

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Acreage Holdings, Inc. (“**Acreage**”)
450 Lexington Avenue, #3308
New York, NY 10163

Item 2. Date of Material Change

October 30, 2020

Item 3. News Release

A news release disseminated on November 2, 2020 via GlobeNewswire and filed on SEDAR.

Item 4. Summary of Material Change

On November 3, 2020, an indirect subsidiary of Acreage, High Street Capital Partners, LLC (the “**Borrower**”), received a first advance of \$28 million from a syndicate of lenders (the “**Lenders**”) under a secured term loan facility for up to an aggregate of \$70 million (the “**Facility**”). The Facility matures in four years and bears an annual interest rate of 15%.

Item 5. Full Description of Material Change

On October 30, 2020, the Borrower and the Lenders entered into a loan agreement (the “**Loan Agreement**”) in respect of a Facility of up to \$70 million. The Facility is guaranteed by Acreage and certain of its subsidiaries (collectively, the “**Guarantors**”) and is secured by all existing personal and real property of the Borrower and the Guarantors, and the equity interests of Acreage’s subsidiaries. The Facility matures in four years and bears an annual interest rate of 15%. In the event that the Borrower prepays all or any portion of the amount outstanding under the Facility prior to the second anniversary of the Loan Agreement, the Borrower will be obligated to pay a prepayment premium equal to 7.5%. In the event that the Borrower prepays all or any portion of the amount outstanding under the Facility after the second anniversary but prior to the third anniversary of the Loan Agreement (but prior to maturity), the Borrower will be obligated to pay a prepayment premium equal to 3.5%. After the third anniversary of the Loan Agreement, the Borrower may prepay all or any portion of the amount outstanding under the Facility together with all interest accrued thereon, without any premium, bonus, penalty or other charge.

On November 2, 2020, the Lenders made a first advance to the Borrower under the Facility of \$28 million. In connection with the advance, Acreage issued the

Lenders an aggregate of 1,556,929 warrants (the “**Fixed Share Warrants**”) with each Fixed Share Warrant exercisable for one class E subordinate voting share of Acreage (each a “**Fixed Share**”) and 697,666 warrants (the “**Floating Share Warrants**”) with each Floating Share Warrant exercisable for one class D subordinate voting share of Acreage (each a “**Floating Share**”). The exercise price of each Fixed Share Warrant is US\$3.15 and the exercise price of each Floating Share Warrant is US\$3.01. The Fixed Share Warrants and the Floating Share Warrants are exercisable for a period of four years.

The foregoing summary of the Loan Agreement does not purport to be a complete description of all the parties’ rights and obligations under the Loan Agreement and is qualified in its entirety by reference to the Loan Agreement, a copy of which is available on the issuer profile of Acreage on SEDAR at www.sedar.com.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not Applicable.

Item 7. Omitted Information

No information has been omitted from this Material Change Report.

Item 8. Senior Officer

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

Glen Leibowitz, Chief Financial Officer
Telephone: 646.491.6347

Item 9. Date of Report

November 4, 2020