

**FORM 51-102F3**

**MATERIAL CHANGE REPORT**

**Item 1. Name and Address of Company**

Acreage Holdings, Inc. (“**Acreage**” or the “**Company**”)  
366 Madison Avenue, 11<sup>th</sup> Floor  
New York, NY  
10017

**Item 2. Date of Material Change**

April 3, 2020

**Item 3. News Release**

A news release announcing the material change described herein was disseminated via Canada Newswire and filed on SEDAR on April 3, 2020.

**Item 4. Summary of Material Change**

On April 3, 2020, the Company announced the termination of the Agreement and Plan of Merger entered into on April 18, 2019, by and among Deep Roots Medical LLC (“**Deep Roots**”), High Street Capital Partners, LLC, an indirect subsidiary of the Company (“**HSCP**”), Challenger Merger Sub, LLC and DRM Member Representative LLC, solely in its capacity as the Member Representative, as amended by that certain First Amendment to the Agreement and Plan of Merger, dated as of July 22, 2019 (the “**Deep Roots Merger Agreement**”), pursuant to which HSCP was to acquire 100% of Deep Roots, a vertically integrated cannabis operator in Nevada. The Deep Roots transaction was subject to the approval of local and state regulatory bodies in Nevada.

**Item 5. Full Description of Material Change**

On April 3, 2020, the Company announced the termination of the Deep Roots Merger Agreement, pursuant to which HSCP was to acquire 100% of Deep Roots, a vertically integrated cannabis operator in Nevada for aggregate consideration of approximately US\$120 million payable as to US\$100 million in common membership units of HSCP and US\$20 million in cash. Deep Roots exercised its right to terminate the Deep Roots Merger Agreement following March 31, 2020, the end date for consummating the transaction. The Deep Roots Merger Agreement was terminated due to the ongoing moratorium imposed by the Nevada Department of Taxation. The delay prevented the parties from obtaining the consents, approvals and authorizations necessary to consummate the merger prior to the outside date provided in the Deep Roots Merger Agreement.

**Item 6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102**

Not applicable.

**Item 7. Omitted Information**

Not applicable.

**Item 8. Executive Officer**

The following senior officer of Acreage is knowledgeable about the material change and the Material Change Report, and may be contacted as follows:

Glen Leibowitz, Chief Financial Officer  
Telephone: 646.491.6347

**Item 9. Date of Report**

April 24, 2020