



Ascend Wellness Holdings Enters into Agency Agreement to Issue \$15 Million of Senior Secured Notes

January 11, 2025

NEW YORK, Jan. 10, 2025 /PRNewswire/ - Ascend Wellness Holdings, Inc. ("AWH", "Ascend" or the "Company") (CSE: AAWH-U.CN) (OTCQX: AAWH), a multi-state, vertically integrated cannabis operator, is pleased to announce it has entered into an agency agreement with Seaport Global Securities LLC (the "Agent") on January 10, 2025, in connection with a proposed private placement of \$15 million of its 12.75% Senior Secured Notes due 2029 (the "Notes"). The Notes will form part of the same series of the \$235 million aggregate principal amount of the Company's 12.75% senior secured notes due 2029 issued on July 16, 2024. The Notes are expected to be issued at a price of 97.00% of face value (the "Offering"). The Notes will be issued pursuant to and governed by a trust indenture entered into as of July 16, 2024 (the "Indenture"), as amended and supplemented by a first supplemental indenture to be dated as of the closing date of the Offering (the "Supplemental Indenture"). The Company intends to use the net proceeds of the Notes for general corporate purposes, including to fund growth initiatives. The Offering is expected to close on or about January 13, 2025, subject to customary closing conditions.



"Our strategy is clear. We are well positioned with the resources necessary to expand our presence in our core markets through our densification initiative that will maximize the value of our existing assets," said Sam Brill, Chief Executive Officer. "This strategy includes the planned opening of an additional 20 doors in the mid-term, increasing our total network retail footprint by approximately 50%. We are proud of the confidence and support our lenders have shown for our business as we optimize our infrastructure and implement operational efficiencies to deliver improved profit margins, position our Company for sustainable cash flow generation, and create long-term value for our shareholders."

In connection with the closing of the Offering, the Company will enter into the Supplemental Indenture that will amend the Indenture to, among other things, permit the issuance of the Notes. The amendments were consented to by the requisite majority of the Company's outstanding notes. In connection with the closing of the Offering, the Company will also enter into an amendment agreement with the required lenders under its existing term loan (the "Term Loan"), pursuant to which certain terms of the Term Loan will be amended to, among other things, permit the issuance of the Notes.

The Notes will be senior secured obligations of the Company and will bear interest at a rate of 12.75% per annum, payable semi-annually in arrears until their maturity date, unless earlier redeemed or repurchased in accordance with their terms. The Notes will mature on July 16, 2029. At any time and from time to time after the closing of the Offering, the Company may redeem all or a part of the Notes at certain specified redemption prices, including until July 15, 2026, at par. The Notes will be irrevocably and unconditionally guaranteed, jointly and severally, on a senior secured basis, by certain of the Company's subsidiaries (the "Guarantees"). The Notes and the Guarantees will be secured, on a first lien basis, by substantially all assets of the Company and certain of its subsidiaries, subject to certain carveouts.

The Notes are being offered on a private placement basis in certain provinces and territories of Canada pursuant to applicable exemptions from the prospectus requirements of Canadian securities laws. The Notes may also be sold in the United States to or for the account or benefit of "U.S. persons" (as defined in the United States Securities Act of 1933, as amended (the "U.S. Securities Act")), on a private placement basis to "qualified institutional buyers" and "accredited investors" pursuant to an exemption from the registration requirements of the U.S. Securities Act, and in such jurisdictions outside of Canada and the United States as may be agreed upon by the Agent and the Company, in each case in accordance with applicable laws. The Notes to be issued will be subject to a customary four-month hold period under Canadian securities laws.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The Notes have not been and will not be registered under the U.S. Securities Act or any state securities laws. Accordingly, the Notes may not be offered or sold within the United States or to or for the account or benefit of "U.S. persons" unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful.

The Agent is acting as lead financial advisor and sole placement agent for the Notes.

About Ascend Wellness Holdings, Inc.

AWH is a vertically integrated operator with assets in Illinois, Maryland, Massachusetts, Michigan, New Jersey, Ohio 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 Common Goods, Simply Herb, Ozone, Ozone Reserve, Effin', and Royale branded products. For more information about Ascend, visit www.awholdings.com.

Cautionary Note Regarding Forward-Looking Information

This news release includes forward-looking information and statements (together, "forward-looking statements"), which may include, but are not limited to, the plans, intentions, expectations, estimates, and beliefs of the Company. Words such as "expects", "will", and "intends" or similar expressions are intended to identify forward-looking statements. Without limiting the generality of the preceding statement, this news release contains forward-looking statements concerning the anticipated issue price of the Notes, the anticipated closing date for the Offering, and the intended use of proceeds. We caution investors that any such forward-looking statements are based on certain assumptions and analyses made by the Company in light of the experience of the Company and its perception of historical trends, current conditions and expected future developments, and other factors management believes are appropriate.

Forward-looking 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 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, 2023, and in the Company's other reports and filings with the applicable Canadian securities regulators on its profile on SEDAR+ at www.sedarplus.ca and with the SEC on its profile on EDGAR at www.sec.gov. Although the Company believes that any forward-looking statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such forward-looking statements, there can be no assurance that any such forward-looking 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 statements. Any forward-looking 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 statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward-looking statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

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