

Cresco Labs Closes Sale-and-Leaseback with Aventine Property Group for Brookville, PA Facility

CHICAGO--(BUSINESS WIRE)--September 6, 2022--Cresco Labs (CSE:CL) (OTCQX:CRLBF) (“Cresco” or “the Company”), a vertically integrated multistate operator and the number one U.S. wholesaler of branded cannabis products, today announced that it has completed and closed on an agreement to sell its Brookville, PA property to Aventine Property Group (“Aventine”) for total additional non-dilutive funding of \$45 million. The Brookville, PA property includes approximately 135,000 square feet of existing cultivation, manufacturing, and production capacity. This sale marks Cresco Labs’ first sale-leaseback transaction with Aventine.

Concurrent with the closing of the sale, Cresco Yeltrah, LLC, a subsidiary of Cresco Labs, entered into a long-term, triple-net lease agreement with Aventine regarding the property and Cresco Yeltrah will continue to operate the facility as the permitted cannabis cultivation and processing facility, as it has since 2017.

Cresco Labs CEO and Co-founder Charles Bachtell said, “This transaction further strengthens our company, unlocking valuable capital from our balance sheet. The scale and quality of our operations ensures access to capital at reasonable rates with strong financing partners like Aventine, even in volatile markets. Our current capital position, combined with the expected cash proceeds from the sale of divested assets related to the pending closing of the Columbia Care acquisition, will put us in a strong position to continue to invest in the high-return opportunities available to us in both the short, medium, and long term to drive returns for shareholders.”

Aventine CEO Raymond Lewis added, “We are extremely pleased to enter into this important new relationship with Cresco Labs through its highly productive Brookville asset. Charlie and his team have built a world-class company in the cannabis space, and we look forward to supporting their strategic efforts in Pennsylvania and elsewhere.”

This press release has been submitted to the Pennsylvania Office of Medical Marijuana for review.

About Cresco Labs Inc.

Cresco Labs is one of the largest vertically integrated multistate cannabis operators in the United States, with a mission to normalize and professionalize the cannabis industry. Employing a consumer-packaged goods (“CPG”) approach, Cresco Labs is the largest wholesaler of branded cannabis products in the U.S. Its brands are designed to meet the needs of all consumer segments and comprised of some of the most recognized and trusted national brands including Cresco, High Supply, Mindy's Edibles, Good News, Remedi, Wonder Wellness Co. and FloraCal Farms. Sunnyside, Cresco Labs’ national dispensary brand, is a wellness-focused retailer created to build trust, education and convenience for both existing and new cannabis consumers. Recognizing that the cannabis industry is poised to become one of the leading job creators in the country, Cresco Labs operates the industry’s largest Social Equity and Educational Development initiative, SEED, which was established to ensure that all members of society have the skills,

knowledge and opportunity to work and own businesses in the cannabis industry. Learn more about Cresco Labs at www.crescolabs.com.

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