

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Cresco Labs Inc. (the "**Company**")  
Suite 2500 Park Place, 666 Burrard Street  
Vancouver, British Columbia  
V6C 2X8

**Item 2. Date of Material Change**

August 12, 2021

**Item 3. News Release**

A news release with respect to the material change was disseminated by the Company on August 13, 2021 through Business Wire and subsequently filed under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**Item 4. Summary of Material Change**

On August 12, 2021, the Company closed an agreement with lenders to upsize its senior secured term loan (the "**Senior Loan**") to an aggregate principal amount of US\$400 million. The Senior Loan bears interest at a reduced rate of 9.5% per annum, with a maturity date of August 12, 2026.

**Item 5.1 Full Description of Material Change**

On August 12, 2021, the Company closed an agreement with lenders to upsize the Senior Loan to an aggregate principal amount of US\$400 million. The Senior Loan bears interest at a reduced rate of 9.5% per annum, with a maturity date of August 12, 2026.

The Senior Loan does not include any equity or convertible components and the total facility amount is being provided by a syndicate of five existing, institutional lenders. The terms of the Senior Loan were negotiated at arm's length with the agent and lead investor and include customary restrictive covenants.

The proceeds from the Senior Loan will be used to retire the Company's existing US\$200 million credit facility in accordance with its terms, fund capital expenditures, and pursue other targeted growth initiatives within the U.S. cannabis sector.

**Item 5.2. Disclosure of Restructuring Arrangements**

Not applicable.

**Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Executive Officer**

For further information, please contact:

John Schetz, General Counsel  
Phone: (312) 929-0993  
Email: [john.schetz@crescolabs.com](mailto:john.schetz@crescolabs.com)

**Item 9. Date of Report**

August 23, 2021

**Cautionary Note Regarding Forward-Looking Information and Statements**

*This material change report contains "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as, 'may,' 'will,' 'should,' 'could,' 'would,' 'expects,' 'plans,' 'anticipates,' 'believes,' 'estimates,' 'projects,' 'predicts,' 'potential' or 'continue' or the negative of those forms or other comparable terms. The Company's forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including but not limited to those risks discussed under "Risk Factors" in the Company's annual information form for the year ended December 31, 2020 filed on March 26, 2021, and other documents filed by the Company with Canadian securities regulatory authorities; and other factors, many of which are beyond the control of the Company. These risks and uncertainties include, among other things, the Company's ability to comply with the restrictive covenants and other terms of the Senior Loan. Readers are cautioned that the foregoing list of factors is not exhaustive. Because of these uncertainties, you should not place undue reliance on the Company's forward-looking statements. No assurances are given as to the future trading price or trading volumes of Cresco's shares, nor as to the Company's financial performance in future financial periods. The Company does not intend to update any of these factors or to publicly announce the result of any revisions to any of the Company's forward-looking statements contained herein, whether as a result of new information, any future event or otherwise. Except as otherwise indicated, this material change report speaks as of the date hereof. The distribution of this material change report does not imply that there has been no change in the affairs of the Company after the date hereof or create any duty or commitment to update or supplement any information provided in this material change report or otherwise.*