

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")	34,114,596
Class E Subordinate Voting Shares ("Fixed")	79,046,738
Class F Multiple Voting Shares ("Fixed Multiple")	83,860

Date: November 4, 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

- (a) 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.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) 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 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.

2. Provide a general overview and discussion of the activities of management.

Floating Share Arrangement

On October 24, 2022, Acreage entered into an arrangement agreement (the “Floating Share Agreement”) with Canopy Growth Corporation (“Canopy” or “CGC”) (TSX: WEED, NASDAQ: CGC) and Canopy USA, LLC (“Canopy USA”), CGC’s newly-created U.S. domiciled holding company, pursuant to which, subject to approval of the holders of the Class D subordinate voting shares of Acreage (the “Floating Shares”) and the terms and conditions of the Floating Share Agreement, Canopy USA will acquire all of the issued and outstanding Floating Shares by way of court-approved plan of arrangement (the “Floating Share Arrangement”) for consideration of 0.4500 of a common share of Canopy (each whole share a “Canopy Share”) in exchange for each Floating Share.

Concurrently with the entering into of the Floating Share Agreement, Canopy irrevocably waived its option to acquire the Floating Shares pursuant to the plan of arrangement implemented on September 23, 2020 (the “Existing Arrangement”) pursuant to the arrangement agreement between Canopy and Acreage dated April 18, 2019, as amended (the “Existing Arrangement Agreement”).

Subject to the provisions of the Floating Share Agreement, Canopy has agreed to exercise its option pursuant to the Existing Arrangement Agreement (the “Fixed Option”) to acquire Acreage’s outstanding Class E subordinate voting shares (the “Fixed Shares”), representing approximately 70% of the total shares of Acreage as at the date hereof, at a fixed exchange ratio of 0.3048 of a Canopy Share for each Fixed Share.

Upon exercise of the Fixed Option and completion of the Floating Share Arrangement, Canopy USA will own 100% of all outstanding Fixed Shares and Floating Shares. Pursuant to a press release issued today, Canopy announced that, on exercising of the Fixed Option and closing of the Floating Share Arrangement, options to acquire 100% of the membership interests of Mountain High Products, LLC, Wana Wellness, LLC, and The Cima Group, LLC (together, “Wana”) and 100% of the shares of Lemurian, Inc. (“Jetty”), which are or will be held directly or indirectly by Canopy USA, will be exercised, and Canopy USA is expected to retain its conditional ownership position in TerrAscend Corp. (CSE: TER, OTCQX: TRSSF).

TRA Settlement

Concurrently with execution of the Floating Share Agreement, Canopy agreed to issue (i) Canopy Shares with a value of approximately \$30.5 million to certain current or former unit holders (each,

a “Holder”) of High Street Capital Partners, LLC (“HSCP”), a subsidiary of Acreage, to acquire the right to all future payments under HSCP’s existing Tax Receivable Agreement, as amended (the “TRA”) and (ii) a payment with a value of approximately \$19.5 million in Canopy Shares to certain directors, officers or consultants of Acreage to satisfy obligations under HSCP’s existing Tax Receivable Bonus Plans, under further amendment to each. Canopy Shares with a value of approximately \$15.3 million will be issued to certain Holders as soon as practicable as the first installment under the amended TRA with a second payment of approximately \$15.3 million in Canopy Shares to occur on the earlier of (a) the second business day following the date on which the Floating Shareholders approve the Floating Share Arrangement; or (b) April 24, 2023. In addition, a final payment with a value of approximately \$19.5 million in Canopy Shares will be issued by Canopy to certain eligible participants under the Tax Receivable Bonus Plans immediately prior to the completion of Floating Share Arrangement.

Credit Facility Amendment

On October 24, the Company amended its existing \$150.0 million credit facility (the “Amended Credit Facility”) with AFC Gamma, Inc. (“AFC Gamma”) and Viridescent Realty Trust (and together with AFC Gamma, the “Lenders”). Viridescent is an entity controlled by Kevin Murphy, the Chairman of the board of directors of Acreage. Under the terms of the Amended Credit Facility, \$25.0 million is available for immediate draw by Acreage with a further \$25.0 million available in future periods under a committed accordion option once certain predetermined milestones are achieved. In conjunction with entering into the Amended Credit Facility, all financial debt covenants, except a minimum cash requirement, were waived until December 31, 2023, and new covenants have been agreed upon in respect of all periods beginning on or after December 31, 2023. Finally, the Amended Credit Facility includes approval for Canopy USA to acquire control of Acreage without requiring repayment of all amounts outstanding under the Amended Credit Facility, provided certain conditions are satisfied. Acreage intends to use the proceeds of the Amended Credit Facility to fund expansion initiatives and provide additional working capital.

The Amended Credit Facility will bear interest at a variable rate of U.S. prime (“Prime”) plus 5.75% per annum, payable monthly in arrears, with a Prime floor of 5.50%, and a maturity date of January 1, 2026. Under the terms of the Amended Credit Facility, the Company has the option to extend the maturity date to January 1, 2027, for a fee equal to 1.0% of the total amount available to be drawn under the Amended Credit Facility. The Company will pay an amendment fee of \$1,250 to the Lenders.

3. 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.

4. 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.

5. 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.

6. 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.

7. 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.

Except as noted above, none material.

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

N/A

9. 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.

Except as noted above, none material.

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

The Issuer had approximately 44 new hires and 43 terminations.

11. Report on any labour disputes and resolutions of those disputes if applicable.

None material.

12. 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

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

Except as noted above, none material.

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

Share Issuances:

Issuance Breakdown	Floating (Class D)	Fixed (Class E)
<i>New issuances as a result of vesting in the period</i>	3,782	8,826
<i>Other Issuances</i>	66,667	193,940

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

Except as noted above, none material.

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

N/A

17. 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 November 4, 2022

Steve Goertz

Name of Director or Senior Officer

/s/Steve Goertz

Signature

Chief Financial Officer

Official Capacity

Issuer Details Name of Issuer Acreage Holdings, Inc.	For Month End October 2022	Date of Report YY/MM/DD 22/11/04
Issuer Address 366 Madison Ave., Floor 14		
City/Province/Postal Code New York, New York 10017	Issuer Fax No. (212) 428-6770	Issuer Telephone No. (646) 600-9181
Contact Name Steve Goertz	Contact Position CFO	Contact Telephone No. (646) 600-9181
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