



CRESCOlabs™

CREATING A NORTH AMERICAN  
CANNABIS POWERHOUSE  
APRIL 2019



ORIGIN  
HOUSE

# DISCLAIMER

This presentation 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. Statements in this presentation that are not representative of historical facts or information or current condition may be deemed to be forward-looking information. 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.

Forward looking statements in this presentation include, but are not limited to: statements with respect to the anticipated benefits associated with the acquisition of all of the issued and outstanding common shares and Class A compressed shares of CannaRoyalty Corp. d/b/a Origin House (“**Origin House**”) by Cresco Labs Inc. (“**Cresco Labs**”) in consideration for common shares of Cresco Labs pursuant to an Arrangement Agreement dated April 1, 2019 (the “**Transaction**”); the anticipated effects of the Transaction on the combined company; the anticipated strategy and performance of the combined company; the timing for the completion of the Transaction; the value of the consideration to be received by the Origin House shareholders, which may fluctuate due to the trading price of the Cresco Labs shares forming the consideration; the satisfaction of closing conditions to the Transaction including, among other customary conditions, (i) receipt of the requisite Origin House Shareholders approval, (ii) receipt of the requisite court approval in connection with the plan of arrangement, and (iii) receipt of any required regulatory approvals. There can be no assurance that the Transaction will be completed, or completed on the terms set forth in this presentation.

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Combining **Cresco's scale, expertise and brand portfolio**

with

**Origin House's proven track record** of leveraging their **California-wide distribution footprint and key retailer relationships** in the **largest cannabis market in the world**

will drive significant growth for the shareholders of both companies

**Creating a North American Cannabis Powerhouse**

## A WINNING FORMULA

# Together, the #1 North American Cannabis CPG Company



### Industry Leading Scale

The largest and most strategic distribution footprint of any U.S. cannabis company

### Industry Leading Brand Development Capabilities

Leading brand portfolio comprised of 50+ brands

### Multi-State Presence

More than 725 dispensaries across 11 states will carry our brands

### Aligned & Experienced Management Team

Cannabis distribution built by the same team that built Southern Wine & Spirits, the largest distributor of liquor in the United States

### Revenue & Cost Synergies

Incorporate Cresco's brands into Origin House's California distribution platform and bring Origin House's brands into other states

**CRESCO**labs™

\*(with pending acquisitions and regulatory approval)

\*\*\*(with pending acquisitions and regulatory approval by EOY 2019)

\*\*\*(does not double count for dispensaries supplied by both Cresco and Origin House)



# WE WILL WIN CALIFORNIA, THE MOST INFLUENTIAL CANNABIS MARKET IN THE WORLD

## State Revenue Projections

# \$7.7 Billion by 2022

Source: Arcview Market Research/BDS Analytics

- **We will be the leading multi-state operator in California**, with a team and asset base that has a proven track record and ample room to grow
- **We will be the largest distributor in California**, with more access to consumer data and retail storefronts than any other player in the industry
- **We will fill our dominant distribution pipeline with California brands**, driving national and global opportunities as well as sustained competitive advantages

# TOGETHER, WE ACCELERATE GROWTH

**CRESCO**labs™

Cresco Lab's Highly Efficient Execution Model

Multi-State Operations

Access to Capital

Origin House's Focused California Brand Development Engine

50+ Proven, Next-Gen Brands

500+ Dispensaries



**ORIGIN HOUSE**

**Branded products & access to shelf space are the keys to building long-term competitive advantage and shareholder value**

**CRESCO**labs™



**ORIGIN HOUSE**

# IN A MARKET WHERE SIZE MATTERS, WE HAVE INDUSTRY LEADING SCALE

CRESCO*labs*™



PRO-FORMA COMBINED

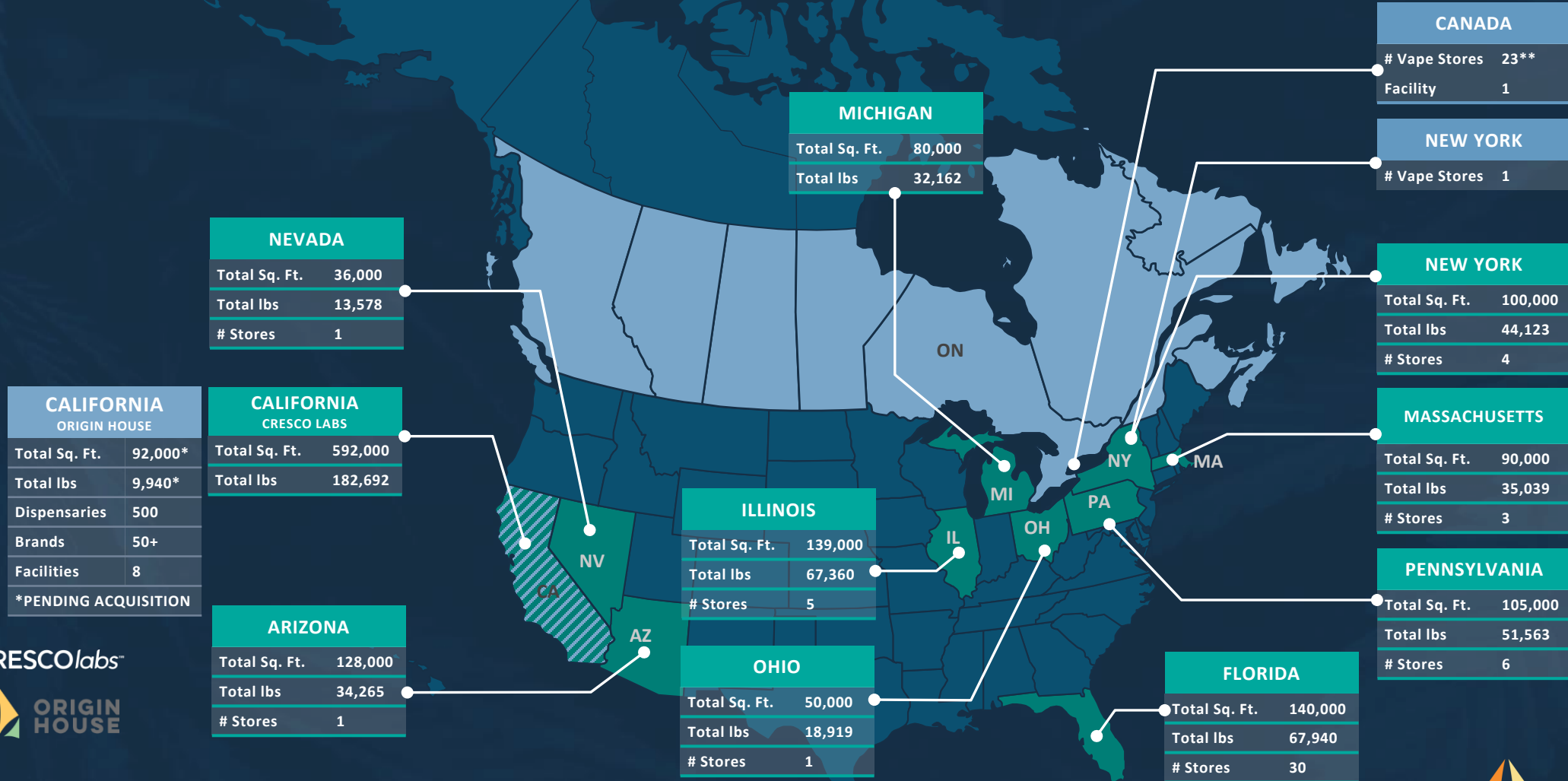
	CRESCO <i>labs</i> ™	ORIGIN HOUSE	PRO-FORMA COMBINED
STATES	11*	1	11
STORES	21*	-	21
LICENSES TO OPEN RETAIL LOCATIONS	51*	-	51
SQ. FT. CULTIVATION	1.38 MILLION BY EOY 2019**	92,000 BY EOY 2019**	1.5 MILLION BY EOY 2019**
FACILITIES	15*	8	23
DISPENSARY PARTNERS	250	500	725+****
EMPLOYEES	750*	350+	1,100+
BRAND RELATIONSHIPS	6	50+ BRANDS	56+ BRANDS
TOTAL ADDRESSABLE MARKET***	150 MILLION IN 11 STATES*	75 MILLION	185 MILLION IN US & CANADA

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\* (with pending acquisitions and regulatory approval)  
 \*\* (with pending acquisitions)  
 \*\*\* (based on population of states and provinces)  
 \*\*\*\* (does not double count for dispensaries supplied by both Cresco and Origin House)



# WE ARE BUILDING SCALE ACROSS NORTH AMERICA



CRESCOlabs™

\*(with pending acquisitions and regulatory approval)  
 \*\*(one licensed location)



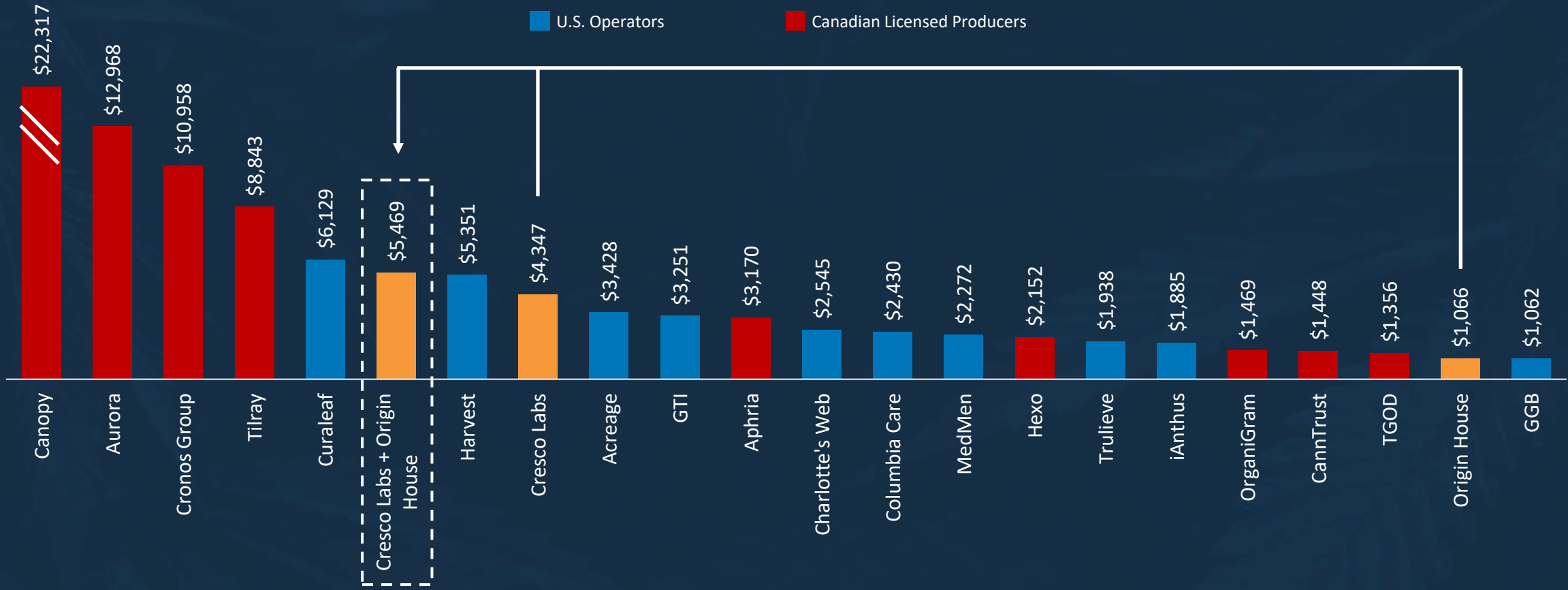


# TRANSACTION SUMMARY

<b>PROPOSED TRANSACTION</b>	<ul style="list-style-type: none"><li>• Cresco to acquire all of the issued and outstanding shares of Origin House</li><li>• Court approved Plan of Arrangement</li><li>• Pro forma ownership of ~80% for Cresco and ~20% for Origin House (on an as converted, fully-diluted basis)</li></ul>
<b>CONSIDERATION TO ORIGIN HOUSE</b>	<ul style="list-style-type: none"><li>• 0.8428 Cresco shares per Origin House common share</li><li>• Based on Cresco's spot price of \$15.05 on March 29, 2019, implies a value of \$12.68 per Origin House Share</li><li>• Implied premium of 25.9% to Origin House's 30-day VWAP ending March 29, 2019</li></ul>
<b>KEY APPROVALS &amp; CONDITIONS</b>	<ul style="list-style-type: none"><li>• Origin House shareholder approval</li><li>• Customary regulatory and court approvals as well as other closing conditions</li></ul>
<b>DEAL PROTECTION</b>	<ul style="list-style-type: none"><li>• Termination fee payable to Cresco in the amount of \$45 million if the transaction is terminated under certain circumstances</li><li>• Origin House is subject to non-solicitation provisions</li><li>• Cresco has a right to match provision</li></ul>
<b>TIMING</b>	<ul style="list-style-type: none"><li>• Special meeting of Origin House shareholders, which is expected to occur in June 2019</li><li>• Expected closing late Q2 2019</li></ul>

# NORTH AMERICAN CANNABIS POWERHOUSE

## Market Capitalization (Fully-Diluted) – C\$ Millions



## OUR PATH FORWARD

Replicate the blueprint: bring Origin House's breadth of product and proven distribution model beyond California through Cresco's multi-state network

Bring Cresco Labs' depth of experience and product portfolio to the California market through Origin House's sales channels

Continue to build the cannabis industry's first national brand

Use enhanced liquidity to attract investment and reduce the cost of capital

**We Will Win North America**



CRESCO*labs*™

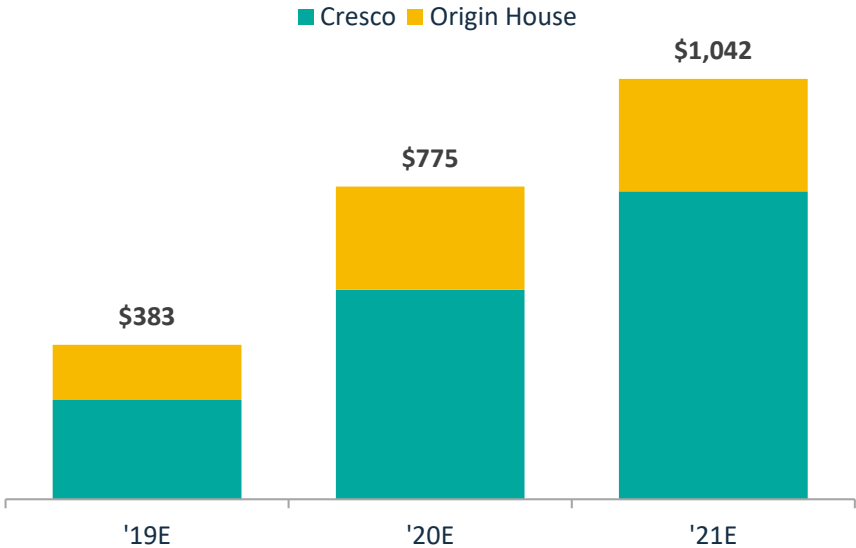


ORIGIN  
HOUSE

# FINANCIAL SUMMARY OF THE COMBINED COMPANY

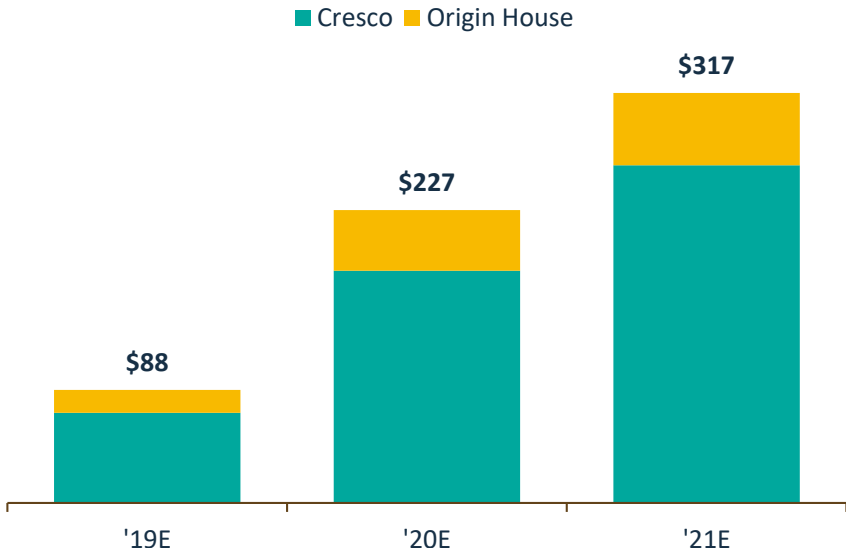
## Pro Forma Revenue

(US\$ millions)



## Pro Forma EBITDA

(US\$ millions)



**STRONG REVENUE & EBITDA GROWTH BEFORE SYNERGIES**

## TRANSACTION HIGHLIGHTS

**Bolsters Leading  
Position in California  
Market**

**Expanded Distribution  
Infrastructure**

**Increased Scale &  
Capital Markets  
Presence**

**Strong & Expanding  
Multi-State Presence**

**Increased North  
American Footprint**

**Superior Existing Retail  
and Distribution Model**

**Strong Pro Forma  
Cash Position**

**Continued Participation  
by Origin House  
Shareholders**

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THANK YOU

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