



Acreage Releases Impact Analysis on the New York Cannabis Market, Proving the Importance of Registered Organizations to Market Success and Stabilization

Report finds New York's current adult-use cannabis draft regulations create a significant retail bottleneck and allow the illicit market to proliferate

NEW YORK, March 14, 2023 -- [Acreage Holdings, Inc.](#) ("Acreage" or the "Company") (CSE: ACRG.A.U, ACRG.B.U), (OTC: ACRHF, ACRDF), a New-York based vertically integrated, multi-state operator of cannabis cultivation and retailing facilities in the U.S., released a [New York Illicit Cannabis Market Absorption Analysis](#) that (i) examines the state's current trajectory for achieving key goals outlined in the Marijuana Regulation and Taxation Act ("MRTA") and the need to course correct to do so; (ii) identifies the potential implications of its current adult-use draft regulations; and (iii) ultimately demonstrates the importance of expanded access to more operators, including Registered Organizations ("ROs"), to the success and stabilization of New York's legal cannabis market.

New York cannabis market is projected to be worth [\\$5 - \\$7 billion](#), yet limited access to the regulated market is stifling growth and delaying the absorption of the illicit market. Acreage commissioned *MPG Consulting*, a leading strategic advisory firm in cannabis and hemp, to analyze the current reality of New York's adult-use market and model where it could be given three very different, but realistic scenarios.

Based on New York's current adult-use existing and proposed regulations, according to the report:

- **Illicit market operators capture \$7.2 billion in revenue between 2023 and 2030 due to the lack of legitimate retail outlets;**
- **New York will see a loss of up to 20,600 direct cannabis and ancillary jobs per year;**
- **New York will see more than \$2.6 billion in state tax revenue lost over eight years; and**
- **New licensees will open during great supply chain uncertainty causing needless operating risks.**

The report further developed three economic models to quantify and examine the different facets of the emerging New York regulated cannabis market: (1) regulated and illicit market size and share; (2) required cultivation space and retail outlets; and (3) tax revenue and job creation.

Ultimately, the report finds that New York can accelerate market absorption by simply expanding access to more operators, such as ROs. ROs are in a unique position and can quickly expand existing cultivation and dispensary facilities to serve and stabilize the legal wholesale and retail market, while creating jobs and tax revenue for public infrastructure and community investment.

"If New Yorkers and New York state lawmakers and regulators want a safe, open, thriving cannabis marketplace, the state must expand access to more operators, including Registered Organizations," said Bryan Murray, Executive Vice President of Government Relations, Acreage. "The state tried to initiate an inclusive cannabis market based on restorative justice for those historically impacted by the War on Drugs; unfortunately, the delayed licensing rollout put the state's legal industry in a precarious position as illicit actors fill the vacuum and serve consumers. New York is expected to be one of the largest cannabis markets in the U.S. There is room for all players, and New York has a full bench of players ready to play the game. Why won't they let us help them win?"

For more information about this report visit [here](#).

About Acreage Holdings, Inc.

Acreage is a multi-state operator of cannabis cultivation and retailing facilities in the U.S., including the Company's national retail store brand, The Botanist. With its principal address in New York City, Acreage's wide range of national and regionally available cannabis products include the award-winning The Botanist brand, craft brand Superflux, the Tweed brand, the Prime medical brand in Pennsylvania, the Innocent brand in Illinois and others. Acreage also owns Universal Hemp, LLC, a hemp subsidiary dedicated to the distribution, marketing and sale of CBD products throughout the U.S. Since its founding in 2011, Acreage has focused on building and scaling operations to create a seamless, consumer-focused, branded experience. Learn more at www.acreageholdings.com and follow us on [Twitter](#), [LinkedIn](#), [Instagram](#), and [Facebook](#).

Forward Looking Statements

This news release and each of the documents referred to herein contains "forward-looking information" and "forward-looking statements" within the meaning of applicable Canadian and United States securities legislation, respectively. All statements, other than statements of historical fact, included herein are forward-looking information. Often, but not always, forward-looking statements and information can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases

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Neither the Canadian Securities Exchange nor its Regulation Service Provider has reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.

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