



Canopy Growth and Acreage Holdings Announce Initial Plans to Launch THC-Infused Beverages in the U.S. Next Summer

October 1, 2020

SMITHS FALLS, ON & NEW YORK, NY — Canopy Growth Corporation ("Canopy Growth") (TSX:WEED, NYSE:CGC) and Acreage Holdings, Inc. (CSE:ACRG.A.U, ACRG.B.U), (OTC: ACRHF, ACRDF) announced today that following the implementation of their amended arrangement, Acreage has developed a plan to market Canopy Growth's diverse beverage portfolio in the United States.

Leading with legal adult-use markets in Illinois and California, Acreage anticipates launching Canopy Growth's select, sessionable THC beverage formulations in summer 2021. In addition to selling products in its own dispensaries, Acreage will access existing distribution channels through strategic corporate relationships.

"We have had an incredibly successful introduction into the Canadian cannabis-infused beverage industry with over 1.7 million cans of our THC-infused RTD beverages, like [Tweed's Houndstooth & Soda](#) and **Bakerstreet & Ginger** sold to date," shared Canopy Growth CEO, David Klein. "We introduced a new product category to cannabis consumers that we knew had the potential to disrupt one of the most mature industries and since launching in Canada, Canopy Growth now owns 5 of the top 6 SKUs in the beverage category with a 74% market share. We are excited for Canopy's beverages to be introduced to the U.S. market and know from recent BDS Analytics reports that the United States represents a market that achieved roughly \$60M in beverage sales in 2019."

"We see THC-infused beverages as a game-changer in U.S. cannabis, and we are excited to launch Canopy Growth's unique beverage offerings to our core markets offering the greatest growth potential next year," said Bill Van Faasen, Interim CEO of Acreage Holdings. "We are already working on our beverage production capabilities, and look forward to tapping the wealth of experience and research Canopy can offer following its successful entry in the category last year."

The Companies look forward to bringing a sessionable infused beverage offering to U.S. consumers that will more closely liken itself to current beverage-alcohol serving sizes.

Here's to Future (Infused U.S.) Growth

For Canopy Growth

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About Canopy Growth Corporation

Canopy Growth (TSX:WEED, NYSE:CGC) is a world-leading diversified cannabis, hemp and cannabis device company, offering distinct brands and curated cannabis varieties in dried, oil and Softgel capsule forms, as well as medical devices through Canopy Growth's subsidiary, Storz & Bickel GmbH & Co. KG. From product and process innovation to market execution, Canopy Growth is driven by a passion for leadership and a commitment to building a world-class cannabis company one product, site and country at a time.

Canopy Growth's medical division, Spectrum Therapeutics is proudly dedicated to educating healthcare practitioners, conducting robust clinical research, and furthering the public's understanding of cannabis, and has devoted millions of dollars toward cutting edge, commercializable research and IP development. Spectrum Therapeutics sells a range of full-spectrum products using its colour-coded classification Spectrum system as well as single cannabinoid Dronabinol under the brand Bionorica Ethics.

Canopy Growth operates retail stores across Canada under its award-winning Tweed and Tokyo Smoke banners. Tweed is a globally recognized cannabis brand which has built a large and loyal following by focusing on quality products and meaningful customer relationships.

From our historic public listing on the Toronto Stock Exchange and New York Stock Exchange to our international expansion, pride in advancing shareholder value through leadership is engrained in all we do at Canopy Growth. Canopy Growth has established partnerships with leading sector names including cannabis icons Snoop Dogg and Seth Rogen, breeding legends DNA Genetics and Green House Seeds, as well as lifestyle guru Martha Stewart and Fortune 500 alcohol leader Constellation Brands, to name but a few. For more information visit www.canopygrowth.com.

About Acreage

Headquartered in New York City, Acreage 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. Acreage debuted its national retail store brand, The Botanist, in 2018, and its award-winning consumer brand, The Botanist, in 2019.

On June 27, 2019, Acreage implemented an arrangement under section 288 of the Business Corporations Act (British Columbia) with Canopy Growth, which was subsequently amended on September 23, 2020. Pursuant to the Amended Arrangement, upon the occurrence (or waiver by Canopy Growth) of the Triggering Event, Canopy Growth will, subject to the satisfaction or waiver of certain closing conditions, acquire all of the issued and outstanding Fixed Shares on the basis of 0.3048 of a Canopy Growth Share per Fixed Share (following the automatic conversion of the Fixed Multiple Shares and subject to adjustment in accordance with the terms of the Arrangement Agreement).

In addition, Canopy Growth holds an option, exercisable at the discretion of Canopy Growth, to acquire all of the issued and outstanding Floating Shares at the time that Canopy Growth acquires the Fixed Shares, for cash or Canopy Growth Shares, as Canopy Growth may determine, at a price per Floating Share based upon the 30-day volume-weighted average trading price of the Floating Shares on the CSE relative to the trading price of the Canopy Growth Shares at the time of the occurrence or waiver of the Triggering Event, subject to a minimum price of US\$6.41 per Floating Share.

For more information about the Amended Arrangement please see the Circular and the respective information circulars of each of Acreage and Canopy Growth dated May 17, 2019, which are available on Acreage's and Canopy Growth's respective profiles on SEDAR at www.sedar.com and filed with the SEC on the EDGAR website at www.sec.gov.

For additional information regarding Canopy Growth, please see Canopy Growth's profile on SEDAR at www.sedar.com.

Notice Regarding Forward Looking Statements

This press release contains "forward-looking statements" and "forward-looking information" within the meaning of applicable U.S. and Canadian securities laws (collectively, "forward-looking statements"), which involve certain known and unknown risks and uncertainties. Forward-looking statements predict or describe our future operations, business plans, business and



investment strategies and the performance of our investments. These forward-looking statements are generally identified by their use of such terms and phrases as "intend," "goal," "strategy," "estimate," "expect," "project," "projections," "forecasts," "plans," "seeks," "anticipates," "potential," "proposed," "will," "should," "could," "would," "may," "likely," "designed to," "foreseeable future," "believe," "scheduled" and other similar expressions. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statement was made. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to significant business, economic and competitive risks, financial results, results, performance or achievements expressed or implied by those forward-looking statements and the forward-looking statements are not guarantees of future performance. Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. A discussion of some of the material factors applicable to Canopy Growth Corporation ("Canopy") can be found under the section entitled "Risk Factors" in Canopy's Annual Report on Form 10-K for the year ended March 31, 2020, filed with the Securities and Exchange Commission and with applicable Canadian securities regulators, as such factors may be further updated from time to time in its periodic filings with the Securities and Exchange Commission and with applicable Canadian securities regulators, which can be accessed at www.sec.gov/edgar and www.sedar.com, respectively. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this press release and in the filings. Any forward-looking statement included in this press release is made as of the date of this press release and, except as required by law, Canopy disclaims any obligation to update or revise any forward-looking statement. Readers are cautioned not to put undue reliance on any forward-looking statement. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement.