



Acreage Holdings and Medterra Announce a Joint Venture

A Collaboration Between Two of the Largest Industry Innovators in CBD and Cannabis

NEW YORK, May 03, 2021 (GLOBE NEWSWIRE) -- [Acreage Holdings, Inc.](#) (CSE:ACRG.A.U, ACRG.B.U), (OTCQX:ACRHF, ACRDF) a vertically integrated, multi-state operator of cannabis licenses and assets in the U.S., today announced its subsidiary, Universal Hemp, LLC reached an agreement with [Medterra CBD, LLC](#), one of the largest CBD companies in the industry. This partnership will allow Acreage Holdings to tap into Medterra's innovation pipeline, high-quality CBD, and significant e-commerce platform for immediate nationwide distribution. **Five Farms CBD, LLC**, a subsidiary of Medterra, will develop a full spectrum CBD collection under The Botanist, an Acreage Holdings brand. This partnership makes this a first in the cannabis industry for a CBD and a publicly traded cannabis brand to collaborate.

"Leveraging insights and technology from Medterra to develop Five Farms has allowed us to scale the brand with record-breaking growth over the past year. We've been laser focused on identifying how to resonate with the cannabis-friendly consumer," says J.P. Larsen Co-founder of Medterra and President of Five Farms. "Incorporating Acreage's The Botanist brand, under Five Farms will allow us to innovate for their target demographic and rapidly expand the brand's national footprint - it's an evolution for both industries and the future of CBD and cannabis companies."

"This asset-lite approach to entering the U.S. CBD market with Medterra, a leader in the industry, will allow Acreage to realize a low-risk, high-margin revenue stream, and is aligned with our shareholder commitment to deliver increased returns and outsized shareholder value creation" said Peter Caldini, Chief Executive Officer of Acreage. "Partnering our flagship brand, The Botanist, with Medterra's fastest growing line, Five Farms, ensures the broadest consumer distribution through their industry-leading e-commerce platform, as well as the most efficient 'go-to-market' strategy."

Acreage will license The Botanist brand to Five Farms, which will manufacture, market, and sell The Botanist branded CBD products through Medterra's e-commerce platform. The Botanist branded CBD is expected to be available the second half of 2021.

ABOUT FIVE FARMS

Five Farms is setting a new standard for CBD; its perfected the full spectrum CBD experience. The name "five" comes from the commitment to use every part of the hemp plant for a 5:1 ratio. Five Farms uses the highest quality CBD in the U.S. and offers fair pricing on products that consumers can feel the difference. A certificate of analysis from third-party labs for potency, quality and effectiveness is available for every product on the website. For more information, please visit www.fivecbd.com.

ABOUT ACREAGE

With its principal address in New York City, Acreage is a multi-state operator of cannabis cultivation and retailing facilities in the U.S., including the company's national retail store brand, *The Botanist*. Acreage's wide range of national and regionally available cannabis products include the award-winning *The Botanist* brand, the highly recognizable *Tweed* brand, the *Prime* medical brand in Pennsylvania, the *Innocent* edibles brand in Illinois and others. Acreage also owns Universal Hemp, LLC, a hemp subsidiary dedicated to the distribution, marketing, and sale of CBD products throughout the U.S. Since its founding in 2011, Acreage has focused on building and scaling operations to create a seamless, consumer-focused, branded experience. More information is available at www.acreageholdings.com.

On June 27, 2019, Acreage implemented an arrangement under section 288 of the Business Corporations Act (British Columbia) with Canopy Growth Corporation ("Canopy Growth"), which was subsequently amended on September 23, 2020 (the "Amended Arrangement"). Pursuant to the Amended Arrangement, upon the occurrence (or waiver by Canopy Growth) of changes in federal laws in the United States to permit the general cultivation, distribution and possession of marijuana (as defined in the relevant legislation) or to remove the regulation of such activities from the federal laws of the United States (the "Triggering Event"), Canopy Growth will, subject to the satisfaction or waiver of certain closing conditions, acquire all of the issued and outstanding Class E subordinate voting shares (the "Fixed Shares") on the basis of 0.3048 of a Canopy Growth share per Fixed Share (following the automatic conversion of the Class F multiple voting shares and subject to adjustment in accordance with the terms of the arrangement agreement entered into between Acreage and Canopy Growth on April 18, 2019, as amended on May 15, 2019 and on September 23, 2020).

In addition, Canopy Growth holds an option, exercisable at the discretion of Canopy Growth, to acquire all of the issued and outstanding Class D subordinate voting shares (the "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 Acreage proxy statement and management information

circular dated August 17, 2020 (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.

FORWARD LOOKING STATEMENTS

This news release and each of the documents referred to herein contains “forward-looking information” and “forward-looking statements” within the meaning of applicable Canadian and United States securities legislation, respectively. All statements, other than statements of historical fact, included herein are forward-looking information, including, for greater certainty, statements regarding the Amended Arrangement, including Acreage’s position in the New Jersey market, the likelihood of completion thereof, the occurrence or waiver of the Triggering Event, the satisfaction or waiver of the closing conditions set out in the Arrangement Agreement and other statements with respect to the proposed transactions with Canopy Growth. Often, but not always, forward-looking statements and information can be identified using words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events, or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved.

Forward-looking statements or information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Acreage or its subsidiaries to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements or information contained in this news release. Risks, uncertainties and other factors involved with forward-looking information could cause actual events, results, performance, prospects and opportunities to differ materially from those expressed or implied by such forward-looking information, including, but not limited to financing and liquidity risks, and the risks disclosed in the Circular, Acreage’s management information circular dated May 17, 2019 filed on May 23, 2019, Acreage’s annual report on Form 10-K for the year ended December 31, 2020 dated March 25, 2021 and Acreage’s other public filings, in each case filed with the SEC on the EDGAR website at www.sec.gov and with Canadian securities regulators and available on the issuer profile of Acreage on SEDAR at www.sedar.com. Although Acreage has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended.

Although Acreage believes that the assumptions and factors used in preparing the forward-looking information or forward-looking statements in this news release are reasonable, undue reliance should not be placed on such information and no assurance can be given that such events will occur in the disclosed time frames or at all. The forward-looking information and forward-looking statements included in this news release are made as of the date of this news release and Acreage does not undertake any obligation to publicly update such forward-looking information or forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities laws.

Neither the Canadian Securities Exchange nor its Regulation Service Provider has reviewed and does not accept responsibility for the adequacy or accuracy of the content of this news release.

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