

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. Dates of Material Change

February 23 and 24, 2021

Item 3. News Release

News releases were disseminated on February 23, 2021 (in respect of the change in Acreage’s CFO) and February 25, 2021 (in respect of Acreage’s entry into the material definitive agreement) via GlobeNewswire and filed on SEDAR as Exhibits 99.2 and 99.1, respectively, to Acreage’s Current Report on Form 8-K dated February 26, 2021.

Item 4. Summary of Material Change

Appointment of New Chief Financial Officer

On February 23, 2021, Acreage announced that Glen Leibowitz, Acreage's Chief Financial Officer, will be leaving Acreage and that Steve Goertz will be appointed as the Chief Financial Officer, with the transition effective April 2, 2021.

Entry into Material Definitive Agreement

On February 24, 2021, a subsidiary of Acreage, High Street Capital Partners, LLC (“HSCP”), entered into a Stock Purchase Agreement (the “**Agreement**”) with RWB Florida LLC (the “**Buyer**”) and Red, White & Bloom Brands Inc. (the “**Parent**”) (CSE: RWB) (OTCQX: RWBYF), to sell all of the issued and outstanding shares of common stock of Acreage Florida, Inc. (“**Acreage Florida**”) for an aggregate purchase price of \$60.0 million. Acreage Florida is licensed to operate medical marijuana dispensaries, a processing facility, and a cultivation facility in the state of Florida. The deal also includes the sale of property in Sanderson, Florida (the “**Transaction**”).

Item 5. Full Description of Material Change

Appointment of New Chief Financial Officer

On February 23, 2021, Acreage announced that Glen Leibowitz, Acreage's Chief Financial Officer, will be leaving Acreage and that Steve Goertz will be appointed as the Chief Financial Officer, with the transition effective April 2, 2021.

Mr. Goertz previously served as Chief Financial Officer of sgsco, a private equity owned global marketing services organization, from 2018 to 2020, where he led the restructuring of the finance function and participated in the integration of an organization built through acquisitions. Prior to that, Mr. Goertz was the Chief Financial Officer of goeasy Ltd., a Toronto Stock Exchange listed consumer finance company, from 2009 to 2018, where he co-led the transition of the business from a hard goods retailer to a leading non-bank financial services organization. In this role, he was also responsible for the development of systems and the establishment of a risk management discipline and successfully reorganized the capital structure through a series of equity and debt offering. Mr. Goertz also served in various finance and accounting roles at Sobeys, Maple Leaf Foods, and Deloitte.

Prior to joining Acreage, Mr. Goertz gained considerable cannabis capital markets experience having spent the past 14 months working with Bespoke Capital Acquisition Corp, a special purpose acquisition corporation, focused on the cannabis industry in the U.S. and globally.

On February 15, 2021, Acreage entered into an offer letter (the “**Offer Letter**”) with Mr. Goertz with respect to his employment as Vice President of Finance. Acreage expects this Offer Letter to form the basis of Mr. Goertz’s compensation in the role of Chief Financial Officer as well, and does not currently expect any changes to the compensation package discussed herein upon the effective date of the transition to the Chief Financial Officer role. The Offer Letter provides for Mr. Goertz to receive: (a) an annual base salary of \$350,000; (b) an initial long-term equity award (the “**Equity Award**”) under the Acreage Holdings, Inc. Annual Omnibus Equity Incentive Plan consisting of (i) 15,901 restricted share units (“**New RSUs**”) that will be settled in accordance with the terms of the Equity Award for class E subordinate voting shares of Acreage (the “**Fixed Shares**”), (ii) 50,962 restricted share units (“**Floating RSUs**”) that will be settled in accordance with the terms of the Equity Award for class D subordinate voting shares of Acreage (the “**Floating Shares**”), (iii) 23,665 options (“**Fixed Options**”) to acquire Fixed Shares, and (iv) 107,456 options (“**Floating Options**”) to acquire Floating Shares, with each of the New RSUs, Floating RSUs, Fixed Options and Floating Options to vest in one-third increments on the first, second and third anniversary of the date of the grant; (c) a one-time equity grant of (i) 51,111 New RSUs and (ii) 172,698 Floating Options (the “**Initial Award**”), with the Initial Award subject to performance-based vesting under which 33 1/3% of each of the class of securities issued pursuant to Initial Award will vest if the Board determines that Acreage achieved at least 90% of the Consolidated Adjusted EBITDA Target in respect of each of the fiscal years 2021-2023; and (d) eligibility for an annual cash bonus award in an amount to be determined by the Board, which can be equal to up to 150% of the annual base salary. The Offer Letter also provides severance benefits

equal to twelve months of Mr. Goertz's base salary following his termination by Acreage without cause.

The foregoing description of the terms of the Offer Letter is a summary of select terms, is not complete, and is qualified in its entirety by reference to the full text thereof, which is filed on SEDAR as Exhibit 10.1 to Acreage's Current Report on Form 8-K dated February 26, 2021.

Entry into Material Definitive Agreement

On February 24, 2021, HSCP entered into the Agreement with the Buyer and the Parent to sell all of the issued and outstanding shares of common stock of Acreage Florida for an aggregate purchase price of \$60.0 million. Acreage Florida is licensed to operate medical marijuana dispensaries, a processing facility, and a cultivation facility in the state of Florida. The deal also includes the sale of property in Sanderson, Florida (the "**Transaction**").

As consideration for the Transaction, the Buyer will (i) pay to HSCP an initial \$5.0 million upon execution of the Agreement; (ii) pay to HSCP an additional \$20.0 million upon closing of the transaction; (iii) issue to HSCP \$7.0 million worth of common shares of the Parent, which shares shall be subject to a twelve-month lock-up period during which shares shall be released from lock-up in equal increments starting on the sixth month of the lock-up period; (iv) issue to HSCP a promissory note in the principal amount of \$10.0 million due approximately seven months from the closing date; and (v) issue to HSCP an additional promissory note in the principal amount of \$18.0 million due approximately thirteen months from the closing date.

The closing of the Transaction is expected to occur during the second quarter of 2021 and is subject to customary closing conditions including the procurement of all necessary approvals for the transfer to the Buyer of the Florida license for the operation of the medical marijuana businesses.

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

March 9, 2021