



AWH Signs Term Sheet to Settle Lawsuit with MedMen

May 11, 2022

Transaction expected to close within the coming month



NEW YORK, May 11, 2022 /PRNewswire/ - **Ascend Wellness Holdings, Inc.** ("AWH" or the "Company") (CSE: AAWH.U) (OTCQX: AAWH), a multi-state, vertically integrated cannabis operator focused on bettering lives through cannabis, is pleased to announce that it has signed a term sheet to resolve its [previously announced](#) lawsuit against MedMen NY, Inc. and MM Enterprises USA, LLC (CSE: MMEN) (OTCQX: MMNFF) ("MedMen") in the Commercial Division of the Supreme Court of the State of New York in New York County. Pursuant to the term sheet, MedMen has agreed to complete the sale of MedMen NY, Inc. to AWH, and upon closing, AWH will enter its seventh state.

To settle the dispute, AWH will increase the transaction consideration by \$15 million, \$4 million of which is contingent on the start of adult-use sales at a MedMen NY dispensary. The revised total consideration of \$88 million remains significantly below recent precedent transactions. As part of the settlement, MedMen will withdraw its counterclaims against AWH. The parties will also amend certain terms in the [previously announced](#) transaction agreement.

Amended Transaction Terms

- AWH will receive a 99.99% controlling interest in MedMen NY at closing.
- AWH will pay MedMen \$74 million at closing, inclusive of the \$63 million transaction consideration and the \$11 million settlement payment. AWH has already paid \$4 million of the consideration as a deposit.
- AWH will make a subsequent payment of \$14 million upon the first sale of recreational cannabis in a MedMen NY dispensary, inclusive of the \$10 million transaction earn-out and the incremental \$4 million related to the settlement.
- There will be no additional earn-outs and no assumption of debt.

"We are thrilled to put this dispute behind us and look forward to the imminent closing of this transaction," said Abner Kurtin, Founder and CEO of AWH. "We continue to build scale in some of the most sought-after locations in premier, limited license markets in the country, and with this investment, we will bring our high-quality products and exceptional retail experiences to our seventh state. While we always seek accretive deals, this transaction is particularly attractive given a recent comparable acquisition valued at \$247 million."

T. Andrew Brown, President of AWH NY, added, "We look forward to shifting our attention toward operating the four dispensaries, expanding the cultivation facility, and working alongside the Office of Cannabis Management and the Cannabis Control Board. Servicing the patients of New York, creating diverse jobs, and enhancing our social-equity initiatives throughout the state are among my top priorities."

MedMen NY owns and operates four medical cannabis dispensaries located in Manhattan, Long Island, Syracuse, and Buffalo; and one cultivation facility located in Utica, New York.

About Ascend Wellness Holdings, Inc (AWH):

AWH is a vertically integrated multistate cannabis operator with licenses and 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 for retail and wholesale customers. AWH produces and distributes its in-house Simply Herb, Ozone, and Ozone Reserve 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 10-K 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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