



## **Acreage Releases Impact Analysis on the New York Cannabis Market, Proving the Importance of Registered Organizations to Market Success and Stabilization**

**Report finds New York's current adult-use cannabis draft regulations create a significant retail bottleneck and allow the illicit market to proliferate**

NEW YORK, March 14, 2023 -- [Acreage Holdings, Inc.](#) ("Acreage" or the "Company") (CSE: **ACRG.A.U**, **ACRG.B.U**), (OTC: **ACRHF**, **ACRDF**), a New-York based vertically integrated, multi-state operator of cannabis cultivation and retailing facilities in the U.S., released a [New York Illicit Cannabis Market Absorption Analysis](#) that (i) examines the state's current trajectory for achieving key goals outlined in the Marijuana Regulation and Taxation Act ("MRTA") and the need to course correct to do so; (ii) identifies the potential implications of its current adult-use draft regulations; and (iii) ultimately demonstrates the importance of expanded access to more operators, including Registered Organizations ("ROs"), to the success and stabilization of New York's legal cannabis market.

New York cannabis market is projected to be worth [\\$5 - \\$7 billion](#), yet limited access to the regulated market is stifling growth and delaying the absorption of the illicit market. Acreage commissioned *MPG Consulting*, a leading strategic advisory firm in cannabis and hemp, to analyze the current reality of New York's adult-use market and model where it could be given three very different, but realistic scenarios.

Based on New York's current adult-use existing and proposed regulations, according to the report:

- **Illicit market operators capture \$7.2 billion in revenue between 2023 and 2030 due to the lack of legitimate retail outlets;**
- **New York will see a loss of up to 20,600 direct cannabis and ancillary jobs per year;**
- **New York will see more than \$2.6 billion in state tax revenue lost over eight years; and**
- **New licensees will open during great supply chain uncertainty causing needless operating risks.**

The report further developed three economic models to quantify and examine the different facets of the emerging New York regulated cannabis market: (1) regulated and illicit market size and share; (2) required cultivation space and retail outlets; and (3) tax revenue and job creation.

Ultimately, the report finds that New York can accelerate market absorption by simply expanding access to more operators, such as ROs. ROs are in a unique position and can quickly expand existing cultivation and dispensary facilities to serve and stabilize the legal wholesale and retail market, while creating jobs and tax revenue for public infrastructure and community investment.

"If New Yorkers and New York state lawmakers and regulators want a safe, open, thriving cannabis marketplace, the state must expand access to more operators, including Registered Organizations," said Bryan Murray, Executive Vice President of Government Relations, Acreage. "The state tried to initiate an inclusive cannabis market based on restorative justice for those historically impacted by the War on Drugs; unfortunately, the delayed licensing rollout put the state's legal industry in a precarious position as illicit actors fill the vacuum and serve consumers. New York is expected to be one of the largest cannabis markets in the U.S. There is room for all players, and New York has a full bench of players ready to play the game. Why won't they let us help them win?"

For more information about this report visit [here](#).

### **About Acreage Holdings, Inc.**

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. With its principal address in New York City, Acreage's wide range of national and regionally available cannabis products include the award-winning The Botanist brand, craft brand Superflux, the Tweed brand, the Prime medical brand in Pennsylvania, the Innocent 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. Learn more at [www.acreageholdings.com](http://www.acreageholdings.com) and follow us on [Twitter](#), [LinkedIn](#), [Instagram](#), and [Facebook](#).

### **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. Often, but not always, forward-looking statements and information can be identified by the use of 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

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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 Company’s Annual Report on Form 10-K for the year ended December 31, 2021, dated March 11, 2022 and the Company’s other public filings, in each case filed with the SEC on the EDGAR website at [www.sec.gov](http://www.sec.gov) and with Canadian securities regulators and available on the issuer profile of Acreage on SEDAR at [www.sedar.com](http://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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