

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")	30,476,355
Class E Subordinate Voting Shares ("Fixed")	70,994,208

Date: October 5, 2020

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 licenses and assets in the U.S. Acreage is dedicated to building and scaling operations to create a seamless, consumer-focused branded cannabis experience.

2. Provide a general overview and discussion of the activities of management.
- On September 16, 2020, the shareholders ("Shareholders") of Acreage approved a special resolution at a special meeting, which authorized and approved (i) the Amended Arrangement (as defined below), (ii) Acreage entering into an amending agreement (the "Amending Agreement") with Canopy Growth Corporation ("Canopy Growth") to (a) amend the existing arrangement agreement between Acreage and Canopy Growth dated April 18, 2019, as amended on May 15, 2019, (b) amend and restate the existing plan of arrangement (the "Amended Plan of Arrangement") and (c) implement the Amended Plan of Arrangement pursuant to the Business Corporations Act (British Columbia) (the "Amended Arrangement"), (iii) the Amended Plan of Arrangement, and (iv) the second amended and restated equity incentive plan amending and restating the Existing Omnibus Plan (the "Second Amended and Restated Omnibus Equity Incentive Plan" and collectively with the Amended Arrangement, the Amending Agreement and the Amended Plan of Arrangement, the "Arrangement Transaction").

The Amended Plan of Arrangement was implemented on September 23, 2020 (the "Effective Date"). Pursuant to the Amended Plan of Arrangement, among other things, Acreage completed a capital reorganization (the "Capital Reorganization") whereby: (i) each Existing SVS was exchanged for 0.7 of a Class E subordinate voting share (each whole share, a "Fixed Share") and 0.3 of a Class D subordinate voting share (each whole share, a "Floating Share"); (ii) each Class B proportionate voting share (each, an "Existing PVS") was exchanged for 28 Fixed Shares and 12 Floating Shares; and (iii) each Class C multiple voting share (each, an "Existing

MVS”, and collectively with the Existing SVS and Existing PVS, the “Existing Shares”) was exchanged for 0.7 of a new multiple voting share (each whole share, a “Fixed Multiple Share”) and 0.3 of a Floating Share. The full particulars of the Arrangement Transaction are described in Acreage’s proxy statement and management information circular dated August 17, 2020.

- On September 28, 2020, Acreage announced the opening of Nature’s Care dispensary in downtown Chicago, Illinois.
 - On September 29, 2020, Acreage announced the closing a financing transaction with an institutional lender for \$33 million and used a portion of the proceeds to retire its short-term \$11 million secured convertible note. The loan is unsecured, matures in three years, and bears a 7.5% annual interest rate.
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.

In early September, Acreage launched *The Botanist* BOOST Indica 20:1 vape cartridge at its Botanist dispensaries in New York.

The Botanist BOOST Indica 20:1 vape cartridge is a high THC/low CBD, Indica-dominant cannabis product, containing 5mg of total cannabinoids per dose and 84 doses per 0.5ml cartridge. *The Botanist* BOOST Indica 20:1 vape cartridge is made with real cannabis terpenes – no additives, cutting agents or artificial flavors – and delivers a potent, smooth vapor with the clean flavor of real cannabis. AND *The Botanist* BOOST Indica 20:1 vape cartridge is Kosher certified.

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.

N/A

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.

N/A

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.

N/A

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.

N/A

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.

N/A

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 one employee return from furlough), 1 furlough, and 9 terminations in September.

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

N/A

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.

On September 1, 2020, High Street Capital Partners, LLC ("HSCP"), a Delaware limited liability company, was served with a civil complaint filed on June 15, 2020, in the Superior Court of the State of Delaware, by William F. Weld, seeking declaratory judgments and damages in connection with an alleged breach of an assent to pledge his C-1 Interests in HSCP, Case No. N20C-06-161-MMJ CCLD. The matter is currently in its very early stages. HSCP fully intends to respond to the complaint and to contest the matter, which is wholly without merit.

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

Except as set forth above, none.

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

	Prior to 9/23 Re-Org. ⁽¹⁾	Post 9/23 Exchange due to Re- Org.	
Share Issuance Breakdown	Subordinate Voting Shares	Class D	Class E
Debenture Conversion \$550K ⁽²⁾	327,380	98,214	229,166
Loan Interest Shares (Tranche A) ⁽³⁾	12,000	3,600	8,400
Commitment Fee Shares ⁽⁴⁾	200,000	60,000	140,000
TOTAL	539,380	161,814	377,566

	Prior to 9/23 Re-Org.	Post 9/23 Exchange due to Re- Org.	
RSU Issuances ⁽⁵⁾	Subordinate Voting Shares	Class D	Class E
New Issuances	68,847	20,654	48,192
TOTAL	68,847	20,654	48,192

1. Represents new issuances of Subordinate Voting Shares prior to the Capital Reorganization that occurred on September 23rd. After the Capital Reorganization, the Subordinate Voting Shares ceased to exist and were exchanged into Class D and Class E Subordinate Voting Shares.

2. On September 29, 2020, YA II PN, Ltd. (the “Investor”) converted \$550,000 of the principal amount under a secured convertible debenture (“Convertible Debenture”) into Subordinate Voting Shares at a conversion price of \$1.68 per share. The full particulars of the Convertible Debenture are described in the Issuer’s Form 8-K dated May 29, 2020.

3. Represents shares issued to satisfy interest payments to the lender under the Original Credit Agreement described below.

4. Represents shares issued to an institutional investor in consideration for entering into the Standby Equity Distribution Agreement. The full particulars of the Standby Equity Distribution Agreement are described in the Issuer’s Form 8-K dated May 29, 2020.

5. Represents shares issued to satisfy employee RSU vests.

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

In connection with, and as a condition to the implementation of, the Amended Arrangement, the previously announced credit facility and loan agreement dated March 6, 2020 among Acreage Finance Delaware, LLC, a subsidiary of Acreage, as borrower, and various subsidiaries of Issuer, as guarantors, and IP Investment Company, LLC, as lender, administrative agent and collateral agent (the "Original Credit Agreement") was amended in accordance with an amendment to the Original Credit Agreement among the parties thereto dated the Amendment Date (the "Credit Agreement Amendment", and together with the Original Credit Agreement, the "Credit Agreement"). The Credit Agreement Amendment provides that: (i) with respect to US\$21,000,000 of the principal amount advanced pursuant to the Original Credit Agreement (the "Mr. Murphy Amount"), effective as of the Amendment Time, the Original Credit Agreement was amended to (a) remove any entitlement to "Interest Shares" (as defined in the Original Credit Agreement) in respect of this amount, (b) provide for an interest rate of 12% per annum payable in cash, (c) amend Section 9.3 of the Original Credit Agreement to amend the obligation of Acreage Finance Delaware, LLC to cause Acreage to sell up to 8,800,000 Existing Subordinate Voting Shares to repay the amount outstanding such that the obligation was reduced to cause the issuance of up to 2,000,000 Fixed Shares, and (ii) with respect to US\$1,000,000 of the principal amount advanced pursuant to the Original Credit Agreement, the lender is entitled to (a) 16,799 Fixed Shares and 7,199 Floating Shares, (b) upon maturity of the Original Credit Agreement, a return of US\$1,100,000 and (c) otherwise be treated in accordance with the current terms of the Original Credit Agreement.

Kevin Murphy, the Chair of the Acreage Board, has an economic interest in the Mr. Murphy Amount through a loan of US\$21,000,000 made from Mr. Murphy to the lender under the Original Credit Agreement, which funds were subsequently loaned to the borrower under the Original Credit Agreement. While Mr. Murphy's entitlements arising indirectly pursuant to the Original Credit Agreement were reduced as a condition to the implementation of the Amended Arrangement, the terms of the Amending Agreement and the Amended Plan of Arrangement increase the likelihood that the amount outstanding under the Original Credit Agreement will be repaid.

The full particulars of the Credit Agreement Amendment are described in the Issuer's Material Change Report dated September 23, 2020.

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 May 29, 2020.

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 October 5, 2020

Glen S. Leibowitz

Name of Director or Senior Officer

/s/ Glen S. Leibowitz

Signature

Chief Financial Officer

Official Capacity

Issuer Details		For Month End	Date of Report
Name of Issuer		September	YY/MM/D
Acreage Holdings, Inc.		2020	20/05/10
Issuer Address			
366 Madison Avenue, 11 th Floor			
City/Province/Postal Code		Issuer Fax No.	Issuer Telephone No.
New York, New York 10017		(212) 428-6770	(646) 600-9181
Contact Name		Contact Position	Contact Telephone No.
Glen Leibowitz		CFO	(646) 600-9181
Contact Email Address		Web Site Address	
g.leibowitz@acreageholdings.com		https://www.acreageholdings.com/about/	