
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K/A**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2019

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 000-56021

ACREAGE HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

British Columbia, Canada
(State or other jurisdiction of incorporation
or organization)

98-1463868
(I.R.S. Employer Identification No.)

366 Madison Avenue, 11th Floor
(Address of Principal Executive Offices)

New York New York

10017
(Zip Code)

(646) 600-9181
Registrant's telephone number, including area code

Securities registered pursuant to Section 12(b) of the Act: None.

Securities registered pursuant to section 12(g) of the Act: Class A Subordinate Voting Shares, no par value.

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports); and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The aggregate market value of voting stock held by non-affiliates of the Registrant on June 30, 2019, based on the closing price of \$16.41 for the Registrant’s Subordinate Voting Shares as reported by the Canadian Securities Exchange, was approximately \$1.021 billion. Subordinate Voting Shares beneficially owned by each executive officer, director, and holder of more than 10% of our Subordinate Voting Shares have been excluded in that such persons may be deemed to be affiliates. This determination of affiliate status is not necessarily a conclusive determination for other purposes.

As of May 27, 2020, assuming conversion of Proportionate Voting Shares and Multiple Voting Shares to Subordinate Voting Shares, there were 99,137,484 Subordinate Voting Shares issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

None.

Explanatory Note.

The sole purpose of this Amendment No. 1 to the Annual Report on Form 10-K for the year ended December 31, 2019 of Acreage Holdings, Inc. (the “Company”) filed with the Securities and Exchange Commission on May 29, 2020 (the “Form 10-K”) is to (i) amend Item 9A of Part II to include management’s annual report on internal control over financial reporting in accordance with Rule 308(a) of Regulation S-K and (ii) amend Item 14 to correct the table contained showing fees paid to Marcum LLP for the period ended December 31, 2019.

In accordance with Rule 12b-15 under the Securities Exchange Act of 1934, as amended, the Company has also amended Part IV, Item 15, to include new certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 from the Company’s principal executive officer and principal financial officer. Because no financial statements have been included in this Amendment No. 1, paragraph 3 of the certifications has been omitted. Similarly, because no financial statements have been included in this Amendment No. 1, certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 have been omitted.

No other changes have been made to the Form 10-K. This Amendment No. 1 to the Form 10-K speaks as of the original filing date of the Form 10-K, does not reflect events that may have occurred subsequent to the original filing date, and does not modify or update in any way disclosures made in the original Form 10-K.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Based on an evaluation under the supervision and with the participation of the Company’s management, the Company’s principal executive officer and principal financial officer have concluded that the Company’s disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act were effective as of December 31, 2019 to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to the Company’s management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Inherent Limitations Over Internal Controls

The Company’s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles (“GAAP”). The Company’s internal control over financial reporting includes those policies and procedures that:

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the Company’s assets;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with GAAP, and that the Company’s receipts and expenditures are being made only in accordance with authorizations of the Company’s management and directors; and
- (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Management, including the Company’s Chief Executive Officer and Chief Financial Officer, does not expect that the Company’s internal controls will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. Also, any evaluation of the effectiveness of controls in future periods are subject to the risk that those internal controls may become inadequate because of changes in business conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management’s Annual Report on Internal Control Over Financial Reporting

The Company’s management is responsible for establishing and maintaining adequate internal control over financial reporting (as

defined in Rule 13a-15(f) under the Exchange Act). Management conducted an assessment of the effectiveness of the Company's internal control over financial reporting based on the criteria set forth in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework). Based on the Company's assessment, management has concluded that its internal control over financial reporting was effective as of December 31, 2019 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP.

This annual report does not include an attestation report of the Company's registered public accounting firm due to a transition period established by the rules of the SEC for newly public companies.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company's internal control over financial reporting during the fourth quarter of 2019, which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 14. Principal Accounting Fees and Services.

The following table sets forth, by category, the fees for all services rendered by the Company's current auditor, Marcum LLP, for the period commencing October 3, 2019 and ending December 31, 2019, all of which were approved by the Audit Committee.

	October 3 - December 31, 2019 (US\$)
Audit Fees	\$900,000
Audit Related Fees	\$200,745 ⁽¹⁾
Tax Fees	—
All Other Fees	—

Notes:

- (1) Fees billed for services by Marcum LLP primarily for financial diligence for transactions.

The following table sets forth, by category, the fees for all services rendered by the Company's former auditor, MNP LLP, for the period commencing November 14, 2018 and ending December 31, 2018 and for the period commencing January 1, 2019 and ending October 3, 2019, all of which were approved by the Audit Committee. MNP LLP was appointed as auditor on November 14, 2018 upon completion of the RTO.

	November 14 - December 31, 2018 (US\$)	January 1 - October 3, 2019 (US\$)
Audit Fees	\$500,000	\$106,690
Audit Related Fees	—	\$425,769
Tax Fees	—	—
All Other Fees	\$29,000 ⁽¹⁾	\$92,370

Notes:

- (1) Fees billed for services by MNP LLP in 2019 for preparation of a shelf prospectus, the management information circular, consent fees and due diligence relating to transactions; in 2018, the fees billed were in connection with matters related to the RTO.

The following table sets forth, by category, the fees for all services rendered by the Company's auditor prior to completion of the RTO, RSM Canada LLP, for the financial year ended August 31, 2018 and for the period commencing September 1, 2018 and ending November 14, 2018, all of which were approved by the Audit Committee. RSM Canada LLP ceased to act as auditor on November 14, 2018.

	August 31, 2018 (CS)	September 1 - November 14, 2018 ⁽¹⁾ (CS)
Audit Fees	\$6,300	—
Audit Related Fees ⁽²⁾	\$4,200	—
Tax Fees ⁽³⁾	\$1,575	—
All Other Fees	—	—

Notes:

- (1) In connection with the completion of the RTO, the Company's year end was changed from August 31 to December 31, 2018. Fees billed for audit services from the period from completion of the Company's year end prior to completion of the RTO to the completion of the Company's post-RTO year end.
- (2) Fees billed for assurance and related services by RSM Canada LLP in connection with the Company's interim review procedures.
- (3) Fees billed for professional services rendered by RSM Canada LLP for tax compliance, tax advice, and tax planning for the subject year.

The Audit Committee has access to all of the Company's books, records, facilities and personnel and may request any information about the Company as it may deem appropriate. It also has the authority to retain and compensate special legal, accounting, financial and other consultants or advisors to advise the Audit Committee, and is responsible for the pre-approval of all non-audit services to be provided by our auditors. All such services were pre-approved for the year ending December 31, 2019.

Item 15. Exhibits, Financial Statement Schedules.

- (1) All Financial Statements

Our consolidated financial statements are listed in the "Index to Consolidated Financial Statements" under Part II, Item 8 of our Annual Report on Form 10-K filed on May 29, 2020.

- (2) Financial Statement Schedules

All financial statement schedules have been omitted, since the required information is not applicable or is not present in amounts sufficient to require submission of the schedule, or because the information required is included in the Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-K filed on May 29, 2020.

- (3) Exhibits Required by Item 601 of Regulation S-K

Exhibit Index

Exhibit No.	Description of Document	Schedule Form	Incorporated by Reference			Filed or Furnished Herewith
			File Number	Exhibit	Filing Date	
2.1	Arrangement Agreement between Canopy Growth Corporation and Acreage Holdings Inc. dated April 18, 2019.†	6-K	000-56021	99.2	4/30/2019	
2.2	First Amendment to Arrangement Agreement between Canopy Growth Corporation and Acreage Holdings, Inc., dated May 15, 2019.	6-K	000-56021	99.2	6/20/2019	
2.3	Agency Agreement, between Canaccord Genuity Corp. and Acreage Holdings, Inc., dated February 10, 2020.	8-K	000-56021	1.1	2/13/2020	
3.1	Articles of Incorporation.	10-K	000-56021	3.1	5/29/2020	
4.1	Form of Indenture.	F-10	333-232313	7.1	6/24/2019	
4.2	Credit Agreement dated February 7, 2020.	8-K	000-56021	4.1	2/13/2020	
4.3	Special Warrant Indenture, between Acreage Holdings, Inc. and Odyssey Trust Company, dated February 10, 2020.	8-K	000-56021	4.2	2/13/2020	

Exhibit No.	Description of Document	Schedule Form	Incorporated by Reference			Filed or Furnished Herewith
			File Number	Exhibit	Filing Date	
4.4	Warrant Indenture, between Acreage Holdings, Inc. and Odyssey Trust Company, dated February 10, 2020.	8-K	000-56021	4.3	2/13/2020	
4.5	Credit Agreement, dated March 11, 2020, by and among Acreage Finance Delaware, LLC, Acreage IP Holdings, LLC, Prime Wellness of Connecticut, LLC, D&B Wellness, LLC, Thames Valley Apothecary, LLC and IP Investment Company, LLC.	10-K	000-56021	4.5	5/29/2020	
4.6	Security Agreement, dated March 11, 2020, by and among Acreage IP Holdings, LLC and IP Investment Company, LLC	10-K	000-56021	4.6	5/29/2020	
4.7	Guaranty, dated March 11, 2020, of Acreage IP Holdings, LLC to IP Investment Company, LLC.	10-K	000-56021	4.7	5/29/2020	
4.8	Second Amending Agreement, effective March 11, 2020.	10-K	000-56021	4.8	5/29/2020	
4.9	Description of Securities	10-K	000-56021	4.9	5/29/2020	
10.1	Acreage Holdings, Inc. Omnibus Incentive Plan, as amended and restated August 19, 2019.+	10-K	000-56021	10.1	5/29/2020	
10.2	Form of Stock Option Award Agreement.+	10-K	000-56021	10.2	5/29/2020	
10.3	Form of Restricted Stock Award Agreement.+	10-K	000-56021	10.3	5/29/2020	
10.4	Form of Indemnity Agreement.	10-K	000-56021	10.4	5/29/2020	
10.5	Third Amended and Restated Limited Liability Agreement, dated November 14, 2018.	40-F	000-56021	99.42	1/29/2019	
10.6	First Amendment to Third Amended and Restated Limited Liability Agreement, dated November 14, 2018, dated May 10, 2019.	10-K	000-56021	10.6	5/29/2020	
10.7	Second Amendment to Third Amended and Restated Limited Liability Agreement, dated November 14, 2018, dated June 27, 2019.	10-K	000-56021	10.7	5/29/2020	
10.8	Tax Receivables Agreement, by and among Acreage Holdings America, Inc., High Street Capital Partners, LLC and the members of the High Street Capital Partners, LLC, dated November 14, 2018.	40-F	000-56021	99.43	1/29/2019	
10.9	Coattail Agreement, between Acreage Holdings, Inc. and Odyssey Trust Fund, dated November 14, 2018.	40-F	000-56021	99.41	1/29/2019	
10.10	Support Agreement, between Acreage Holdings, Inc. and Acreage Holdings WC, Inc., dated November 14, 2018.	40-F	000-56021	99.44	1/29/2019	
10.11	Support Agreement, by and among Acreage Holdings, Inc., Acreage Holdings America, Inc. and High Street Capital Partners, dated November 14, 2018.	40-F	000-56021	99.45	1/29/2019	
21.1	Subsidiaries as of December 31, 2019.	10-K	000-56021	21.1	5/29/2020	
23.1	Consent of Marcum LLP, the Independent Registered Public Accounting Firm of Acreage Holdings, Inc.	10-K	000-56021	23.1	5/29/2020	

Exhibit No.	Description of Document	Schedule Form	Incorporated by Reference			Filed or Furnished Herewith
			File Number	Exhibit	Filing Date	
24.1	Power of Attorney.	10-K	000-56021	24.1	5/29/2020	
31.1	Certification of Periodic Report by Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.	10-K	000-56021	31.1	5/29/2020	
31.2	Certification of Periodic Report by Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.	10-K	000-56021	31.2	5/29/2020	
31.3	Certification of Periodic Report by Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002.					X
31.4	Certification of Periodic Report by Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002.					X
32.1	Certification of Chief Executive Officer and Chief Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.*	10-K	000-56021	32.1	5/29/2020	
101	Attached as Exhibit 101 to this report are the following documents formatted in iXBRL (Extensible Business Reporting Language): (i) Consolidated Statements of Operations for the years ended December 31, 2017, 2018, 2019, (ii) Consolidated Balance Sheets at December 31, 2018 and 2019, (iv) Consolidated Statements of Shareholders' Equity for the years ended December 31, 2017, 2018 and 2019, (v) Consolidated Statements of Cash Flows for the years ended December 31, 2017, 2018 and 2019, and (vi) Notes to Consolidated Financial Statements for the year ended December 31, 2019.	10-K	000-56021	101	5/29/2020	X

+ Indicates management contract or compensatory plan.

* Document has been furnished, is not deemed filed and is not to be incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, irrespective of any general incorporation language contained in any such filing.

† Certain schedules and exhibits have been omitted pursuant to Item 601(b)(2) of Regulation S-K. A copy of any omitted schedule or exhibit will be furnished supplementally to the SEC upon request.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 14, 2020

Acreage Holdings, Inc.

By: /s/ Glen Leibowitz
Glen Leibowitz

Chief Financial Officer