

Cresco Labs Unlocks \$32 Million in Non-Dilutive Capital

Supports “Year-of-the-Core” focus and enhances balance sheet

CHICAGO--(BUSINESS WIRE)--October 19, 2023--Cresco Labs Inc. (CSE:CL) (OTCQX:CRLBF) (FSE: 6CQ) (“Cresco” or “Company”), the industry leader in branded cannabis products with a portfolio of America’s most popular brands and the operator of Sunnyside dispensaries, today announced the closing of the sale of its sole licensed Arizona operation (“Encanto”) to an affiliate of Mint Cannabis for an aggregate purchase price of \$6.5 million in cash. In addition, the Company has closed on a conventional mortgage on its Ellenville, NY properties for a principal amount of up to \$25.3 million with an interest rate of 8.43%.

“We are pleased to announce the closing of the sale of our remaining Arizona asset. As we have highlighted over the past several quarters, we are focused on strengthening our operations and increasing profitability by leaning into our Core – core markets, core stores, core brands and core products. Our exit from Arizona aligns with our strategy of optimizing our portfolio by prioritizing assets with a greater path to scale,” said Charles Bachtell, CEO of Cresco Labs. “We are also thrilled to secure a conventional mortgage on our New York real estate at very favorable terms. This non-dilutive financing is another sensible tool for optimizing our balance sheet and lowering our cost of capital as we continue to strengthen our overall business.”

Terms of the Encanto sale: The Company signed a definitive agreement with an affiliate of Mint Cannabis on September 13, 2023, and closed the transaction following approval by the Arizona Department of Health Services on October 17, 2023, yielding net cash proceeds of \$6.5 million. SSC Advisors acted as financial advisor to Cresco Labs.

Terms of the New York mortgage: On September 26, 2023, the Company closed on a commercial mortgage secured by three company-owned properties located in Ellenville, NY with a principal amount of up to \$25.3 million. Approximately \$20 million was funded at close, with the remaining principal held to fund future capital expenditures. The 10-year mortgage carries an interest rate calculated based on the FHLBank Boston 5-year rate plus 375 basis points, resulting in an initial rate at close of 8.43%.

About Cresco Labs Inc.

Cresco Labs’ mission is to normalize and professionalize the cannabis industry through a CPG approach to building national brands and a customer-focused retail experience, while acting as a steward for the industry on legislative and regulatory-focused initiatives. As a leader in cultivation, production and branded product distribution, the Company is leveraging its scale and agility to grow its portfolio of brands that include Cresco, High Supply, FloraCal, Good News, Wonder Wellness Co., Mindy’s and Remedi, on a national level. The Company also operates highly productive dispensaries nationally under the Sunnyside brand that focus on building patient and consumer trust and delivering ongoing education and convenience in a wonderfully traditional retail experience. Through year-round policy, community outreach and SEED initiative efforts, Cresco Labs embraces the responsibility to support communities through

authentic engagement, economic opportunity, investment, workforce development and legislative initiatives designed to create the most responsible, respectable and robust cannabis industry possible. Learn more about Cresco Labs' journey by visiting www.crescolabs.com or following the Company on Facebook, X or LinkedIn.

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