**FORM 7**

**MONTHLY PROGRESS REPORT**

Name of Listed Issuer: Acreage Holdings, Inc. (the “Issuer”).

Trading Symbol: ACRG.A.U (Fixed Subordinate Voting Shares) and ACRG.B.U

(Floating Subordinate Voting Shares)

Number of Outstanding Listed Securities:

|  |  |
| --- | --- |
| **Share Class** | **Number of Outstanding Shares** |
| Class D Subordinate Voting Shares (“Floating”) | 33,765,468 |
| Class E Subordinate Voting Shares (“Fixed”) | 76,147,213 |
| Class F Multiple Voting Shares (“Fixed Multiple”) | 117,600 |

Date: June 6, 2022

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer’s ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

**General Instructions**

1. Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
2. The term “Issuer” includes the Issuer and any of its subsidiaries.
3. Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

**Report on Business**

1. Provide a general overview and discussion of the development of the Issuer’s business and operations over the previous month. Where the Issuer was inactive disclose this fact.

Acreage Holdings, Inc. (“Acreage” or the “Issuer”) is headquartered in New York City, New York, with a registered office at Suite 2800, Park Place, 666 Burrard Street, Vancouver, British Columbia, and is a vertically integrated, multi-state operator of cannabis licenses and assets in the U.S. Acreage is dedicated to building and scaling operations to create a seamless, consumer-focused branded cannabis experience.

1. Provide a general overview and discussion of the activities of management.
* On May 3, 2022, Acreage announced it has completed the sale of its cultivation and processing facility in Medford, Oregon, and in conjunction with the sale, closed its dispensary in Powell, Oregon. Total consideration for the sale of the Medford cultivation and processing facility was $2.0 million, including $0.75 million paid to Acreage in February 2021, $0.5 million due August 1, 2022, and the remaining balance of $0.75 million due May 1, 2023.
* Additionally, on May 3, 2022, Acreage announced that it has completed the consolidation and conversion of its dispensary in Brewer, Maine to adult-use.
* On May 5, 2022, Acreage announced financial results for the first quarter ended March 31, 2022 (“Q1 2022”), including (i) consolidated revenue was $56.9 million for Q1 2022, an increase of 48% year-over-year, (ii) gross margin of 52% compared to 48% in Q4 2021, and 54% in Q1 2021, and (iii) adjusted EBITDA was $8.6 million in Q1 2022, compared to $1.6 million in Q1 2021.
* May 16, 2022, Acreage announced it will launch a social equity partnership with Kebra Smith-Bolden, a cannabis advocate and business owner based in Connecticut. Once approved by the state’s Social Equity Council, Acreage will support Smith-Bolden’s retail and cultivation operations in the Greater New Haven metropolitan area.
1. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

Except as noted above, none material.

1. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

Except as noted above, none material.

1. Describe any new business relationships entered into between the Issuer, the Issuer’s affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

Except as noted above, none material.

1. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer’s affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

None material.

1. Describe any acquisitions by the Issuer or dispositions of the Issuer’s assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

Acreage completed the sale of its cultivation and processing facility in Medford, Oregon to an unaffiliated third-party. Total consideration for the sale of the Medford cultivation and processing facility was $2.0 million, including $0.75 million paid to Acreage in February 2021, $0.5 million due August 1, 2022, and the remaining balance of $0.75 million due May 1, 2023. The aggregate consideration was determined by conducting a sale process and Acreage accepted what it considered the best offer.

1. Describe the acquisition of new customers or loss of customers.

N/A

1. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

None material.

1. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.
	1. The Issuer had approximately 48 new hires, 0 furloughs or return from furloughs, and 36 terminations.
2. Report on any labour disputes and resolutions of those disputes if applicable.

None material.

1. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

N/A

1. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

None material.

1. Provide details of any securities issued and options or warrants granted.

Share Issuances:

|  |  |  |
| --- | --- | --- |
| **RSU Issuance Breakdown** | **Floating (Class D)** | **Fixed (Class E)** |
| *New Issuances as a result of vesting in the period* | 551,219 | 1,226,113 |

There were no conversions of any NCI units (HSCP LLC Common units or USCo2 Class B non-voting shares) in the month.

1. Provide details of any loans to or by Related Persons.

None, except as previously disclosed.

1. Provide details of any changes in directors, officers or committee members.

N/A

1. Discuss any trends which are likely to impact the Issuer including trends in the Issuer’s market(s) or political/regulatory trends.

Trends and risks which may impact the Issuer are detailed in *Risk Factors* - in the Issuer’s Annual Report on Form 10-K dated March 11, 2022.

**Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 7 Monthly Progress Report is true.

Dated June 6, 2022

|  |  |
| --- | --- |
|  | Steve Goertz |
|  | Name of Director or Senior Officer |
|  |  |
|  | /s/Steve Goertz  |
|  | Signature |
|  |  |
|  | Chief Financial Officer |
|  | Official Capacity |

|  |  |  |
| --- | --- | --- |
| ***Issuer Details***Name of IssuerAcreage Holdings, Inc. | For Month EndMay 2022 | Date of ReportYY/MM/DD 22/06/06 |
| Issuer Address366 Madison Ave., Floor 14 |
| City/Province/Postal CodeNew York, New York 10017 | Issuer Fax No.(212) 428-6770 | Issuer Telephone No.(646) 600-9181 |
| Contact NameSteve Goertz | Contact PositionCFO | Contact Telephone No.(646) 600-9181 |
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