



AWH Consolidates Ownership in Vertically Integrated Pennsylvania Operator

April 20, 2022

- AWH Completes Roll-Up Transaction of Remaining Outstanding Interests of Story of PA CR, LLC -

- Story Permitted to Open One Cultivation Facility and Six Dispensaries in Pennsylvania -

NEW YORK, April 20, 2022 /PRNewswire/ - **Ascend Wellness Holdings, Inc.** ("AWH" or the "Company") (CSE: AAWH.U) (OTCQX: AAWH), a multi-state, vertically integrated operator, announced that it completed an equity transaction to roll up all of the other existing members (the "Roll-up") of Story of PA CR, LLC ("Story"). Story received a Clinical Registrant permit ("Permit") from the Pennsylvania Department of Health on March 1, and Story will remain the Permit holder and operator of the Permit. No assets will be transferred as a result of the Roll-up. Story will, through a research collaboration agreement with the Geisinger Commonwealth School of Medicine ("Geisinger"), a Pennsylvania Department of Health-Certified Medical Marijuana Academic Clinical Research Center, open a cultivation and processing facility and up to six medical dispensaries throughout the Commonwealth of Pennsylvania while contributing to groundbreaking clinical research to benefit the patients of Pennsylvania.



The Roll-up will enable Story, with AWH's financial support, to fund the acquisition and buildout of a 100,000 square foot newly constructed grower and processor facility, fund industry-leading preclinical, clinical, and translational marijuana-related research led and conducted by Geisinger, and open six dispensaries to expand points of access in populous but underserved areas of Pennsylvania.

Management Commentary

"We are pleased to expand into Pennsylvania through our investment in Story and help Story introduce an elevated retail experience and best-in-class products to a market of 13 million people," said Abner Kurtin, Founder, and CEO of AWH. "Story's clinical registrant operations will bring the AWH family of companies and our products into our sixth state in the Northeast and Midwest region and represents another step toward AWH being one of the top MSOs serving this part of the country exclusively. In addition to its growing medical market and first-in-the-nation comprehensive clinical research program, that with Geisinger's participation, has now expanded to every medical school in the Commonwealth, a Pennsylvania Senate committee recently concluded three hearings regarding the legalization of adult-use marijuana, indicating the potential for a future adult-use market as well. This transaction, once again, reinforces our investment in and commitment to an attractive, growing market ahead of potential regulatory events, positioning AWH for long-term growth. AWH is looking forward to an unprecedented level of corporate social responsibility and contribution to advancing marijuana research, and proving once again that we can do well by doing good."

Transaction Details

Upon the closing of the Roll-up, completed by way of agreement and plan of merger among AWH, AWH Pennsylvania, LLC, Ascend PA Merger Sub, LLC, Story and the members and AWH's partners in Story since 2021, AWH acquired all of the remaining outstanding equity interests of Story of PA CR for total consideration of approximately \$55 million, consisting of approximately \$10.2 million in cash and 12.9 million shares of AWH Class A common stock. There will be no earnout payments to the non-AWH members as part of the Roll-up. AWH Pennsylvania, LLC, a wholly-owned subsidiary of AWH, has been a minority member in Story since 2021. The surviving entity, Story, will continue to conduct operations consistent with its application and the Permit and will continue to be operated by the same leadership team following the Roll-up, but as an AWH subsidiary.

Market and Rationale

- Pennsylvania is the fifth-largest state in the U.S. with a population of approximately 12.9 million residents. The medical marijuana program was enacted in 2016, and the market currently consists of only 155 operating dispensaries¹ and only 25 operating cultivators.²
- The large market bridges the geographic gap between AWH's presence in Ohio and New Jersey.
- AWH will once again have the ability to leverage second-mover advantage, and site dispensary locations in prominent retail corridors, an opportunity that first movers did not have as many municipalities were still acclimating to the idea of dispensaries.

- Pennsylvania's legal, medical market in 2021 is estimated at \$1.35 billion and is expected to reach approximately \$1.64 billion in 2022.³

Sources:

1. Pennsylvania DOH, Medical Marijuana Dispensaries in Pennsylvania, as of February 2022
2. <https://mjbizdaily.com/pennsylvania-unveils-13-new-medical-marijuana-grower-processor-licenses/>
3. BDSA Data

About AWH:

AWH is a vertically integrated operator with assets in Illinois, Michigan, Ohio, Massachusetts, New Jersey, and Pennsylvania. AWH owns and operates state-of-the-art cultivation facilities, growing award-winning strains and producing a curated selection of products. AWH produces and distributes its in-house Ozone, Ozone Reserve, and Simply Herb branded products. For more information, visit www.awholdings.com.

Forward-Looking Statements

This news release includes forward-looking information and statements, which may include, but are not limited to, information and statements regarding the plans, intentions, expectations, estimates, and beliefs of the Company. Words such as "expects", "continue", "will", "anticipates" and "intends" or similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on the Company's current projections and expectations about future events and financial trends, and on certain assumptions and analysis made by the Company in light of experience and perception of historical trends, current conditions and expected future developments and other factors management believes are appropriate.

Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. Such factors include, among others: the risks and uncertainties identified in the Company's Annual Report on Form 10K for the year ended December 31, 2021, and in the Company's other reports and filings with the applicable Canadian securities regulators and the U.S. Securities and Exchange Commission. Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.

The CSE has not reviewed, approved or disapproved the content of this news release.

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