



**Part II** Organizational Action *(continued)*

17 List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ▶ Section 354, Section 358, Section 368(a)(1)(E),

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

18 Can any resulting loss be recognized? ▶ No

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ▶ The exchange occurred during the calendar year 2020.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Sign Here**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ▶ *Glen Leibowitz* Date ▶ 10/27/20

Print your name ▶ Glen Leibowitz Title ▶ CFO

<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶				Firm's EIN ▶
	Firm's address ▶				Phone no.

14. On June 24, 2020, Acreage Holdings, Inc. ("Acreage") entered into an agreement with Canopy Growth Corporation ("Canopy Growth"), to, among other things, amend the existing arrangement agreement between Acreage and Canopy Growth dated April 18, 2019, as amended on May 15, 2019 (the "Amended Arrangement"). On September 23, 2020, the Amended Arrangement was implemented, pursuant to which Acreage's Articles of Incorporation were amended to create new Class E subordinate voting shares (the "Fixed Shares"), Class D subordinate voting shares (the "Floating Shares") and Class F multiple voting shares (the "Fixed Multiple Shares"). In connection with the Amended Arrangement, Acreage completed a capital reorganization, whereby each existing Class A subordinate voting share of Acreage was exchanged for 0.7 of a Fixed Share and 0.3 of a Floating Share, each existing Class B proportionate voting share was exchanged for 28 Fixed Shares and 12 Floating Shares and each existing Class C multiple share was exchanged for 0.7 of a Fixed Multiple Share and 0.3 of a Floating Share (the "Capital Reorganization"). The ticker symbol of the Fixed Shares and Floating Shares are ACRG.A.U and ACRG.B.U, respectively. These shares are trading on the Canadian Securities Exchange. The CUSIP numbers is 00489Y 70 9 and 00489Y 60 0 for floating and fixed, respectively.

In connection with the Amended Arrangement, Canopy Growth also amended its Warrant Indenture dated February 10, 2020 (the "Indenture"), to, among other things, reflect the Capital Reorganization. The Indenture provided for the issuance of subordinate voting share purchase warrants (each, a "Warrant"), each of which when originally issued was exercisable to acquire one subordinate voting share at an exercise price of \$5.80 per subordinate voting share. Acreage modified the exercise price of the Warrants to \$4.00 per subordinate voting share immediately prior to the Amended Arrangement becoming effective. In accordance with the Indenture, each outstanding Warrant was exchanged for (i) 0.7 of a Fixed Share purchase warrant, each whole Fixed Share purchase warrant (each, a Fixed Warrant") exercisable to purchase one Fixed Share and (ii) 0.3 of a Floating Share purchase warrant, each whole Floating Share purchase warrant ("Floating Warrant") exercisable to purchase one Floating Share.