looking information. In addition to the following cautionary statement, with respect to forward-looking information contained in the documents incorporated by reference herein, prospective purchasers should refer to "*Cautionary Statement Regarding Forward-Looking Information*" in the AIF (as defined herein) or any subsequently filed annual information form of the Corporation, as well as the advisories section of any documents incorporated or deemed to be by reference herein, including those that are filed after the date hereof. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and includes, among others, information regarding: termination of the Offering upon the maximum amount of sales of Subordinate Voting Shares being completed hereunder, sales of Subordinate Voting Shares under the Offering, the use of net proceeds of the Offering, the Corporation's intention to

complete the Offering on the terms and conditions described herein, the listing of the Subordinate Voting Shares on the CSE, the anticipated effect of the Offering on the performance of the Corporation, the Corporation's intention regarding cash flows from operating activities in future periods, statements relating to the business and future activities of, and developments related to, the Corporation after the date of this Prospectus Supplement or the Prospectus, as applicable, including but not limited to, such things as future business strategy, competitive strengths, goals, expansion and growth of the Corporation's business, operations and plans, including new revenue streams, the completion of contemplated acquisitions by the Corporation, the application for additional licenses and the grant of licenses that have been applied for, the expansion of existing cultivation and production facilities, the completion of cultivation and production facilities that are under construction, the construction of additional cultivation and production facilities, the expansion into additional states within the United States, international markets and Canada, any potential future legalization of adult-use and/or medical marijuana under U.S. federal law; expectations of market size and growth in the United States and the States in which the Corporation operates; expectations for other economic, business, regulatory and/or competitive factors related to the Corporation or the cannabis industry generally; and other events or conditions that may occur in the future.

Readers are cautioned that forward-looking information and statements are not based on historical facts but instead are based on reasonable assumptions, estimates, analysis and opinions of management of the Corporation at the time they were provided or made, in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements.

Forward-looking information and statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management at the date the statements are made including, among other things, assumptions about: the contemplated acquisitions and dispositions being completed on the current terms and current contemplated timeline, including that development costs remaining consistent with budgets; the Corporation's ability to manage anticipated and unanticipated costs; favorable equity and debt capital markets; the ability to raise sufficient capital to advance the business of the Corporation; favorable operating and economic conditions; political and regulatory stability; obtaining and maintaining all required licenses and permits; receipt of governmental approvals and permits; sustained labor stability; stability in financial and capital goods markets; favourable production levels and costs from the Corporation's operations; the pricing of various cannabis products; the level of demand for cannabis products; the availability of third party service providers and other inputs for the Corporation's operations; and the Corporation's ability to conduct operations in a safe, efficient and effective manner. While the Corporation considers these assumptions to be reasonable, the assumptions are inherently subject to significant business, social, economic, political, regulatory, competitive and other risks and uncertainties, contingencies and other factors that could cause actual performance, achievements, actions, events, results or conditions to be materially different from those projected in the forward-looking information and statements. Many assumptions are based on factors and events that are not within the control of the Corporation and there is no assurance they will prove to be correct.

Risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Corporation, as applicable, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information and statements include, among others, risks relating to the availability of future financing; the use of proceeds; the accuracy of forward looking information; regulatory uncertainty; money laundering laws and access to banking; heightened scrutiny of cannabis companies in Canada; proceedings against the Corporation; significant ongoing costs and obligations related to its investment in infrastructure; regulatory compliance and operations; availability of favourable locations; unfavorable tax treatment of cannabis businesses; the tax classification of the Corporation; the Corporation being a holding corporation; enforcement of contracts; competition; limitations on owners of licenses; difficulty in forecasting; the concentrated Founder voting control (as defined in the Prospectus) of the Corporation and the unpredictability caused by the existing capital structure; dilution; volatility of market price; substantial sales of Subordinate Voting Shares; the restrictions on the resale of the Corporation's securities; negative cash flows; liquidity; U.S. regulatory landscape and enforcement related to cannabis, including political risks; risks relating to anti-money laundering laws and regulation; other governmental and environmental regulation; public opinion and perception of the cannabis industry; risks related to the ability to consummate the proposed acquisitions and the ability to obtain requisite regulatory approvals and third party consents and the satisfaction of other conditions to any proposed acquisitions on the proposed terms and schedule; the potential impact of the announcement or consummation of the proposed acquisitions on relationships, including with regulatory bodies, employees, suppliers, customers and

competitors; the diversion of management time on the proposed acquisitions; risks related to contracts with third party service providers; risks related to the enforceability of contracts; the limited operating history of the Corporation; reliance on the expertise and judgment of senior management of the Corporation; risks inherent in an agricultural business; risks related to co-investment with parties with different interests to the Corporation; risks related to proprietary intellectual property and potential infringement by third parties; risks relating to financing activities including leverage; risks relating to the management of growth; increased costs associated with the Corporation becoming a publicly traded company; increasing competition in the industry; risks relating to energy costs; risks associated to cannabis products manufactured for human consumption including potential product recalls; reliance on key inputs, suppliers and skilled labour (the availability and retention of which is subject to uncertainty); cybersecurity risks; ability and constraints on marketing products; fraudulent activity by employees, contractors and consultants; tax and insurance related risks; risks related to the economy generally; risk of litigation; conflicts of interest; risks relating to certain remedies being limited and the difficulty of enforcement of judgments and effecting service outside of Canada; risks related to future acquisitions or dispositions; sales by existing shareholders; the limited market for securities of the Corporation; limited research and data relating to cannabis; the effects of the COVID-19 pandemic; as well as those risk factors discussed elsewhere herein and in the Prospectus and the documents incorporated by reference herein, including the AIF (as defined herein).

Readers are cautioned that the foregoing lists are not exhaustive of all factors and assumptions that may have been used. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such forward-looking information and statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such information and statements. Accordingly, readers should not place undue reliance on forward-looking information and statements. The forward-looking information and statements contained herein, in the Prospectus and in any document incorporated by reference herein and therein are presented for the purposes of assisting readers in understanding the Corporation's expected financial and operating performance and the Corporation's plans and objectives and may not be appropriate for other purposes.

The forward-looking information and statements contained in this Prospectus Supplement and the Prospectus represent the Corporation's views and expectations respectively as of the date of this Prospectus Supplement and the Prospectus, unless otherwise indicated in such documents, and forward-looking information and statements contained in the documents incorporated by reference herein and therein represent the Corporation's views and expectations as of the date of such documents, unless otherwise indicated in such documents. The Corporation anticipates that subsequent events and developments may cause its views and expectations to change. However, while the Corporation may elect to update such forward-looking information and statements at a future time, it has no current intention of and assumes no obligation for doing so except to the extent required by applicable law.

MEANING OF CERTAIN REFERENCES AND CURRENCY PRESENTATION

References to dollars or "\$" are to Canadian currency unless otherwise indicated. All references to "US\$" refer to United States dollars. On April 22, 2021, the daily exchange rate for the United States dollar in terms of Canadian dollars, as quoted by the Bank of Canada, was US\$1.00 = \$1.25.

Unless the context otherwise requires, all references in this Prospectus Supplement to the "Corporation" refer to the Corporation and its subsidiary entities on a consolidated basis.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained or incorporated by reference in this Prospectus Supplement is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although the Corporation believes these sources to be generally reliable, market and industry data is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any survey. The Corporation has not independently verified any of the data from third party sources referred to or incorporated by reference herein and accordingly, the accuracy and completeness of such data is not guaranteed.

DOCUMENTS INCORPORATED BY REFERENCE

Information has been incorporated by reference in this Prospectus Supplement and the Prospectus from documents filed with the securities commissions or similar regulatory authorities in each of the provinces of Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporation, at 400 W. Erie St. #110, Chicago, IL, 60654, (312) 929-0993, and are also available electronically at www.sedar.com. The filings of the Corporation through SEDAR are not incorporated by reference in this Prospectus Supplement except as specifically set out herein.

This Prospectus Supplement is incorporated by reference into the Prospectus as of the date hereof and only for the purposes of the distribution of the Subordinate Voting Shares offered hereby. Other documents are also incorporated or deemed to be incorporated by reference into the Prospectus and reference should be made to the Prospectus for full details.

The following documents (or the sections or sub-sections thereof set out below), filed by the Corporation with the various securities commissions or similar authorities in each of the provinces of Canada, are specifically incorporated by reference into, and form an integral part of, the Prospectus as supplemented by this Prospectus Supplement:

1. the annual information form of the Corporation dated March 26, 2021 (the "**AIF**");
2. the audited financial statements of the Corporation for the years ended December 31, 2020 and 2019, together with the notes thereto and the auditor's report for the years ended December 31, 2020 and 2019 attached thereto, filed on March 26, 2021;
3. the management's discussion and analysis of financial condition and results of operations of the Corporation for the three and twelve month periods ended December 31, 2020 and 2019, filed on March 26, 2021;
4. the management information circular of the Corporation dated June 3, 2020, prepared in connection with an annual general and special meeting of shareholders held on June 29, 2020, filed on June 8, 2020;
5. the material change report of the Corporation dated January 19, 2021, in connection with the Corporation's entry into an arrangement agreement with Bluma Wellness Inc. ("**Bluma**"), pursuant to which the Corporation will acquire all of the issued and outstanding shares of Bluma (the "**Arrangement**");
6. the material change report of the Corporation dated February 1, 2021, in connection with the closing of the Corporation's overnight marketed offering of Subordinate Voting Shares (the "**January 2021 Offering**");
7. the material change report of the Corporation dated March 29, 2021, in connection with the Corporation entering into a definitive agreement to acquire 100% of outstanding equity interests in Cultivate Licensing LLC and BL Real Estate LLC;
8. the material change report of the Corporation dated April 19, 2021, in connection with the closing of the Arrangement with Bluma; and
9. the material change report of the Corporation dated April 23, 2021, in connection with changes to the Corporation's board of directors.

Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 *Short Form Prospectus Distributions* filed by the Corporation with the securities commissions or similar authorities in Canada after the date of this Prospectus Supplement and prior to the completion or withdrawal of the Offering shall be deemed to be incorporated by reference in the Prospectus for the purposes of the Offering.

If the Corporation disseminates a news release in respect of previously undisclosed information that, in the Corporation's determination, constitutes a "material fact" (as such term is defined under applicable Canadian securities laws), the Corporation will identify such news release as a "designated news release" for the purposes of the Prospectus in writing on the face page of the version of such news release that the Corporation files on SEDAR (any such news release, a "**Designated News Release**"), and any such Designated News Release shall be deemed to be incorporated by reference

into the Prospectus only for the purposes of the Offering. These documents will be able to be obtained under the Corporation's profile on SEDAR at www.sedar.com. The Corporation will not use a Designated News Release to update information in the Prospectus in the event of a "material change" (as such term is defined under applicable Canadian securities laws).

Upon a new interim financial report and related management's discussion and analysis of the Corporation being filed with the applicable securities regulatory authorities during the currency of this Prospectus Supplement, the previous interim financial report and related management's discussion and analysis of the Corporation most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus Supplement for purposes of future offers and sales of securities hereunder. Upon new annual financial statements and related management's discussion and analysis of the Corporation being filed with the applicable securities regulatory authorities during the currency of this Prospectus Supplement, the previous annual financial statements and related management's discussion and analysis and the previous interim financial report and related management's discussion and analysis of the Corporation most recently filed shall be deemed no longer to be incorporated by reference into this Prospectus Supplement for purposes of future offers and sales of securities hereunder. Upon a new annual information form of the Corporation being filed with the applicable securities regulatory authorities during the currency of this Prospectus Supplement, the following documents shall be deemed no longer to be incorporated by reference into this Prospectus Supplement for purposes of future offers and sales of securities hereunder: (i) the previous annual information form; (ii) material change reports filed by the Corporation prior to the end of the financial year in respect of which the new annual information form is filed; (iii) business acquisition reports filed by the Corporation for acquisitions completed prior to the beginning of the financial year in respect of which the new annual information form is filed; and (iv) any information circular of the Corporation filed by the Corporation prior to the beginning of the financial year in respect of which the new annual information form is filed. Upon a new information circular of the Corporation prepared in connection with an annual general meeting of the Corporation being filed with the applicable securities regulatory authorities during the currency of this Prospectus Supplement, the previous information circular of the Corporation prepared in connection with an annual general meeting of the Corporation shall be deemed no longer to be incorporated by reference into this Prospectus Supplement for purposes of future offers and sales of securities hereunder.

Notwithstanding anything herein to the contrary, any statement contained in this Prospectus Supplement, the Prospectus or in a document incorporated or deemed to be incorporated by reference herein or in the Prospectus shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement and the Prospectus, to the extent that a statement contained herein or in any other subsequently filed document incorporated or deemed to be incorporated by reference herein or in the Prospectus modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall thereafter neither constitute, nor be deemed to constitute, a part of this Prospectus Supplement, or the Prospectus except as so modified or superseded.

THE CORPORATION

Summary of the Business

Cresco exists to provide high-quality and consistent cannabis-based products to consumers. Cresco blends regulatory compliance expertise with best practices from the agricultural, pharmaceutical and consumer packaged goods industries. Cresco (either directly or indirectly through subsidiaries) has been awarded three licenses to cultivate and manufacture medicinal cannabis in the State of Illinois. Cresco was awarded a cultivation license in Pennsylvania and was one of only five cultivators that was initially also awarded a dispensary license which allows for up to three dispensaries, with a second license granted in December of 2018 for up to three additional dispensaries. Cresco was awarded a cultivation license in Ohio and a dispensary license in Ohio and was the first approved dispensary to begin dispensary operations in Ohio in December 2018. Cresco received prequalification from the State of Michigan, which will allow Cresco to operate growing, processing and provisioning center facilities in Michigan. Cresco also has an interest in a cultivation, processing, and dispensary license in Nevada, an ownership interest in cultivation and processing licenses in California, an interest in a processor license in Maryland, owns and operates five dispensaries in Illinois and owns and operates two

cultivation centers and one dispensary location in Arizona. Cresco acquired one medical cannabis cultivation center license and four dispensary locations in New York. Most recently, Cresco was the first cultivator in Illinois to receive approvals to grow adult-use cannabis; all three cultivation facilities were granted approvals in the state. Additionally, Cresco's five Illinois dispensary locations were approved for dispensing adult-use cannabis in the state upon legalization, effective January 1, 2020. Cresco has completed an agreement to acquire assets in Massachusetts, including state registration and licensing that will allow for cultivation, manufacturing, processing, and the establishment and operation of a medical marijuana dispensary, with the ability to obtain up to three medical marijuana dispensary licenses and three adult-use dispensary licenses. Cresco has also completed its acquisition of operations in California, via the acquisition of Origin House (as defined herein). Additionally, Cresco has recently completed the Arrangement involving Bluma through which it acquired operations in Florida. For more details relating to the Arrangement, please see the AIF and the material change reports of the Corporation relating to Bluma incorporated by reference herein.

Cresco plans to leverage the success in these markets to expand into legalized cannabis markets in other states, while focusing on compliance, control, efficiency, and product performance in the medicinal or adult-use cannabis industry.

Cresco owns and operates cultivation, manufacturing and retail dispensary businesses. The manufacturing and retail businesses are operational today and vertically integrated across ten highly regulated and/or limited licenses, and therefore limited legal supply markets: Illinois, Nevada, Ohio, Arizona, Maryland, Pennsylvania, California, New York, Massachusetts, and Michigan. These markets, where supply and demand can be reasonably predicted and forecasted, create the foundation upon which Cresco has created the opportunity for sustainable growth. Importantly, Cresco is not yet active in markets popularized by mainstream media like Washington, Oregon and Colorado where loose regulatory frameworks create unpredictable supply-demand market dynamics.

This ownership of wholesale and retail businesses supports Cresco's strategy of distributing brands at scale by enabling Cresco to capture market share, generate brand awareness, and earn customer loyalty in its operating markets by guaranteeing share-of-shelf in its own retail stores and its ability to foster mutually beneficial relationships with its third-party dispensary customers as a large supplier of a portfolio of distinct and trusted cannabis brands. More detailed information regarding the business of the Corporation as well as its operations, assets, and properties can be found in the AIF and other documents incorporated by reference herein, as supplemented by the disclosure herein. See "*Documents Incorporated by Reference*".

Regulatory Overview

In accordance with Canadian Securities Administrators Staff Notice 51-352, below is a discussion of the state-level U.S. regulatory regime in the State of Florida where the Corporation will be directly involved, through Bluma, in the cannabis industry. For disclosure relating to the federal and state-level U.S. regulatory regimes in Illinois, Pennsylvania, Ohio, California, Nevada, Arizona, New York, Massachusetts, and Maryland, the other jurisdictions where the Corporation is currently directly involved, through its subsidiaries, in the cannabis industry, please see "*United States Regulatory Environment*" and "*State Level U.S. Cannabis Operations*" in the AIF.

Regulation of the Medical Cannabis Market in Florida

In 2014, the Florida Legislature passed the Compassionate Use Act (the "CUA") which was a low-THC (CBD) law, allowing cannabis containing not more than 0.8%THC to be sold to patients diagnosed with severe seizures or muscle spasms and cancer. The CUA created a competitive licensing structure and originally allowed for one vertically integrated license to be awarded in each of five regions. The CUA set forth the criteria for applicants as well as the minimum qualifying criteria which included the requirement to hold a nursery certificate evidencing the capacity to cultivate a minimum of 400,000 plants, to be operated by a nurseryman and to be a registered nursery for at least 30 continuous years. The CUA also created a state registry to track dispensations. In 2016, the Florida Legislature passed the Right to Try Act (the "RTA"), which expanded the State's medical cannabis program to allow for full potency THC products to be sold as "medical marijuana" to qualified patients.

In November of 2016, the Florida Medical Marijuana Legalization ballot initiative (the "**Initiative**") to expand the medical cannabis program under the RTA was approved by 71.3% of voters, thereby amending the Florida constitution. The Initiative is now codified as Article X, Section 29 of the Florida Constitution.

The Initiative expanded the list of qualifying medical conditions include cancer, epilepsy, glaucoma, HIV and AIDS, ALS, Crohn's disease, Parkinson's disease, multiple sclerosis, or other debilitating medical conditions of the same kind or class or comparable to those other qualifying conditions and for which a physician believes the benefits outweigh the risks to the patient. The Initiative also provided for the implementation of state-issued medical cannabis identification cards. In 2017, the Florida Legislature passed legislation implementing the constitutional amendment and further codifying the changes set forth in the constitution into law. The 2017 law provides for the issuance of 10 licenses to specific entities and another four licenses to be issued for every 100,000 active qualified patients added to the registry. The 2017 law also initially limited license holders to a maximum of 25 dispensary locations with the ability to purchase additional dispensary locations from one another, and for an additional five locations to be allowed by the State for every 100,000 active qualified patients added to the registry. The 2017 legislation's cap on dispensing facilities expired in April 2020.

Bluma License (the "Florida License")

Holding Entity	Permit/License	City	Expiration/Renewal Date (if applicable) (MM/DD/YY)	Description
3 Boys Farm, LLC	Medical Marijuana Treatment Center	Statewide	06/02/22	Cultivation, Processing/ Manufacturing, Dispensary, Transport

Under Florida law, a licensee is required to cultivate, process and dispense medical cannabis. Licenses are issued by the Florida Department of Health, Office of Medical Marijuana Use (the "OMMU") and may be renewed biennially. 3 Boys Farm, LLC received its most recent license renewal on June 2, 2020, and is classified as a Medical Marijuana Treatment Center ("MMTC") under Florida law. In Florida, there is no state-imposed limitation on the permitted size of cultivation or processing facilities, nor is there a limit on the number of plants that may be grown.

Under its Florida License, Bluma is permitted to sell cannabis to those patients who are entered into the State's electronic medical marijuana use registry by a qualified physician and possess a state-issued medical marijuana identification card and a valid certification from the qualified physician. The physician determines patient eligibility as well as the routes of administration (e.g. topical, oral, inhalation) and the number of milligrams per day a patient is able to obtain under the program. The physician may order a certification for up to three 70-day supply limits of marijuana, following which the certification expires and a new certification must be issued by a physician. The number of milligrams dispensed, the category of cannabis (either low-THC or medical marijuana) and whether a delivery device such as a vaporizer has been authorized is all recorded in the registry for each patient transaction. In addition, smokable flower was approved by the legislature and signed into law in March 2019. Patients must obtain a specific recommendation from their physician to purchase smokable flower. The maximum amount a patient may obtain is 2.5 ounces (measured by weight) of smokable flower per 35-day supply.

Bluma is authorized to sell a variety of products and, as of December 31, 2020, offers 18 SKUs in various product categories for sale. Edible products were authorized by the Florida Legislature in 2017 pending rulemaking by the OMMU. On August 28, 2020, the OMMU issued regulations for the production and packaging of edibles, which authorized the sale of edible medical marijuana products in Florida. The use of hydrocarbon solvents for the extraction of products was also contemplated in the 2017 law, but remains pending awaiting rulemaking by the OMMU. Dispensaries may be located in any location zoned as appropriate for a pharmacy throughout the State of Florida as long as the local government has not expressly prohibited MMTC dispensaries in their respective municipality. Additionally, dispensaries must be located more than 500 feet from a public or private elementary, middle, or secondary school. The statutory cap expired in April 2020, thus neither Bluma nor its competitors in Florida are subject to restrictions on the number of dispensaries that may be opened. Bluma currently has 7 approved dispensaries in the State of Florida. In addition, the Bluma's license allows it to deliver products directly to patients.

Florida Reporting Requirements

Florida law called for the OMMU to establish, maintain, and control a computer software tracking system that traces cannabis from seed to sale and allows real-time, 24-hour access by the OMMU to such data. The tracking system must

allow for integration of other seed-to-sale systems and, at a minimum, include notification of certain events, including when marijuana seeds are planted, when marijuana plants are harvested and destroyed and when cannabis is transported, sold, stolen, diverted, or lost. Each medical marijuana treatment center shall use the seed-to-sale tracking system established by the OMMU or integrate its own seed-to-sale tracking system with the seed-to-sale tracking system established by the OMMU. At this time the OMMU has not implemented a statewide seed-to-sale tracking system and Bluma utilizes its own system. Additionally, the OMMU also maintains a patient and physician registry and the licensee must comply with all requirements and regulations relative to the provision of required data or proof of key events to said system in order to retain its license. Florida requires all MMTCs to abide by representations made in their original application to the State of Florida or any subsequent variances to same. Any changes or expansions of previous representations and disclosures to the OMMU must be approved by the OMMU via an amendment or variance process.

Florida Licensing Requirements

Licenses issued by the OMMU may be renewed biennially so long as the licensee continues to meet the requirements of the Florida Statute 381.986 and pays a renewal fee. License holders can only own one license within the State of Florida. Applicants must demonstrate (and licensed MMTC's must maintain) that: (i) they have been registered to do business in the State of Florida for the previous five years, (ii) they possess a valid certificate of registration issued by the Florida Department of Agriculture & Consumer Services, (iii) they have the technical and technological ability to cultivate and produce cannabis, including, but not limited to, low-THC cannabis, (iv) they have the ability to secure the premises, resources, and personnel necessary to operate as an MMTC, (v) they have the ability to maintain accountability of all raw materials, finished products, and any by-products to prevent diversion or unlawful access to or possession of these substances, (vi) they have an infrastructure reasonably located to dispense cannabis to registered qualified patients statewide or regionally as determined by the OMMU, (vii) they have the financial ability to maintain operations for the duration of the two-year approval cycle, including the provision of certified financial statements to the OMMU, (viii) all owners, officers, board members and managers have passed a Level II background screening, inclusive of fingerprinting, (ix) they ensure that a medical director is employed to supervise the activities of the MMTC, and (x) they have a diversity plan and veterans plan accompanied by a contractual process for establishing business relationships with veterans and minority contractors and/or employees. Upon approval of the application by the OMMU, the applicant must post a performance bond of up to US \$5 million, which may be reduced to US \$2 million once the licensee has served 1,000 patients.

Security and Storage Requirements for Cultivation, Processing and Dispensing Facilities in Florida

Adequate outdoor lighting is required from dusk to dawn for all MMTC facilities. 24-hour per day video surveillance is required and all MMTCs must maintain at least a rolling 45-day period that is made available to law enforcement and the OMMU upon demand. Alarm systems must be active at all times for all entry points and windows. Interior spaces must also have motion detectors and all cameras must have an unobstructed view of key areas. Panic alarms must also be available for employees to be able to signal authorities when needed.

In dispensaries, the MMTC must provide a waiting area with a sufficient seating area. There must also be a minimum of one private consultation/education room for the privacy of the patient(s) and their caregiver (if applicable). The MMTC may only dispense products at dispensaries between 7:00 am and 9:00 pm. All active products must be kept in a secure location within the dispensary and only empty packaging may be kept in the general area of the dispensary which is readily accessible to customers and visitors. No product or delivery devices may be on display in the waiting area.

An MMTC must at all times provide secure and logged access for all cannabis materials. This includes approved vaults or locked rooms. There must be at least two employees of the MMTC or an approved security provider on site at all times. All employees must wear proper identification badges and visitors must be logged in and wear a visitor badge while on the premises. The MMTC must report any suspected activity of loss, diversion or theft of cannabis materials within 24 hours of becoming aware of such an occurrence.

Florida Transportation Requirements

When transporting cannabis to dispensaries or to patients for delivery, a manifest must be prepared and transportation must be done using an approved vehicle. The cannabis must be stored in a separate, locked area of the vehicle and at all times while in transit there must be two people in a delivery vehicle. During deliveries, one person must remain with the vehicle. The delivery employees must at all times have identification badges. The manifest must include the following

information: (i) departure date and time; (ii) name, address and license number of the originating MMTC; (iii) name and address of the receiving entity; (iv) the quantity, form and delivery device of the cannabis; (v) arrival date and time; (vi) the make, model and license plate of the delivery vehicle; and (vii) the name and signatures of the MMTC delivery employees. These manifests must be kept by the MMTC for inspection for up to three years. During the delivery, a copy of the manifest is also provided to the recipient.

OMMU Inspections in Florida

The OMMU may conduct announced or unannounced inspections of MMTC's to determine compliance with applicable laws and regulations. The OMMU is to inspect an MMTC upon receiving a complaint or notice that the MMTC has dispensed cannabis containing mold, bacteria, or other contaminants that may cause an adverse effect to humans or the environment. The OMMU is to conduct at least a biennial inspection of each MMTC to evaluate the MMTC's records, personnel, equipment, security, sanitation practices, and quality assurance practices.

Cannabis License Approvals

The Corporation has been approved for and currently operates a number of cannabis licenses in the United States. As of the date hereof, all licenses described in the AIF, which is incorporated by reference in this Prospectus Supplement, are active and any such license or regulatory approval referenced therein as having expired or requiring regulatory renewal has since been renewed in the normal course of the business on the same terms, or substantially the same terms, as those described in the AIF.

CONSOLIDATED CAPITALIZATION

The following table sets forth the Corporation's consolidated capitalization as of December 31, 2020 on an actual basis, including the effect of the Arrangement and the January 2021 Offering. The following table is based on the audited consolidated balance sheet of the Corporation as at December 31, 2020 and should be read in conjunction with the audited financial statements of the Corporation for the years ended December 31, 2020 and 2019 and other information included in the documents incorporated by reference in this Prospectus Supplement, the Prospectus. In addition, as a result of the Offering, the Shareholders' Equity of the Corporation will increase by the amount of the net proceeds, less expenses, of the Offering and there will be additional Subordinate Voting Shares outstanding.

	As at December 31, 2020	As at December 31, 2020 after giving effect to the Arrangement and the January 2021 Offering
<u>Indebtedness</u>		
Total Debt ⁽¹⁾	184,521,087	184,521,087
<u>Shareholder Equity</u>		
Super Voting Shares ⁽²⁾	500,000	500,000
Proportionate Voting Shares ⁽³⁾ (presented on an as-converted to Subordinate Voting Shares basis)	29,311,088	29,311,088
Subordinate Voting Shares	194,085,615	203,963,601
Special Subordinate Voting Shares ⁽⁴⁾ (presented on an as-converted to Subordinate Voting Shares basis)	639	639
Redeemable LLC Units ⁽⁵⁾ (presented on an as-converted to Subordinate Voting Shares basis)	126,338,000	126,338,000
Shares to be issued in pending acquisitions ⁽⁶⁾ (presented on an as-converted to Subordinate Voting Shares basis)	—	15,875,449

Basic Shares Outstanding <i>(presented on an as-converted to Subordinate Voting Shares basis)</i>	350,235,342	375,988,777
Cresco Options ⁽⁷⁾	22,486,713	22,486,713
Restricted Stock Units ⁽⁸⁾	994,329	994,329
Deferred Shares to be issued ⁽⁹⁾	78,977	78,977
Warrants issued in acquisitions ⁽¹⁰⁾	1,956,900	6,621,728
Existing Cresco Warrants ⁽¹¹⁾	551,249	551,249
Warrants Issued in September 2019 Equity Offering ⁽¹²⁾	3,675,000	3,675,000
Fully-Diluted Outstanding	379,978,510	410,396,773

Notes:

- (1) US\$200,000,000 principal balance net of US\$19,137,252 in deferred financing fees and US\$3,658,339 of interest payable.
- (2) Each carrying 2,000 votes. In aggregate, Super Voting Shares (as defined in the Prospectus) represent approximately 79.8% voting control on a fully-diluted basis and inclusive of the securities issuable in a pending acquisition and equity raise.
- (3) Proportionate Voting Shares carry voting and economic rights proportionate to Subordinate Voting Shares. Each Proportionate Voting Share is convertible into 200 Subordinate Voting Shares.
- (4) As discussed in the Prospectus, in order to maintain foreign private issuer status, certain U.S. resident shareholders hold Special Subordinate Voting Shares rather than Subordinate Voting Shares. Special Subordinate Voting Shares carry voting and economic rights proportionate to Subordinate Voting Shares. Each Special Subordinate Voting Share is convertible into 0.00001 Subordinate Voting Shares. This table presents the Special Subordinate Voting Shares on an as-converted basis.
- (5) Redeemable LLC Units are convertible to Proportionate Voting Shares on a 200:1 basis and such Proportionate Voting Shares are convertible into Subordinate Voting Shares on a 1:200 basis.
- (6) Representing the aggregate number of securities issuable upon the achievement of certain performance milestones in the connection with the Arrangement.
- (7) 22,486,713 options outstanding at a weighted average exercise price of US\$3.96 per Subordinate Voting Share. 312,880 options outstanding relate to replacement options from the Origin House acquisition. 5,280,366 options reserved for future grants.
- (8) 994,329 restricted stock units outstanding at a weighted average exercise price of US\$6.54 per Subordinate Voting Share. 2,210 restricted stock units were liability classified as of December 31, 2020 at a weighted average exercise price of US\$9.86 per Subordinate Voting Share. 104,726 replacement restricted stock units are outstanding, issued in connection with the Origin House acquisition.
- (9) 78,977 replacement deferred shares are outstanding, issued in connection with the Origin House acquisition. 4,800,000 issuable shares are outstanding in connection with the Valley Ag acquisition, contingent on the achievement of certain performance milestones.
- (10) 1,956,900 warrants exercisable at US\$4.24 per Subordinate Voting Share, issuable in connection with the Valley Ag acquisition. 4,664,828 warrants exercisable at US\$1.00 – US\$1.01 per Subordinate Voting Share, issuable in connection with the Arrangement.
- (11) Each exercisable into one Subordinate Voting Share at a weighted-average price of \$9.56.
- (12) Each exercisable into one Subordinate Voting Share at a price of \$9.43

USE OF PROCEEDS

The net proceeds from the Offering are not determinable in light of the nature of the distribution. The net proceeds to the Corporation of any given distribution of Subordinate Voting Shares through the Agent in an "at-the-market distribution" will be the gross proceeds from the distribution less the applicable compensation payable to the Agent under the Equity Distribution Agreement and the Corporation's expenses of the distribution. The Corporation currently intends to use the net proceeds from the Offering principally for general corporate purposes (including funding ongoing operations and/or working capital requirements), to repay indebtedness outstanding from time to time, discretionary capital programs and potential future acquisitions. However, management of the Corporation will have broad discretion with respect to the actual use of the net proceeds from the Offering.

Although the Corporation intends to expend the net proceeds from the Offering as set forth above, there may be circumstances where, for sound business reasons, a reallocation of funds may be prudent or necessary, and may vary materially from that set forth above. See "Risk Factors".

As set forth in the audited financial statements of the Corporation for the years ended December 31, 2020 and 2019, the Corporation had negative cash flow from operating activities. While the Corporation does not intend to have negative cash flow from operating activities in future periods, in the event that the Corporation does experience negative cash flow from operating activities, all or a portion (as determined by the Corporation) of the net proceeds from the Offering may be used to fund such negative cash flow.

PLAN OF DISTRIBUTION

In accordance with the terms of the Equity Distribution Agreement, and except as noted herein, the Corporation may distribute up to US\$100,000,000 of Subordinate Voting Shares from time to time through the Agent as agent for the distribution of the Subordinate Voting Shares pursuant to the Offering.

Sales of Subordinate Voting Shares, if any, under this Prospectus Supplement and the Prospectus are anticipated to be made in transactions that are deemed to be "at-the-market distributions" as defined in NI 44-102, involving sales made directly on the CSE or any other recognized Marketplace. Subject to the terms and conditions of the Equity Distribution Agreement and upon receipt of instructions provided by the Corporation, the Agent, or selling agent thereof, will use its commercially reasonable efforts, consistent with its normal trading and sales practices, applicable laws and the applicable rules of the CSE or any other applicable Marketplace, to sell the Subordinate Voting Shares directly on the CSE or any other applicable Marketplace in accordance with the parameters specified by the Corporation. The Subordinate Voting Shares will be distributed at market prices prevailing at the time of the sale of such Subordinate Voting Shares. As a result, prices may vary as between purchasers and during the period of distribution.

The Corporation will instruct the Agent as to the number of Subordinate Voting Shares to be sold by the Agent from time to time by sending the Agent a notice (a "**Placement Notice**") that requests that the Agent sell up to a specified dollar amount or a specified number of Subordinate Voting Shares and specifies any parameters in accordance with which the Corporation requires that the Subordinate Voting Shares be sold. The parameters set forth in a Placement Notice may not conflict with the provisions of the Equity Distribution Agreement. The Corporation or the Agent may suspend the Offering upon proper notice and subject to other conditions set forth in the Equity Distribution Agreement.

Settlement for sales of Subordinate Voting Shares will occur on the second business day following the date on which any sales are made, or on such earlier date as is then current industry practice for regular-way trading, in return for payment of the net proceeds to the Corporation. There is no arrangement for funds to be received in an escrow, trust or similar arrangement. Sales of Subordinate Voting Shares will be settled through the facilities of CDS Clearing and Depository Services Inc. or by such other means as permitted by the Equity Distribution Agreement.

No underwriter of the Offering, and no person or company acting jointly or in concert with an underwriter, may, in connection with the distribution, enter into any transaction that is intended to stabilize or maintain the market price of the Subordinate Voting Shares, including selling an aggregate number or principal amount of Subordinate Voting Shares that would result in the underwriter creating an over-allocation position in the Subordinate Voting Shares.

The Corporation will also disclose the number and average price of Subordinate Voting Shares sold, as well as the total gross proceeds, commission and net proceeds from sales hereunder, in the ordinary course in its annual and interim financial statements or associated management's discussion and analysis filed on SEDAR at www.sedar.com.

There is no minimum amount of funds that must be raised under the Offering. This means that the Offering may terminate after only raising a small portion of the offering amount set out herein, or none at all. An investor will not be entitled to a return of its investment if only a portion of the disclosed maximum offering amount set out herein is in fact raised.

In connection with the sale of the Subordinate Voting Shares on behalf of the Corporation, the Agent will be an underwriter as defined in applicable securities legislation in Canada, and the compensation of the Agent will be deemed to be underwriting commissions or discounts. Pursuant to the terms of the Equity Distribution Agreement, the Corporation will compensate the Agent for its services in acting as agent in the sale of the Subordinate Voting Shares pursuant to the Offering in an amount equal to 2% of the gross proceeds from sales of the Subordinate Voting Shares made on the CSE or another applicable Marketplace. The Corporation estimates that the total expenses that it will incur for the Offering (including fees payable to stock exchanges, securities regulatory authorities, its counsel, its auditors and counsel to the Agent, but excluding compensation payable to the Agent under the terms of the Equity Distribution Agreement) will be approximately US\$500,000.

The Offering will terminate upon the earlier of: (i) the sale of all Subordinate Voting Shares subject to the Equity Distribution Agreement by the Agent; (ii) the receipt issued for the Prospectus ceasing to be effective in accordance with applicable securities laws; and (iii) termination of the Equity Distribution Agreement in accordance with its terms. The Corporation and the Agent may each terminate the Equity Distribution Agreement in their sole discretion at any time by

giving 15 days prior written notice to the other party or under the circumstances specified in the Equity Distribution Agreement.

The Corporation has agreed to indemnify and provide contribution to the Agent against or in respect of, among other things, certain civil liabilities, including liabilities under applicable securities legislation in Canada.

The Corporation has given notice to the CSE to list the Subordinate Voting Shares offered by this Prospectus Supplement and the Prospectus on the CSE. Listing will be subject to the Corporation fulfilling all of the listing requirements of the CSE.

The Subordinate Voting Shares offered hereby have not been and will not be registered under the U.S. Securities Act, or the securities laws of any state of the United States, and may not be offered, sold or delivered, directly or indirectly, in the United States, or to a U.S. Person unless exemptions from the registration requirements of the U.S. Securities Act and any applicable state securities laws are available. This Prospectus Supplement does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States or to, or for the account or benefit of, any U.S. Person.

A copy of the Equity Distribution Agreement can be obtained under the Corporation's profile on SEDAR at www.sedar.com.

ELIGIBILITY FOR INVESTMENT

In the opinion of Bennett Jones LLP, counsel to the Corporation, and Blake, Cassels & Graydon LLP, counsel to the Agent, based on the current provisions of the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "**Tax Act**") in force as of the date hereof and specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof, the Subordinate Voting Shares offered hereby, if issued on the date hereof, would be qualified investments at the time of the acquisition thereof for trusts governed by a registered retirement savings plan, registered retirement income fund, registered education savings plan, registered disability savings plan, tax-free savings account (collectively, "**Registered Plans**") or deferred profit sharing plan, provided that at such time the Subordinate Voting Shares are listed on a designated stock exchange for the purposes of the Tax Act (which currently includes the CSE) or the Corporation qualifies as a "public corporation" (as defined in the Tax Act).

Notwithstanding the foregoing, the holder, annuitant or subscriber of a Registered Plan (the "**Controlling Individual**") will be subject to a penalty tax in respect of Subordinate Voting Shares held in the Registered Plan if such securities are a prohibited investment for the particular Registered Plan. A Subordinate Voting Share generally will not be a "prohibited investment" for a Registered Plan unless the Controlling Individual does not deal at arm's length with the Corporation for the purposes of the Tax Act or the Controlling Individual has a "significant interest" (as defined in subsection 207.01(4) of the Tax Act) in the Corporation. In addition, the Subordinate Voting Shares will generally not be "prohibited investments" if such securities are "excluded property" (as defined in subsection 207.01(1) of the Tax Act) for a Registered Plan. Controlling Individuals should consult their own tax advisors as to whether the Subordinate Voting Shares will be a prohibited investment in their particular circumstances.

Persons who intend to hold Subordinate Voting Shares offered hereby in a Registered Plan or deferred profit sharing plan should consult their own tax advisors with regard to the application of these rules in their particular circumstances.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary, as of the date hereof, of the principal Canadian federal income tax considerations under the Tax Act generally applicable to holders who acquire Subordinate Voting Shares pursuant to the Offering and who, at all relevant times, for purposes of the Tax Act and any applicable income tax treaty or convention: (i) hold the Subordinate Voting Shares as capital property; (ii) deal at arm's length with the Corporation and the Agent; (iii) are not affiliated with the Corporation or the Agent; and (iv) are, or are deemed to be, resident in Canada (each a "**Resident Holder**"). Generally, the Subordinate Voting Shares will be considered to be capital property to a holder provided that the holder does not acquire or hold the Subordinate Voting Shares in the course of carrying on a business of trading or dealing in securities or as part of one or more transactions considered to be an adventure or concern in the nature of trade. Resident Holders whose Subordinate Voting Shares might not otherwise qualify as capital property may in certain circumstances make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Subordinate Voting Shares and

every other "Canadian security" (as defined in the Tax Act) owned by such Resident Holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Resident Holders should consult their own tax advisors with respect to whether the election is available and advisable in their particular circumstances.

This summary is not applicable to a Resident Holder of Subordinate Voting Shares: (i) that is a "financial institution" for the purposes of the mark-to-market rules contained in the Tax Act or a "specified financial institution" as defined in the Tax Act; (ii) an interest in which is a "tax shelter investment" for the purposes of the Tax Act; (iii) that has made a functional currency reporting election pursuant to section 261 of the Tax Act; (iv) that has entered into, or will enter into, a "derivative forward agreement" or "synthetic disposition arrangement" (each as defined in the Tax Act) with respect to its Subordinate Voting Shares; or (v) that receives dividends on its Subordinate Voting Shares under or as part of a "dividend rental arrangement" (as defined in the Tax Act). **Such Resident Holders should consult their own tax advisors.**

In addition, this summary does not address the deductibility of interest by a Resident Holder that has borrowed money or otherwise incurred debt to acquire Subordinate Voting Shares pursuant to the Offering.

Additional considerations not discussed herein may apply to a Resident Holder that is a corporation resident in Canada and that is or becomes (or that does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes), as part of a transaction or event or a series of transactions or events that includes the transactions described in this Prospectus Supplement, controlled by a non-resident person (or group of non-resident persons that do not deal with each other at arm's length) for purposes of the "foreign affiliate dumping" rules in Section 212.3 of the Tax Act. **Such Resident Holders should consult their own tax advisors with respect to purchasing Subordinate Voting Shares pursuant to the Offering.**

This summary is based on the current provisions of the Tax Act in force on the date hereof, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Prospectus Supplement (the "**Proposed Amendments**") and on the Corporation's counsel's understanding of the current administrative practices and assessing policies of the Canada Revenue Agency (the "**CRA**") publicly available prior to the date hereof. This summary assumes that the Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account or anticipate any changes in the law or in the administrative practices or assessing policies of CRA, whether by legislative, governmental, administrative or judicial decision or action, nor does it take into account or consider other federal or any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein.

This summary is not exhaustive of all possible Canadian federal income tax considerations applicable to a Resident Holder in respect of the transactions described herein. The income or other tax consequences will vary depending on the particular circumstances of the Resident Holder, including the province or provinces in which the Resident Holder resides or carries on business. Accordingly, this summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Resident Holder, and no representations with respect to the income tax consequences to any particular Resident Holder are made. Moreover, no advance income tax ruling has been applied for or obtained from the CRA to confirm the tax consequences of any of the transactions described herein. Resident Holders should consult their own legal and tax advisors for advice with respect to the tax consequences of the transactions described in this Prospectus Supplement based on their particular circumstances.

Dividends on Subordinate Voting Shares

Dividends received or deemed to be received on Subordinate Voting Shares will be included in computing a Resident Holder's income. In the case of an individual (other than certain trusts), such dividends will be subject to the gross-up and dividend tax credit rules normally applicable in respect of "taxable dividends" received from "taxable Canadian corporations" (each as defined in the Tax Act). An enhanced dividend tax credit will be available to individuals in respect of "eligible dividends" (as defined in the Tax Act) designated by the Corporation to the Resident Holder in accordance with the provisions of the Tax Act. There may be limitations on the ability of the Corporation to designate dividends as "eligible dividends".

Dividends received or deemed to be received on Subordinate Voting Shares by a Resident Holder that is a corporation will be required to be included in computing the corporation's income for the taxation year in which such dividends are received, but such dividends will generally be deductible in computing the corporation's taxable income. In certain circumstances, subsection 55(2) of the Tax Act may deem a taxable dividend received (or deemed to be received) by a Resident Holder that is a corporation to be proceeds of disposition or a capital gain. **Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.**

A Resident Holder that is a "private corporation" (as defined in the Tax Act) or any other corporation controlled, whether because of a beneficial interest in one or more trusts or otherwise, by or for the benefit of an individual (other than a trust) or related group of individuals (other than trusts), will generally be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received on Subordinate Voting Shares to the extent that such dividends are deductible in computing the Resident Holder's taxable income for the taxation year.

Dividends received by a Resident Holder who is an individual (including certain trusts) may result in such Resident Holder being liable for minimum tax under the Tax Act. **Resident Holders who are individuals should consult their own tax advisors in this regard.**

A Resident Holder may be subject to United States withholding tax on dividends received on the Subordinate Voting Shares (see "*Certain United States Federal Income Tax Considerations*"). Any United States withholding tax paid by or on behalf of a Resident Holder in respect of dividends received on the Subordinate Voting Shares by a Resident Holder may be eligible for foreign tax credit or deduction treatment where applicable under the Tax Act. Generally, a foreign tax credit in respect of a tax paid to a particular foreign country is limited to the Canadian tax otherwise payable in respect of income sourced in that country. Dividends received on the Subordinate Voting Shares by a Resident Holder may not be treated as income sourced in the United States for these purposes. **Resident Holders should consult their own tax advisors with respect to the availability of any foreign tax credits or deductions under the Tax Act in respect of any United States withholding tax applicable to dividends on the Subordinate Voting Shares.**

Dispositions of Subordinate Voting Shares

Upon a disposition or deemed disposition of Subordinate Voting Shares (other than a disposition to the Corporation that is not a sale in the open market in the manner in which shares would normally be purchased by any member of the public in an open market), a capital gain (or capital loss) will generally be realized by a Resident Holder to the extent that the proceeds of disposition are greater (or less) than the aggregate of the adjusted cost base of the Subordinate Voting Shares to the Resident Holder immediately before the disposition and any reasonable costs of disposition. For the purposes of determining the adjusted cost base of a Resident Holder's Subordinate Voting Shares, the cost of the Subordinate Voting Shares acquired pursuant to the Offering by such Resident Holder must generally be averaged with the adjusted cost base of all other Subordinate Voting Shares held by the Resident Holder as capital property. Such capital gain (or capital loss) will be subject to the treatment described below under "*Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

One-half of any capital gain (a "**taxable capital gain**") realized in a taxation year must generally be included in a Resident Holder's income for such year. One-half of any capital loss (an "**allowable capital loss**") realized in a taxation year will generally be deductible by a Resident Holder against taxable capital gains realized in that year, and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or in any subsequent year (against taxable capital gains realized in such years) to the extent and under the circumstances described in the Tax Act.

If the Resident Holder is a corporation, the amount of any capital loss realized on the disposition or deemed disposition of Subordinate Voting Shares may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such shares or shares substituted for such shares to the extent and in the circumstances specified by the Tax Act. Analogous rules may apply where a corporation is a member of a partnership or a beneficiary of a trust that owns Subordinate Voting Shares, directly or indirectly, through a partnership or trust. Resident Holders to whom these rules may be relevant should consult their own tax advisors.

Taxable capital gains realized by a Resident Holder who is an individual may give rise to alternative minimum tax depending on the Resident Holder's circumstances.

A Resident Holder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on certain investment income, including an amount in respect of a taxable capital gain arising from the disposition of a Subordinate Voting Share.

A Resident Holder may be subject to United States tax on a gain realized on the disposition of a Subordinate Voting Share (see "*Certain United States Federal Income Tax Considerations*"). United States tax, if any, levied on any gain realized on a disposition of a Subordinate Voting Share may be eligible for a foreign tax credit under the Tax Act to the extent and under the circumstances described in the Tax Act. Generally, a foreign tax credit in respect of a tax paid to a particular foreign country is limited to the Canadian tax otherwise payable in respect of income sourced in that country. Gains realized on the disposition of a Subordinate Voting Share by a Resident Holder may not be treated as income sourced in the United States for these purposes. **Resident Holders should consult their own tax advisors with respect to the availability of a foreign tax credit, having regard to their own particular circumstances.**

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following discussion is a summary of certain material U.S. federal income tax considerations for Non-U.S. Holders (as defined below) relating to the ownership and disposition of the Subordinate Voting Shares. This summary is general in nature and does not discuss all aspects of U.S. federal income taxation that may be relevant to a holder of the Subordinate Voting Shares in light of its particular circumstances. In addition, this summary does not address the U.S. federal alternative minimum tax, the Medicare tax on net investment income, U.S. federal estate and gift taxes, U.S. state and local taxes or foreign taxes. This summary deals only with Subordinate Voting Shares held as capital assets within the meaning of Section 1221 of the Internal Revenue Code of 1986 as amended (the "**Code**"), (generally, property held for investment), and does not address tax considerations applicable to any holder of Subordinate Voting Shares that may be subject to special treatment under the United States federal income tax laws, including:

- a bank or other financial institution;
- a tax-exempt or governmental organization;
- a retirement plan or other tax-deferred account;
- a partnership or other entity treated as a partnership or pass-through (or an investor therein);
- an insurance company;
- a mutual fund, regulated investment company or real estate investment trust;
- a person that purchases or sells Subordinate Voting Shares as part of a wash sale for tax purposes;
- a dealer or broker in stocks and securities, or currencies;
- a trader in securities that elects mark-to-market treatment;
- a holder of Subordinate Voting Shares subject to the alternative minimum tax provisions of the Code;
- a holder of Subordinate Voting Shares that received Subordinate Voting Shares through the exercise of an employee stock option, through a tax qualified retirement plan or otherwise as compensation;
- a person that owns (or is deemed to own) 5% or more of the outstanding Subordinate Voting Shares;
- a person that holds Subordinate Voting Shares as part of a hedge, straddle, constructive sale, conversion or other integrated transaction;
- "**controlled foreign corporations**" within the meaning of the Code;
- "**passive foreign investment companies**" within the meaning of the Code; or

- a U.S. expatriate.

This summary is based on the Code, treasury regulations promulgated under the Code ("**Treasury Regulations**"), and rulings and judicial decisions, all as in effect as of the date hereof, and all of which are subject to change or differing interpretations at any time, possibly with retroactive effect. We have not sought, and do not intend to seek, any ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and no assurance can be given that the IRS will agree with the views expressed herein, or that a court will not sustain any challenge by the IRS in the event of litigation.

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds the Subordinate Voting Shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. A partner in a partnership holding the Subordinate Voting Shares should consult its own tax advisors regarding the tax consequences of acquiring, holding and disposing of the Subordinate Voting Shares.

THIS DISCUSSION IS INTENDED ONLY AS A GENERAL SUMMARY OF CERTAIN MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO A HOLDER OF THE SUBORDINATE VOTING SHARES AND SHOULD BE READ IN CONJUNCTION WITH THE DISCUSSION OF CANADIAN TAX CONSIDERATIONS HEREIN. WE URGE BENEFICIAL OWNERS OF THE SUBORDINATE VOTING SHARES TO CONSULT THEIR OWN TAX ADVISORS WITH RESPECT TO THE SPECIFIC TAX CONSEQUENCES OF THE OFFERING.

Non-U.S. Holders

A "**Non-U.S. Holder**" is a beneficial owner of the Subordinate Voting Shares other than an entity or arrangement classified as a partnership for U.S. federal income tax purposes that is not a U.S. Holder (as defined in the Prospectus).

Tax Classification as a U.S. Domestic Corporation

The Corporation is treated as a United States corporation for United States federal income tax purposes under Section 7874 of the Code and is subject to United States federal income tax on its worldwide income, notwithstanding that the Corporation is organized under the provisions of the *Business Corporations Act* (British Columbia) in Canada.

Tax Considerations for Non-U.S. Holders

Distributions on Subordinate Voting Shares

The Corporation has not and does not foresee making distributions with respect to its Subordinate Voting Shares. Distributions of cash or property on Subordinate Voting Shares will constitute U.S. source dividends for U.S. federal income tax purposes to the extent paid from the Corporation's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess thereof will first constitute a return of capital and be applied against and reduce a Non-U.S. Holder's adjusted tax basis in its Subordinate Voting Shares, but not below zero, and thereafter be treated as capital gain and will be treated as described under "*Sale or Other Taxable Disposition*" below.

Subject to the discussions under "*Information Reporting and Backup Withholding*" above and under "*FATCA*" below, any dividend paid to a Non-U.S. Holder of Subordinate Voting Shares generally will be subject to U.S. federal withholding tax at a rate of 30%, or such lower rate as may be specified under an applicable income tax treaty, unless the dividend is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the U.S.. In order to receive a reduced treaty rate, a Non-U.S. Holder must provide its financial intermediary with an IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable (or an appropriate successor form), properly certifying such holder's eligibility for the reduced rate. If a Non-U.S. Holder holds Subordinate Voting Shares through a financial institution or other agent acting on the Non-U.S. Holder's behalf, the Non-U.S. Holder will be required to provide appropriate documentation to such agent, and the Non-U.S. Holder's agent will then be required to provide such (or a similar) certification to us, either directly or through other intermediaries. A Non-U.S. Holder that does not timely furnish the required certification, but that qualifies for a reduced treaty rate, generally may apply for and obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their own tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

Dividends paid to a Non-U.S. Holder that are effectively connected with the Non-U.S. Holder's conduct of a trade or business in the U.S. (or, if required by an applicable income tax treaty, are attributable to a U.S. permanent establishment, or fixed base, of the Non-U.S. Holder) generally will be exempt from the withholding tax described above and instead will be subject to U.S. federal income tax on a net income basis at regular graduated U.S. federal income tax rates applicable to U.S. Holders. In such case, the Corporation will not have to withhold U.S. federal tax so long as the Non-U.S. Holder timely complies with the applicable certification and disclosure requirements. In order to obtain this exemption from withholding tax, a Non-U.S. Holder must provide its financial intermediary with an IRS Form W-8ECI properly certifying its eligibility for such exemption. Any such effectively connected dividends received by a corporate Non-U.S. Holder may be subject to an additional "branch profits tax" at a rate of 30% (or such lower rate as may be specified by an applicable income tax treaty), as adjusted for certain items. Non-U.S. Holders should consult their own tax advisors regarding any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition of Subordinate Voting Shares

Subject to the discussions under *"Information Reporting and Backup Withholding"* above and under *"FATCA"* below, any gain realized on the sale or other disposition of Subordinate Voting Shares by a Non-U.S. Holder generally will not be subject to U.S. federal income tax unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business in the U.S. (or, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment, or fixed base, of the Non-U.S. Holder);
- the Non-U.S. Holder is an individual who is present in the United States for 183 days or more in the taxable year of disposition, and certain other conditions are met; or
- the rules of the Foreign Investment in Real Property Tax Act of 1980 ("**FIRPTA**") apply to treat the gain as effectively connected with a U.S. trade or business.

A Non-U.S. Holder who has gain that is described in the first bullet point immediately above generally will be subject to U.S. federal income tax on the gain derived from the sale or other disposition pursuant to regular graduated U.S. federal income tax rates in the same manner as if it were a U.S. Holder. In addition, a corporate Non-U.S. Holder described in the first bullet point immediately above may be subject to the branch profits tax equal to 30% of its effectively connected earnings and profits (or at such lower rate as may be specified by an applicable income tax treaty), as adjusted for certain items.

A Non-U.S. Holder who meets the requirements described in the second bullet point immediately above will be subject to a flat 30% tax (or a lower tax rate specified by an applicable tax treaty) on the gain derived from the sale or other disposition, which gain may be offset by certain U.S. source capital losses (even though the individual is not considered a resident of the U.S.), provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, pursuant to FIRPTA, in general, a Non-U.S. Holder is subject to U.S. federal income tax in the same manner as a U.S. Holder on any gain realized on the sale or other disposition of a "**U.S. real property interest**" ("**USRPI**"). For purposes of these rules, a USRPI generally includes stock in a U.S. corporation if such corporation's interests in U.S. real property constitute 50% or more, by value, of the sum of the U.S. corporation's (i) assets used in a trade or business, (ii) U.S. real property interests, and (iii) interests in real property outside of the U.S. A U.S. corporation whose interests in U.S. real property constitute 50% or more, by value, of the sum of such assets is commonly referred to as a U.S. real property holding corporation ("**USRPHC**"). If Subordinate Voting Shares are treated as regularly traded on an established securities market (within the meaning of Section 897(c)(3) of the Code), FIRPTA generally will not apply to a disposition of Subordinate Voting Shares by a Non-U.S. Holder that owns directly (or is deemed to own pursuant to attribution rules) 5% or less of the Subordinate Voting Shares at any time during the relevant period, in which case such gain will be subject to U.S. federal income tax at rates generally applicable to U.S. Holders, except that the branch profits tax will not apply. The Corporation does not expect to be classified as a USRPHC. However, such determination is factual in nature and subject to change and no assurance can be provided as to whether the Corporation will be a USRPHC with respect to a Non-U.S. holder at any future time.

Information Reporting and Backup Withholding

With respect to distributions and dividends on Subordinate Voting Shares, the Corporation must report annually to the IRS and to each Non-U.S. Holder the amount of distributions and dividends paid to such Non-U.S. Holder and any tax withheld with respect to such distributions and dividends, regardless of whether withholding was required with respect thereto. Copies of the information returns reporting such dividends and distributions and withholding also may be made available to the tax authorities in the country in which the Non-U.S. Holder resides or is established under the provisions of an applicable income tax treaty, tax information exchange agreement or other arrangement. A Non-U.S. Holder will be subject to backup withholding for dividends and distributions paid to such Non-U.S. Holder unless either (i) such Non-U.S. Holder certifies under penalty of perjury that it is not a U.S. person (as defined in the Code), which certification is generally satisfied by providing a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-8ECI (or appropriate successor form), and the payor does not have actual knowledge or reason to know that such holder is a U.S. person, or (ii) such Non-U.S. Holder otherwise establishes an exemption.

With respect to sales or other dispositions of Subordinate Voting Shares, information reporting and, depending on the circumstances, backup withholding will apply to the proceeds of a sale or other disposition of Subordinate Voting Shares within the U.S. or conducted through certain U.S.-related financial intermediaries, unless either (i) such Non-U.S. Holder certifies under penalty of perjury that it is not a U.S. person (as defined in the Code), which certification is generally satisfied by providing a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-8ECI (or appropriate successor form), and the payor does not have actual knowledge or reason to know that such holder is a U.S. person, or (ii) such Non-U.S. Holder otherwise establishes an exemption.

Whether with respect to distributions and dividends, or the sale or other disposition of Subordinate Voting Shares, backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, if any, provided the required information is timely furnished to the IRS.

FATCA

Withholding taxes may be imposed pursuant to the *Foreign Account Tax Compliance Act* ("**FATCA**") (Sections 1471 through 1474 of the Code) on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, except as discussed below, a 30% withholding tax may be imposed on dividends on Subordinate Voting Shares paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code).

Such 30% FATCA withholding will not apply to a foreign financial institution if such institution undertakes certain diligence and reporting obligations, or otherwise qualifies for an exemption from these rules. The diligence and reporting obligations include, among others, entering into an agreement with the U.S. Department of Treasury pursuant to which the foreign financial institution must (i) undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), (ii) annually report certain information about such accounts, and (iii) withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the U.S. governing FATCA may be subject to different rules.

The 30% FATCA withholding will not apply to a non-financial foreign entity which either certifies that it does not have any "substantial United States owners" (as defined in the Code), furnishes identifying information regarding each substantial United States owner, or otherwise qualifies for an exemption from these rules.

THE FOREGOING SUMMARY IS NOT INTENDED TO CONSTITUTE A COMPLETE DESCRIPTION OF ALL TAX CONSEQUENCES THAT MAY BE RELEVANT TO PARTICULAR HOLDERS OF SUBORDINATE VOTING SHARES AND IS NOT TAX OR LEGAL ADVICE. HOLDERS OF SUBORDINATE VOTING SHARES SHOULD ALSO REVIEW THE DISCLOSURE CONCERNING CANADIAN TAX CONSIDERATIONS AND SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM (INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL, NON-U.S. INCOME AND OTHER TAX LAWS) OF ACQUIRING, HOLDING AND DISPOSING OF SUBORDINATE VOTING SHARES.

PRIOR SALES

The following summarizes the Subordinate Voting Shares or securities convertible into, or exercisable to acquire, Subordinate Voting Shares that have been issued by the Corporation during the 12 months prior to the date of this Prospectus Supplement:

Date Issued	Number of Cresco Securities	Issue Price per Security	Aggregate Issue Price	Nature of Consideration
April 23, 2020	15,494	US\$1.00	US\$15,494	Cash (exercise of options)
April 24, 2020	30,980	\$6.03	\$186,809	Share Issuance (exercise of restricted stock units)
April 29, 2020	293,427	US\$4.36	US\$1,279,342	Acquisition Termination Fee (in connection with the termination agreement which cancelled the purchase agreement to acquire interest in Tryke Companies, LLC)
April 29, 2020	90,136	US\$3.90	US\$351,530	Purchase Consideration (in connection with the acquisition of MedMar Inc.)
May 7, 2020	970,341	\$4.65 - \$6.40	\$4,701,648	Share Conversion (in connection with the acquisition of Origin House)
May 7, 2020	451,003	US\$3.32	US\$1,497,330	Purchase Consideration (in connection with the acquisition of Valley Agriceuticals, LLC)
May 7, 2020	181,041	\$4.65	\$841,841	Share Issuance (exercise of restricted stock units)
May 19, 2020	43,334	US\$3.75	US\$162,503	Share Issuance (issuance of shares)
May 19, 2020	28,571	US\$1.00	US\$28,571	Cash (exercise of options)
May 19, 2020	1,087,836	US\$2.96	US\$3,219,995	Purchase Consideration (in connection with the acquisition of Origin House)
May 21, 2020	33,005	\$5.66	\$186,808	Share Issuance (exercise of restricted stock units)
June 4, 2020	151,663	\$6.47	\$981,260	Share Issuance (exercise of restricted stock units)
June 8, 2020	5,669	US\$3.75	US\$21,259	Cash (exercise of options)
June 8, 2020	1,161,332	US\$4.65 – US\$4.85	US\$5,599,387	Share Conversion (redeemable shares)
June 11, 2020	280,667	US\$4.72	US\$1,324,748	Share Conversion (redeemable shares)

Date Issued	Number of Cresco Securities	Issue Price per Security	Aggregate Issue Price	Nature of Consideration
June 11, 2020	9,731	\$6.47	\$62,960	Share Issuance (exercise of restricted stock units)
June 11, 2020	26,563	US\$1.14 - US\$3.75	US\$34,256	Cash (exercise of options)
June 16, 2020	274,500	US\$2.51	US\$688,995	Share Issuance (share issuance of restricted stock units)
June 16, 2020	398,555	\$5.13 - \$6.55	\$2,308,802	Share Issuance (exercise of restricted stock units)
June 16, 2020	5,245	US\$6.86	US\$35,981	Share Issuance (share issuance of restricted stock units)
June 23, 2020	35,300	\$5.98	\$211,094	Cash (at-the-market program)
June 24, 2020	3,500	\$5.93	\$20,755	Cash (at-the-market program)
June 24, 2020	73,515	\$6.82	\$501,372	Share Issuance (exercise of restricted stock units)
June 24, 2020	84,683	\$6.82	\$577,538	Share Issuance (exercise of restricted stock units)
June 24, 2020	75,495	\$5.73	\$432,586	Share Conversion (in connection with the acquisition of Origin House)
June 25, 2020	16,000	\$5.90	\$94,400	Cash (at-the-market program)
July 6, 2020 - July 31, 2020	667,000	\$5.41 - \$7.51	\$4,237,190	Cash (at-the-market program)
July 7, 2020	200,000	US\$4.10	US\$820,000	Share Conversion (redeemable shares)
July 7, 2020	45,686	US\$2.25	US\$102,717	Cash (exercise of options)
July 7, 2020	1,887	\$5.70	\$10,756	Share Issuance (exercise of restricted stock units)
July 7, 2020	2,331	\$5.70	\$13,287	Share Issuance (exercise of restricted stock units)
July 15, 2020	30,719	\$6.19	\$190,151	Share Issuance (exercise of restricted stock units)
July 15, 2020	1,000,000	US\$5.12	US\$5,120,000	Share Conversion (redeemable shares)

Date Issued	Number of Cresco Securities	Issue Price per Security	Aggregate Issue Price	Nature of Consideration
July 22, 2020	5,253	US\$2.99	US\$15,706	Share Issuance (share issuance of restricted stock units)
July 22, 2020	372	US\$2.99	US\$1,112	Share Issuance (share issuance of restricted stock units)
July 23, 2020	54,761	\$6.95 - \$6.70	\$373,618	Share Issuance (exercise of restricted stock units)
July 23, 2020	100,000	US\$1.00	US\$100,000	Cash (exercise of options)
July 29, 2020	27,113	\$6.89	\$186,809	Share Issuance (exercise of restricted stock units)
July 29, 2020	200,000	US\$5.12	US\$1,024,000	Share Conversion (redeemable shares)
July 29, 2020	237,500	US\$1.14 - US\$2.25	US\$340,125	Cash (exercise of options)
August 4, 2020	27,400	\$7.69	\$210,706	Cash (at-the-market program)
August 5, 2020	10,618	\$8.10	\$86,006	Share Issuance (exercise of restricted stock units)
August 5, 2020	12,585	\$8.10	\$101,939	Share Issuance (exercise of restricted stock units)
August 12, 2020	69,959	\$7.56 - \$8.42	\$560,424	Share Issuance (exercise of restricted stock units)
August 12, 2020	19,128	US\$5.61	US\$107,308	Purchase Consideration (in connection with the acquisition of MedMar Inc.)
August 12, 2020	138,750	US\$1.00 - US\$1.14	US\$140,675	Cash (exercise of options)
August 20, 2020	252,000	US\$7.18 - US\$7.66	US\$1,857,360	Share Conversion (redeemable shares)
August 20, 2020	39,585	\$9.31 - 9.57	\$373,612	Share Issuance (exercise of restricted stock units)
August 20, 2020	91,642	US\$1.00 - US\$2.25	US\$154,142	Cash (exercise of options)
August 21, 2020	4,000,000	US\$6.71	US\$26,840,000	Share Conversion (redeemable shares)
August 28, 2020	1,500,000	US\$6.98	US\$10,470,000	Share Conversion (redeemable shares)

Date Issued	Number of Cresco Securities	Issue Price per Security	Aggregate Issue Price	Nature of Consideration
August 28, 2020	10,000	US\$2.25	US\$22,500	Cash (exercise of options)
September 2, 2020	735	\$7.65	\$5,623	Cash (exercise of options)
September 2, 2020	48,605	US\$1.00 - US\$1.14	US\$53,290	Cash (exercise of options)
September 2, 2020	752	\$7.99	\$6,008	Share Issuance (exercise of restricted stock units)
September 2, 2020	654	\$7.99	\$5,225	Share Issuance (exercise of restricted stock units)
September 10, 2020	56,628	\$5.31	\$300,695	Cash (exercise of options)
September 10, 2020	15,000	US\$3.75	US\$56,250	Cash (exercise of options)
September 10, 2020	350,000	US\$6.93	US\$2,425,500	Share Conversion (redeemable shares)
September 24, 2020	24,591	US\$1.00 - US\$3.75	US\$74,617	Cash (exercise of options)
September 24, 2020	77,124	\$7.25 - \$7.30	\$560,429	Share Issuance (exercise of restricted stock units)
September 24, 2020	200,000	US\$5.80	US\$1,160,000	Share Conversion (redeemable shares)
October 5, 2020	10,000	\$7.83	\$78,300	Share Issuance (exercise of restricted stock units)
October 5, 2020	18,440	US\$2.25	US\$41,490	Cash (exercise of options)
October 12, 2020	492,170	\$9.56	\$4,705,145	Share Conversion (in connection with the acquisition of Origin House)
October 12, 2020	46,474	\$7.83 - \$8.26	\$373,616	Share Issuance (exercise of restricted stock units)
October 12, 2020	997,458	US\$6.90 - US\$7.13	US\$6,923,310	Share Conversion (redeemable shares)
November 3, 2020	41,156	\$5.31	\$218,538	Cash (exercise of options)
November 3, 2020	510,000	US\$7.14	US\$3,641,400	Share Conversion (redeemable shares)
November 3, 2020	20,044	\$9.32	\$186,810	Share Issuance (exercise of restricted stock units)

Date Issued	Number of Cresco Securities	Issue Price per Security	Aggregate Issue Price	Nature of Consideration
November 3, 2020	34,375	\$8.50	\$292,188	Cash (exercise of warrants)
November 20, 2020	54,825	US\$4.56	US\$250,002	Cash (exercise of options)
November 20, 2020	1,450,000	US\$7.56 - US\$8.77	US\$12,392,000	Share Conversion (redeemable shares)
November 20, 2020	18,775	\$9.95	\$186,811	Share Issuance (exercise of restricted stock units)
November 20, 2020	17,187	\$8.50	\$146,090	Cash (exercise of warrants)
November 23, 2020	18,253	\$6.09	\$111,161	Cash (exercise of warrants)
December 1, 2020	1,500,000	US\$10.06	US\$15,090,000	Share Conversion (redeemable shares)
December 4, 2020	759	US\$4.11	US\$3,119	Share Issuance (share issuance of restricted stock units)
December 4, 2020	6,530	US\$4.11	US\$26,838	Share Issuance (share issuance of restricted stock units)
December 7, 2020	107,969	US\$10.06	US\$1,086,168	Purchase Consideration (in connection with the acquisition of MedMar Inc.)
December 7, 2020	146,092	\$8.50	\$1,241,782	Cash (exercise of warrants)
December 7, 2020	28,300	US\$4.24	US\$119,992	Cash (exercise of warrants)
December 7, 2020	15,858	\$11.78	\$186,807	Share Issuance (exercise of restricted stock units)
December 14, 2020	84,428	US\$2.25 - US\$5.90	US\$200,924	Cash (exercise of options)
December 14, 2020	506,457	\$13.00 - \$13.13	\$6,584,203	Share Issuance (exercise of restricted stock units)
December 14, 2020	581,863	\$13.00 - \$13.13	\$7,564,323	Share Issuance (exercise of restricted stock units)
December 15, 2020	3,237	\$7.65	\$24,763	Cash (exercise of options)
December 23, 2020	2,000	US\$5.39	US\$10,780	Cash (exercise of options)
January 6, 2021	27,648	\$12.55 - 12.85	\$351,482	Share Issuance (exercise of restricted stock units)

Date Issued	Number of Cresco Securities	Issue Price per Security	Aggregate Issue Price	Nature of Consideration
January 6, 2021	2,800	US\$4.24	US\$11,872	Cash (exercise of warrants)
January 6, 2021	11,628	\$8.50	\$98,838	Cash (exercise of warrants)
January 6, 2021	257,094	US\$11.00	US\$2,828,034	Share Conversion (redeemable shares)
January 14, 2021	3,400,000	\$11.00 - \$13.09	\$43,395,000	Share Conversion (redeemable shares)
January 14, 2021	623,666	US\$0.50 - US\$2.25	US\$483,638	Cash (exercise of options)
January 14, 2021	207,599	US\$4.24	US\$880,220	Cash (exercise of warrants)
January 19, 2021	200,000	US\$13.09	US\$2,618,000	Share Conversion (redeemable shares)
January 19, 2021	500	US\$2.25	US\$1,125	Cash (exercise of options)
January 21, 2021	9,877,986	\$16.00	\$158,047,776	Cash (equity raise)
January 27, 2021	168,000	US\$13.09	US\$2,199,120	Share Conversion (redeemable shares)
January 27, 2021	26,842	US\$4.24	US\$113,810	Cash (exercise of warrants)
February 3, 2021	500,000	US\$12.31	US\$6,155,000	Share Conversion (redeemable shares)
February 3, 2021	5,000	US\$6.50	US\$32,500	Cash (exercise of options)
February 10, 2021	452,400	US\$11.93 - US\$14.57	US\$6,148,740	Share Conversion (redeemable shares)
February 10, 2021	250,000	US\$1.00	US\$250,000	Cash (exercise of options)
February 10, 2021	13,203	\$21.40	\$282,544	Share Issuance (exercise of restricted stock units)
February 10, 2021	111,300	US\$4.24	US\$471,912	Cash (exercise of warrants)
February 11, 2021	1,000	\$12.50	\$12,500	Cash (exercise of warrants)
February 15, 2021	127,065	\$20.00	\$2,541,300	Purchase Consideration (in connection with the acquisition of Verdant Creations)
February 23, 2021	30,000	US\$4.24	US\$127,200	Cash (exercise of warrants)
February 23, 2021	879	\$5.72	\$5,028	Cash (exercise of options)
March 3, 2021	2,725	\$18.90	\$51,503	Share Issuance (exercise of restricted stock units)

Date Issued	Number of Cresco Securities	Issue Price per Security	Aggregate Issue Price	Nature of Consideration
March 3, 2021	3,720	\$18.90	\$70,308	Share Issuance (exercise of restricted stock units)
March 3, 2021	20,000	US\$1.00	US\$20,000	Cash (exercise of options)
March 10, 2021	12,000	US\$4.24	US\$50,880	Cash (exercise of warrants)
March 10, 2021	17,339	\$16.24	\$281,585	Share Issuance (exercise of restricted stock units)
March 10, 2021	1,280,000	\$16.68	\$21,350,400	Share Issuance (settlement of liability)
March 10, 2021	2,000,000	US\$14.96	US\$29,920,000	Share Conversion (redeemable shares)
March 10, 2021	2,778	US\$1.14	US\$3,167	Cash (exercise of options)
April 2, 2021	78,977	\$15.98	\$1,262,052	Share Conversion (in connection with the acquisition of Origin House)
April 2, 2021	300,000	US\$12.98	US\$3,894,000	Share Conversion (redeemable shares)
April 2, 2021	13,950	US\$3.75	US\$52,313	Cash (exercise of options)
April 13, 2021	15,875,449	US\$13.42	US\$213,000,000	Purchase Consideration (in connection with the Arrangement)
April 15, 2021	192,604	US\$11.98	US\$2,307,396	Share Issuance (in connection with exclusive distribution agreement)
April 15, 2021	50,000	US\$1.14	US\$57,000	Cash (exercise of options)
April 15, 2021	12,986	\$14.80	\$192,193	Share Issuance (exercise of restricted stock units)
April 15, 2021	6,963	\$14.80	\$103,052	Share Issuance (share issuance of restricted stock units)

Conversion of Proportionate Voting Shares to Subordinate Voting Shares		
Date Issued	Number of Proportionate Voting Shares	Number of Subordinate Voting Shares issued on Conversion
April 23, 2020	2,154	430,852
April 29, 2020	650	130,000
May 7, 2020	7,649	1,529,882
May 29, 2020	1,011	202,142
June 4, 2020	801	160,186
June 4, 2020	6,166	1,233,196
June 8, 2020	2,351	470,110
June 11, 2020	888	177,578

Conversion of Proportionate Voting Shares to Subordinate Voting Shares		
Date Issued	Number of Proportionate Voting Shares	Number of Subordinate Voting Shares issued on Conversion
June 22, 2020	2,355	470,964
July 7, 2020	533	106,668
July 15, 2020	3,038	607,518
July 23, 2020	2,450	489,936
July 29, 2020	1,740	348,076
August 12, 2020	2,371	474,224
August 20, 2020	438	87,500
August 27, 2020	1,250	250,000
August 28, 2020	1,923	384,564
September 2, 2020	2,685	537,058
September 10, 2020	464	92,826
September 24, 2020	2,000	400,002
October 5, 2020	914	182,826
November 3, 2020	14,424	2,884,712
November 20, 2020	8,693	1,738,680
December 7, 2020	8,012	1,602,378
December 14, 2020	17,833	3,566,682
December 23, 2020	1,125	225,004
January 6, 2021	4,825	964,908
January 14, 2021	13,947	2,789,340
January 19, 2021	2,132	426,494
January 27, 2021	3,633	726,594
February 3, 2021	2,719	543,734
February 10, 2021	747	149,314
February 15, 2021	3,049	609,766
February 23, 2021	1,301	260,244
March 3, 2021	800	159,914
April 2, 2021	691	138,122
April 15, 2021	256	51,148

TRADING PRICE AND VOLUME

Subordinate Voting Shares

The issued and outstanding Subordinate Voting Shares are listed and posted for trading on the CSE under the symbol "CL". On April 22, 2021, being the last trading day prior to the date of this Prospectus Supplement, the closing price of the Subordinate Voting Shares on the CSE was \$14.59. The following table sets out the high and low sales prices and the volume traded of the Subordinate Voting Shares for the 12 months preceding the date of this Prospectus.

Calendar Period	CSE		
	High (\$)	Low (\$)	Volume
April 2020	6.71	3.66	5,880,434
May 2020	7.14	4.55	9,054,003
June 2020	6.85	5.36	4,365,799
July 2020	7.78	5.32	5,859,232

Calendar Period	CSE		
	High (\$)	Low (\$)	Volume
August 2020	10.17	7.77	7,611,941
September 2020	8.94	7.15	4,595,816
October 2020	10.10	7.75	6,880,943
November 2020	13.40	9.15	13,301,272
December 2020	13.79	12.32	9,451,835
January 2021	18.02	12.68	12,163,319
February 2021	22.2	15.08	18,840,897
March 2021	19.54	14.03	18,954,894
April 1 – 22, 2021	16.97	14.00	4,657,184

RISK FACTORS

An investment in securities of the Corporation including in Subordinate Voting Shares offered hereby is subject to certain risks, which should be carefully considered by prospective purchasers before purchasing such securities. In addition to information set out or incorporated by reference in this Prospectus Supplement and the Prospectus currently and from time to time, investors should carefully consider the risk factors indicated below. Any one of such risk factors could materially adversely affect the Corporation's business, prospects, financial condition, results of operations, cash flows and/or an investment in the Subordinate Voting Shares and could cause actual events to differ materially from those described in forward-looking information and statements relating to the Corporation. Additional risks and uncertainties of which the Corporation is currently unaware or that are unknown or that the Corporation currently deems to be immaterial could have a material adverse effect on the Corporation's business, prospects, financial condition, results of operations and/or cash flows. The Corporation cannot provide any assurances that it will successfully address any or all of these risks. Purchasers should carefully consider the risks described under the heading "Risk Factors" in the Prospectus and in the AIF. See "Documents Incorporated by Reference".

The current COVID-19 pandemic may significantly impact the Corporation

The Corporation faces risks related to health epidemics, pandemics and other outbreaks of communicable diseases, which could significantly disrupt its operations and may materially and adversely affect its business and financial conditions. The Corporation's business could be adversely impacted by the effects of the COVID-19 pandemic or other epidemics and/or pandemics. In December 2019, COVID-19 emerged in China and the virus has now spread with infections been reported globally. On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 to be a pandemic. The extent to which COVID-19 impacts the Corporation's business, including its operations and the market for its securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time, and include the duration, severity and scope of the pandemic and the actions taken to contain or treat the COVID-19 pandemic (including recommendations from public health officials). In particular, the continued spread of COVID-19 globally could materially and adversely impact the Corporation's business including without limitation, employee health, workforce productivity, reduced access to supplies, increased insurance premiums, limitations on travel, the availability of experts and personnel and other factors that will depend on future developments beyond the Corporation's control, which may have a material and adverse effect on its business, financial condition and results of operations. There can be no assurance that the Corporation's personnel will not be impacted by these pandemic diseases and ultimately see its workforce productivity reduced or incur increased costs as a result of these health risks. In addition, the COVID-19 pandemic represents a widespread global health crisis that could adversely affect global economies and financial markets resulting in an economic downturn that could have an adverse effect on the Corporation.

Net Proceeds to the Corporation from the Offering

There is no minimum amount of funds that is required to be raised under the Offering. The Agent has agreed to use its commercially reasonable efforts to sell the Subordinate Voting Shares when and to the extent requested by the Corporation, but the Corporation is not required to request the sale of any minimum amount of Subordinate Voting Shares qualified under this Prospectus Supplement and, if it requests a sale, the Agent is not obligated to purchase any

Subordinate Voting Shares that are not sold. As a result, the Corporation may raise substantially less than the maximum total Offering amount or none at all.

Number of Subordinate Voting Shares to be Offered

The Subordinate Voting Shares will be sold by the Agent at the market price prevailing at the time of sale and, therefore, there is no certainty as to the number of Subordinate Voting Shares that may be sold under the Offering. If the prevailing market price for the Subordinate Voting Shares declines, then the Corporation will be able to issue more Subordinate Voting Shares under the Offering and investors may suffer greater dilution.

Broad Discretion in the Use of Proceeds

Management of the Corporation will have broad discretion in the application of the net proceeds from the Offering pursuant to this Prospectus Supplement and the Prospectus and could spend the proceeds in ways that do not improve the Corporation's results of operations or enhance the value of the Subordinate Voting Shares. The failure by management to apply these funds effectively could result in financial losses that could have a material adverse effect on the Corporation's business and cause the price of the Subordinate Voting Shares to decline. Pending their use, the Corporation may invest the net proceeds from the Offering pursuant to this Prospectus Supplement and the Prospectus in a manner that does not produce income or that loses value.

Additional Financing

The Corporation expects to require substantial additional capital in the near future to fund its acquisition strategy and to continue operations at its cultivation and production facilities, dispensaries, expansion of its product lines, development of its intellectual property base, increasing production capabilities and expanding its operations in states where it currently operates and states where it currently does not have operations. The Corporation may not be able to obtain additional financing on terms acceptable to it, or at all. If the Corporation fails to raise additional capital, as needed, its ability to implement its business model and strategy could be compromised.

Even if the Corporation obtains financing for its near-term operations, it expects that it will require additional capital thereafter. The capital needs of the Corporation will depend on numerous factors including: (i) profitability; (ii) the release of competitive products by competitors; (iii) the level of investment in research and development; and (iv) the amount of our capital expenditures, including acquisitions. There can be no assurance that the Corporation will be able to obtain capital in the future to meet its needs.

The Corporation is continually assessing a range of public and private financing options, including secured and unsecured debt, equity, convertible debt and real estate sale/leaseback transactions. Although the Corporation has accessed private financing in the past, there is neither a broad nor deep pool of institutional capital that is available to companies in the U.S. cannabis industry. There can be no assurance that additional financing, if raised privately, will be available to the Corporation when needed or on terms which are acceptable.

The Corporation Could Fail to Complete its Proposed or Contemplated Acquisitions or They May Be Completed On Different Terms

There can be no assurances that any of the Corporation's proposed or contemplated acquisitions: (i) will be completed; (ii) will receive the appropriate approvals for their completion required under applicable laws; or (iii) will be completed on the same or similar terms currently contemplated by the Corporation. In addition, if the proposed or contemplated acquisitions are not completed, the ongoing business of the Corporation may be adversely affected as a result of the costs (including opportunity costs) incurred in respect of pursuing such potential acquisitions. Failure to complete the Corporation's proposed or contemplated acquisitions could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Forward-Looking Information May Prove to be Inaccurate

Investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or

contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. In particular, the Corporation is a party to several proposed and pending acquisitions as disclosed herein and in the Prospectus, the completion and/or success of which is subject to many conditions, risks and variables, many of which are outside of the Corporation's control. Additional information on the risks, assumptions and uncertainties are found in this short form prospectus under the heading "*Forward-Looking Information*".

Additional Issuance of Subordinate Voting Shares and Subsidiary Securities May Result in Dilution

The Corporation may issue additional securities in the future, which may dilute a shareholder's holdings in the Corporation. The Corporation's articles permit the issuance of an unlimited number of Subordinate Voting Shares, and existing shareholders will have no pre-emptive rights in connection with such further issuance. The Corporation's board of directors has discretion to determine the price and the terms of further issuances. Moreover, additional Subordinate Voting Shares will be issued by the Corporation on the conversion of the Proportionate Voting Shares in accordance with their terms. The Corporation may also issue Subordinate Voting Shares to finance future acquisitions. The Corporation cannot predict the size of future issuances of Subordinate Voting Shares or the effect that future issuances and sales of Subordinate Voting Shares will have on the market price of the Subordinate Voting Shares. Issuances of a substantial number of additional Subordinate Voting Shares, or the perception that such issuances could occur, may adversely affect prevailing market prices for the Subordinate Voting Shares. With any additional issuance of Subordinate Voting Shares, investors will suffer dilution to their voting power and the Corporation may experience dilution in its revenue per share.

Additionally, the subsidiaries of the Corporation, such as Cresco U.S. Corp. and Cresco Labs, LLC, may issue additional securities, including Cresco Corp Redeemable Shares, Cresco Redeemable Units and LTIP Units (as such terms are defined in the AIF) to new or existing shareholders, members or securityholders, including in exchange for services performed or to be performed on behalf of such entities or to finance future acquisitions. Any such issuances could result in substantial dilution to the indirect equity interest of the holders of Subordinate Voting Shares in Cresco Labs, LLC.

Volatile Market Price of the Subordinate Voting Shares and Other Listed Securities

The market price of the Subordinate Voting Shares and other listed securities of the Corporation from time to time, cannot be predicted and has been and may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Corporation's control. This volatility may affect the ability of holders of Subordinate Voting Shares or such other securities to sell their securities at an advantageous price. Market price fluctuations in the Subordinate Voting Shares or such other securities may be due to the Corporation's operating results failing to meet expectations of securities analysts or investors in any period, downward revision in securities analysts' estimates, adverse changes in general market conditions or competitive, regulatory or economic trends, adverse changes in the economic performance or market valuations of companies in the industry in which the Corporation operates, acquisitions, dispositions, strategic partnerships, joint ventures, capital commitments or other material public announcements by the Corporation or its competitors or government and regulatory authorities, operating and share price performance of the companies that investors deem comparable to the Corporation, addition or departure of the Corporation's executive officers and other key personnel, along with a variety of additional factors. These broad market fluctuations may adversely affect the market price of the Subordinate Voting Shares or such other securities.

Financial markets have at times historically experienced significant price and volume fluctuations that have particularly affected the market prices of equity and convertible securities of companies and that have often been unrelated to the operating performance, underlying asset values or prospects of such companies. Accordingly, the market price of the Subordinate Voting Shares and other listed securities of the Corporation, from time to time, may decline even if the Corporation's operating results, underlying asset values or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil continue or arise, the Corporation's operations may be adversely impacted and the trading price of the Subordinate Voting Shares and such other securities may be materially adversely affected.

Although other Canadian-based companies have dual class or multiple voting share structures, given the capital structure contemplated in respect of the Corporation and the concentration of voting control held by the holders of the Super Voting Shares, this structure and control could result in a lower trading price for, or greater fluctuations in, the trading

price of the Corporation's Subordinate Voting Shares or adverse publicity to the Corporation or other adverse consequences.

Negative Cash Flow from Operations

The Corporation has incurred operating losses in recent periods. The Corporation may not be able to achieve or maintain profitability and may continue to incur significant losses in the future. In addition, the Corporation expects to continue to increase operating expenses as it implements initiatives to continue to grow its business. If the Corporation's revenues do not increase to offset its costs and operating expenses or if the Corporation is unable to raise financing to fund capital or operating expenditures or acquisitions, it could limit its growth and may have a material adverse effect upon the Corporation's business, financial condition, cash flows, results of operations or prospects.

Liquidity

The Corporation cannot predict at what prices the Subordinate Voting Shares of the Corporation will trade and there can be no assurance that an active trading market will develop or be sustained. There is a significant liquidity risk associated with an investment in the Corporation.

Product Liability

As a distributor of products designed to be ingested by humans, including vaporizer products, the Corporation faces an inherent risk of exposure to product liability claims, regulatory action and litigation if its products are alleged to have caused significant loss or injury. The Corporation may be subject to various product liability claims, including, among others, that the Corporation's products caused injury or illness, include inadequate instructions for use or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Corporation could result in increased costs, could adversely affect the Corporation's reputation with its clients and consumers generally, and could have a material adverse effect on the results of operations and financial condition of the Corporation.

Any Dividends Paid On The Subordinate Voting Shares May Be Subject To Withholding Taxes

It is unlikely that the Corporation will pay any dividends on the Subordinate Voting Shares in the foreseeable future. However, dividends received by shareholders who are residents of Canada for purpose of the Tax Act will be subject to United States withholding tax. Any such dividends may not qualify for a reduced rate of withholding tax under the Canada-United States tax treaty. In addition, a foreign tax credit or a deduction in respect of foreign taxes may not be available.

Dividends received by United States shareholders will not be subject to United States withholding tax but will be subject to Canadian withholding tax. Dividends paid by the Corporation will be characterized as United States source income for purposes of the foreign tax credit rules under the United States Tax Code. Accordingly, United States shareholders generally will not be able to claim a credit for any Canadian tax withheld unless, depending on the circumstances, they have an excess foreign tax credit limitation due to other foreign source income that is subject to a low or zero rate of foreign tax.

The Corporation is subject to both U.S. and Canadian Taxation

The Corporation, which is and is expected to continue to be a Canadian company as of the date of this Prospectus Supplement, generally would be classified as a non-United States company under general rules of United States federal income taxation. Section 7874 of the Code, however, contains rules that can cause a non-United States company to be taxed as a United States company for United States federal income tax purposes. Under section 7874 of the Code, a company created or organized outside the United States. (i.e., a non-United States company) will nevertheless be treated as a United States company for United States federal income tax purposes if each of the following three conditions are met (i) the non-United States company acquires, directly or indirectly, or is treated as acquiring under applicable United States Treasury Regulations, substantially all of the assets held, directly or indirectly, by a United States company, (ii) after the acquisition, the former stockholders of the acquired United States company hold at least 80% (by vote or value) of the shares of the non-United States company by reason of holding shares of the United States acquired company, and (iii) after the acquisition, the non-United States company's expanded affiliated group does not have substantial business

activities in the non-United States company's country of organization or incorporation when compared to the expanded affiliated group's total business activities.

For this purpose, "expanded affiliated group" means a group of corporations where (i) the non-United States company owns stock representing more than 50% of the vote and value of at least one member of the expanded affiliated group, and (ii) stock representing more than 50% of the vote and value of each member is owned by other members of the group. The definition of an "expanded affiliated group" includes partnerships where one or more members of the expanded affiliated group own more than 50% (by vote and value) of the interests of the partnership.

The Corporation is treated as a United States company for United States federal income tax purposes under section 7874 of the Code and is subject to United States federal income tax on its worldwide income. However, for Canadian tax purposes, the Corporation is, regardless of any application of section 7874 of the Code, treated as a resident of Canada for purposes of the Tax Act. As a result, the Corporation is subject to taxation both in Canada and the United States, which could have a material adverse effect on its financial condition and results of operations.

Enforcement of Judgments Against Foreign Persons may not be Possible

Canadian investors should be aware that each of the non-resident directors resides outside of Canada; as a result, it may not be possible for purchasers of the Subordinate Voting Shares to effect service of process within Canada upon the non-resident persons. All or a substantial portion of the assets of each of the non-resident persons are likely to be located outside of Canada and, as a result, it may not be possible to satisfy a judgment against the non-resident persons in Canada or to enforce a judgment obtained in Canadian courts against the non-resident persons outside of Canada.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Subordinate Voting Shares is Odyssey Trust Company at its principal transfer offices in Calgary, Alberta.

AUDITORS

Cresco's financial statements for the years ended December 31, 2020 and 2019, incorporated by reference in this Prospectus Supplement have been audited by Marcum LLP, independent auditors, as set forth in their report incorporated by reference in this Prospectus Supplement. Marcum LLP is independent with respect to Cresco within the meaning of the CPA Code of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

INTEREST OF EXPERTS

Certain legal matters relating to the Offering will be passed upon on behalf of the Corporation by Bennett Jones LLP, and on behalf of the Agent by Blake, Cassels & Graydon LLP. As of the date hereof, Bennett Jones LLP, and its partners and associates, and Blake, Cassels & Graydon LLP, and its partners and associates, beneficially own, directly or indirectly, in their respective groups, less than 1% of any class of outstanding securities of the Corporation.

EXEMPTION

Pursuant to a decision of the Autorité des marchés financiers dated February 25, 2021, the Corporation was granted a permanent exemption from the requirement to translate into French this Prospectus Supplement, the Prospectus as well as the documents incorporated by reference in this Prospectus Supplement or in the Prospectus in relation to any future "at-the-market" distribution. This exemption was granted on the condition that this Prospectus Supplement, together with the Prospectus and all documents incorporated by reference therein, be translated into French if the Corporation offers Securities to Québec purchasers in connection with an offering other than in relation to an "at-the-market" distribution.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in some provinces of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. However, purchasers of Subordinate Voting Shares distributed under an at-the-

market distribution by the Corporation do not have the right to withdraw from an agreement to purchase the Subordinate Voting Shares and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus, prospectus supplement, and any amendment relating to Subordinate Voting Shares purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to the Subordinate Voting Shares purchased by such purchaser will not be sent or delivered as permitted under Part 9 of NI 44-102.

Securities legislation in some provinces of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplement and any amendment relating to securities purchased by a purchaser contains a misrepresentation. Those remedies must be exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Subordinate Voting Shares distributed under an at-the-market distribution by the Corporation may have against the Corporation or the Agent for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above.

A purchaser should refer to applicable securities legislation for the particulars of these rights and should consult a legal advisor.

The foregoing statement of a purchaser's statutory rights supersedes the disclosure under "*Purchasers' Statutory Rights*" in the Prospectus solely with respect to the at-the-market distribution of Subordinate Voting Shares made under this Prospectus Supplement.

CERTIFICATE OF THE CORPORATION

Dated: April 23, 2021

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this prospectus supplement, as required by the securities legislation of each of the provinces of Canada.

(signed) "Charles Bachtell"

Charles Bachtell
Chief Executive Officer

(signed) "Dennis Olis"

Dennis Olis
Chief Financial Officer

On behalf of the Board of Directors

(signed) "Carol Vallone"

Carol Vallone
Director

(signed) "Thomas Manning"

Thomas Manning
Director

CERTIFICATE OF THE AGENT

Dated: April 23, 2021

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, will, as of the date of a particular distribution of securities under the prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this prospectus supplement, as required by the securities legislation of each of the provinces of Canada.

CANACCORD GENUITY CORP.

(signed) "Ron Sedran"

Ron Sedran
Managing Director