UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2024

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: 333-254800

ASCEND WELLNESS HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware	**83-0602006**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1411 Broadway
16th Floor
New York, NY 10018
(Address of principal executive offices)

(646) 661-7600
(Registrant's telephone number, including area code)

None
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered

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	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☒

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 Exchange Act). Yes ☐ No ☒

As of May 6, 2024, there were 212,661,663 shares of the registrant’s Class A common stock, par value $0.001, and 65,000 shares of the registrant’s Class B common stock, par value $0.001, outstanding.

ASCEND WELLNESS HOLDINGS, INC

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q for Ascend Wellness Holdings, Inc. and its subsidiaries (collectively referred to as "AWH," "Ascend," "we," "us," "our," or the "Company") contains both historical and forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, and forward-looking information, within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"), that involve risks and uncertainties. We make forward-looking statements related to future expectations, estimates, and projections that are uncertain and often contain words such as, but not limited to, "anticipate," "believe," "could," "estimate," "expect," "forecast," "intend," "likely," "may," "outlook," "plan," "predict," "should," "target," or other similar words or phrases. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict. Particular risks and uncertainties that could cause our actual results to be materially different from those expressed in our forward-looking statements include those listed below:

- the effect of the volatility of the market price and liquidity risks on shares of our Class A common stock;
- the effect of the voting control exercised by holders of Class B common stock;
- our ability to attract and maintain key personnel;
- our ability to continue to open new dispensaries and cultivation facilities as anticipated;
- the illegality of cannabis under federal law;
- our ability to comply with state and federal regulations;
- the uncertainty regarding enforcement of cannabis laws;
- the effect of restricted access to banking and other financial services;
- the effect of constraints on marketing and risks related to our products;
- the effect of unfavorable tax treatment for cannabis businesses;
- the effect of proposed legislation on our tax liabilities and financial performance;
- the effect of security risks;
- the effect of infringement or misappropriation claims by third parties;
- our ability to comply with potential future U.S. Food and Drug Administration ("FDA") regulations;
- our ability to enforce our contracts;
- the effect of unfavorable publicity or consumer perception;
- the effect of risks related to material acquisitions, dispositions and other strategic transactions;
- the effect of agricultural and environmental risks;
- the effect of climate change;
- the effect of risks related to information technology systems;
- the effect of unknown health impacts associated with the use of cannabis and cannabis derivative products;
- the effect of product liability claims and other litigation to which we may be subjected;
- the effect of risks related to the results of future clinical research;
- the effect of intense competition in the industry;
- the effect of the maturation of the cannabis market;
- the effect of adverse changes in wholesale and retail prices;
- the effect of sustained inflation;
- the effect of political and economic instability;
- the effect of outbreaks of pandemic diseases, fear of such outbreaks or economic disturbances due to such outbreaks; and
- the effect of general economic risks, such as the unemployment level, interest rates, and inflation, and challenging global economic conditions.

The list of factors above is illustrative and by no means exhaustive. Additional information regarding these risks and other risks and uncertainties we face is contained in our Annual Report on Form 10-K for the year ended December 31, 2023 and in other reports we may file from time to time with the United States Securities and Exchange Commission and the applicable Canadian securities regulatory authorities (including all amendments to those reports). Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated, or intended.

We urge readers to consider these risks and uncertainties in evaluating our forward-looking statements. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law. The forward-looking statements contained in this Form 10-Q are expressly qualified in their entirety by this cautionary statement.

PART I. FINANCIAL INFORMATION

ITEM 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS.

ASCEND WELLNESS HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(in thousands, except per share amounts)	March 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 72,904	$ 72,508
Accounts receivable, net	35,898	28,298
Inventory	106,819	95,294
Notes receivable	3,006	13,116
Other current assets	13,415	19,644
Total current assets	232,042	228,860
Property and equipment, net	265,299	268,082
Operating lease right-of-use assets	132,905	130,556
Intangible assets, net	218,362	221,452
Goodwill	47,538	47,538
Other noncurrent assets	25,711	23,062
TOTAL ASSETS	$ 921,857	$ 919,550
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 70,078	$ 71,112
Current portion of debt, net	21,820	11,148
Operating lease liabilities, current	4,166	3,660
Other current liabilities	7,371	6,766
Total current liabilities	103,435	92,686
Long-term debt, net	288,698	297,565
Operating lease liabilities, noncurrent	262,699	261,087
Deferred tax liabilities, net	32,477	35,745
Other non-current liabilities	98,718	89,595
Total liabilities	786,027	776,678
Commitments and contingencies (Note 15)		
Stockholders' Equity		
Preferred stock, $0.001 par value per share; 10,000 shares authorized, none issued and outstanding as of March 31, 2024 and December 31, 2023	—	—
Class A common stock, $0.001 par value per share; 750,000 shares authorized; 211,430 and 206,810 shares issued and outstanding at March 31, 2024 and December 31, 2023	212	207
Class B common stock, $0.001 par value per share, 100 shares authorized; 65 issued and outstanding at March 31, 2024 and December 31, 2023	—	—
Additional paid-in capital	468,093	458,027
Accumulated deficit	(333,525)	(315,362)
Equity of Ascend Wellness Holdings, Inc. common stockholders	134,780	142,872
Non-controlling interests	1,050	—
Total stockholders' equity	135,830	142,872
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 921,857	$ 919,550

The accompanying notes are an integral part of the condensed consolidated financial statements.

ASCEND WELLNESS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

(in thousands, except per share amounts)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Revenue, net	$ 142,410	$ 114,176
Cost of goods sold	(90,373)	(78,472)
Gross profit	52,037	35,704
Operating expenses		
General and administrative expenses	49,462	35,449
Operating profit	2,575	255
Other income (expense)		
Interest expense	(8,538)	(8,975)
Other, net	310	265
Total other expense	(8,228)	(8,710)
Loss before income taxes	(5,653)	(8,455)
Income tax expense	(12,510)	(10,017)
Net loss	$ (18,163)	$ (18,472)
Net loss per share attributable to Class A and Class B common stockholders — basic and diluted	$ (0.09)	$ (0.10)
Weighted-average common shares outstanding — basic and diluted	208,954	188,487

The accompanying notes are an integral part of the condensed consolidated financial statements.

ASCEND WELLNESS HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(UNAUDITED)

	Three Months Ended March 31, 2024						
	Class A and Class B Common Stock		Attributable to Ascend Wellness Holdings, Inc. Common Stockholders				
(in thousands)	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Stockholders' Equity	Non-Controlling Interests	Total
December 31, 2023	206,875	$ 207	$ 458,027	$ (315,362)	$ 142,872	$ —	$ 142,872
Vesting of equity-based payment awards	7,053	7	(7)	—	—	—	—
Equity-based compensation expense	—	—	13,554	—	13,554	—	13,554
Taxes withheld under equity-based compensation plans, net	(2,433)	(2)	(3,481)	—	(3,483)	—	(3,483)
Recognition of non-controlling interests	—	—	—	—	—	1,050	1,050
Net loss	—	—	—	(18,163)	(18,163)	—	(18,163)
March 31, 2024	211,495	$ 212	$ 468,093	$ (333,525)	$ 134,780	$ 1,050	$ 135,830

	Three Months Ended March 31, 2023				
	Class A and Class B Common Stock				
(in thousands)	Shares	Amount	Additional Paid-In Capital	Accumulated Deficit	Total
December 31, 2022	188,064	$ 188	$ 430,375	$ (267,148)	$ 163,415
Vesting of equity-based payment rewards	2,023	2	(2)	—	—
Equity-based compensation expense	—	—	4,555	—	4,555
Taxes withheld under equity-based compensation plans, net	(521)	(1)	(536)	—	(537)
Net loss	—	—	—	(18,472)	(18,472)
March 31, 2023	189,566	$ 189	$ 434,392	$ (285,620)	$ 148,961

The accompanying notes are an integral part of the condensed consolidated financial statements.

ASCEND WELLNESS HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Cash flows from operating activities		
Net loss	$ (18,163)	$ (18,472)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	16,380	21,941
Amortization of operating lease assets	451	264
Non-cash interest expense	1,399	1,919
Equity-based compensation expense	10,716	4,555
Deferred income taxes	(3,268)	(2,165)
Gain on sale of assets	(11)	(442)
Other	4,170	4,433
Changes in operating assets and liabilities, net of effects of acquisitions		
Accounts receivable	(7,600)	(5,374)
Inventory	(12,364)	(12,415)
Other current assets	1,552	2,001
Other noncurrent assets	(241)	(328)
Accounts payable and accrued liabilities	(5,070)	(802)
Other current liabilities	605	(1,163)
Lease liabilities	(452)	(314)
Income taxes payable	15,796	12,140
Net cash provided by operating activities	3,900	5,778
Cash flows from investing activities		
Additions to capital assets	(7,181)	3,442
Investments in notes receivable	—	(731)
Collection of notes receivable	8,182	82
Proceeds from sale of assets	11	—
Acquisition of businesses, net of cash acquired	—	(8,000)
Purchase of intangible assets	(3,000)	(472)
Net cash used in investing activities	(1,988)	(5,679)
Cash flows from financing activities		
Repayments of debt	(786)	(786)
Repayments under finance leases	(118)	(63)
Taxes withheld under equity-based compensation plans, net	(612)	(100)
Net cash used in financing activities	(1,516)	(949)
Net increase (decrease) in cash, cash equivalents, and restricted cash	396	(850)
Cash, cash equivalents, and restricted cash at beginning of period	72,508	74,146
Cash, cash equivalents, and restricted cash at end of period	$ 72,904	$ 73,296

The accompanying notes are an integral part of the condensed consolidated financial statements.

ASCEND WELLNESS HOLDINGS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(CONTINUED, UNAUDITED)

	Three Months Ended March 31,	
(in thousands)	**2024**	**2023**
Supplemental Cash Flow Information		
Interest paid	$ 6,496	$ 7,551
Non-cash investing and financing activities		
Capital expenditures incurred but not yet paid	$ 4,409	$ 4,015
Taxes withheld under equity-based compensation plans, net	3,483	537
Non-controlling interest recognized upon initial consolidation of variable interest entities	1,050	—

The accompanying notes are an integral part of the condensed consolidated financial statements.

1. THE COMPANY AND NATURE OF OPERATIONS

Ascend Wellness Holdings, Inc., which operates through its subsidiaries (collectively referred to as "AWH," "Ascend," "we," "us," "our," or the "Company"), is a vertically integrated multi-state operator in the United States cannabis industry. AWH owns, manages, and operates cannabis cultivation facilities and dispensaries in several states across the United States, including Illinois, Maryland, Massachusetts, Michigan, New Jersey, Ohio, and Pennsylvania. Our core business is the cultivation, manufacturing, and distribution of cannabis consumer packaged goods, which are sold through company-owned retail stores and to third-party licensed retail cannabis stores. AWH is headquartered in New York, New York.

Shares of the Company's Class A common stock are listed on the Canadian Securities Exchange (the "CSE") under the ticker symbol "AAWH.U" and are quoted on the OTCQX® Best Market (the "OTCQX") under the symbol "AAWH."

2. BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Principles of Consolidation

The accompanying unaudited condensed consolidated interim financial statements have been prepared in accordance with (i) United States generally accepted accounting principles ("U.S. GAAP") for interim financial information, and (ii) the instructions to Form 10-Q and Article 10 of Regulation S-X. In the opinion of our management, our unaudited condensed consolidated financial statements and accompanying notes (the "Financial Statements") include all normal recurring adjustments that are necessary for the fair statement of the interim periods presented. Interim results of operations are not necessarily indicative of results for the full year, or any other period. The Financial Statements should be read in conjunction with our audited consolidated financial statements (and notes thereto) in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "Annual Report"), as filed with the United States Securities and Exchange Commission ("SEC") and with the relevant Canadian securities regulatory authorities under its profile on the System for Electronic Document Analysis and Retrieval Plus ("SEDAR+"). Except as noted below, there have been no material changes to the Company's significant accounting policies and estimates during the three months ended March 31, 2024.

The Financial Statements include the accounts of Ascend Wellness Holdings, Inc. and its subsidiaries. Refer to Note 8, "Variable Interest Entities," for additional information regarding certain entities that are not wholly-owned by the Company. We include the results of acquired businesses in the consolidated statements of operations from their respective acquisition dates. All intercompany accounts and transactions have been eliminated in consolidation.

We round amounts in the Financial Statements to thousands, except per unit or per share amounts or as otherwise stated. We calculate all percentages, per-unit, and per-share data from the underlying whole-dollar amounts. Thus, certain amounts may not foot, crossfoot, or recalculate based on reported numbers due to rounding. The Financial Statements are expressed in U.S. dollars, which is the Company's functional currency. Unless otherwise indicated, all references to years are to our fiscal year, which ends on December 31.

We are an emerging growth company under federal securities laws and as such we are able to elect to follow scaled disclosure requirements for this filing and can delay adopting new or revised accounting standards until such time as those standards apply to private companies.

Use of Estimates

The preparation of condensed consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts. We base our estimates on historical experience, known or expected trends, independent valuations, and various other measurements that we believe to be reasonable under the circumstances. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates.

Liquidity

As reflected in the Financial Statements, the Company had an accumulated deficit as of March 31, 2024 and December 31, 2023, as well as a net loss for the three months ended March 31, 2024 and 2023, which are indicators that raise substantial doubt of our ability to continue as a going concern. Management believes that substantial doubt of our ability to continue as a going concern for at least one year from the issuance of these Financial Statements has been alleviated due to: (i) cash on hand and (ii) continued growth of sales from our consolidated operations. Management plans to continue to access capital markets for additional funding through debt and/or equity financings to supplement future cash needs, as may be required. However, management cannot provide any assurances that the Company will be successful in accomplishing its business plans. If the Company is unable to raise additional capital whenever necessary, it may be forced to decelerate or curtail certain of its operations until such time as additional capital becomes available.

Cash and Cash Equivalents and Restricted Cash

As of March 31, 2024 and December 31, 2023, we did not hold significant restricted cash or cash equivalents.

Fair Value of Financial Instruments

During the three months ended March 31, 2024 and 2023, we had no transfers of assets or liabilities between any of the hierarchy levels.

In addition to assets and liabilities that are measured at fair value on a recurring basis, we are also required to measure certain assets at fair value on a non-recurring basis that are subject to fair value adjustments in specific circumstances. These assets can include: goodwill; intangible assets; property and equipment; and lease-related right-of-use ("ROU") assets. We estimate the fair value of these assets using primarily unobservable Level 3 inputs.

Basic and Diluted Earnings (Loss) per Share

The Company computes earnings (loss) per share ("EPS") using the two-class method required for multiple classes of common stock. The rights, including the liquidation and dividend rights, of the Class A common stock and Class B common stock are substantially identical, except for voting and conversion rights. As the liquidation and dividend rights are identical, undistributed earnings are allocated on a proportionate basis to each class of common stock and the resulting basic and diluted net loss per share attributable to common stockholders are, therefore, the same for both Class A and Class B common stock on both an individual and combined basis.

Basic EPS is computed by dividing net income or loss by the weighted-average number of common shares outstanding during the period. Diluted EPS reflects potential dilution and is computed by dividing net income or loss by the weighted-average number of common shares outstanding during the period increased by the number of additional common shares that would have been outstanding if all potential common shares had been issued and were dilutive. However, potentially dilutive securities are excluded from the computation of diluted EPS to the extent that their effect is anti-dilutive. Potential dilutive securities include incremental shares of common stock issuable upon the exercise of warrants, unvested restricted stock awards, unvested restricted stock units, and outstanding stock options, as applicable. At March 31, 2024 and 2023, 27,136 and 14,976 shares of common stock equivalents, respectively, were excluded from the calculation of diluted EPS because their inclusion would have been anti-dilutive.

Shares of restricted stock granted by us are considered to be legally issued and outstanding as of the date of grant, notwithstanding that the shares remain subject to the risk of forfeiture if the vesting conditions for such shares are not met, and are included in the number of shares of Class A common stock outstanding, as applicable. Weighted-average common shares outstanding excludes time-based and performance-based unvested shares of restricted Class A common stock, as restricted shares are treated as issued and outstanding for financial statement presentation purposes only after such shares have vested and, therefore, have ceased to be subject to a risk of forfeiture.

Recently Issued Accounting Pronouncements

The following standards have been recently issued by the Financial Accounting Standards Board ("FASB"). Pronouncements that are not applicable to the Company or where it has been determined do not have a significant impact on us have been excluded herein.

Reference Rate Reform

In March 2020, the FASB issued Accounting Standards Update ("ASU") 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, which provides optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships, and other transactions that reference LIBOR or another reference rate expected to be discontinued because of reference rate reform. This guidance was effective upon issuance as of March 12, 2020 and could be adopted as reference rate reform activities occurred through December 31, 2022. In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, to extend the sunset date of the transition guidance included in ASU 2020-04 to December 31, 2024. This guidance can be adopted prospectively as reference rate reform activities occur, with early adoption permitted, and is not expected to have a material impact on our consolidated financial statements.

Segment Reporting

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which expands and enhances the disclosures required for reportable segments in annual and interim consolidated financial statements, including reportable segment expenses, interim segment profit or loss, and how an entity's chief operating decision maker uses reported segment profit or loss information in assessing segment performance and allocating resources. The guidance in this update is effective for the Company for the fiscal year ending December 31, 2024 and interim periods beginning with the fiscal period commencing January 1, 2025 and should be adopted retrospectively unless it is impractical to do so. Early adoption is permitted. We are currently evaluating the impact of this update on our disclosures in the consolidated financial statements.

Income Taxes

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires enhanced income tax disclosures, including disaggregation in the rate reconciliation table and disaggregation information related to income taxes paid. The amendments in this update are effective for the Company for the fiscal year ending December 31, 2026 on a prospective or retrospective basis, with early adoption permitted. We are currently evaluating the impact of this update on our disclosures in the consolidated financial statements.

3. REPORTABLE SEGMENTS AND REVENUE

The Company operates under one operating segment, which is its only reportable segment: the production and sale of cannabis products. The Company prepares its segment reporting on the same basis that its chief operating decision maker manages the business and makes operating decisions. The Company's measure of segment performance is net income and derives its revenue primarily from the sale of cannabis products. All of the Company's operations are located in the United States.

Disaggregation of Revenue

The Company disaggregates its revenue from the direct sale of cannabis to customers as retail revenue and wholesale revenue. We have determined that disaggregating revenue into these categories best depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

	Three Months Ended March 31,	
(in thousands)	**2024**	**2023**
Retail revenue	$ 95,205	$ 82,745
Wholesale revenue	78,954	58,414
	174,159	141,159
Elimination of inter-company revenue	(31,749)	(26,983)
Total revenue, net	$ 142,410	$ 114,176

The liability related to the loyalty program we offer dispensary customers at certain locations was $1,401 and $1,317 at March 31, 2024 and December 31, 2023, respectively, and is included within "Other current liabilities" on the unaudited Condensed Consolidated Balance Sheets. The Company recorded $1,926 and $1,939 in allowance for doubtful accounts as of March 31, 2024 and December 31, 2023, respectively. Write-offs were not significant during the three months ended March 31, 2024 and 2023.

4. ACQUISITIONS

Business Combinations

The Company has determined that the acquisitions discussed below are considered business combinations under ASC Topic 805, *Business Combinations*, and are accounted for by applying the acquisition method, whereby the assets acquired and the liabilities assumed are recorded at their fair values with any excess of the aggregate consideration over the fair values of the identifiable net assets allocated to goodwill. Operating results are included in these Financial Statements from the date of the acquisition.

The purchase price allocation for each acquisition reflects various preliminary fair value estimates and analyses, including certain tangible assets acquired and liabilities assumed, the valuation of intangible assets acquired, and goodwill, which are subject to change within the measurement period as preliminary valuations are finalized (generally one year from the acquisition date). Measurement period adjustments are recorded in the reporting period in which the estimates are finalized and adjustment amounts are determined.

2023 Acquisition

Effective April 27, 2023, the Company acquired 100% of the membership interests of certain entities related to Devi Holdings, Inc. ("Devi"), pursuant to a definitive agreement that was entered into on January 25, 2023 (the "Maryland Agreement"). Through the Maryland Agreement, the Company acquired the four licensed medical cannabis dispensaries that Devi owned and operated in Maryland ("Devi Maryland"). Total consideration at closing consisted of cash consideration of $12,000, subject to customary closing conditions and working capital adjustments, and 5,185 shares of Class A common stock with an estimated fair value of $4,770 at issuance. As of March 31, 2024, the purchase price allocation remained preliminary as the Company finalized certain estimates of the fair value of the net assets acquired within the measurement period. Subsequently, in April 2024 the Company finalized the working capital settlement and reduced consideration and goodwill by $198. Our results of operations for the three months ended March 31, 2024 include $9,404 of net revenue and $977 of net income related to Devi Maryland. Pro forma financial information is not presented, as such results are immaterial to both the current and prior periods.

Asset Acquisitions

The Company determined the acquisitions below did not meet the definition of a business and are therefore accounted for as asset acquisitions. When the Company acquires assets and liabilities that do not constitute a business or variable interest entity ("VIE") of which the Company is the primary beneficiary, the cost of each acquisition, including certain transaction costs, is allocated to the assets acquired and liabilities assumed on a relative fair value basis. Contingent consideration associated with the acquisition is generally recognized only when the contingency is resolved.

When the Company acquires assets and liabilities that do not constitute a business but meet the definition of a VIE of which the Company is the primary beneficiary, the purchase is accounted for using the acquisition method described above for business combinations, except that no goodwill is recognized. To the extent there is a difference between the purchase consideration, including the estimated fair value of contingent consideration, plus the estimated fair value of any non-controlling interest and the VIE's identifiable assets and liabilities recorded and measured at fair value, the difference is recognized as a gain or loss. A non-controlling interest represents the non-affiliated equity interest in the underlying entity. Transaction costs are expensed.

2024 Asset Acquisition

In January 2024, the Company entered into a definitive agreement (the "Massachusetts Purchase Agreement") to purchase a cultivation license and a manufacturer license from a third party in Massachusetts for a cash purchase price of $2,750, of which $1,500 was paid at signing, and which total may be adjusted at closing, as provided in the Massachusetts Purchase Agreement. The licenses were not associated with active operations at signing and the transfer of each license is subject to regulatory review and approval, which the Company expects may occur within twelve months following the signing date. In conjunction with the Massachusetts Purchase Agreement, the parties also entered into a bridge loan which provides for the financing of certain covered expenses, at the sole discretion of the Company. This bridge loan bears interest based on the federal rate and, if not otherwise satisfied, is due on the fifth anniversary of the signing date. The parties also entered into an interim consulting services agreement, effective as of the signing date. The Company accounted for this transaction as an asset acquisition as of the signing date based on the provisions of the underlying agreements and allocated the cash consideration as the cost of the license acquired. The remaining $1,250 of the cash consideration is due on October 1, 2024 and is included as a sellers' note within "Current portion of debt, net" on the unaudited Condensed Consolidated Balance Sheet as of March 31, 2024; refer to Note 11, "Debt," for additional information. The Company has also agreed to assume the lease for the associated location and to reimburse the seller for the security deposit at final closing. The Company recognized a lease liability and ROU asset of $761 as of the signing date; refer to Note 10, "Leases," for additional information regarding the Company's leases. Direct transaction costs were not material.

Previous Asset Acquisitions

Ohio Patient Access

On August 12, 2022, the Company entered into a definitive agreement (the "Ohio Agreement") that provides the Company the option to acquire 100% of the equity of Ohio Patient Access LLC ("OPA"), the holder of a license that grants it the right to operate three medical dispensaries in Ohio. The Ohio Agreement is subject to regulatory review and approval. Once regulatory approval is received, the Company may exercise the option, and the exercise is solely within the Company's control. The Company may exercise the option until the fifth anniversary of the agreement date or can elect to extend the exercise period for an additional year. Under the Ohio Agreement, the Company will also acquire the real property of the three dispensary locations. OPA had not yet commenced operations as of the signing date, but subsequently opened two dispensaries in December 2023 and a third in January 2024. In conjunction with the Ohio Agreement, the parties also entered into a support services agreement under which the Company is providing management and advisory services to OPA for a set monthly fee. The parties also entered into a working capital loan agreement under which the Company may, at its full discretion, loan OPA up to $10,000 for general working capital needs.

The purchase price per the Ohio Agreement consists of total cash consideration of $22,300. The Ohio Agreement also includes an earn-out provision of $7,300 that is dependent upon the commencement of adult-use cannabis sales in Ohio. The sellers may elect to receive the earn-out payment as either cash or shares of the Company's Class A common stock, or a combination thereof. If the sellers elect to receive any or all of the payment in shares, the number of shares issued will be equal to the earn-out payment amount, or portion thereof, divided by the thirty-day volume weighted-average price of the Class A shares immediately preceding the date the earn-out provision is achieved. If the sellers elect to receive Class A shares for the earn-out, those shares would be issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended.

The Company determined OPA is a VIE and the Company became the primary beneficiary as of the signing date; therefore, OPA is consolidated as a VIE. To account for the initial consolidation of OPA, management applied the acquisition method discussed above. The total estimated fair value of the transaction consideration was determined to be $24,132 and consists of the fair value of the cash consideration of $19,290 plus the initial estimated fair value of the contingent consideration of $4,842. Of the total cash consideration, $11,300 was funded at signing pursuant to note agreements and $11,000 is due at final closing (the "OPA Sellers' Note"); refer to Note 11, "Debt," for additional information. The license intangible asset acquired was determined to have an estimated fair value of $21,684 and the three properties had an estimated fair value of $2,448, which was determined using a market approach based on the total transaction consideration. The license is being amortized in accordance with the Company's policy following the commencement of operations. During the third quarter of 2023, the Company recorded an acquisition-related deferred tax liability of $9,516, which was allocated to the estimated fair value of the license.

The estimated fair value of the contingent consideration was determined utilizing an income approach based on a probability-weighted estimate of the future payment discounted using the Company's estimated incremental borrowing rate and is classified within Level 3 of the fair value hierarchy. As of March 31, 2024 and December 31, 2023, the estimated fair value of this contingent consideration was $6,810 and $6,670, respectively, and is included within "Accounts Payable and accrued liabilities" on the unaudited Condensed Consolidated Balance Sheets at March 31, 2024 and within "Other non-current liabilities" at December 31, 2023. The change in fair value during the three months ended March 31, 2024 is included within "General and administrative expenses" on the unaudited Condensed Consolidated Statement of Operations. The Company determined the fair value of any noncontrolling interest is *de minimis*. Refer to Note 8, "Variable Interest Entities," for additional information regarding the Company's VIEs.

Illinois Licenses

In August 2022, the Company entered into definitive agreements to acquire two additional licenses in Illinois. Neither of these licenses were associated with active operations at signing. These acquired licenses are being amortized in accordance with the Company's policy as of the commencement of operations for each respective location, described below.

One transaction was entered on August 11, 2022 for total cash consideration of $5,500. The Company accounted for this transaction as an asset acquisition and allocated the cash consideration plus an acquisition-related deferred tax liability of $2,414 as the total cost of the license. Of the total cash consideration, $3,000 was paid at signing and $2,500 was due at final closing, which occurred in April 2024. The closing payment is included as a sellers' note within "Current portion of debt, net" on the unaudited Condensed Consolidated Balance Sheets at March 31, 2024 and December 31, 2023; refer to Note 11, "Debt," for additional information. Operations at the associated location commenced during the second quarter of 2023.

The second transaction was entered on August 12, 2022 for total cash consideration of $5,600. The Company accounted for this transaction as an asset acquisition and allocated the cash consideration plus an acquisition-related deferred tax liability of $2,458 as the total cost of the license. The cash consideration will be paid at final closing and is included as a sellers' note within "Current portion of debt, net" on the unaudited Condensed Consolidated Balance Sheets at March 31, 2024 and December 31, 2023; refer to Note 11, "Debt," for additional information. The Company anticipates final closing may occur within the twelve months following the commencement of operations at the associated location, which began in December 2023.

5. INVENTORY

The components of inventory are as follows:

(in thousands)	March 31, 2024	December 31, 2023
Materials and supplies	$ 16,023	$ 16,824
Work in process	42,930	36,612
Finished goods	47,866	41,858
Total	$ 106,819	$ 95,294

Total compensation expense capitalized to inventory was $20,344 and $17,121 during the three months ended March 31, 2024 and 2023, respectively. At March 31, 2024 and December 31, 2023, $16,750 and $13,730, respectively, of compensation expense remained capitalized as part of inventory. The Company recognized, as a component of cost of goods sold, total write-downs of $474 and $3,942 during the three months ended March 31, 2024 and 2023, respectively, related to net realizable value adjustments, expired products, and obsolete packaging. These amounts are included within "Other" on the unaudited Condensed Consolidated Statements of Cash Flows.

6. NOTES RECEIVABLE

(in thousands)	March 31, 2024	December 31, 2023
MMNY - working capital loan(1)	$ 2,422	$ 2,422
Massachusetts Note(2)	584	147
Maryland Loan Receivable(3)	—	10,547
Total	$ 3,006	$ 13,116

(1) On February 25, 2021, the Company entered into a working capital advance agreement with MedMen NY, Inc. ("MMNY"), an unrelated third party, in conjunction with an Investment Agreement (as defined in Note 15, "Commitments and Contingencies"). The working capital advance agreement allows for initial maximum borrowings of up to $10,000, which may be increased to $17,500, and was issued to provide MMNY with additional funding for operations in conjunction with the Investment Agreement. Borrowings do not bear interest, but may be subject to a financing fee. The outstanding balance is due and payable at the earlier of the initial closing of the Investment Agreement or, if the Investment Agreement is terminated for certain specified reasons, three business days following such termination. The Company is pursuing collection of the amounts due under this working capital advance agreement through its legal proceedings against MMNY. Refer to Note 15, "Commitments and Contingencies," for additional information.

(2) In May 2022 the Company issued a secured promissory note to a retail dispensary license holder in Massachusetts providing up to $3,500 of funding, which note was amended in December 2023 (the "Massachusetts Note"). As amended, the Massachusetts Note bears interest at a rate of 12.5% per annum, which is to be paid monthly beginning in January 2024, and principal is to be repaid monthly commencing in December 2024 based on a period of twenty-four months, with the remainder due at the December 1, 2025 revised maturity date. A total of $3,500 is outstanding under the Massachusetts Note as of March 31, 2024 and December 31, 2023, of which $584 and $147, respectively, is included in "Notes receivable" on the unaudited Condensed Consolidated Balance Sheets and of which $2,916 and $3,353, respectively, is included in "Other noncurrent assets." The borrower may prepay the outstanding principal amount, plus accrued interest thereon. Borrowings under the Massachusetts Note are secured by the assets of the borrower. In April 2024, the Massachusetts Note was amended to increase the principal to $4,100 and the additional payment was funded at that time. The borrower is partially owned by an entity that is managed, in part, by one of the founders of the Company. Additionally, the Company transacts with the retail dispensary in the ordinary course of business.

(3) In June 2023 the Company purchased, at par, $12,027 of the principal of a loan (the "Maryland Loan Receivable"), outstanding pursuant to a loan agreement with a cannabis license holder in Maryland (the "Maryland Loan Agreement"), plus the associated interest receivable. The Maryland Loan Agreement had an original maturity date of August 1, 2026, required monthly repayments equal to 10.0% of the outstanding balance (including paid-in-kind interest), and could be prepaid subject to a customary make-whole payment or prepayment penalty, as applicable. Mandatory prepayments were required from the proceeds of certain events. The Maryland Loan Agreement provided for a base interest rate of 12.0% plus LIBOR (LIBOR floor of 1.0%) and a paid-in-kind interest rate of 4.5%. Following the replacement of LIBOR, effective July 1, 2023, the LIBOR component of the interest rate transitioned to the secured overnight financing rate ("SOFR") plus an alternative reference rate committee ("ARRC") standard adjustment.

The Company recorded the Maryland Loan Receivable at an amortized cost basis of $12,622. A total of $595 of transaction-related expenses were capitalized as part of the amortized cost basis and were being amortized to interest income over the term. The Company identified certain events of default and covenant violations, including non-payment, and provided an acceleration notice during the second quarter of 2023 that declared all amounts due and payable. As such, during 2023 the Company established a reserve of $1,804 for potential collectability.

In March 2024 the borrower refinanced the borrowings underlying the Maryland Loan Agreement with a third-party lender (the "Maryland Refinancing"). In conjunction with the Maryland Refinancing, the borrower's obligations to the Company under the Maryland Loan Agreement were settled. As part of this settlement, the Company received a cash payment of $8,100. Additionally, the parties entered into a supply agreement that provides for the Company to receive $6,000 of inventory products from the borrower, based on market prices, over the course of three years, with a maximum of $500 per quarter. Of this total receivable, $2,000 is included within "Other current assets" and $3,016 is included within "Other noncurrent assets" on the unaudited Condensed Consolidated Balance Sheet as of March 31, 2024. The discount on the noncurrent portion was calculated utilizing the Company's estimated incremental borrowing rate as of the agreement date and will be accreted to interest income over the agreement term. The discount is included within "General and administrative expenses" on the unaudited Condensed Consolidated Statements of Operations for the three months ended March 31, 2024 and within "Other" on the unaudited Condensed Consolidated Statements of Cash Flows. No inventory was supplied under this agreement during the three months ended March 31, 2024. The total settlement value, excluding the discount, approximated the obligations outstanding under the Maryland Loan Receivable, including $2,859 of past due interest that was outstanding as of December 31, 2023 and was included within "Other current assets" on the unaudited Condensed Consolidated Balance Sheet as of that date.

Additionally, a total of $3,976 is outstanding at March 31, 2024 related to a promissory note issued to the owner of a property that the Company is leasing, of which $171 and $3,805 is included in "Other current assets" and "Other noncurrent assets," respectively, on the unaudited Condensed Consolidated Balance Sheets. At December 31, 2023, $4,018 was outstanding, of which $170 and $3,848 is included in "Other current assets" and "Other noncurrent assets," respectively, on the unaudited Condensed Consolidated Balance Sheets.

No impairment losses on notes receivable were recognized during the three months ended March 31, 2024 or 2023.

7. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

(in thousands)	March 31, 2024	December 31, 2023
Leasehold improvements	$ 198,173	$ 192,807
Furniture, fixtures, and equipment	73,066	71,474
Buildings	72,659	72,204
Construction in progress	5,460	6,511
Land	5,242	5,242
Property and equipment, gross	354,600	348,238
Less: accumulated depreciation	89,301	80,156
Property and equipment, net	$ 265,299	$ 268,082

Total depreciation expense was $9,145 and $8,146 during the three months ended March 31, 2024 and 2023, respectively, and total depreciation expense capitalized to inventory was $6,563 and $6,170, respectively. At March 31, 2024 and December 31, 2023, $4,987 and $5,510, respectively, of depreciation expense remained capitalized as part of inventory.

The table above includes equipment with a gross value of $2,321 as of each of March 31, 2024 and December 31, 2023 and accumulated amortization of $688 and $549, respectively, that the Company is renting under finance leases pursuant to a master lease agreement that was entered into in June 2022 and allows for an aggregate of $15,000 of such leases. Refer to Note 10, “Leases,” for additional information regarding our lease arrangements.

8. VARIABLE INTEREST ENTITIES

A VIE is a legal entity that does not have sufficient equity at risk to finance its activities without additional subordinated financial support or is structured that such equity investors lack the ability to make significant decisions relating to the entity’s operations through voting rights or do not substantively participate in the gains or losses of the entity. The primary beneficiary has both the power to direct the activities of the VIE that most significantly impact the entity’s economic performance and the obligation to absorb losses or the right to receive benefits from the VIE that could potentially be significant to the VIE.

We assess all variable interests in the entity and use our judgment when determining if we are the primary beneficiary. Other qualitative factors that are considered include decision-making responsibilities, the VIE capital structure, risk and rewards sharing, contractual agreements with the VIE, voting rights, and level of involvement of other parties. We assess the primary beneficiary determination for a VIE on an ongoing basis if there are any changes in the facts and circumstances related to a VIE.

Where we determine we are the primary beneficiary of a VIE, we consolidate the accounts of that VIE. The equity owned by other stockholders is shown as non-controlling interests in the accompanying unaudited Condensed Consolidated Balance Sheets, Statements of Operations, and Statements of Changes in Stockholders’ Equity. The assets of the VIE can only be used to settle obligations of that entity, and any creditors of that entity generally have no recourse to the assets of other entities or the Company unless the Company separately agrees to be subject to such claims.

Recent Transactions

January 2024 Loan Agreement

In January 2024, the Company entered into a loan agreement pursuant to which the Company may provide, at its sole discretion, up to $2,500 of financing to a third party (the "January 2024 Loan Agreement"). The January 2024 Loan Agreement contains certain provisions and restrictive covenants that provide the Company with operational and financial influence over the underlying entity and also provides the Company with financial distributions based on the underlying associated results of operations. Additionally, the January 2024 Loan Agreement provides the Company with conversion options to obtain 35% of the equity interests of the borrower upon the initial funding (which occurred in January 2024) and up to an additional 65% of the remaining equity interest of the borrower at any time through October 2033, subject to certain provisions and regulatory approvals. The Company determined that the terms and provisions of the January 2024 Loan Agreement create a variable interest in the third-party entity and met the criteria for consolidation as of such date. The third-party entity received a conditional license approval for one dispensary in New Jersey that was determined to have a fair value of $1,050, which approximated the fair value of the non-controlling interest held by the third-party member as of the effective date. The net loss attributable to the non-controlling interest was not significant during the three months ended March 31, 2024.

Borrowings under the January 2024 Loan Agreement bear interest at a rate of 20.0% per annum and are secured by substantially all of the assets and equity interests of the third party. The January 2024 Loan Agreement provides for customary events of default, contains certain covenants and other restrictions, and provides for a default penalty of an additional 6.0% interest. Borrowings are due on the sixth anniversary of the January 2024 Loan Agreement, which may be extended by two additional two-year periods, and prepayment is permitted with prior written notice. Since the entity is consolidated as a VIE, the intercompany activity related to the January 2024 Loan Agreement is eliminated in consolidation.

February 2024 Loan Agreement

In February 2024, the Company entered into a loan agreement pursuant to which the Company may provide, at its sole discretion, up to $3,750 of financing to a third party (the "February 2024 Loan Agreement"). The parties also entered into a support services agreement under which the Company will provide management and advisory services for a set monthly fee. The terms of the February 2024 Loan Agreement contain certain provisions and restrictive covenants that provide the Company with operational and financial influence over the underlying entity. The February 2024 Loan Agreement provides the Company with the option to convert the outstanding balance into equity interests of the borrower, up to 100%, as may be permissible by applicable regulations at such time. The Company determined that the terms and provisions of the February 2024 Loan Agreement and support services agreement create a variable interest in the third-party entity and met the criteria for consolidation as of such date. The entity held no assets at the time the agreements were entered into and the non-controlling interest was determined to have a *de minimis* fair value as of that date.

Borrowings under the February 2024 Loan Agreement bear interest at a rate of 20.0% per annum and are secured by substantially all of the assets of the borrower. The February 2024 Loan Agreement provides for customary events of default, contains certain covenants and other restrictions, and provides for a default penalty of an additional 5.0% interest. The February 2024 Loan Agreement matures ten years from issuance, but may be extended if not otherwise converted prior to maturity, with borrowings and interest not due until such time. Since the entity is consolidated as a VIE, the intercompany activity related to the February 2024 Loan Agreement and the related support services agreement is eliminated in consolidation.

In April 2024, the third party entered into interim management services agreements ("MSAs") with two distressed dispensaries in Illinois. Pursuant to these MSAs, the third party will advise on certain business, operational, and financial matters for a monthly fee while the parties finalize asset purchase agreements to acquire the underlying dispensaries for a total anticipated purchase price of approximately $10,000, to be finalized as applicable. The Company anticipates amending the February 2024 Loan Agreement to provide funding for this transaction.

Financial Information

The following tables present the summarized financial information about the Company's consolidated VIEs which are included in the unaudited Condensed Consolidated Balance Sheets as of March 31, 2024 and December 31, 2023 and in the unaudited Condensed Consolidated Statements of Operations for the three months ended March 31, 2024 and 2023, as applicable. The underlying entities were determined to be VIEs since the Company possesses the power to direct the significant activities of the VIEs and has the obligation to absorb losses or the right to receive benefits from the VIEs. The information below excludes intercompany balances and activity that eliminate in consolidation.

(in thousands)	March 31, 2024	December 31, 2023
Current assets	$ 9,764	$ 585
Other noncurrent assets	47,748	44,722
Current liabilities	1,422	25,460
Noncurrent liabilities	9,278	9,516
Deficit	(5,247)	(3,476)

	Three Months Ended March 31,	
(in thousands)	2024	2023
Revenue, net	$ 704	$ —
Net loss	(1,771)	(598)

9. INTANGIBLE ASSETS AND GOODWILL

(in thousands)	March 31, 2024	December 31, 2023
Intangible Assets		
Licenses and permits	$ 254,667	$ 250,867
In-place leases	19,963	19,963
Trade names	380	380
	275,010	271,210
Accumulated amortization:		
Licenses and permits	(40,768)	(34,427)
In-place leases	(15,500)	(14,951)
Trade names	(380)	(380)
	(56,648)	(49,758)
Total intangible assets, net	$ 218,362	$ 221,452
Goodwill	$ 47,538	$ 47,538

Amortization expense related to intangible assets was $6,890 and $6,151 during the three months ended March 31, 2024 and 2023, respectively, and total amortization expense capitalized to inventory was $754 and $735, respectively. At March 31, 2024 and December 31, 2023, $1,094 and $916, respectively, of amortization expense remained capitalized as part of inventory.

No impairment indicators were noted during the three months ended March 31, 2024 or 2023 and, as such, we did not record any impairment charges during either period.

10. LEASES

The Company leases land, buildings, equipment, and other capital assets which it uses for corporate purposes and the production and sale of cannabis products with terms generally ranging from 1 to 20 years.

We determine if an arrangement is a lease at inception and begin recording lease activity at the commencement date, which is generally the date in which we take possession of or control the physical use of the asset. ROU assets and lease liabilities are recognized based on the present value of lease payments over the lease term, with lease expense recognized on a straight-line basis. Lease agreements may contain rent escalation clauses, rent holidays, or certain landlord incentives, including tenant improvement allowances. ROU assets include amounts for scheduled rent increases and are reduced by lease incentive amounts. Certain of our lease agreements include variable rent payments, consisting primarily of rental payments adjusted periodically for inflation and amounts paid to the lessor based on cost or consumption, such as maintenance and utilities. Variable rent lease components are not included in the lease liability. We typically exclude options to extend the lease in a lease term unless it is reasonably certain that we will exercise the option and when doing so is at our sole discretion. Our lease agreements generally do not contain any material residual value guarantees or material restrictive covenants. We may rent or sublease to third parties certain real property assets that we no longer use.

The components of lease assets and lease liabilities and their classification on the unaudited Condensed Consolidated Balance Sheets were as follows:

(in thousands)	Classification	March 31, 2024	December 31, 2023
Lease assets			
Operating leases	Operating lease right-of-use assets	$ 132,905	$ 130,556
Finance leases	Property and equipment, net	1,633	1,772
Total lease assets		$ 134,538	$ 132,328
Lease liabilities			
Current liabilities			
Operating leases	Operating lease liabilities, current	$ 4,166	$ 3,660
Finance leases	Current portion of debt, net	513	496
Noncurrent liabilities			
Operating leases	Operating lease liabilities, noncurrent	262,699	261,087
Finance leases	Long-term debt, net	1,061	1,196
Total lease liabilities		$ 268,439	$ 266,439

The components of lease costs and classification within the unaudited Condensed Consolidated Statements of Operations were as follows:

	Three Months Ended March 31,	
(in thousands)	**2024**	**2023**
Operating lease costs		
Capitalized to inventory	$ 9,133	$ 8,227
General and administrative expenses	873	340
Total operating lease costs	$ 10,006	$ 8,567
Finance lease costs		
Amortization of leased assets[1]	$ 139	$ 74
Interest on lease liabilities	55	36
Total finance lease costs	$ 194	$ 110

[1] Included as a component of depreciation expense within "General and administrative expenses" on the accompanying unaudited Condensed Consolidated Statements of Operations.

At March 31, 2024 and December 31, 2023, $7,054 and $6,028, respectively, of lease costs remained capitalized in inventory.

The following table presents information on short-term and variable lease costs:

	Three Months Ended March 31,	
(in thousands)	**2024**	**2023**
Total short-term and variable lease costs	$ 1,065	$ 1,135

Sublease income generated during the three months ended March 31, 2024 and 2023 was immaterial.

The following table includes supplemental cash and non-cash information related to our leases:

	Three Months Ended March 31,	
(in thousands)	**2024**	**2023**
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 10,028	$ 8,604
Operating cash flows from finance leases	55	36
Financing cash flows from finance leases	118	63
ROU assets obtained in exchange for new lease obligations		
Operating leases	$ 2,569	$ 13,571
Finance leases	—	351

The following table summarizes the weighted-average remaining lease term and discount rate:

	March 31, 2024	December 31, 2023
Weighted-average remaining term (years)		
Operating leases	14.0	14.3
Finance leases	2.8	3.0
Weighted-average discount rate		
Operating leases	15.1 %	15.1 %
Finance leases	13.7 %	13.7 %

The amounts of future undiscounted cash flows related to the lease payments over the lease terms and the reconciliation to the present value of the lease liabilities as recorded on our unaudited Condensed Consolidated Balance Sheet as of March 31, 2024 are as follows:

(in thousands)	Operating Lease Liabilities	Finance Lease Liabilities
Remainder of 2024	$ 30,673	$ 520
2025	41,908	693
2026	42,256	572
2027	43,389	103
2028	44,563	—
Thereafter	480,321	—
Total lease payments	683,110	1,888
Less: imputed interest	416,245	314
Present value of lease liabilities	$ 266,865	$ 1,574

Sale Leaseback Transactions

The following table presents cash payments due under transactions that did not qualify for sale leaseback treatment. The cash payments are allocated between interest and liability reduction, as applicable. The "sold" assets remain within land, buildings, and leasehold improvements, as appropriate, for the duration of the lease and a financing liability equal to the amount of proceeds received is recorded within "Long-term debt, net" on the accompanying unaudited Condensed Consolidated Balance Sheets.

(in thousands)	Remainder of 2024	2025	2026	2027	2028	Thereafter	Total
Cash payments due under financing liabilities	$ 1,828	$ 2,525	$ 2,599	$ 2,676	$ 2,755	$ 6,722	$ 19,105

11. DEBT

(in thousands)	March 31, 2024	December 31, 2023
2021 Credit Facility[1]	$ 275,000	$ 275,000
Sellers' notes[2]	19,442	18,591
Finance liabilities[3]	18,100	18,100
Financing Agreement[4]	1,865	1,766
Finance leases[5]	1,574	1,692
Total debt	$ 315,981	$ 315,149
Current portion of debt, net	$ 21,820	$ 11,148
Long-term debt	294,161	304,001
Less: unamortized deferred financing costs	5,463	6,436
Long-term debt, net	$ 288,698	$ 297,565

(1) On August 27, 2021, the Company entered into a credit agreement with a group of lenders (the "2021 Credit Agreement") that provided for an initial term loan of $210,000 (the "2021 Credit Facility"), which was borrowed in full. The 2021 Credit Agreement provided for an expansion feature that allowed the Company to request an increase in the 2021 Credit Facility up to $275,000 if the then-existing lenders (or other lenders) agreed to provide such additional term loans. During the second quarter of 2022, the Company borrowed an additional $65,000 pursuant to the expansion feature (the "2022 Loans") for total borrowings of $275,000 under the 2021 Credit Facility.

The 2021 Credit Facility matures on August 27, 2025 and does not require scheduled principal amortization payments. Borrowings under the 2021 Credit Facility bear interest at a rate of 9.5% per annum, payable quarterly and, as to any portion of the term loan that is prepaid, on the date of prepayment. The 2021 Credit Agreement permits the Company to request an extension of the maturity date for 364 days, subject to the lenders' discretion.

We incurred initial financing costs of $8,806 and additional financing costs of $7,606 related to the 2022 Loans, which includes warrants issued to certain lenders to acquire 3,130 shares of Class A common stock that had a fair value of $2,639 at issuance. The financing costs are being amortized to interest expense over the term of 2021 Credit Facility using the straight-line method which approximates the interest rate method.

The 2021 Credit Agreement requires mandatory prepayments from proceeds of certain events, including the proceeds of indebtedness that is not permitted under the agreement and asset sales and casualty events, subject to customary reinvestment rights. The Company may prepay the 2021 Credit Facility at any time, subject to a customary make-whole payment or prepayment penalty, as applicable. Once repaid, amounts borrowed under the 2021 Credit Facility may not be re-borrowed.

The Company is required to comply with two financial covenants under the 2021 Credit Agreement. The Company may not permit its liquidity (defined as unrestricted cash and cash equivalents pledged under the 2021 Credit Facility plus any future revolving credit availability) to be below $20,000 as of the last day of any fiscal quarter. Additionally, the Company may not permit the ratio of Consolidated EBITDA (as defined in the 2021 Credit Agreement) to consolidated cash interest expense for any period of four consecutive fiscal quarters to be less than 2.50:1.00. The Company has a customary equity cure right for each of these financial covenants. The Company is in compliance with these covenants as of March 31, 2024.

The 2021 Credit Agreement requires the Company to make certain representations and warranties and to comply with customary covenants, including restrictions on the payment of dividends, repurchase of stock, incurrence of indebtedness, dispositions, and acquisitions. The 2021 Credit Agreement also contains customary events of default including: non-payment of principal or interest; violations of covenants; bankruptcy; change of control; cross defaults to other debt; and material judgments. The 2021 Credit Facility is guaranteed by all of the Company's subsidiaries and is secured by substantially all of the assets of the Company and its subsidiaries.

In April 2024, the 2021 Credit Agreement was amended to permit the Company to initiate, from time to time and at its discretion, a "Dutch Auction" pursuant to which it may issue a tender offer to existing lenders to re-purchase and retire their loans at a specified discount to par. No such re-purchase has occurred as of the date of filing of this Form 10-Q.

(2) Sellers' notes consist of amounts owed for acquisitions or other purchases. A total of $8,100 is outstanding related to the acquisition of two licenses in Illinois, which total is included in "Current portion of debt, net" at March 31, 2024 and December 31, 2023. Sellers' notes also includes the OPA Sellers' Note which had balance of $10,032 included in "Current portion of debt, net" at March 31, 2024 and $9,705 that was included within "Long-term debt, net" at December 31, 2023. The $11,000 OPA Sellers' Note was recorded net of a discount of $3,010 that was calculated utilizing the Company's estimated incremental borrowing rate based on the anticipated close date that is being accreted to interest expense over the expected term. Additionally, sellers' notes includes $1,310 related to the Massachusetts Purchase Agreement entered into during 2024, which is included within "Current portion of debt, net" at March 31, 2024. Refer to Note 4, "Acquisitions," for additional information regarding these transactions.

During the three months ended March 31, 2024, we repaid $786 of sellers' notes related to the former owners of a previous non-controlling interest, which was included in "Current portion of debt, net" on the unaudited Condensed Consolidated Balance Sheet at December 31, 2023.

(3) Finance liabilities related to failed sale leaseback transactions. See Note 10, "Leases," for additional information.

(4) In December 2022, the Company received $19,364 pursuant to a financing agreement with a third-party lender (the "Financing Agreement"). The Company assigned to the lender its interests in an employee retention tax credit claim (the "ERTC Claim") that it submitted in November 2022 totaling approximately $22,794. If the Company does not receive the ERTC Claim, in whole or in part, the Company is required to repay the related portion of the funds received plus interest of 10% accrued from the date of the Financing Agreement through the repayment date. The Financing Agreement does not have a stated maturity date and the discount is being accreted to interest expense over an expected term. The Company's obligations under the Financing Agreement will be satisfied upon receipt of the ERTC Claim, in full, or other full repayment. The total claim amount of $22,794 was recognized during the second quarter of 2023. A total of $1,964 of the ERTC Claim remains outstanding as of March 31, 2024 and December 31, 2023, which receivable is included in "Other current assets" on the unaudited Condensed Consolidated Balance Sheets, and the balance outstanding under the Financing Agreement is included in "Current portion of debt, net."

(5) Liabilities related to finance leases. See Note 10, "Leases," for additional information.

Debt Maturities

At March 31, 2024, the following cash payments are payable under our debt arrangements:

(in thousands)	Remainder of 2024	2025	Total
Sellers' notes[1]	$ 9,410	$ 11,000	$ 20,410
Term note maturities	—	275,000	275,000

(1) Certain cash payments include an interest accretion component. The timing of certain payments may vary based on regulatory approval of the underlying transactions.

Interest Expense

Interest expense during the three months ended March 31, 2024 and 2023 consisted of the following:

	Three Months Ended March 31,	
(in thousands)	2024	2023
Cash interest	$ 6,496	$ 6,450
Accretion	1,399	1,919
Interest on financing liabilities[1]	588	570
Interest on finance leases	55	36
Total	$ 8,538	$ 8,975

(1) Interest on financing liability related to failed sale leaseback transactions. See Note 10, "Leases," for additional details.

12. STOCKHOLDERS' EQUITY

The Company has authorized 750,000 shares of Class A common stock with a par value of $0.001 per share, 100 shares of Class B common stock with a par value of $0.001 per share, and 10,000 shares of preferred stock with a par value of $0.001 per share. Holders of each share of Class A common stock are entitled to one vote per share and holders of Class B common stock are entitled to 1,000 votes per share. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or our certificate of incorporation. Each share of Class B common stock is convertible at any time into one share of Class A common stock at the option of the holder. In addition, each share of Class B common stock will automatically convert into one share of Class A common stock on May 4, 2026, the final conversion date. Each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain transfers described in our certificate of incorporation, including, without limitation, transfers for tax and estate planning purposes, so long as the transferring holder of Class B common stock continues to hold exclusive voting and dispositive power with respect to any such transferred shares. Once converted into a share of Class A common stock, a converted share of Class B common stock will not be reissued, and following the conversion of all outstanding shares of Class B common stock, no further shares of Class B common stock will be issued.

The following table summarizes the total shares of Class A common stock and Class B common stock outstanding as of March 31, 2024 and December 31, 2023:

(in thousands)	**March 31, 2024**	**December 31, 2023**
Shares of Class A common stock	211,430	206,810
Shares of Class B common stock	65	65
Total	211,495	206,875

Warrants

The following table summarizes the warrants activity during the three months ended March 31, 2024:

	Number of Warrants *(in thousands)*	**Weighted-Average Exercise Price**	**Weighted-Average Remaining Exercise Period** *(years)*	**Aggregate Intrinsic Value** *(in thousands)*[(1)]
Outstanding, December 31, 2023	4,568	$ 3.33	2.3	$ —
Outstanding, March 31, 2024[(2)]	4,568	$ 3.33	2.0	$ —

(1) Based on the amount by which the closing market price of our Class A common stock exceeds the exercise price on each date indicated.

(2) The warrants outstanding as of March 31, 2024 are equity-classified instruments, are subject to customary anti-dilution adjustments, and are stand-alone instruments. The fair value per warrant was calculated at issuance using a Black-Scholes model and ranged from $0.06 to $0.84. Significant assumptions used in the calculations included volatility ranging from 70.0% to 87.5% and risk-free rates ranging from 0.3% to 4.2%. No warrants were exercised during the three months ended March 31, 2024.

13. EQUITY-BASED COMPENSATION EXPENSE

Equity Incentive Plans

The Company adopted an incentive plan in November 2020 (the "2020 Plan") which authorized the issuance of incentive common unit options and restricted common units (collectively, "Awards"). The maximum number of Awards to be issued under the 2020 Plan is 10,031 and any Awards that expire or are forfeited may be re-issued. As of March 31, 2024, a total of 9,994 Awards had been granted under the 2020 Plan and, as of March 31, 2024, there are no remaining unvested Awards and no remaining unrecognized compensation cost associated with these Awards. The Awards issued generally vested over two or three years and the estimated fair value of the Awards at issuance was recognized as compensation expense over the related vesting period.

In July 2021, the Company adopted a new stock incentive plan (the "2021 Plan"), pursuant to which 17,000 shares of Class A common stock are reserved for issuance thereunder, subject to certain adjustments and other terms. Following the adoption of the 2021 Plan, no additional awards are expected to be issued under the 2020 Plan. The 2021 Plan authorized the issuance of stock options, stock appreciation rights ("SAR Awards"), restricted stock awards ("RSAs"), restricted stock units ("RSUs"), and other stock-based awards (collectively the "2021 Plan Awards"). Any 2021 Plan Awards that expire or are forfeited may be re-issued. The estimated fair value of the 2021 Plan Awards at issuance is recognized as compensation expense over the related vesting, exercise, or service periods, as applicable.

On March 9, 2023, the Company's board of directors unanimously approved, subject to stockholder approval, an amendment to the 2021 Plan (the "Amendment" and together with the 2021 Plan, the "Amended 2021 Plan") to increase the maximum number of shares of Class A common stock available for issuance under the Amended 2021 Plan to an amount not to exceed 10% of the total number of issued and outstanding shares of Class A common stock, on a non-diluted basis, as constituted on the grant date of an award pursuant to the Amended 2021 Plan. On May 5, 2023, the stockholders of the Company voted to approve the Amendment. As of March 31, 2024, there were 2,575 shares of Class A common stock available for grant for future equity-based compensation awards under the Amended 2021 Plan. Activity related to awards issued under the Amended 2021 Plan is further described below. As of March 31, 2024, no SAR Awards and no RSAs had been granted under the Amended 2021 Plan.

Stock Options

The following table summarizes stock option activity during the three months ended March 31, 2024:

	Options Outstanding			
(in thousands, except per share amounts)	**Number of Options**	**Weighted-Average Exercise Price**	**Weighted-Average Remaining Contractual Life *(years)***	**Aggregate Intrinsic Value[1]**
Outstanding, December 31, 2023	4,010	$ 1.80	3.9	$ 353
Forfeited	(33)	1.58		
Expired	(125)	4.10		
Outstanding, March 31, 2024	3,852	$ 1.73	3.8	$ 1,037
Exercisable at March 31, 2024	2,141	$ 1.86	3.7	$ 603

(1) Based on the amount by which the closing market price of our Class A common stock exceeds the exercise price on each date indicated.

No options were exercised during the three months ended March 31, 2024. Total unrecognized stock-based compensation expense related to unvested options was $1,210 as of March 31, 2024, which is expected to be recognized over a weighted-average remaining period of 2.5 years.

Restricted Stock Units

The following table summarizes the RSU activity during the three months ended March 31, 2024:

	Number of Shares *(in thousands)*	Weighted-Average Grant Date Fair Value per Share
Unvested, December 31, 2023	12,021	$ 2.15
Granted[1]	9,863	1.29
Vested[1][2]	(7,053)	2.78
Forfeited	(115)	1.67
Unvested, March 31, 2024	14,716	$ 1.28

(1) Includes RSUs issued for the 2023 annual performance bonus that vested at issuance with a value of $3,304, of which $2,838 is included in "Accounts payable and accrued liabilities" on the unaudited Condensed Consolidated Balance Sheet at December 31, 2023, with the remainder reflected as a change in estimate that is included within "General and administrative expenses" on the unaudited Condensed Consolidated Statements of Operations for the three months ended March 31, 2024.

(2) Includes 2,433 vested shares that were withheld to cover tax obligations and were subsequently cancelled.

As of March 31, 2024, total unrecognized compensation cost related to the RSUs was $16,616, which is expected to be recognized over a weighted-average remaining period of 3.3 years.

Performance Based Awards

In August 2023, the Company's board of directors approved the grant of 4,000 RSUs outside of the Company's Amended 2021 Plan (the "August 2023 Grant"). The August 2023 Grant was issued pursuant to an employment agreement and vests upon the later of the second anniversary of employment and the achievement of certain stock price targets, as set forth in the table below:

Tranche	Company Stock Price Target (*per share*)[1]	Number of Eligible RSUs (*in thousands*)
1	$2.00	1,000
2	$3.00	1,000
3	$4.00	1,000
4	$5.00	1,000

(1) The market price of the Company's Class A common stock must exceed the target price per share for 30 days during a 60-day period.

In addition to the time-based vesting condition and market conditions, which must both be met and were not achieved as of March 31, 2024, continued service to the Company is required as of the date the conditions are satisfied. The grant date fair value of the August 2023 Grant was calculated using a Monte Carlo simulation, which inputs included a volatility rate of 107.7%, a risk-free rate of 4.0%, a market price of $0.65 per share on the grant date, and an expected term of 9 years. The total fair value of the August 2023 Grant was $2,177 and will be recognized as compensation expense over the requisite service period, which, for this award, is the longer of the explicit, implicit, and derived service period. The total fair value of the August 2023 Grant will be recognized regardless of whether the market conditions are satisfied, provided that the requisite service period has been completed. As of March 31, 2024, the total unrecognized compensation expense related to the August 2023 Grant was $1,716, which is expected to be recognized over a weighted-average period of 2.5 years.

Compensation Expense by Type of Award

The following table details the equity-based compensation expense by type of award for the periods presented:

	Three Months Ended March 31,	
(in thousands)	2024	2023
RSUs	$ 9,725	$ 4,328
Stock Options	991	177
Restricted Common Shares	—	50
Total equity-based compensation expense	$ 10,716	$ 4,555

Of the total equity-based compensation expense, $4,247 and $1,600 was capitalized to inventory during the three months ended March 31, 2024 and 2023, respectively. As of March 31, 2024 and December 31, 2023, $4,004 and $1,968, respectively, remained capitalized in inventory. During the three months ended March 31, 2024 and 2023, we recognized $6,469 and $2,955, respectively, within "General and administrative expenses" on the unaudited Condensed Consolidated Statements of Operations and we recognized $2,211 and $50, respectively, within "Cost of goods sold."

Employee Stock Purchase Plan

In July 2021, the Company also adopted an employee stock purchase plan (the "2021 ESPP"), pursuant to which 4,000 shares of Class A common stock are reserved for issuance thereunder, subject to certain adjustments and other terms. No shares have been issued under the 2021 ESPP as of March 31, 2024.

14. INCOME TAXES

	Three Months Ended March 31,	
($ in thousands)	2024	2023
Loss before income taxes	$ (5,653)	$ (8,455)
Income tax expense	12,510	10,017
Effective tax rate	(221.3)%	(118.5)%
Gross profit	$ 52,037	$ 35,704
Effective tax rate on gross profit	24.0 %	28.1 %

The internal revenue service has taken the position that cannabis companies are subject to the limitations of IRC Section 280E, under which such companies are only allowed to deduct expenses directly related to the sales of product. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E and those allowed for financial statement reporting purposes ("book-to-tax" differences). Cannabis companies operating in states that align their tax codes with IRC Section 280E are also unable to deduct ordinary and necessary business expenses for state tax purposes. Ordinary and necessary business expenses deemed non-deductible under IRC Section 280E are treated as permanent book-to-tax differences. Therefore, the effective tax rate on income realized by cannabis companies can be highly variable and may not necessarily correlate with pre-tax income or loss.

Effective during the second quarter of 2023, Illinois and New Jersey, two states in which the Company has significant operations, began permitting cannabis businesses to deduct ordinary and necessary business expenses from gross profit for state tax purposes. As such, the effective tax rate for the three months ended March 31, 2024 reflects a benefit from this change and varies from the effective tax rate for the three months ended March 31, 2023.

(in thousands, except per unit or per share data)

The Company's quarterly tax provision is calculated under the discrete method which treats the interim period as if it were the annual period and determines the income tax expense or benefit on that basis. The discrete method is applied when application of the estimated annual effective tax rate is impractical because it is not possible to reliably estimate the annual effective tax rate. The Company believes, at this time, the use of this discrete method is more appropriate than the annual effective tax rate method due to the high degree of uncertainty in estimating annual pre-tax income due to the early growth stage of the business.

The Company has recorded an uncertain tax liability for uncertain tax positions primarily related to the treatment of certain transactions and deductions under IRC Section 280E based on legal interpretations that challenge the Company's tax liability under IRC Section 280E. These uncertain tax positions are included within "Other non-current liabilities" on the unaudited Condensed Consolidated Balance Sheets. The following table shows a reconciliation of the beginning and ending amount of unrecognized tax benefits:

	Three Months Ended March 31, 2024
Balance, December 31, 2023	$ 72,955
Additions for tax positions related to the current year	13,001
Additions for tax positions related to prior years	2,762
Balance, March 31, 2024	$ 88,718

A total of $8,186 of interest and penalties is accrued for the uncertain tax positions as of March 31, 2024, which includes $2,762 related to the current year and $5,424 for prior years. If favorably resolved, the unrecognized tax benefits would decrease the Company's effective tax rate. The Company does not anticipate its unrecognized tax benefits to be resolved in the next twelve months and anticipates that the total amount of unrecognized tax benefits may change within the next twelve months for additional uncertain tax positions taken on a go-forward basis.

15. COMMITMENTS AND CONTINGENCIES

Commitments

The Company does not have significant future annual commitments, other than related to leases and debt, which are disclosed in Notes 10 and 11, respectively, and certain payments related to acquisitions, as disclosed in Note 4. The Company has commercial relationships with license holders across the markets in which it operates with mutually beneficial purchasing and supply arrangements entered into in the ordinary course of business.

Through the acquisition of Story of PA CR, LLC ("Story of PA") in April 2022, the Company is party to a research collaboration agreement with the Geisinger Commonwealth School of Medicine ("Geisinger"), a Pennsylvania Department of Health-Certified Medical Marijuana Academic Clinical Research Center, through which to which the Company will help fund clinical research to benefit the patients of Pennsylvania. A total of up to $10,000 of additional funding may be provided pursuant to the research collaboration agreement and is expected to be funded over the course of the ten years following the transaction date based on a percentage of annual revenues associated with the underlying operations, of which none has been funded to date. This additional $10,000 is included within "Other non-current liabilities" on the unaudited Condensed Consolidated Balance Sheets at March 31, 2024 and December 31, 2023.

Legal and Other Matters

The Company's operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or losses of permits that could result in the Company ceasing operations. While management believes that the Company is in compliance with applicable local and state regulations as of March 31, 2024 in all material respects, cannabis regulations continue to evolve and are subject to differing interpretations, and accordingly, the Company may be subject to regulatory fines, penalties, or restrictions in the future.

State laws that permit and regulate the production, distribution, and use of cannabis for adult-use or medical purposes are in direct conflict with the Controlled Substances Act (21 U.S.C. § 811) (the "CSA"), which makes cannabis use and possession federally illegal. Although certain states and territories of the United States authorize medical and/or adult-use cannabis production and distribution by licensed or registered entities, under United States federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under federal law under the CSA. Although the Company's activities are believed to be compliant with applicable state and local laws, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

The Company may be, from time to time, subject to various administrative, regulatory, and other legal proceedings arising in the ordinary course of business. Contingent liabilities associated with legal proceedings are recorded when a liability is probable and the contingent liability can be estimated. We do not accrue for contingent losses that, in our judgment, are considered to be reasonably possible but not probable. At March 31, 2024 there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on our consolidated results of operations, other than as disclosed below.

MedMen NY Litigation

On February 25, 2021, the Company entered into a definitive investment agreement (the "Investment Agreement") with subsidiaries of MedMen Enterprises Inc. ("MedMen"), under which we would have, subject to regulatory approval, completed an investment (the "Investment") of approximately $73,000 in MedMen NY, Inc. ("MMNY"), a licensed medical cannabis operator in the state of New York. Following the completion of the transactions contemplated by the Investment Agreement, we were expected to hold all the outstanding equity of MMNY. Specifically, the Investment Agreement provided that at closing, the Company was going to pay to MedMen's senior lenders $35,000, less certain transaction costs and a prepaid deposit of $4,000, and AWH New York, LLC was going to issue a senior secured promissory note in favor of MMNY's senior secured lender in the principal amount of $28,000, guaranteed by AWH, which cash investment and note would be used to reduce the amounts owed to MMNY's senior secured lender. Following its investment, AWH would hold a controlling interest in MMNY equal to approximately 86.7% of the equity in MMNY, and be provided with an option to acquire MedMen's remaining interest in MMNY in the future for a nominal additional payment, which option the Company intended to exercise. The Investment Agreement also required AWH to make an additional investment of $10,000 in MMNY, which investment would also be used to repay MMNY's senior secured lender, if adult-use cannabis sales commenced in MMNY's dispensaries.

The Company contends that, in December 2021, the parties to the Investment Agreement received the required approvals from the State of New York to close the transactions contemplated by the Investment Agreement, but MedMen has disputed the adequacy of the approvals provided by the State of New York. The Company delivered notice to MedMen in December 2021 that it wished to close the transactions as required by the Investment Agreement. Nevertheless, MedMen, on January 2, 2022, gave notice to the Company that MedMen purported to terminate the Investment Agreement.

Following receipt of such notice, on January 13, 2022, the Company filed a complaint against MedMen and others in the Commercial Division of the Supreme Court of the State of New York (the "Court"), requesting specific performance that the transactions contemplated by the Investment Agreement must move forward, and such other relief as the Court may deem appropriate. The Company simultaneously moved for a temporary restraining order and preliminary injunction (the "Motion") requiring MedMen to operate its New York business in the ordinary course of business and to refrain from any activities or transactions that might impair, encumber, or dissipate MedMen's New York assets. The parties resolved the Motion via a "Stipulation and Order" entered by the Court on January 21, 2022 that required that MMNY operate only in compliance with the law and in a manner consistent with its ordinary course of business that preserved all assets of MMNY. It further required MMNY to not take certain actions, including any actions that would have a material adverse effect on MedMen's New York business. On March 27, 2023, the parties entered a further stipulation that modified the January 21, 2022 Stipulation and Order by lifting the Court's prohibition against a sale or transfer of MMNY or its assets, without waiver of any claims that the Company might have in the event of such a transaction. That further stipulation modifying the January 21, 2022 Stipulation and Order was entered by the Court on August 1, 2023.

On January 24, 2022, MedMen filed counterclaims against the Company, alleging that Ascend had breached the Investment Agreement, and seeking declaratory relief that MedMen had properly terminated the Investment Agreement. On February 14, 2022, the Company moved to dismiss MedMen's counterclaims and filed an amended complaint (the "First Amended Complaint") that included additional claims against MedMen for breach of contract. The First Amended Complaint contained several causes of action, including for breach of contract and breach of the covenant of good faith and fair dealing. The First Amended Complaint sought damages in addition to continuing to seek injunctive and declaratory relief. On March 7, 2022, MedMen filed amended counterclaims, an answer, and affirmative defenses to the First Amended Complaint. On March 28, 2022, the Company moved to dismiss MedMen's amended counterclaims. On April 20, 2022, the parties entered into a stipulation extending the time for MedMen to oppose the Company's motion to dismiss until May 5, 2022. In addition, the parties agreed to stay all discovery, including both party and non-party discovery. On May 5, 2022, the parties filed another stipulation order with the Court adjourning until further notice from the Court MedMen's time to oppose the Company's motion to dismiss MedMen's amended counterclaims. The parties again stipulated that all discovery remains stayed pending further order from the Court.

On May 10, 2022, the Company and MedMen signed a term sheet (the "Term Sheet"), pursuant to which the parties agreed to use best efforts to enter into a settlement agreement and enter into new or amended transactional documents. Specifically, if consummated, the agreements contemplated by the Term Sheet would have entailed, among other things, the Company paying MedMen $15,000 in additional transaction consideration, and MedMen withdrawing its counterclaims against the Company. Per the amended transaction terms contemplated in the Term Sheet, upon closing, the Company would have received a 99.99% controlling interest in MMNY and the Company would have paid MedMen $74,000, which reflected the original transaction consideration plus an additional $11,000 per the parties' Term Sheet, less a $4,000 deposit that the Company already paid.

The amended transaction terms contemplated in the Term Sheet also would have required MedMen to provide a representation and warranty that the status of the MMNY assets had not materially changed since December 31, 2021 and an acknowledgement that the representations and warranties from the Investment Agreement would survive for three months after the closing of the contemplated transactions. However, after the Company determined that MedMen could not make or provide the representations and warranties that MedMen would have been required to make as part of the contemplated transactions, the Company determined that it no longer intended to consummate the contemplated transactions.

On September 30, 2022, the Company sought leave from the Court to file a second amended complaint (the "Second Amended Complaint"). The Second Amended Complaint contains breach of contract claims against MedMen, as well as a claim for the breach of the implied covenant of good faith and fair dealing, and a claim for anticipatory breach of contract. In connection with those claims, the Company is no longer seeking injunctive or declaratory relief; however, the Company continues to seek damages from MedMen, including, but not limited to, the return of the $4,000 deposit, approximately $2,400 of advances pursuant to a working capital loan agreement (as described in Note 6, "Notes Receivable") and other capital expenditure advances paid to MMNY by the Company.

On November 21, 2022, the parties entered into a stipulation whereby MedMen agreed to the filing of the Second Amended Complaint, which is now the Company's operative pleading in the litigation. In addition, in the stipulation, the Company agreed that it would not contest MedMen's filing of second amended counterclaims against the Company while reserving all rights with respect to any such counterclaims. Because the parties agreed to the filing of each side's amended pleadings, on November 28, 2022, the Court determined that Ascend's March 2022 motion to dismiss was moot.

On December 21, 2022, MedMen filed its second amended counterclaims, an answer, and affirmative defenses to the Company's Second Amended Complaint. In addition to the allegations in MedMen's earlier pleadings, MedMen now also alleged that the Company breached the Term Sheet. On January 20, 2023, the Company moved to dismiss MedMen's second amended counterclaims.

On August 18, 2023, the Court issued a Decision and Order on the Company's motion to dismiss, dismissing seven of MedMen's ten counterclaims, including each of the counterclaims brought by MedMen relating to the Term Sheet. On September 26, 2023, MedMen filed a motion seeking leave to file its third amended counterclaims, in which MedMen seeks to revive its previously dismissed counterclaims relating to the Term Sheet. On October 24, 2023, the Company filed an opposition to that motion for leave. As further discussed below, the Court denied that motion on February 2, 2024. In addition, on October 18, 2023, MedMen filed a Notice of Appeal of the Court's August 18, 2023 Decision and Order with respect to the dismissal of MedMen's three counterclaims relating to the Term Sheet. On November 1, 2023 the Company filed a Notice of Cross-Appeal with respect to the Court's determination that the Company's motion to dismiss was not subject to New York's anti-SLAPP statute. Both parties have yet to perfect the appeals.

On February 2, 2024, the Court issued a Decision and Order denying MedMen's motion for leave to file its third amended counterclaims.

On February 21, 2024, the current counsel-of-record for MedMen filed an order to show cause with the Court seeking leave to withdraw as counsel and stay proceedings for thirty days to permit MedMen time to obtain new counsel. On March 20, 2024, the Court granted such withdrawal motion and appointed April 25, 2024 as the deadline for MedMen to obtain new counsel, which, as of the date of filing of this Form 10-Q, had not occurred.

On April 26, 2024, MedMen announced that it made an assignment into bankruptcy pursuant to Canada's Bankruptcy and Insolvency Act on April 24, 2024 and B. Riley Farber Inc. was appointed as its bankruptcy trustee. In addition, MedMen announced that MedMen's wholly owned subsidiary, MM CAN USA, Inc., a California corporation, was placed into receivership in the Los Angeles Superior Court, Santa Monica Division on April 23, 2024 to effectuate an orderly dissolution and liquidation of its California-based assets. MedMen further announced that it intends to initiate additional receivership proceedings in those U.S. states where MM CAN USA, Inc. controls or owns assets, through which the operations and assets of MedMen's subsidiaries will be dissolved or liquidated pursuant to applicable laws in the United States.

During the year ended December 31, 2022, following the Company's decision to no longer consummate the contemplated transactions, the Company established an estimated reserve of $3,700 related to the remaining amounts that it has been actively pursuing collecting. During the three months ended March 31, 2024, the Company increased the estimated reserve by $2,703, which is included within "General and administrative expenses" on the unaudited Condensed Consolidated Statements of Operations and within "Other" on the unaudited Condensed Consolidated Statements of Cash Flows. The total estimated reserve is included within "Other current assets" on the unaudited Condensed Consolidated Balance Sheets at March 31, 2024 and December 31, 2023.

Other Matter

In April 2021, the Company, through a subsidiary, entered into a settlement agreement with TVP, LLC, TVP Grand Rapids, LLC and, TVP Alma, LLC (collectively, the “TVP Parties”) regarding a dispute related to a purchase agreement for the Company’s potential acquisition of certain real estate properties in Michigan. As part of that settlement, the Company issued historical equity units to the TVP Parties to be held in the name of an escrow agent (the “Escrow Units”). The Escrow Units were fully issued and outstanding as of the settlement date and were to remain in the escrow account until such time as the TVP Parties exercised an option to hold the Escrow Units directly (the “Put Option”), which could be exercised for three years. Upon their exercise of the Put Option, the Escrow Units were to be released to the TVP Parties and the TVP Parties would transfer to the Company the equity interests of the entities that hold three real estate properties to be acquired. In February 2024, the TVP Parties notified the Company that they were exercising the Put Option. The transfer is in process and is expected to be completed during the second quarter of 2024. The Company currently operates dispensaries at these locations pursuant to lease agreements. The underlying properties were determined to have a fair value of $5,400 as of the settlement date, which was included within “Other noncurrent assets” on the unaudited Condensed Consolidated Balance Sheets as of March 31, 2024 and December 31, 2023 and will be re-classified to “Property and equipment, net” as of the transfer date.

16. RELATED PARTY TRANSACTIONS

There were no significant related party transactions during the three months ended March 31, 2024, other than as disclosed in Note 6, “Notes Receivable.”

17. SUPPLEMENTAL INFORMATION

The following table presents supplemental information regarding our other current assets:

(in thousands)	March 31, 2024	December 31, 2023
Prepaid expenses	$ 6,299	$ 7,270
Deposits and other receivables	6,002	9,302
Tenant improvement allowance	500	1,010
Construction deposits	300	569
Other	314	1,493
Total	$ 13,415	$ 19,644

The following table presents supplemental information regarding our accounts payable and accrued liabilities:

(in thousands)	March 31, 2024	December 31, 2023
Accounts payable	$ 36,419	$ 34,687
Accrued payroll and related expenses	16,970	21,306
Acquisition-related liabilities	6,810	—
Fixed asset purchases	4,409	5,738
Other	5,470	9,381
Total	$ 70,078	$ 71,112

The following table presents supplemental information regarding our general and administrative expenses:

(in thousands)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Compensation	$ 23,699	$ 16,488
Depreciation and amortization	8,718	7,392
Rent and utilities	5,268	4,511
Professional services	3,770	3,372
Insurance	1,555	1,419
Marketing	981	1,014
Gain on sale of assets	(11)	(442)
Other	5,482	1,695
Total	$ 49,462	$ 35,449

18. SUBSEQUENT EVENTS

Management has evaluated subsequent events to determine if events or transactions occurring through the filing date of this Quarterly Report on Form 10-Q require adjustment to or disclosure in the Company's Financial Statements. There were no events that require adjustment to or disclosure in the Financial Statements, except as disclosed.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following management discussion and analysis, which we refer to as the "MD&A," of the financial condition and results of operations of Ascend Wellness Holdings, Inc. (the "Company," "AWH," or "Ascend") is for the three months ended March 31, 2024 and 2023. It is supplemental to, and should be read in conjunction with, the unaudited condensed consolidated financial statements, and the accompanying notes thereto, (the "Financial Statements") appearing elsewhere in this Quarterly Report on Form 10-Q (the "Quarterly Report" or "Form 10-Q") and our Annual Report on Form 10-K for the year ended December 31, 2023 (the "Annual Report"), which has been filed with the United States Securities and Exchange Commission ("SEC") and with the relevant Canadian securities regulatory authorities under its profile on the System for Electronic Document Analysis and Retrieval Plus ("SEDAR+"). The Financial Statements and Annual Report were prepared in accordance with accounting principles generally accepted in the United States of America, which we refer to as "U.S. GAAP."

The following discussion should be read in conjunction with, and is qualified in its entirety by, the Financial Statements. The discussion in this section contains both historical information and forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, and forward-looking information, within the meaning of applicable Canadian securities laws, (collectively, "forward-looking statements") that involve risks and uncertainties. Generally, forward-looking statements may be identified by the use of forward-looking terminology such as "plans," "expects," "does not expect," "proposed," "is expected," "budgets," "scheduled," "estimates," "forecasts," "intends," "anticipates," "does not anticipate," "believes," or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events, or results may, could, would, or might occur or be achieved. There can be no assurance that such forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties, and other factors that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those or implied by such forward-looking statements. Readers are further cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions, or expectations upon which they are placed will occur. Forward-looking statements in this MD&A are expressly qualified by this cautionary statement. See "*Forward-Looking Statements*" for more information.

Financial information and unit or share figures, except per-unit or per-share amounts, presented in this MD&A are presented in thousands of United States dollars ("$"), unless otherwise indicated. We round amounts in this MD&A to the thousands and calculate all percentages, per-unit, and per-share data from the underlying whole-dollar amounts. Thus, certain amounts may not foot, crossfoot, or recalculate based on reported numbers due to rounding. Unless otherwise indicated, all references to years are to our fiscal year, which ends on December 31.

The Company's shares of Class A common stock are listed on the Canadian Securities Exchange (the "CSE") under the ticker symbol "AAWH.U" and are quoted on the OTCQX® Best Market under the symbol "AAWH." We are an emerging growth company under federal securities laws and as such we are able to elect to follow scaled disclosure requirements for this filing.

BUSINESS OVERVIEW

Established in 2018 and headquartered in New York, New York, AWH is a vertically integrated multi-state operator focused on adult-use or near-term adult-use cannabis states in limited license markets. Our core business is the cultivation, manufacturing, and distribution of cannabis consumer packaged goods, which we sell through our company-owned retail stores and to third-party licensed retail cannabis stores. We believe in bettering lives through cannabis. Our mission is to improve the lives of our employees, patients, customers, and the communities we serve through the use of the cannabis plant. We are committed to providing safe, reliable, and high-quality products and providing consumers options and education to ensure they are able to identify and obtain the products that fit their personal needs.

Since our formation, we have expanded our operational footprint, primarily through acquisitions, and, as of March 31, 2024, had direct or indirect operations or financial interests in seven United States geographic markets: Illinois, Maryland, Massachusetts, Michigan, New Jersey, Ohio, and Pennsylvania. While we have been successful in opening facilities and dispensaries, we expect continued growth to be driven by opening new operational facilities and dispensaries under our current licenses, expansion of our current facilities, and increased consumer demand. We currently employ approximately 2,400 people.

Our consumer products portfolio is generated primarily from plant material that we grow and process ourselves. As of March 31, 2024, we produce our consumer packaged goods in seven manufacturing facilities with 250,000 square feet of total canopy. During the three months ended March 31, 2024, we sold approximately 46,000 pounds of wholesale product, on a gross basis, compared to 28,000 pounds during the three months ended March 31, 2023. In January 2024, we entered into a definitive agreement to acquire a cultivation license and a manufacturer license that we intend to use at a second cultivation site in Massachusetts to further expand our production capacity in that market. We expect to add 15,000 square feet of total additional canopy with the additional site following our planned build out, which is underway, and anticipate the transaction will close by mid-2024. Our product portfolio consists of a range of cannabis product categories including flower, pre-rolls, concentrates, vapes, edibles, and other cannabis-related products. As of March 31, 2024, we have 36 open and operating Company-owned retail locations and expect to have 39 by the end of 2024. Our new store opening plans are flexible and will ultimately depend on market conditions, local licensing, construction, and other regulatory permissions. We are also pursuing opportunities to partner with social equity license holders to expand our presence in various states. All of our expansion plans are subject to capital allocations decisions, the evolving regulatory environment, and the general economic environment.

Recent Developments

Business Developments

The Company continues to meaningfully expand its operations and reach across the markets in which it operates. Some of the highlights achieved during the quarter include:

- opening two additional medical dispensaries, including an Ohio flagship location in Cincinnati and one additional dispensary in Pennsylvania;
- entering into a definitive agreement to acquire a cultivation license and a manufacturer license for use at a second cultivation site in Massachusetts, as further discussed below, to expand our production capacity in that market, which expansion is underway;
- generating $3,900 of net cash from operating activities, as further described in "*Liquidity and Capital Resources*."

Recent and Pending Transactions

<u>Massachusetts Cultivation</u>

In January 2024, the Company entered into a definitive agreement (the "Massachusetts Purchase Agreement") to purchase a cultivation and manufacturer license from a third party in Massachusetts for a cash purchase price of $2,750, of which $1,500 was paid at signing, and which total may be adjusted at closing as provided in the Massachusetts Purchase Agreement. The licenses were not associated with active operations at signing and the transfer of each license is subject to regulatory review and approval, which the Company expects may occur within twelve months following the signing date. In conjunction with the Massachusetts Purchase Agreement, the parties also entered into a bridge loan which provides for the financing of certain covered expenses, at the sole discretion of the Company. This bridge loan bears interest based on the federal rate and, if not otherwise satisfied, is due on the fifth anniversary of the signing date. The parties also entered into an interim consulting services agreement, effective as of the signing date. The Company accounted for this transaction as an asset acquisition as of the signing date based on the provisions of the underlying agreements and allocated the cash consideration as the cost of the license acquired. The remaining $1,250 of the cash consideration is due on October 1, 2024 and is included as a sellers' note within "Current portion of debt, net" on the unaudited Condensed Consolidated Balance Sheet in the Financial Statements as of March 31, 2024. The Company has agreed to assume the lease for the associated location and to reimburse the seller for the security deposit at final closing. The Company recognized a lease liability and right-of-use ("ROU") asset of $761 as of the signing date. Refer to Note 4, "Acquisitions," in the Financial Statements for additional information related to this transaction and to Note 10, "Leases," for additional information regarding the Company's leases.

<u>Ohio Patient Access</u>

On August 12, 2022, the Company entered into a definitive agreement (the "Ohio Agreement") that provides the Company the option to acquire 100% of the equity of Ohio Patient Access LLC ("OPA"), the holder of a license that grants it the right to operate three medical dispensaries in Ohio. The Ohio Agreement remains subject to regulatory review and approval. Once regulatory approval is received, the Company may exercise the option, and the exercise is solely within the Company's control. The Company may exercise the option until the fifth anniversary of the agreement date or can elect to extend the exercise period for an additional year. Under the Ohio Agreement, the Company will also acquire the real property of the three dispensary locations. OPA had not yet commenced operations as of the signing date, but subsequently opened two dispensaries in December 2023 and a third in January 2024. The Company determined OPA is a variable interest entity ("VIE") and the Company became the primary beneficiary as of the signing date; therefore, OPA is consolidated as a VIE. Refer to Note 8, "Variable Interest Entities," in the Financial Statements for additional information regarding the Company's VIEs and refer to Note 4, "Acquisitions," in the Financial Statements for additional information related to this transaction.

<u>Illinois Licenses</u>

In August 2022, the Company entered into definitive agreements to acquire two additional licenses in Illinois for combined total cash consideration of $11,100. Operations at one of the locations commenced during the second quarter of 2023 and the final closing occurred in April 2024. Operations at the second location commenced during the fourth quarter of 2023; final closing is pending regulatory approval, which the Company anticipates may occur by the end of 2024. Refer to Note 4, "Acquisitions," in the Financial Statements for additional information related to these transactions.

Variable Interest Entities

January 2024 Loan Agreement

In January 2024, the Company entered into a loan agreement pursuant to which the Company may provide, at its sole discretion, up to $2,500 of financing to a third party (the "January 2024 Loan Agreement"). The January 2024 Loan Agreement contains certain provisions and restrictive covenants that provide the Company with operational and financial influence over the underlying entity and also provides the Company with financial distributions based on the underlying associated results of operations. Additionally, the January 2024 Loan Agreement provides the Company with conversion options to obtain 35% of the equity interests of the borrower upon the initial funding (which occurred in January 2024) and up to an additional 65% of the remaining equity interest of the borrower at any time through October 2033, subject to certain provisions and regulatory approvals. The Company determined that the terms and provisions of the January 2024 Loan Agreement create a variable interest in the third-party entity and met the criteria for consolidation as a VIE as of such date. The third-party entity received a conditional license approval for one dispensary in New Jersey that was determined to have a fair value of $1,050, which approximated the fair value of the non-controlling interest held by the third-party as of the effective date. Since the entity is consolidated as a VIE, the intercompany activity related to the January 2024 Loan Agreement is eliminated in consolidation. Refer to Note 8, "Variable Interest Entities," in the Financial Statements for additional information regarding this transaction and the Company's variable interest entities.

February 2024 Loan Agreement

In February 2024, the Company entered into a loan agreement pursuant to which the Company may provide, at its sole discretion, up to $3,750 of financing to a third party (the "February 2024 Loan Agreement"). The parties also entered into a support services agreement under which the Company will provide management and advisory services for a set monthly fee. The terms of the February 2024 Loan Agreement contain certain provisions and restrictive covenants that provide the Company with operational and financial influence over the underlying entity. The February 2024 Loan Agreement provides the Company with the option to convert the outstanding balance into equity interests of the borrower, up to 100%, as may be permissible by applicable regulations at such time. The Company determined that the terms and provisions of the February 2024 Loan Agreement and support services agreement create a variable interest in the third-party entity and met the criteria for consolidation as a VIE as of such date. The entity held no assets at the time the agreements were entered into and the non-controlling interest was determined to have a *de minimis* fair value as of that date. Since the entity is consolidated as a VIE, the intercompany activity related to the February 2024 Loan Agreement and the related support services agreement is eliminated in consolidation.

In April 2024, the third party entered into interim management services agreements ("MSAs") with two distressed dispensaries in Illinois. Pursuant to these MSAs, the third party will advise on certain business, operational, and financial matters for a monthly fee while the parties finalize asset purchase agreements to acquire the underlying dispensaries for a total anticipated purchase price of approximately $10,000, to be finalized as applicable. The Company anticipates amending the February 2024 Loan Agreement to provide funding for this transaction.

Refer to Note 8, "Variable Interest Entities," in the Financial Statements for additional information regarding this transaction and the Company's variable interest entities.

Operational and Regulation Overview

We believe our operations are in material compliance with all applicable state and local laws, regulations, and licensing requirements in the states in which we operate. However, cannabis is illegal under United States federal law. Substantially all of our revenue is derived from United States cannabis operations. For information about risks related to United States cannabis operations, refer to Item 1A., "*Risk Factors*," of the Annual Report.

Key Financial Highlights

- Revenue increased by $28,234, or 25%, during Q1 2024, as compared to Q1 2023, primarily driven by incremental revenue from acquisitions and expansion of our cultivation activities.
- Operating profit increased by $2,320 during Q1 2024, as compared to Q1 2023, primarily driven by a contribution from higher gross margin due to improved overhead utilization and expansion in certain markets.
- Net increase in cash and cash equivalents of $396 during the three months ended March 31, 2024, primarily driven by proceeds from the collection of a note receivable, lower payments associated with acquisitions, and a benefit from the timing and amount and the timing of payments related to working capital and operating activities, all partially offset by higher investments in capital assets.

RESULTS OF OPERATIONS

Three Months Ended March 31, 2024 Compared with the Three Months Ended March 31, 2023

	Three Months Ended March 31,			
($ in thousands)	2024	2023	Increase / (Decrease)	
Revenue, net	$ 142,410	$ 114,176	$ 28,234	25%
Cost of goods sold	(90,373)	(78,472)	11,901	15%
Gross profit	52,037	35,704	16,333	46%
Gross profit %	*36.5 %*	*31.3 %*		
Operating expenses				
General and administrative expenses	49,462	35,449	14,013	40%
Operating profit	2,575	255	2,320	NM*
Other income (expense)				
Interest expense	(8,538)	(8,975)	(437)	(5)%
Other, net	310	265	45	17%
Total other expense	(8,228)	(8,710)	(482)	(6)%
Loss before income taxes	(5,653)	(8,455)	(2,802)	(33)%
Income tax expense	(12,510)	(10,017)	2,493	25%
Net loss	$ (18,163)	$ (18,472)	$ (309)	(2)%

*Not meaningful

Revenue

Revenue increased by $28,234, or 25%, during the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. Our revenue growth was primarily driven by $16,523 of incremental revenue from acquisitions, which includes $9,404 from the Devi Maryland acquisition that occurred during the second quarter of 2023 and a benefit from store openings in 2024 and late 2023 associated with previously acquired licenses. Additionally, we recognized $15,774 of incremental net revenue from our wholesale operations, primarily driven by expansion across the markets in which we operate, particularly in New Jersey and Massachusetts. These increases were partially offset by a decrease of $4,063 across our legacy locations, primarily in Illinois and New Jersey due to increased competition in those markets. During the three months ended March 31, 2024, we sold approximately 46,000 pounds of wholesale product, on a gross basis, compared to 28,000 pounds during the three months ended March 31, 2023.

Cost of Goods Sold and Gross Profit

Cost of goods sold increased by $11,901, or 15%, during the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. Cost of goods sold represents direct and indirect expenses attributable to the production of wholesale products as well as direct expenses incurred in purchasing products from other wholesalers. Gross profit for the three months ended March 31, 2024 was $52,037, representing a gross margin of 36.5%, compared to gross profit of $35,704 and gross margin of 31.3% for the three months ended March 31, 2023. Gross margin for the current quarter benefited from improved utilization at our Massachusetts and New Jersey cultivation facilities and expansion in those markets. The current period included $474 of write-downs of certain inventory items, compared with total write-downs of $3,942 in the prior period, primarily driven by pricing pressure in the prior year.

General and Administrative Expenses

General and administrative expenses increased by $14,013, or 40%, during the three months ended March 31, 2024, as compared to the three months ended March 31, 2023. The increase was primarily driven by:

- a $7,211 increase in total compensation expense, including $3,514 of higher equity-based compensation expense;
- a $2,703 increase in an estimated reserve related to certain amounts associated with a previous transaction (refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations–Legal Matters–MedMen NY Litigation*" for additional information);
- a $1,326 increase in depreciation and amortization expense due to $720 of incremental amortization of licenses from prior year acquisitions and $606 of incremental depreciation expense associated with a larger average balance of fixed assets in service; and
- $984 recognized as a discount on a long-term receivable.

Interest Expense

Interest expense decreased by $437, or 5%, during the three months ended March 31, 2024, as compared to the three months ended March 31, 2023, primarily driven by lower non-cash interest accretion due to a lower average balance outstanding under a financing agreement. During the three months ended March 31, 2024, the Company had a weighted-average outstanding debt balance of $315,325 with a weighted-average interest rate of 9.5%, excluding finance leases, compared to a weighted-average debt balance of $335,104 during the three months ended March 31, 2023 with a weighted-average interest rate of 9.9%.

Income Tax Expense

The Company's quarterly tax provision is calculated under the discrete method which treats the interim period as if it were the annual period and determines the income tax expense or benefit on that basis. The discrete method is applied when application of the estimated annual effective tax rate is impractical because it is not possible to reliably estimate the annual effective tax rate. The Company believes, at this time, the use of this discrete method is more appropriate than the annual effective tax rate method due to the high degree of uncertainty in estimating annual pre-tax income due to the early growth stage of the business.

The internal revenue services has taken the position that cannabis companies are subject to the limitations of Internal Revenue Code ("IRC") Section 280E, under which such companies are only allowed to deduct expenses directly related to the sales of product. This results in permanent differences between ordinary and necessary business expenses deemed non-allowable under IRC Section 280E and those allowed for financial statement reporting purposes ("book-to-tax" differences). Cannabis companies operating in states that align their tax codes with IRC Section 280E are also unable to deduct ordinary and necessary business expenses for state tax purposes. Ordinary and necessary business expenses deemed non-deductible under IRC Section 280E are treated as permanent book-to-tax differences. Therefore, the effective tax rate on income realized by cannabis companies can be highly variable and may not necessarily correlate with pre-tax income or loss. As of March 31, 2024, the Company recorded an uncertain tax liability totaling $88,718 for uncertain tax positions related to the treatment of certain transactions and deductions under IRC Section 280E based on legal interpretations that challenge the Company's tax liability under IRC Section 280E. Refer to Note 14, "Income Taxes," in the Financial Statements for additional information.

The statutory federal tax rate was 21% during both periods. During the three months ended March 31, 2024 the Company had operations in seven U.S. geographic markets: Illinois, Maryland, Massachusetts, Michigan, New Jersey, Ohio, and Pennsylvania, which have state tax rates ranging from 6% to 11.5%. Certain states, including Illinois, Maryland, Michigan, and New Jersey, do not align with IRC Section 280E for state tax purposes and permit the deduction of ordinary and necessary business expenses from gross profit in the calculation of state taxable income. There have been no material changes to income tax matters in connection with the normal course of our operations during the current year.

Income tax expense was $12,510, or 24.0%, of gross profit, during the three months ended March 31, 2024, as compared to $10,017, or 28.1%, of gross profit, during the three months ended March 31, 2023. The effective tax rate on gross profit for the three months ended March 31, 2024 benefited from an incremental impact attributable to the tax accounting treatment of certain acquired intangible assets and an incremental benefit from a change in state tax legislation in Illinois and New Jersey that was effective during the second quarter of 2023 that resulted in a higher deduction of ordinary and necessary business expenses and thereby reduced taxable income. These benefits were partially offset by higher penalties and interest due on tax payments.

NON-GAAP FINANCIAL MEASURES

We define “Adjusted Gross Profit” as gross profit excluding non-cash inventory costs, which include depreciation and amortization included in cost of goods sold, equity-based compensation included in cost of goods sold, start-up costs included in cost of goods sold, and other non-cash inventory adjustments. We define “Adjusted Gross Margin” as Adjusted Gross Profit as a percentage of net revenue. Our “Adjusted EBITDA” is a non-GAAP measure used by management that is not defined by U.S. GAAP and may not be comparable to similar measures presented by other companies. We define “Adjusted EBITDA Margin” as Adjusted EBITDA as a percentage of net revenue. Management calculates Adjusted EBITDA as the reported net income or loss, adjusted to exclude: income tax expense, other (income) expense, interest expense, depreciation and amortization, depreciation and amortization included in cost of goods sold, non-cash inventory adjustments, equity-based compensation, equity-based compensation included in cost of goods sold, start-up costs, start-up costs included in cost of goods sold, transaction-related and other non-recurring expenses, and gain or loss on sale of assets. Accordingly, management believes that Adjusted EBITDA provides meaningful and useful financial information, as this measure demonstrates the operating performance of the business. Non-GAAP financial measures may be considered in addition to the results prepared in accordance with U.S. GAAP, but they should not be considered a substitute for, or superior to, U.S. GAAP results.

The following table presents Adjusted Gross Profit for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
($ in thousands)	**2024**	**2023**
Gross Profit	$ 52,037	$ 35,704
Depreciation and amortization included in cost of goods sold	7,662	6,327
Equity-based compensation included in cost of goods sold	2,211	50
Start-up costs included in cost of goods sold[1]	—	1,570
Non-cash inventory adjustments[2]	474	3,942
Adjusted Gross Profit	$ 62,384	$ 47,593
Adjusted Gross Margin	*43.8 %*	*41.7 %*

(1) Incremental expenses associated with the expansion of activities at our cultivation facilities that are not yet operating at scale, including excess overhead expenses resulting from delays in regulatory approvals at certain cultivation facilities.

(2) Consists of write-offs of expired products, obsolete packaging, and net realizable value adjustments related to certain inventory items.

The following table presents Adjusted EBITDA for the three months ended March 31, 2024 and 2023:

	Three Months Ended March 31,	
($ in thousands)	**2024**	**2023**
Net loss	$ (18,163)	$ (18,472)
Income tax expense	12,510	10,017
Other, net	(310)	(265)
Interest expense	8,538	8,975
Depreciation and amortization	16,380	13,719
Non-cash inventory adjustments[(1)]	474	3,942
Equity-based compensation	8,680	3,005
Start-up costs[(2)]	494	2,036
Transaction-related and other non-recurring expenses[(3)]	3,883	793
Gain on sale of assets	(11)	(442)
Adjusted EBITDA	$ 32,475	$ 23,308
Adjusted EBITDA Margin	*22.8 %*	*20.4 %*

(1) Consists of write-offs of expired products, obsolete packaging, and net realizable value adjustments related to certain inventory items.

(2) One-time costs associated with acquiring real estate, obtaining licenses and permits, and other costs incurred before commencement of operations at certain locations, as well as incremental expenses associated with the expansion of activities at our cultivation facilities that are not yet operating at scale, including excess overhead expenses resulting from delays in regulatory approvals at certain cultivation facilities. Also includes other one-time or non-recurring expenses, as applicable.

(3) Legal and professional fees associated with litigation matters, potential acquisitions, other regulatory matters, and other non-recurring expenses. The three months ended March 31, 2024 and 2023 include a fair value adjustment related to an acquisition earn-out of $140 and $491, respectively. The three months ended March 31, 2024 also includes a reserve of $2,703 related to certain amounts associated with a previous transaction and $984 recognized as a discount on a noncurrent receivable.

LIQUIDITY AND CAPITAL RESOURCES

We are an emerging growth company and our primary sources of liquidity are operating cash flows, borrowings through the issuance of debt, and funds raised through the issuance of equity securities. We are generating cash from sales and deploying our capital reserves to acquire and develop assets capable of producing additional revenue and earnings over both the immediate and long term. Capital reserves are being utilized for acquisitions in the medical and adult-use cannabis markets, for capital expenditures and improvements in existing facilities, product development and marketing, as well as customer, supplier, and investor and industry relations.

Financing History and Future Capital Requirements

Historically, we have used private financing as a source of liquidity for short-term working capital needs and general corporate purposes. In May 2021, we completed an initial public offering of shares of our Class A common stock through which we raised aggregate net proceeds of approximately $86,065, after deducting underwriting discounts and commissions and certain direct offering expenses paid by us, and in August 2021 we entered into a credit facility under which we initially borrowed a $210,000 term loan. During the second quarter of 2022, we borrowed an additional $65,000 of term loans from certain lenders under the expansion feature of the credit facility, as further described below. Most recently, during the second quarter of 2023, we raised an aggregate of $7,000 in gross proceeds through a non-brokered private placement offering of an aggregate of 9,859 shares of the Company's Class A common stock to a single investor.

Our future ability to fund operations, to make planned capital expenditures, to acquire other entities or investments, to make scheduled debt payments, and to repay or refinance indebtedness depends on our future operating performance, cash flows, and ability to obtain equity or debt financing, which are subject to prevailing economic conditions, as well as financial, business, and other factors, some of which are beyond our control.

As of March 31, 2024 and December 31, 2023, we had total current liabilities of $103,435 and $92,686, respectively, and total current assets of $232,042 and $228,860, respectively, which includes cash and cash equivalents of $72,904 and $72,508, respectively, to meet our current obligations. As of March 31, 2024, we had working capital of $128,607, compared to $136,174 as of December 31, 2023.

Approximately 90% of our cash and cash equivalents balance as of each of March 31, 2024 and December 31, 2023 is on deposit with banks, credit unions, or other financial institutions. We have not experienced any material impacts related to banking restrictions applicable to cannabis businesses. Our cash and cash equivalents balance is not restricted for use by VIEs.

As reflected in the Financial Statements, we had an accumulated deficit as of March 31, 2024 and December 31, 2023, as well as a net loss for the three months ended March 31, 2024 and 2023, which are indicators that raise substantial doubt of our ability to continue as a going concern. Management believes that substantial doubt of our ability to continue as a going concern for at least one year from the issuance of our Financial Statements has been alleviated due to: (i) cash on hand and (ii) continued growth of sales from our consolidated operations. Management plans to continue to access capital markets for additional funding through debt and/or equity financings to supplement future cash needs, as may be required. However, management cannot provide any assurances that the Company will be successful in accomplishing its business plans. If we are unable to raise additional capital on favorable terms, if at all, whenever necessary, we may be forced to decelerate or curtail certain of our operations until such time as additional capital becomes available.

Credit Facility

In August 2021, we entered into a credit agreement with a group of lenders (the "2021 Credit Agreement") that provided for an initial term loan of $210,000, which was borrowed in full. The 2021 Credit Agreement provided for an expansion feature that allowed us to request an increase in the term loan outstanding up to $275,000 if the existing lenders (or other lenders) agreed to provide such additional term loans. During the second quarter of 2022, we borrowed an additional $65,000 of incremental term loans through this expansion feature (the "2022 Loans" and, together with the initial term loan, the "2021 Credit Facility") for total borrowings of $275,000 outstanding as of March 31, 2024. The 2021 Credit Facility matures on August 27, 2025 and does not require scheduled principal amortization payments. Borrowings under the 2021 Credit Facility bear interest at a rate of 9.5% per annum, payable quarterly. The proceeds from the initial term loan under the 2021 Credit Facility were used, in part, to prepay certain then-outstanding debt obligations and, together with the 2022 Loans, fund working capital and general corporate matters, including, but not limited to, growth investments, acquisitions, capital expenditures, and other strategic initiatives.

Mandatory prepayments are required following certain events, including the proceeds of indebtedness that is not permitted under the agreement, asset sales, and casualty events, subject to customary reinvestment rights. We may prepay the 2021 Credit Facility at any time, subject to a customary make-whole payment or prepayment penalty, as applicable. Once repaid, amounts borrowed under the 2021 Credit Facility may not be re-borrowed. We may request an extension of the maturity date for 364 days, which the lenders may grant at their discretion.

We are required to comply with two financial covenants under the 2021 Credit Agreement. Liquidity (defined as unrestricted cash and cash equivalents pledged under the 2021 Credit Facility plus any future revolving credit availability) may not be below $20,000 as of the last day of any fiscal quarter, and we may not permit the ratio of Consolidated EBITDA (as defined in the 2021 Credit Agreement) to consolidated cash interest expense for any period of four consecutive fiscal quarters to be less than 2.50:1.00. The Company has a customary equity cure right for each of these financial covenants. The Company is in compliance with these covenants as of March 31, 2024.

In April 2024, the 2021 Credit Agreement was amended to permit the Company to initiate, from time to time and at its discretion, a "Dutch Auction" pursuant to which it may issue a tender offer to existing lenders to re-purchase and retire their loans at a specified discount to par. No such re-purchase has occurred as of the date of filing of this Form 10-Q.

Refer to Note 11, "Debt," in the Financial Statements for additional information regarding the Company's debt transactions.

Financing Agreement

In December 2022, we received $19,364 pursuant to a financing agreement with a third-party lender (the "Financing Agreement"). The Company assigned to the lender its interests in the employee retention tax credit claim (the "ERTC Claim") that it submitted in November 2022 totaling approximately $22,794. If the Company does not receive the ERTC Claim, in whole or in part, the Company is required to repay the related portion of the funds received plus interest of 10% accrued from the date of the Financing Agreement through the repayment date. The Financing Agreement does not have a stated maturity date and the discount is being accreted to interest expense over an expected term. The Company's obligations under the Financing Agreement will be satisfied upon receipt of the ERTC Claim, in full, or other full repayment. The total claim amount of $22,794 was recognized as a component of "Other, net" on the unaudited Condensed Consolidated Statements of Operations in the Financial Statements during the year ended December 31, 2023. A total of $1,964 of the ERTC Claim remains outstanding as of March 31, 2024 and December 31, 2023, which receivable is included in "Other current assets" on the unaudited Condensed Consolidated Balance Sheets, and the balance outstanding under the Financing Agreement is included in "Current portion of debt, net." Refer to Note 11, "Debt," in the Financial Statements for additional information.

Cash Flows

(in thousands)	Three Months Ended March 31, 2024	2023
Net cash provided by operating activities	$ 3,900	$ 5,778
Net cash used in investing activities	(1,988)	(5,679)
Net cash used in financing activities	(1,516)	(949)

Operating Activities

Net cash provided by operating activities decreased by $1,878 during the three months ended March 31, 2024, as compared to the three months ended March 31, 2023, primarily driven by the timing of payments to suppliers and vendors and other working capital payments.

Investing Activities

Net cash used in investing activities decreased by $3,691 during the three months ended March 31, 2024, as compared to the three months ended March 31, 2023, primarily due to collection of a note receivable and lower payments associated with acquisitions, partially offset by higher capital expenditures.

Financing Activities

Net cash used in financing activities increased by $567 during the three months ended March 31, 2024, as compared to the three months ended March 31, 2023, primarily due to higher cash remittances of taxes withheld under equity-based compensation plans.

Contractual Obligations and Other Commitments and Contingencies

Material contractual obligations arising in the normal course of business primarily consist of long-term fixed rate debt and related interest payments, leases, finance arrangements, and amounts due for acquisitions. We believe that cash flows from operations will be sufficient to satisfy our capital expenditures, debt services, working capital needs, and other contractual obligations for the next twelve months.

The following table summarizes the Company's material future contractual obligations as of March 31, 2024:

(in thousands)	Commitments Due by Period				
Contractual Obligations	**Total**	**Remainder of 2024**	**2025 - 2026**	**2027 - 2028**	**Thereafter**
Term notes[(1)]	$ 275,000	$ —	$ 275,000	$ —	$ —
Fixed interest related to term notes[(2)]	36,790	19,683	17,107	—	—
Sellers' Notes[(3)]	20,410	9,410	11,000	—	—
Finance arrangements[(4)]	19,105	1,828	5,124	5,431	6,722
Operating leases[(5)]	683,110	30,673	84,164	87,952	480,321
Finance leases[(5)]	1,888	520	1,265	103	—
Total	$ 1,036,303	$ 62,114	$ 393,660	$ 93,486	$ 487,043

(1) Principal payments due under our term notes payable. Refer to Note 11, "Debt," in the Financial Statements for additional information.

(2) Represents fixed interest rate payments on borrowings under the 2021 Credit Facility based on the principal outstanding at March 31, 2024. Interest payments could fluctuate based on prepayments or additional amounts borrowed.

(3) Consists of amounts owed for acquisitions or other purchases. Certain cash payments include an interest accretion component, and the timing of certain payments may vary based on regulatory approval. Refer to Note 11, “Debt,” in the Financial Statements for additional information.

(4) Reflects our contractual obligations to make future payments under non-cancelable operating leases that did not meet the criteria to qualify for sale leaseback treatment. Refer to Note 10, “Leases,” in the Financial Statements for additional information.

(5) Reflects our contractual obligations to make future payments under non-cancelable leases. Refer to Note 10, “Leases,” in the Financial Statements for additional information.

The table above excludes certain amounts related to recent and pending acquisitions, including the potential $7,300 earn-out payment related to the OPA acquisition that is dependent upon the commencement of adult-use cannabis sales in Ohio; refer to Note 4, “Acquisitions,” in the Financial Statements for additional information related to this transaction. The table above also excludes up to a total of $10,000 that we expect to fund under a research collaboration agreement associated with a prior acquisition. This funding will be based on a percentage of annual revenue through April 2031, unless satisfied earlier, and no related funding has occurred to date.

As of the date of this filing, we do not have any off-balance sheet arrangements, as defined by applicable regulations of the SEC, that have, or are reasonably likely to have, a material current or future effect on the results of our operations or financial condition, including, and without limitation, such considerations as liquidity and capital resources.

Capital Expenditures

We anticipate capital expenditures, net of tenant improvement allowances, of approximately $35,000 to $40,000 during the remainder of 2024. Changes to this estimate could result from the timing of various project start dates, which are subject to local and regulatory approvals, as well as capital allocation considerations. Spending at our cultivation and processing facilities includes: construction; purchase of capital equipment such as extraction equipment, heating, ventilation, and air conditioning equipment, and other manufacturing equipment; general maintenance; and information technology capital expenditures. Dispensary-related capital expenditures includes construction costs for the initial build-out of each location, general maintenance costs, and upgrades to existing locations.

During the remainder of 2024, we expect to complete the build out of three additional dispensaries in Pennsylvania, complete certain projects at the dispensaries acquired in Maryland during 2023, and fund certain expansion projects across our retail operations. We also anticipate completing certain projects across our cultivation facilities, including the build out of a second cultivation facility in Massachusetts, in addition to other enhancements and general maintenance activities across our portfolio. Management expects to fund capital expenditures primarily by utilizing cash flows from operations.

As of March 31, 2024, our construction in progress (“CIP”) balance was $5,460 and relates to capital spending on projects that were not yet complete. This balance includes amounts related to: the expansion of our New Jersey cultivation facility, certain projects at our Michigan and Illinois cultivation facilities, and other projects across our dispensaries and cultivation facilities.

Other Matters

Equity Incentive Plans

The Company’s current stock incentive plan, as amended, (the “Amended 2021 Plan”), authorizes the issuance of options, stock appreciation rights, restricted stock awards, restricted stock units (“RSUs”), and other stock-based awards (collectively the “2021 Plan Awards”). The Amended 2021 Plan provides for a maximum number of shares of Class A common stock available for issuance to not exceed 10% of the total number of issued and outstanding shares of Class A common stock, on a non-diluted basis, as constituted on the grant date of a plan award. As of March 31, 2024, there were 2,575 shares of Class A common stock available for grant for future awards under the Amended 2021 Plan.

During the three months ended March 31, 2024, the Company granted a total of 9,863 RSUs under the Amended 2021 Plan. As of March 31, 2024, a total of 33,692 RSUs have been granted under the Amended 2021 Plan, of which 14,716 are unvested. Total unrecognized compensation cost related to the RSUs was $16,616 as of March 31, 2024, which is expected to be recognized over a weighted-average remaining period of 3.3 years.

As of March 31, 2024, a total of 3,852 stock option awards are outstanding under the Amended 2021 Plan, of which 2,141 are exercisable. No options were granted or exercised during the three months ended March 31, 2024. The outstanding options have a remaining weighted-average contractual life of 3.8 years as of March 31, 2024 and total unrecognized stock-based compensation expense related to unvested options was $1,210, which is expected to be recognized over a weighted-average remaining period of 2.5 years.

Additionally, a total of 4,000 RSUs that were granted outside of the Amended 2021 Plan remain outstanding as of March 31, 2024. These RSUs were granted pursuant to an employment agreement and vest upon the later of the second anniversary of the related employment and the achievement of certain stock price targets, which were not met as of March 31, 2024. Refer to Note 13, “Equity-Based Compensation Expense,” in the Financial Statements for additional information.

Total equity-based compensation expense was $10,716 and $4,555 during the three months ended March 31, 2024 and 2023, respectively, of which $4,247 and $1,600, respectively, was capitalized to inventory. As of March 31, 2024 and December 31, 2023, $4,004 and $1,968, respectively, remained capitalized in inventory. During the three months ended March 31, 2024 and 2023, we recognized $6,469 and $2,955, respectively, within “General and administrative expenses” on the unaudited Condensed Consolidated Statements of Operations in the Financial Statements and recognized $2,211 and $50, respectively, within “Cost of goods sold.”

In July 2021, the Company adopted an employee stock purchase plan (the “2021 ESPP”), pursuant to which 4,000 shares of Class A common stock are reserved for issuance thereunder, subject to certain adjustments and other terms. As of March 31, 2024, no shares have been issued under the 2021 ESPP.

Refer to Note 13, “Equity-Based Compensation Expense,” in the Financial Statements for additional information regarding the Company’s equity awards and equity-based compensation expense.

Lease-Related Transactions

Refer to Note 10, “Leases,” in the Financial Statements for information regarding the Company’s leases and lease-related transactions.

Loan Receivable

In June 2023, the Company purchased, at par, $12,027 of the principal of a loan (the “Maryland Loan Receivable”), outstanding pursuant to a loan agreement with a cannabis license holder in Maryland (the “Maryland Loan Agreement”), plus the associated interest receivable. The Maryland Loan Agreement had an original maturity date of August 1, 2026, required monthly repayments equal to 10.0% of the outstanding balance (including paid-in-kind interest), and could be prepaid subject to a customary make-whole payment or prepayment penalty, as applicable. Mandatory prepayments were required from the proceeds of certain events. The Maryland Loan Agreement provided for a base interest rate of 12.0% plus LIBOR (LIBOR floor of 1.0%) and a paid-in-kind interest rate of 4.5%. Following the replacement of LIBOR, effective July 1, 2023, the LIBOR component of the interest rate transitioned to the secured overnight financing rate (“SOFR”) plus an alternative reference rate committee (“ARRC”) standard adjustment.

The Company recorded the Maryland Loan Receivable at an amortized cost basis of $12,622. A total of $595 of transaction-related expenses were capitalized as part of the amortized cost basis and were being amortized to interest income over the term. The Company identified certain events of default and covenant violations, including non-payment, and provided an acceleration notice during the second quarter of 2023 that declared all amounts due and payable. As such, during the year ended December 31, 2023 the Company established a reserve of $1,804 for potential collectability.

In March 2024, the borrower refinanced the borrowings underlying the Maryland Loan Agreement with a third-party lender (the "Maryland Refinancing"). In conjunction with the Maryland Refinancing, the borrower's obligations to the Company under the Maryland Loan Agreement were settled. As part of this settlement, the Company received a cash payment of $8,100. Additionally, the parties entered into a supply agreement that provides for the Company to receive $6,000 of inventory products from the borrower, based on market prices, over the course of three years, with a maximum of $500 per quarter. Of this total receivable, $2,000 is included within "Other current assets" and $3,016 is included within "Other noncurrent assets" on the unaudited Condensed Consolidated Balance Sheet in the Financial Statements as of March 31, 2024. The discount on the noncurrent portion was calculated utilizing the Company's estimated incremental borrowing rate as of the agreement date and will be accreted to interest income over the agreement term. The discount is included within "General and administrative expenses" on the unaudited Condensed Consolidated Statements of Operations in the Financial Statements for the three months ended March 31, 2024 and within "Other" on the unaudited Condensed Consolidated Statements of Cash Flows. No inventory was supplied under this agreement during the three months ended March 31, 2024. The total settlement value approximated the obligations outstanding under the Maryland Loan Receivable, including $2,859 of past due interest that was outstanding as of December 31, 2023 and was included within "Other current assets" on the unaudited Condensed Consolidated Balance Sheet as of that date.

Refer to Note 6, "Notes Receivable," in the Financial Statements for additional information regarding the Maryland Loan Receivable and the Company's other notes receivable.

Legal Matters

MedMen NY Litigation

On February 25, 2021, the Company entered into a definitive investment agreement (the "Investment Agreement") with subsidiaries of MedMen Enterprises Inc. ("MedMen"), under which we would have, subject to regulatory approval, completed an investment (the "Investment") of approximately $73,000 in MedMen NY, Inc. ("MMNY"), a licensed medical cannabis operator in the state of New York. Following the completion of the transactions contemplated by the Investment Agreement, we were expected to hold all the outstanding equity of MMNY. Specifically, the Investment Agreement provided that at closing, the Company was going to pay to MedMen's senior lenders $35,000, less certain transaction costs and a prepaid deposit of $4,000, and AWH New York, LLC was going to issue a senior secured promissory note in favor of MMNY's senior secured lender in the principal amount of $28,000, guaranteed by AWH, which cash investment and note would be used to reduce the amounts owed to MMNY's senior secured lender. Following its investment, AWH would hold a controlling interest in MMNY equal to approximately 86.7% of the equity in MMNY, and be provided with an option to acquire MedMen's remaining interest in MMNY in the future for a nominal additional payment, which option the Company intended to exercise. The Investment Agreement also required AWH to make an additional investment of $10,000 in MMNY, which investment would also be used to repay MMNY's senior secured lender, if adult-use cannabis sales commenced in MMNY's dispensaries.

The Company contends that, in December 2021, the parties to the Investment Agreement received the required approvals from the State of New York to close the transactions contemplated by the Investment Agreement, but MedMen has disputed the adequacy of the approvals provided by the State of New York. The Company delivered notice to MedMen in December 2021 that it wished to close the transactions as required by the Investment Agreement. Nevertheless, MedMen, on January 2, 2022, gave notice to the Company that MedMen purported to terminate the Investment Agreement.

Following receipt of such notice, on January 13, 2022, the Company filed a complaint against MedMen and others in the Commercial Division of the Supreme Court of the State of New York (the "Court"), requesting specific performance that the transactions contemplated by the Investment Agreement must move forward, and such other relief as the Court may deem appropriate. The Company simultaneously moved for a temporary restraining order and preliminary injunction (the "Motion") requiring MedMen to operate its New York business in the ordinary course of business and to refrain from any activities or transactions that might impair, encumber, or dissipate MedMen's New York assets. The parties resolved the Motion via a "Stipulation and Order" entered by the Court on January 21, 2022 that required that MMNY operate only in compliance with the law and in a manner consistent with its ordinary course of business that preserved all assets of MMNY. It further required MMNY to not take certain actions, including any actions that would have a material adverse effect on MedMen's New York business. On March 27, 2023, the parties entered a further stipulation that modified the January 21, 2022 Stipulation and Order by lifting the Court's prohibition against a sale or transfer of MMNY or its assets, without waiver of any claims that the Company might have in the event of such a transaction. That further stipulation modifying the January 21, 2022 Stipulation and Order was entered by the Court on August 1, 2023.

On January 24, 2022, MedMen filed counterclaims against the Company, alleging that Ascend had breached the Investment Agreement, and seeking declaratory relief that MedMen had properly terminated the Investment Agreement. On February 14, 2022, the Company moved to dismiss MedMen's counterclaims and filed an amended complaint (the "First Amended Complaint") that included additional claims against MedMen for breach of contract. The First Amended Complaint contained several causes of action, including for breach of contract and breach of the covenant of good faith and fair dealing. The First Amended Complaint sought damages in addition to continuing to seek injunctive and declaratory relief. On March 7, 2022, MedMen filed amended counterclaims, an answer, and affirmative defenses to the First Amended Complaint. On March 28, 2022, the Company moved to dismiss MedMen's amended counterclaims. On April 20, 2022, the parties entered into a stipulation extending the time for MedMen to oppose the Company's motion to dismiss until May 5, 2022. In addition, the parties agreed to stay all discovery, including both party and non-party discovery. On May 5, 2022, the parties filed another stipulation order with the Court adjourning until further notice from the Court MedMen's time to oppose the Company's motion to dismiss MedMen's amended counterclaims. The parties again stipulated that all discovery remains stayed pending further order from the Court.

On May 10, 2022, the Company and MedMen signed a term sheet (the "Term Sheet"), pursuant to which the parties agreed to use best efforts to enter into a settlement agreement and enter into new or amended transactional documents. Specifically, if consummated, the agreements contemplated by the Term Sheet would have entailed, among other things, the Company paying MedMen $15,000 in additional transaction consideration, and MedMen withdrawing its counterclaims against the Company. Per the amended transaction terms contemplated in the Term Sheet, upon closing, the Company would have received a 99.99% controlling interest in MMNY and the Company would have paid MedMen $74,000, which reflected the original transaction consideration plus an additional $11,000 per the parties' Term Sheet, less a $4,000 deposit that the Company already paid.

The amended transaction terms contemplated in the Term Sheet also would have required MedMen to provide a representation and warranty that the status of the MMNY assets had not materially changed since December 31, 2021 and an acknowledgement that the representations and warranties from the Investment Agreement would survive for three months after the closing of the contemplated transactions. However, after the Company determined that MedMen could not make or provide the representations and warranties that MedMen would have been required to make as part of the contemplated transactions, the Company determined that it no longer intended to consummate the contemplated transactions.

On September 30, 2022, the Company sought leave from the Court to file a second amended complaint (the "Second Amended Complaint"). The Second Amended Complaint contains breach of contract claims against MedMen, as well as a claim for the breach of the implied covenant of good faith and fair dealing, and a claim for anticipatory breach of contract. In connection with those claims, the Company is no longer seeking injunctive or declaratory relief; however, the Company continues to seek damages from MedMen, including, but not limited to, the return of the $4,000 deposit, approximately $2,400 of advances pursuant to a working capital loan agreement (as described in Note 6, "Notes Receivable") and other capital expenditure advances paid to MMNY by the Company.

On November 21, 2022, the parties entered into a stipulation whereby MedMen agreed to the filing of the Second Amended Complaint, which is now the Company's operative pleading in the litigation. In addition, in the stipulation, the Company agreed that it would not contest MedMen's filing of second amended counterclaims against the Company while reserving all rights with respect to any such counterclaims. Because the parties agreed to the filing of each side's amended pleadings, on November 28, 2022, the Court determined that Ascend's March 2022 motion to dismiss was moot.

On December 21, 2022, MedMen filed its second amended counterclaims, an answer, and affirmative defenses to the Company's Second Amended Complaint. In addition to the allegations in MedMen's earlier pleadings, MedMen now also alleged that the Company breached the Term Sheet. On January 20, 2023, the Company moved to dismiss MedMen's second amended counterclaims.

On August 18, 2023, the Court issued a Decision and Order on the Company's motion to dismiss, dismissing seven of MedMen's ten counterclaims, including each of the counterclaims brought by MedMen relating to the Term Sheet. On September 26, 2023, MedMen filed a motion seeking leave to file its third amended counterclaims, in which MedMen seeks to revive its previously dismissed counterclaims relating to the Term Sheet. On October 24, 2023, the Company filed an opposition to that motion for leave. As further discussed below, the Court denied that motion on February 2, 2024. In addition, on October 18, 2023, MedMen filed a Notice of Appeal of the Court's August 18, 2023 Decision and Order with respect to the dismissal of MedMen's three counterclaims relating to the Term Sheet. On November 1, 2023 the Company filed a Notice of Cross-Appeal with respect to the Court's determination that the Company's motion to dismiss was not subject to New York's anti-SLAPP statute. Both parties have yet to perfect the appeals.

On February 2, 2024, the Court issued a Decision and Order denying MedMen's motion for leave to file its third amended counterclaims.

On February 21, 2024, the current counsel-of-record for MedMen filed an order to show cause with the Court seeking leave to withdraw as counsel and stay proceedings for thirty days to permit MedMen time to obtain new counsel. On March 20, 2024, the Court granted such withdrawal motion and appointed April 25, 2024 as the deadline for MedMen to obtain new counsel, which, as of the filing of this Form 10-Q, had not occurred.

On April 26, 2024, MedMen announced that it made an assignment into bankruptcy pursuant to Canada's Bankruptcy and Insolvency Act on April 24, 2024 and B. Riley Farber Inc. was appointed as its bankruptcy trustee. In addition, MedMen announced that MedMen's wholly owned subsidiary, MM CAN USA, Inc., a California corporation, was placed into receivership in the Los Angeles Superior Court, Santa Monica Division on April 23, 2024 to effectuate an orderly dissolution and liquidation of its California-based assets. MedMen further announced that it intends to initiate additional receivership proceedings in those U.S. states where MM CAN USA, Inc. controls or owns assets, through which the operations and assets of MedMen's subsidiaries will be dissolved or liquidated pursuant to applicable laws in the United States.

During the year ended December 31, 2022, following the Company's decision to no longer consummate the contemplated transactions, the Company established an estimated reserve of $3,700 related to the remaining amounts that it has been actively pursuing collecting. During the three months ended March 31, 2024, the Company increased the estimated reserve by $2,703, which is included within "General and administrative expenses" on the unaudited Condensed Consolidated Statements of Operations in the Financial Statements and within "Other" on the unaudited Condensed Consolidated Statements of Cash Flows. The total estimated reserve is included within "Other current assets" on the unaudited Condensed Consolidated Balance Sheets at March 31, 2024 and December 31, 2023.

Other Matter

In April 2021, the Company, through a subsidiary, entered into a settlement agreement with TVP, LLC, TVP Grand Rapids, LLC and, TVP Alma, LLC (collectively, the "TVP Parties") regarding a dispute related to a purchase agreement for the Company's potential acquisition of certain real estate properties in Michigan. As part of that settlement, the Company issued historical equity units to the TVP Parties to be held in the name of an escrow agent (the "Escrow Units"). The Escrow Units were fully issued and outstanding as of the settlement date and were to remain in the escrow account until such time as the TVP Parties exercised an option to hold the Escrow Units directly (the "Put Option"), which could be exercised for three years. Upon their exercise of the Put Option, the Escrow Units were to be released to the TVP Parties and the TVP Parties would transfer to the Company the equity interests of the entities that hold three real estate properties to be acquired. In February 2024, the TVP Parties notified the Company that they were exercising the Put Option. The transfer is in process and is expected to be completed during the second quarter of 2024. The Company currently operates dispensaries at these locations pursuant to lease agreements. The underlying properties were determined to have a fair value of $5,400 as of the settlement date, which was included within "Other noncurrent assets" on the unaudited Condensed Consolidated Balance Sheets in the Financial Statements as of March 31, 2024 and December 31, 2023 and will be re-classified to "Property and equipment, net" as of the transfer date.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Our accompanying Financial Statements are prepared in accordance with U.S. GAAP, which requires us to make certain estimates in the application of our accounting policies based on the best assumptions, judgments, and opinions of our management. The Company's significant accounting policies are described in Note 2, "Basis of Presentation and Significant Accounting Policies," in the Financial Statements. For a description of our critical accounting policies, see Item 7., "Management's Discussion and Analysis of Financial Condition and Results of Operations," in our Annual Report. There have been no significant changes to our critical accounting policies and estimates, except as disclosed in Note 2, "Basis of Presentation and Significant Accounting Policies," in the Financial Statements.

Recently Adopted Accounting Standards and Recently Issued Accounting Pronouncements

For information about recently issued accounting standards that have not yet been adopted, see Note 2, "Basis of Presentation and Significant Accounting Policies," to the Financial Statements.

The Company is an emerging growth company under federal securities laws and as such we are able to elect to follow scaled disclosure requirements for this filing, including an extended transition period for complying with new or revised accounting standards applicable to public companies.

REGULATORY ENVIRONMENT: ISSUERS WITH UNITED STATES CANNABIS-RELATED ASSETS

In accordance with the Canadian Securities Administration Staff Notice 51-352, information regarding the current federal and state-level United States regulatory regimes in those jurisdictions where we are currently directly and indirectly involved in the cannabis industry, through our subsidiaries and investments, is incorporated by reference from subsections "Overview of Government Regulation," "Compliance with Applicable State Laws in the United States," and "State Regulation of Cannabis," under Item 1., "Business," of the Company's Annual Report, as filed with the SEC and with the relevant Canadian securities regulatory authorities under its profile on SEDAR+.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are exposed in varying degrees to various market risks, including changes in interest rates, prices of raw materials, and other financial instrument related risks. There have been no material changes in our market risks from those disclosed in Item 7A., "Quantitative and Qualitative Disclosures About Market Risk," in our Annual Report on Form 10-K for the year ended December 31, 2023.

Liquidity Risk

Liquidity risk is the risk that we will not be able to meet our financial obligations associated with financial liabilities. We manage liquidity risk through the effective management of our capital structure. Our approach to managing liquidity is to ensure that we will have sufficient liquidity at all times to settle obligations and liabilities when due.

As reflected in the Financial Statements, the Company had an accumulated deficit as of March 31, 2024 and December 31, 2023, as well as a net loss for the three months ended March 31, 2024 and 2023, which are indicators that raise substantial doubt of our ability to continue as a going concern. Management believes that substantial doubt of our ability to continue as a going concern for at least one year from the issuance of our Financial Statements has been alleviated due to: (i) cash on hand and (ii) continued growth of sales from our consolidated operations. Management plans to continue to access capital markets for additional funding through debt and/or equity financings to supplement future cash needs, as may be required. However, management cannot provide any assurances that we will be successful in accomplishing our business plans. If we are unable to raise additional capital on favorable terms, if at all, whenever necessary, we may be forced to decelerate or curtail certain of our operations until such time as additional capital becomes available.

ITEM 4. CONTROLS AND PROCEDURES.

a. Disclosure Controls and Procedures.

As of the end of the period covered by this report, our Principal Executive Officer and Principal Financial Officer evaluated our disclosure controls and procedures, as such term is defined in Rule 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon that evaluation, our Principal Executive Officer and Principal Financial Officer concluded that as of the end of the period covered by this report, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in reports we file or submit under the Exchange Act is (1) recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC and (2) accumulated and communicated to our management, including our Principal Executive Officer and Principal Financial Officer, to allow timely decisions regarding required disclosure.

b. Changes in Internal Control Over Financial Reporting.

There have been no changes in our internal control over financial reporting identified in connection with the evaluation described above that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

A discussion of our litigation matters occurring in the period covered by this report is found in Note 15, “Commitments and Contingencies,” to the Financial Statements in this Form 10-Q.

ITEM 1A. RISK FACTORS.

As of the date of this filing, there have been no material changes in our risk factors from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023, in response to Item 1A., “Risk Factors,” of Part I of the Annual Report.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

There have been no sales of unregistered securities during the quarter ended March 31, 2024, and from the period from April 1, 2024 to the filing date of this report, which have not been previously disclosed in a prior Quarterly Report on Form 10-Q or Current Report on Form 8-K.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Securities Trading Plans of Directors and Executive Officers

During the three months ended March 31, 2024, none of our executive officers or directors adopted or terminated any contract, instruction, or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) or any “non-Rule 10b5-1 trading arrangement” as defined in Item 408(c) of Regulation S-K.

ITEM 6. EXHIBITS.

(a) EXHIBIT INDEX

Exhibit No.	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
3.1	Certificate of Incorporation	S-1	333-254800	3.4	April 23, 2021
3.2	Bylaws	S-1	333-254800	3.5	April 23, 2021
4.1	Specimen Stock Certificate evidencing the shares of common stock	S-1	333-254800	4.1	April 15, 2021
4.2	Form of Registration Rights Agreement	S-1	333-254800	4.2	April 23, 2021
4.3	Form of Warrant Agreement between Ascend Wellness Holdings, Inc. and each of the several lenders, dated June 30, 2022	10-Q	333-254800	4.5	August 15, 2022
10.1*#	Amendment No. 1 to Credit Agreement, dated April 12, 2024, by and among Ascend Wellness Holdings, Inc., group of lenders, and Acquiom Agency Services LLC, as administrative agent and collateral agent				
10.2*†#	Employment Agreement between Ascend Wellness Holdings, Inc. and Abner Kurtin, dated March 29, 2024				
10.3*†#	Employee Separation and Release Agreement between Ascend Wellness Holdings, Inc. and Abner Kurtin, dated March 29, 2024				
10.4*†#	Employment Agreement between Ascend Wellness Holdings, Inc. and Francis Perullo, dated March 26, 2024				
10.5*†#	Employee Separation and Release Agreement between Ascend Wellness Holdings, Inc. and Francis Perullo, dated March 26, 2024				
31.1*	Certification of Periodic Report by Principal Executive Officer under Section 302 of the Sarbanes-Oxley Act of 2002				
31.2*	Certification of Periodic Report by Principal Financial Officer under Section 302 of the Sarbanes-Oxley Act of 2002				
32‡	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002				
101.INS*	Inline XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)				
101.SCH*	Inline XBRL Taxonomy Extension Schema Document				
101.CAL*	Inline XBRL Taxonomy Calculation Linkbase Document				
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	Inline XBRL Taxonomy Label Linkbase Document				
101.PRE*	Inline XBRL Presentation Linkbase Document				
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)				

* Filed herewith.

† Indicates management contract or compensatory plan, contract or arrangement.

‡ 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 in compliance with Regulation S-K Item 601(a)(5). The Company agrees to furnish a copy of any omitted schedule or exhibit to the SEC upon its request. Certain personal information has been redacted from this exhibit pursuant to Item 601(a)(6) of Regulation S-K.

SIGNATURES

Pursuant to the requirements 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.

	Ascend Wellness Holdings, Inc.
May 8, 2024	/s/ Mark Cassebaum Mark Cassebaum Chief Financial Officer (Principal Financial Officer)
May 8, 2024	/s/ Roman Nemchenko Roman Nemchenko Executive Vice President, Chief Accounting Officer (Principal Accounting Officer)

Exhibit 10.1

Certain identified information has been omitted from this exhibit because it is both not material and is the type that the registrant treats as private or confidential. [***] indicates that information has been omitted.

AMENDMENT NO. 1 TO CREDIT AGREEMENT

AMENDMENT NO. 1 TO CREDIT AGREEMENT, dated April 12, 2024 (this "Amendment"), is made by and among ASCEND WELLNESS HOLDINGS, INC., a Delaware corporation (the "Borrower"), the other Loan Parties party hereto, the Lenders party hereto constituting Required Lenders and Acquiom Agency Services LLC, as administrative agent.

RECITALS:

WHEREAS, reference is hereby made to the Credit Agreement, dated as of August 27, 2021 (as supplemented by the Joinder Agreement thereto, dated as of May 18, 2022 and the Second Joinder Agreement thereto, dated as of June 30, 2022, and as otherwise amended, amended and restated, supplemented or otherwise modified from time to time prior to the Effective Date, the "Credit Agreement", and as amended by this Amendment, the "Amended Credit Agreement"), by and among the Borrower, the Lenders from time to time party thereto, and Acquiom Agency Services LLC, as administrative agent (in such capacity, the "Administrative Agent") and as collateral agent (in such capacity, the "Collateral Agent"). Capitalized terms used but not defined herein having the meaning provided in the Amended Credit Agreement;

WHEREAS, the Borrower has requested that the Lenders consent to certain amendments to the Credit Agreement on the terms set forth herein, which amendments are permitted with the consent of the Required Lenders;

NOW, THEREFORE, in consideration of the premises and agreements, provisions and covenants herein contained, the parties hereto agree as follows:

SECTION 1. Credit Agreement Amendment. With effect from the Effective Date (as defined below), each of the parties hereto agrees that the Credit Agreement shall be amended as follows:

(a) Section 1.01 of the Credit Agreement is hereby amended to add the following new defined terms in the appropriate alphabetical order:

"Auction Agent" means (a) the Placement Agent or any of its Affiliates or (b) any other financial institution or advisor engaged by the Borrower (whether or not an Affiliate of the Placement Agent) to act as an arranger in connection with any auction pursuant to a Dutch Auction; *provided* that the Borrower shall not designate the Placement Agent as the Auction Agent without the written consent of the Placement Agent (it being understood that the Placement Agent shall be under no obligation to agree to act as the Auction Agent); *provided*, *further*, that none of the Borrower nor any of its Affiliates may act as the Auction Agent.

"Auction Amount" has the meaning specified in the definition of "Dutch Auction".

"Auction Notice" has the meaning specified in the definition of "Dutch Auction".

"Auction Party" has the meaning specified in the definition of "Dutch Auction".

"Auction Response Date" has the meaning specified in the definition of "Dutch Auction".

"Dutch Auction" means an auction (an "Auction") conducted by the Borrower or any of its Subsidiaries (an "Auction Party") in order to purchase and retire Loans in accordance with the following procedures or other procedures mutually acceptable to the Borrower, the Auction Agent and the Administrative Agent; *provided* that no Auction Party shall initiate any Auction unless (I) at least five Business Days have passed since the consummation of the most recent purchase of Loans pursuant to an Auction conducted hereunder; or (II) at least three Business Days have passed since the date of the last Auction which was withdrawn:

(1) Notice Procedures. In connection with any Auction, the Auction Party will provide notification to the Auction Agent (for distribution to the relevant Lenders) of the Loans that will be the subject of the Auction (an "Auction Notice"). Each Auction Notice shall be in a form reasonably acceptable to the Auction Agent and shall (i) specify the maximum aggregate principal amount of the Loans subject to the Auction, in a minimum amount of $5,000,000 and whole increments of $1,000,000 in excess thereof (or, in any case, such lesser amount of such Loans then outstanding or which is otherwise reasonably acceptable to the Auction Agent and the Administrative Agent (if different from the Auction Agent)), which maximum amount may vary depending upon the ultimate Applicable Price (as defined below) within a range as set forth in the Auction Notice (the "Auction Amount"), (ii) specify the discount to par (which may be a range (the "Discount Range") of percentages of the par principal amount of the Loans subject to such Auction) that represents the range of purchase prices that the Auction Party would be willing to accept in the Auction, (iii) certify that none of such Auction Party nor any Loan Party or their respective Subsidiaries are in possession of or are aware of any non-public information with respect to the Borrower or its Subsidiaries or any of their respective securities of the type that would have a material effect upon, or otherwise be material to, an assigning Lender's decision to assign Loans that have not been disclosed to the Auction Agent and the Lenders, (iv) be extended to each Lender on a pro rata basis and (v) remain outstanding through the Auction Response Date. The Auction Agent will promptly provide each Lender with a copy of the Auction Notice and a form of the Return Bid to be submitted by a responding Lender to the Auction Agent (or its delegate) by no later than 5:00 p.m. on the date specified in the Auction Notice (or such later date as the Auction Party may agree with the reasonable consent of the Auction Agent) (the "Auction Response Date").

(2) Reply Procedures. In connection with any Auction, each Lender may, in its sole discretion, participate in such Auction and may provide the Auction Agent with a notice of participation (the "Return Bid"), which shall be in a form reasonably acceptable to the Auction Agent, and shall specify (i) a discount to par (that must be expressed as a price at which it is willing to sell all or any portion of such Loans) (the "Reply Price"), which (when expressed as a percentage of the par principal amount of such Loans) must be within the Discount Range, and (ii) a principal amount of such Loans to be offered for purchase, which must be in whole increments of $1,000,000 (or, in any case, such lesser amount of such Loans of such Lender then outstanding or which is otherwise reasonably acceptable to the Auction Agent) (the "Reply Amount"). Lenders may submit only one Return Bid per Auction, but each Return Bid may contain up to three bids, only one of which may result in a Qualifying Bid. In addition to the Return Bid, the participating Lender must execute and deliver an Assignment and Acceptance, to be held in escrow by the Auction Agent, with the dollar amount of the Loans to be assigned to be left in blank, which amount shall be completed by the Auction Agent in accordance with the final determination of such Lender's Qualifying Bid pursuant to clause (3) below. Any Lender whose Return Bid is not received by the Auction Agent by the Auction Response Date shall be deemed to have declined to participate in the relevant Auction with respect to all of its Loans.

(3) Acceptance Procedures. Based on the Reply Prices and Reply Amounts received by the Auction Agent prior to the applicable Auction Response Date, the Auction Agent, in consultation with the Auction Party, will determine the applicable price (the "Applicable Price") for the Auction, which will be the lowest Reply Price for which the Auction Party can complete the Auction at the applicable Auction Amount; *provided* that, in the event that the Reply Amounts are insufficient to allow the Auction Party to complete a purchase of the entire applicable Auction Amount (any such Auction, a "Failed Auction"), the Auction Party shall either, at its election, (i) withdraw the Auction or (ii) complete the Auction at an Applicable Price equal to the highest Reply Price. The Auction Party shall purchase the relevant Loans (or the respective portions thereof) from each Lender with a Reply Price that is equal to or lower than the Applicable Price ("Qualifying Bids") at the Applicable Price; *provided* that if the aggregate proceeds required to purchase all Loans subject to Qualifying Bids would exceed the Auction Amount for such Auction, the Auction Party shall purchase such Loans at the Applicable Price ratably based on the principal amounts of such Qualifying Bids (subject to rounding requirements specified by the Auction Agent in its discretion). If a Lender has submitted a Return Bid containing multiple bids at different Reply Prices, only the bid with the lowest Reply Price that is equal to or less than the Applicable Price will be deemed to be the Qualifying Bid of such Lender (e.g., with respect to an Applicable Price of $100 with a 1.0% discount to par, a Lender's Reply Price of $100 with a discount to par of 2.0% will not be deemed to be a Qualifying Bid if such Lender also submitted a Reply Price of $100 with a discount to par of 2.50%, which would be deemed to be a Qualifying Bid). The Auction Agent shall promptly, and in any case within five Business Days following the Auction Response Date, notify (I) the Borrower of the respective Lenders' responses to such solicitation, the effective date of the purchase of Loans pursuant to such Auction, the Applicable Price and the aggregate principal amount of the Loans to be purchased pursuant to such Auction, (II) each participating Lender of the effective date of the purchase of Loans pursuant to such Auction, the Applicable Price and the aggregate principal amount of Loans to be purchased at the Applicable Price on such date, (III) each participating Lender of the aggregate principal amount of the Loans of such Lender to be purchased at the Applicable Price on such date and (IV) if applicable, each participating Lender of any rounding and/or proration pursuant to the second preceding sentence. Each determination by the Auction Agent of the amounts stated in the foregoing notices to the Borrower and Lenders shall be conclusive and binding for all purposes absent manifest error. The Auction Agent (if such Auction Agent is not the Administrative Agent) will notify the Administrative Agent of the aggregate principal amount of the Loans of each participating Lender to be purchased, the Applicable Price therefor, and the effective date of such purchase.

(4) Additional Procedures.

(A) In connection with any Auction, upon submission by a Lender of a Qualifying Bid, such Lender (each, a "Qualifying Lender") will be obligated to sell the entirety or its allocable portion of the Reply Amount, as the case may be, at the Applicable Price.

(B) To the extent not expressly provided for herein, each purchase of Loans pursuant to an Auction shall be consummated pursuant to procedures consistent with the provisions in this definition, established by the Auction Agent acting in its reasonable discretion and as reasonably agreed by the Borrower.

(C) In connection with any Auction, the Borrower and the Lenders agree that the Auction Agent may require as a condition to any Auction the payment of customary fees and expenses by the Auction Party in connection therewith as agreed between the Auction Party and the Auction Agent.

(D) Notwithstanding anything in any Loan Document to the contrary, for purposes of this definition, each notice or other communication required to be delivered or otherwise provided to the Auction Agent (or its delegate) shall be deemed to have been given upon the Auction Agent's (or its delegate's) actual receipt during normal business hours of such notice or communication; *provided* that any notice or communication actually received outside of normal business hours shall be deemed to have been given as of the opening of business on the next Business Day.

(E) The Borrower and the Lenders agree that the Auction Agent may perform any and all of its duties under this definition by itself or through any Affiliate of the Auction Agent and expressly consent to any such delegation of duties by the Auction Agent to such Affiliate and the performance of such delegated duties by such Affiliate. The exculpatory provisions pursuant to this Agreement shall apply to each Affiliate of the Auction Agent and its respective activities in connection with any purchase of Loans provided for in this definition as well as activities of the Auction Agent.

(b) Section 9.04 of the Credit Agreement is hereby amended to add the following new clause (h) at the end thereof:

(h) Dutch Auctions. Notwithstanding anything to the contrary contained herein, any Lender may, at any time, assign all or a portion of its rights and obligations under this Agreement in respect of its Loans to the Borrower or any of its Subsidiaries (but not any Affiliates thereof) on a non-pro rata basis through Dutch Auctions open to all Lenders; *provided,* that:

(i) any Loans purchased by the Borrower or any of its Subsidiaries shall be retired and cancelled immediately upon the acquisition thereof; *provided* that upon any such retirement and cancellation, the aggregate outstanding principal amount of the Loans shall be deemed reduced by the full par value of the aggregate principal amount of the Loans so retired and cancelled; and

(ii) in connection with any such assignment, no Event of Default shall exist at the time of such acceptance of bids for the Dutch Auction.

SECTION 2. Costs and Expenses. The Borrower shall reimburse the Administrative Agent, the Collateral Agent, the Placement Agent and the Lenders for all reasonable and documented legal fees and other reasonable out-of-pocket expenses incurred in connection with this Amendment.

SECTION 3. Effective Date. This Amendment shall be effective (the "Effective Date") upon satisfaction of each of the conditions set forth below:

(a) this Amendment shall have been executed by the Borrower, the other Loan Parties, the Administrative Agent and the Lenders constituting Required Lenders, and counterparts hereof as so executed shall have been delivered to the Administrative Agent;

(b) the representations and warranties of the Loan Parties contained herein or in the other Loan Documents, after giving effect to this Amendment, shall be true and correct in all material respects (or in all respects if any such representation or warranty is already qualified by materiality, Material Adverse Effect or other similar language) on and as of the Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date, in which event such representations and warranties shall be true and correct in all material respects (or in all respects if any such representation or warranty is qualified per its terms by materiality, Material Adverse Effect or other similar language) as of such earlier date;

(c) no Default or Event of Default has occurred and is continuing, nor shall any Default or Event of Default exist immediately after giving effect to the effectiveness of this Amendment; and

(d) the Borrower shall have paid all fees, costs and expenses required to be reimbursed pursuant to Section 2 above.

SECTION 4. Representations and Warranties. The Borrower and each other Loan Party represents and warrants to the Administrative Agent, the Collateral Agent and the Lenders on the date hereof that:

(a) the execution, delivery and performance of this Amendment is within its corporate or other organizational powers and has been duly authorized by all necessary corporate or other organizational action of it;

(b) this Amendment has been duly executed and delivered by it and is a legal, valid and binding obligation of it, enforceable in accordance with its terms, subject to applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and to general principles of equity and principles of good faith and dealing; and

(c) the representations and warranties of the Loan Parties contained herein or in the other Loan Documents, after giving effect to this Amendment, are true and correct in all material respects (or in all respects if any such representation or warranty is already qualified by materiality, Material Adverse Effect or other similar language) on and as of the Effective Date, except to the extent that such representations and warranties expressly relate to an earlier date, in which event such representations and warranties are true and correct in all material respects (or in all respects if any such representation or warranty is qualified per its terms by materiality, Material Adverse Effect or other similar language) as of such earlier date.

SECTION 5. Reaffirmation. Each Loan Party consents to the amendment of the Credit Agreement effected hereby and confirms and agrees that, notwithstanding the effectiveness of this Amendment, each Loan Document to which such Loan Party is a party is, and the obligations of such Loan Party contained in the Credit Agreement, this Amendment or in any other Loan Document to which it is a party are, and shall continue to be, in full force and effect and are hereby ratified and confirmed in all respects, in each case, as amended by this Amendment. For greater certainty and without limiting the foregoing, each Loan Party hereby confirms (i) the existing security interests granted in favor of the Collateral Agent for the benefit of, among others, the Lenders pursuant to the Loan Documents in the Collateral described therein, which security interests shall continue in full force and effect after giving effect to this Amendment to secure the Obligations as and to the extent provided in the Loan Documents and (ii) its obligations under the Guaranty Agreement shall remain in full force and effect after giving effect to this Amendment and the obligations under this Amendment constitute "Obligations" included within the Guarantee in accordance with the terms therein.

SECTION 6. Amendment, Modification and Waiver. This Amendment may not be amended, modified or waived except as permitted by Section 9.02 of the Credit Agreement.

SECTION 7. Entire Agreement. This Amendment and the other Loan Documents constitute the entire agreement among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. On and after the Effective Date, each reference in the Credit Agreement to "this Amendment," "hereunder," "hereof" or words of like import referring the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement," "thereunder," "thereof" or words of like import referring to the Credit Agreement, shall mean a reference to the Amended Credit Agreement.

SECTION 8. Governing Law and Waiver of Right to Trial by Jury.

(a) THIS AMENDMENT AND ANY CLAIM, CONTROVERSY, DISPUTE OR CAUSE OF ACTION (WHETHER IN CONTRACT OR TORT OR OTHERWISE) BASED UPON, ARISING OUT OF, OR RELATING TO THIS AMENDMENT AND THE TRANSACTIONS CONTEMPLATED HEREBY SHALL BE GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH, THE LAW OF THE STATE OF NEW YORK.

(b) The jurisdiction, waiver of venue, waiver of defense of illegality, service of process and waiver of right to trial by jury provisions in Section 9.09(b) through (e) and Section 9.10 of the Credit Agreement are incorporated herein by reference, *mutatis mutandis*.

SECTION 9. Severability. To the extent permitted by law, any provision of this Amendment held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions thereof; and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

SECTION 10. Counterparts; Electronic Signature. This Amendment may be executed in counterparts (and by different parties hereto on different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes. Delivery of an executed counterpart of a signature page of this Amendment by facsimile or by email as a ".pdf" or ".tif" attachment shall be effective as delivery of an original executed counterpart of this Amendment.

SECTION 11. Loan Document; No Novation. On and after the Effective Date, this Amendment shall constitute a "Loan Document" for all purposes of the Amended Credit Agreement and the other Loan Documents (it being understood that for the avoidance of doubt this Amendment may be amended or waived solely by the parties hereto as set forth in Section 6 above). This Amendment shall not constitute a novation of the Credit Agreement or any of the Loan Documents.

SECTION 12. Lender Direction. Each Lender, by their execution hereof, hereby authorizes and directs the Administrative Agent to execute and deliver this Amendment on the date hereof.

[*signature pages to follow*]

IN WITNESS WHEREOF, each of the undersigned has caused this amendment to be duly executed by their respective authorized officers as of the day and year first above written.

ASCEND WELLNESS HOLDINGS, INC.,
as the Borrower

By: /s/ John Hartmann
Name: John Hartmann
Title: Chief Executive Officer

[***]
as a Guarantor

ACQUIOM AGENCY SERVICES LLC,
as the Administrative Agent

By: /s/ Shon McCraw-Davis
Name: Shon McCraw-Davis
Title: Director

[***]
as a Lender

Certain identified information has been omitted from this exhibit because it is both not material and is the type that the registrant treats as private or confidential. [***] indicates that information has been omitted.

EMPLOYMENT AGREEMENT

This Employment Agreement (this “Agreement”) dated as of March 29, 2024 (the “Effective Date”) is made and entered into by and between Ascend Wellness Holdings, Inc., a Delaware corporation with a principal place of business at 1411 Broadway, 16th Floor, New York, NY 10018 (the “Company”), and Abner Kurtin, an individual whose principal business address is in care of the Company at 1411 Broadway, 16th Floor, New York, NY 10018 (the “Executive”).

RECITALS

WHEREAS, the Company formerly employed Executive as Executive Chairman of the Company.

WHEREAS, for the purposes of terminating Executive’s former employment with the Company, the Company and Executive have entered into an Employee Separation and Release Agreement effective March 29, 2024 (“Separation Agreement”).

WHEREAS, the Company and Executive wish to enter into a new employment relationship with one another in connection with Executive’s new role with the Company as Executive Chairman.

WHEREAS, the parties desire to memorialize the terms of the Executive’s employment as Executive Chairman, on the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions, and conditions set forth in this Agreement, the parties hereby agree:

1. Employment and Term. Subject to the terms and conditions set forth in this Agreement, the Company hereby offers, and the Executive hereby accepts, employment as Executive Chairman of the Company, commencing March 30, 2024 (the “Commencement Date”). This Agreement shall continue in effect for twelve (12) months from the Commencement Date (the “Termination Date”) unless otherwise terminated in accordance with Section 2.

2. At Will and Termination. The Executive is an employee at will and nothing in this Agreement is intended to change that status in any way. As a result, the Executive and/or the Company can terminate the employment relationship at any time for any reason or for no reason.

3. Capacity and Performance.

   a. During the term hereof, the Executive shall serve the Company as Executive Chairman reporting to the Company’s Board of Directors (the “Board”).

   b. During the term hereof, the Executive shall be employed by the Company on a full-time and diligent basis and shall perform such duties and responsibilities on behalf of the Company as are customarily performed by an Executive Chairman of a company of comparable size and as may be reasonably designated from time to time by the Board.

   c. During the term hereof, the Executive shall not, directly or indirectly, render any material services of a business, commercial or professional nature to any person or entity other than the Company (or any affiliate thereof), whether for compensation or otherwise, without the prior written consent of the Board, which shall not be unreasonably withheld. For the avoidance of doubt, notwithstanding the foregoing, the Executive may (i) engage in the activities set forth on

Exhibit A hereto so long as such activities do not (A) individually or in the aggregate, interfere with the performance of the Executive's duties under this Agreement and (B) materially change in nature or scope of the Executive's engagement after the Commencement Date, in which case the Executive shall not be permitted to continue such engagement without the prior written consent of the Board and (ii) engage in educational, charitable and civic activities and manage the Executive's personal investments and affairs, in each case, so long as such activities (A) do not, individually or in the aggregate, interfere with the performance of the Executive's duties under this Agreement and (B) are not contrary to the interests of the Company or any of its affiliates or competitive with the Company or any of its affiliates.

4. Compensation and Benefits. As compensation for all services performed by the Executive under this Agreement and during the term hereof and subject to performance of the Executive's duties and obligations to the Company pursuant to this Agreement:

a. Base Salary. The Company shall pay the Executive a base salary at the rate of $200,000 per annum (the "Base Salary"). The Executive's Base Salary shall be payable in accordance with the payroll practices of the Company for its executives and subject to increase from time to time by the Board, in its sole discretion.

b. RSU Grant. Subject to the approval of the Board, on or as soon as reasonably practicable after the Commencement Date, the Executive will be granted a Restricted Stock Unit ("RSU") award equal to $150,000 pursuant to and as defined in the Ascend Wellness Holdings, Inc. 2021 Stock Incentive Plan (the "Plan") and subject to the terms and conditions of the applicable award agreement ("RSU Grant). The RSU Grant shall vest in quarterly increments over one year from the Commencement Date for services in arrears.

c. Vacations. During the term hereof, the Executive shall be entitled to vacation, personal days, sick time and similar paid time off benefits in accordance with the applicable policies of the Company, as in effect from time to time.

d. Insurance Benefits. During the term hereof and subject to any contribution therefor generally required of employees of the Company, the Executive shall be eligible to participate in any medical, dental and disability insurance plans maintained by the Company from time to time (collectively, the "Insurance Benefits"). The Executive's participation in such Insurance Benefits shall be subject to applicable law, the terms of the applicable plan documents and generally applicable Company policies. Notwithstanding anything herein to the contrary, the Company may amend, modify or terminate any Insurance Benefits at any time in its discretion.

e. Business Expenses. During the term hereof, the Company shall promptly pay or reimburse the Executive for all reasonable, customary and necessary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to any reasonable maximum annual limit and other restrictions on such expenses set by the Board and otherwise in accordance with the Company's then-prevailing policies and procedures for expense reimbursement (including such reasonable substantiation and documentation as may be specified by the Company from time to time).

5. Effect of Termination. The provisions of this Section 5 shall apply to a termination of the Executive's employment with the Company hereunder, whether due to the expiration of the term hereof or otherwise.

a. Except as provided by the Separation Agreement, payment by the Company of any applicable final compensation of Executive's Base Salary that may be due the Executive as of the date of termination, minus applicable withholdings and deductions as solely determined by the Company shall, and reimbursement of outstanding and unpaid business expenses (collectively, the "Final

Compensation") shall constitute the entire obligation of the Company to the Executive, and the Executive shall not be entitled to additional payments or benefits under any other severance agreement or executive severance plan of the Company.

b. All benefits shall terminate pursuant to the terms of the applicable benefit plans based on the date of termination of the Executive's employment.

6. Restrictive Covenants. As an inducement and as essential consideration for the Company to enter into this Agreement, and in exchange for other good and valuable consideration, the Executive hereby agrees to the restrictive covenants contained in this Section 6 (the "Restrictive Covenants"). The Company and the Executive agree that the Restrictive Covenants are essential and narrowly tailored to preserve the goodwill of the business of the Company and its affiliates, to maintain the confidential and trade secret information of the Company and its affiliates, and to protect other legitimate business interests of the Company and its affiliates in light of their niche businesses and the executive position held by the Executive. The Company and the Executive further agree that the Company would not have entered into this Agreement without the Executive's agreement to the Restrictive Covenants. For purposes of the Restrictive Covenants, each reference to "Company" and "affiliate" shall also refer to the predecessors and successors of the Company and any of its affiliates (as the case may be).

a. Customer Non-Solicitation. During the period commencing on the Commencement Date and ending on the date that is twelve (12) months after the Termination Date, regardless of the reason for the Executive's termination of employment and regardless of who initiates such termination, the Executive shall not (except on the Company's behalf during the term hereof), for purposes of providing products or services that are competitive with those provided by the Company or any of its affiliates, directly or indirectly, on the Executive's own behalf or on behalf of any other person or entity, contact, solicit, divert, induce, call on, take away, or do business with (or attempt to do any of the foregoing) any customer or client of the Company or any of its affiliates (or any person or entity who, during the twelve (12) months prior to the Termination Date, was engaged in mutual contact, discussion or correspondence with the Company in respect of becoming a customer or client of the Company or any of its affiliates) with whom the Executive had contact within the twelve (12) months immediately prior to the Termination Date.

b. Service Provider Non-Solicitation. During the period commencing on the Commencement Date and ending on the date that is twelve (12) months after the Termination Date, regardless of the reason for the Executive's termination of employment and regardless of who initiates such termination, the Executive shall not (except on the Company's behalf during the term hereof), directly or indirectly, on the Executive's own behalf or on behalf of any other person or entity, solicit for employment or engagement, employ or engage, or interfere with the employment or engagement of (or attempt to do any of the foregoing) any individual who (A) is employed by, or an independent contractor of, the Company or any of its affiliates at the time of such solicitation, interference or attempt thereof or (B) was employed by, or an independent contractor of, the Company or any of its affiliates within twelve (12) months prior to such solicitation, employment, engagement, interference or attempt thereof.

c. Non-Competition. During the period commencing on the Commencement Date and ending on the date that is six (6) months after the Termination Date, regardless of the reason for the Executive's termination of employment and regardless of who initiates such termination (such period, the "Non-Competition Period"), the Executive shall not, anywhere in the United States or in any other country or jurisdiction in which the Company or any of its affiliates conducts or conducted business during the Non-Competition Period, either directly or indirectly, as a proprietor, partner, stockholder, director, executive, employee, consultant, joint venturer, member, investor, lender or otherwise, engage or assist others to engage in, or own, manage, operate or control, or participate in the ownership, management, operation or control of, or become employed or engaged by any person or entity that (i) is engaged in the business of the cultivation, manufacture and/or sale of cannabis or (ii) is, or has taken steps to become, competitive with the current business, activities, products or services of the type conducted, authorized, offered, or provided by the Company or any of its affiliates, or with respect to prospective business, activities, products or services which the Company or any of its affiliates (with the Executive's knowledge or involvement) has spent significant time or resources analyzing for the purposes of assessing expansion opportunities by the Company or any of its affiliates during the twelve (12) month period immediately prior to the Termination Date, in each case except as otherwise approved by the Board at any time prior to the Termination Date (the "Competitive Business").

d. Non-Disparagement. During the term hereof and at all times thereafter, (I) the Executive shall not, directly or through any other person or entity, make any public or private statements (whether orally, in writing, via electronic transmission, or otherwise) that disparage, denigrate or malign (i) the Company or any of its affiliates, (ii) any of the businesses, activities, operations, affairs, reputations or prospects of the Company or any of its affiliates, or (iii) any of the officers, employees, directors, managers, partners (general and limited), agents, members or shareholders of any of the persons or entities described in any of clauses (i) or (ii) and (II) none of the members of the Board shall, and the Company shall not instruct any of its employees or employees of any of its affiliates to, directly or through any other person or entity, make any public or private statements (whether orally, in writing, via electronic transmission, or otherwise) that disparage, denigrate or malign the Executive. For purposes of clarification, and not limitation, a statement shall be deemed to disparage, denigrate or malign a person or entity if such statement could be reasonably construed to adversely affect the opinion any other person or entity may have or form of such first person or entity. No obligation under this Section 6(d) shall be violated by truthful statements (x) made to any governmental authority, (y) which are in connection with legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings) or (z) made in performance reviews.

e. Confidentiality; Return of Property. During the term hereof and at all times thereafter, the Executive shall not, without the prior express written consent of the Company, directly or indirectly, use on the Executive's behalf or on behalf of any other person or entity, or divulge, disclose or make available or accessible to any person or entity, any Confidential Information (as defined below), other than when required to do so in good faith to perform the Executive's duties and responsibilities hereunder while employed by the Company, or when required to do so by a lawful order of a court of competent jurisdiction, any governmental authority or agency, or any recognized subpoena power. Nothing in this Section 6(e) or in this Agreement prohibits the Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation. Further, in accordance with the Defend Trade Secrets Act of 2016, (I) the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal, and (II) if the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose a trade secret to his attorney and use the trade secret information in the court proceeding, if the Executive files any document containing the trade secret under seal and does not disclose the trade secret except pursuant to court order. In the event that the Executive becomes legally compelled (by oral questions, interrogatories, request for information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any Confidential Information, then prior to such disclosure, the Executive will provide the Board with prompt written notice so that the Company may seek (with the Executive's cooperation) a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that such protective order or other remedy is not obtained, then the Executive will furnish only that portion of the Confidential Information which is legally required (as may be advised by Executive's legal counsel), and will cooperate with the Company in the

Company's efforts to obtain reliable assurance that confidential treatment will be accorded to the Confidential Information. In addition, the Executive shall not create any derivative work or other product based on or resulting from any Confidential Information (except in the good faith performance of the Executive's duties under this Agreement while employed by the Company). The Executive shall also proffer to the Board's designee, no later than the Termination Date (or upon the earlier request of the Company), and without retaining any copies, notes or excerpts thereof, all property of the Company and its affiliates in whatever form, including, without limitation, memoranda, computer disks or other media, computer programs, diaries, notes, records, data, customer or client lists, marketing plans and strategies, and any other documents consisting of or containing Confidential Information, that are in the Executive's actual or constructive possession or which are subject to the Executive's control at such time. To the extent the Executive has retained any such property or Confidential Information on any electronic or computer equipment belonging to the Executive or under the Executive's control, the Executive agrees to so advise Company and to follow Company's instructions in permanently deleting all such property or Confidential Information and all copies. For purposes of this Agreement, "Confidential Information" shall mean all information of a sensitive, confidential or proprietary nature respecting the business and activities of the Company or any of its affiliates, including, without limitation, the terms and provisions of this Agreement (except for the terms and provisions of Section 6), and the clients, customers, suppliers, computer or other files, projects, products, computer disks or other media, computer hardware or computer software programs, marketing plans, financial information, methodologies, Inventions (as defined below), know-how, research, developments, processes, practices, approaches, projections, forecasts, formats, systems, data gathering methods and/or strategies of the Company or any of its affiliates. Confidential Information also includes all information received by the Company or any of its affiliates under an obligation of confidentiality to a third party of which the Executive has knowledge. Notwithstanding the foregoing, Confidential Information shall not include any information that is generally available, or is made generally available, to the public other than as a result of a direct or indirect unauthorized disclosure by the Executive or any other person or entity subject to a confidentiality obligation.

f. <u>Ownership of Inventions</u>. The Executive acknowledges and agrees that all Company Inventions (as defined below) (including all intellectual property rights arising therein or thereto, all rights of priority relating to patents, and all claims for past, present and future infringement, misappropriation relating thereto), and all Confidential Information, hereby are and shall be the sole and exclusive property of the Company (collectively, the "Company IP"). For consideration acknowledged and received, the Executive hereby irrevocably assigns, conveys and sets over to the Company all of the Executive's right, title and interest in and to all Company IP. The Executive acknowledges and agrees that the compensation received by the Executive for employment or services provided to the Company is adequate consideration for the foregoing assignment. The Executive further agrees to disclose in writing to the Board any Company Inventions promptly following their conception or reduction to practice. Such disclosure shall be sufficiently complete in technical detail and appropriately illustrated by sketch or diagram to convey to one skilled in the art of which the Company Invention pertains, a clear understanding of the nature, purpose, operations, and other characteristics of the Company Invention. The Executive agrees to execute and deliver such deeds of assignment or other documents of conveyance and transfer as the Company may request to confirm in the Company or its designee the ownership of the Company Inventions, without compensation beyond that provided in this Agreement. The Executive further agrees, upon the request of the Company and at its expense, that the Executive will execute any other instrument and document necessary or desirable in applying for and obtaining patents in the United States and in any foreign country with respect to any Company Invention. The Executive further agrees, whether or not the Executive is then an employee or other service provider of the Company or any of its affiliates, upon request of the Company, to provide reasonable assistance with respect to the perfection, recordation or other documentation of the assignment of Company IP hereunder, and the enforcement of the Company's rights in any Company IP, and to cooperate to the extent and in the manner reasonably requested by the Company in any litigation or other claim or proceeding (including, without limitation, the prosecution or defense of any claim involving a patent) involving any Company IP covered by this Agreement, without further compensation, but all reasonable out-of-pocket expenses incurred by the Executive in satisfying the requirements of this Section 6(f) shall be paid by the Company or its designee. The Executive shall not, on or after the Commencement Date, directly or indirectly challenge the validity or enforceability of the Company's ownership of, or rights with respect to, any Company IP, including, without limitation, any patent issued on, or patent application filed in respect of, any Company Invention. For purposes of this Agreement, "Company Invention" shall mean any Invention that is made, conceived, invented, authored, or first actually reduced to practice, by the Executive (alone or jointly with others) (i) in the course of, in connection with, or as a result of the Executive's employment or other service with the Company or any of its affiliates (whether before, on, or after the Commencement Date, but not before the commencement of Executive's employment with the Company or its predecessor), (ii) at the direction or request of the Company or any of its affiliates (whether before, on, or after the Commencement Date), or (iii) through the use of, or that is related to, facilities, equipment, Confidential Information, other Company Inventions, intellectual property or other resources of the Company or any of its affiliates, whether or not during the Executive's work hours (and whether before, on, or after the Commencement Date, but not before the commencement of Executive's employment with the Company or its predecessor). For purposes of this Agreement, "Invention" shall mean any invention, formula, therapy, diagnostic technique, discovery, improvement, idea, technique, design, method, art, process, methodology, algorithm, machine, development, product, service, technology, strategy, software, work of authorship or other Works (as defined below), trade secret, innovation, trademark, data, database, or the like, whether or not patentable, together with all intellectual property rights therein.

g. Works for Hire. The Executive also acknowledges and agrees that all works of authorship, in any format or medium, and whether published or unpublished, created wholly or in part by the Executive, whether alone or jointly with others, (i) in the course of, in connection with, or as a result of the Executive's employment or other service with the Company or any of its affiliates (whether before, on, or after the Commencement Date), (ii) at the direction or request of the Company or any of its affiliates (whether before, on, or after the Commencement Date), or (iii) through the use of, or that is related to, facilities, equipment, Confidential Information, other Company Inventions, intellectual property or other resources of the Company or any of its affiliates, whether or not during the Executive's work hours (and whether before, on, or after the Effective Date) ("Works"), are works made for hire as defined under United States copyright law, and that the Works (and all copyrights arising in the Works) are owned exclusively by the Company and all rights therein will automatically vest in the Company without the need for any further action by any party. To the extent any such Works are not deemed to be works made for hire, for consideration acknowledged and received, the Executive hereby waives any "moral rights" in such Works and the Executive hereby irrevocably assigns, transfers, conveys and sets over to the Company or its designee, without compensation beyond that provided in this Agreement, all right, title and interest in and to such Works, including without limitation all rights of copyright arising therein or thereto, and further agrees to execute such assignments or other deeds of conveyance and transfer as the Company may request to vest in the Company or its designee all right, title and interest in and to such Works, including all rights of copyright arising in or related to the Works.

h. Cooperation. During and after the term hereof, the Executive agrees to cooperate with the Company and its affiliates in any internal investigation, any administrative, regulatory, or judicial proceeding or any dispute with a third-party concerning issues about which the Executive has knowledge or that may relate to the Executive or the Executive's employment or service with the Company or any of its affiliates (or the termination thereof). The Executive's obligation to cooperate hereunder includes, without limitation, being available to the Company and its affiliates upon reasonable notice for interviews and factual investigations, appearing in any forum at the Company's or any of its affiliates' reasonable request to give testimony (without requiring service of a subpoena or other legal process), volunteering to the Company and its affiliates pertinent information, and turning over to the Company and its affiliates all relevant documents which are or may come into the Executive's possession. The Company shall promptly reimburse the Executive for the reasonable pre-approved out-of-pocket expenses incurred by the Executive in connection with such cooperation. For the avoidance of doubt, the immediately preceding sentence shall not require the Company to reimburse the Executive for any attorneys' fees or related costs the Executive may incur absent advance written approval by the Company, which shall not be unreasonably withheld.

i. Notification Requirement. Until the expiration of the period or periods for Restrictive Covenants (as applicable), the Executive shall, upon a reasonable request by the Company, give notice to the Company of any new business activity in which he is engaged. Such notice shall state the name and address of the individual, corporation, limited liability company, association, partnership, estate, trust and other entity or organization, other than the Company or any of its affiliates (any such individual or entity being hereinafter referred to as a "Person") for whom such activity is undertaken and the nature of the Executive's business relationship(s) and position(s) with such Person. The Executive shall provide the Company with such other pertinent information concerning such business activity as the Company may reasonably request in order to determine the Executive's continued compliance with the Restrictive Covenants.

j. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the Restrictive Covenants. The Executive agrees that the Restrictive Covenants are necessary for the reasonable and proper protection of the Company and its affiliates and that each and every one of the Restrictive Covenants is reasonable in respect to subject matter, length of time and geographic area, and otherwise. The Executive agrees that the Company and its affiliates, in addition to any other legal or equitable remedies available to them, shall be entitled to seek preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of the Restrictive Covenants, without having to post bond, and to seek specific performance of each of the terms thereof. The Restrictive Covenants are intended for the benefit of the Company and each of its affiliates. Each affiliate of the Company is an intended third-party beneficiary of the Restrictive Covenants, and each affiliate of the Company, as well as any successor or assign of the Company or such affiliate, may enforce the Restrictive Covenants. The parties further agree that, in the event that any provision of the Restrictive Covenants shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities or otherwise, such provision shall be deemed to be modified by the court to permit its enforcement to the maximum extent permitted by law.

k. Notification of New Employer. In the event that the Executive is employed or otherwise engaged by any other person or entity following the Termination Date, the Executive agrees to notify, and consents to the notification by Company and its affiliates of, such person or entity of the Restrictive Covenants.

7. Excise Tax.

a. Notwithstanding anything to the contrary contained in this Agreement or otherwise, to the extent that any payment, distribution or acceleration of vesting to or for the benefit of Executive by the Company (within the meaning of Section 280G of the Code and the regulations thereunder), whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the “Total Payments”), is or will be subject to the excise tax imposed under Section 4999 of the Code (the “Excise Tax”), then the Total Payments shall be reduced (but not below zero) to the Safe Harbor Amount (as defined below) if and to the extent that a reduction in the Total Payments would result in Executive retaining a larger amount, on an after-tax basis (taking into account federal, state and local income and employment taxes and the Excise Tax), than if Executive received the entire amount of such Total Payments in accordance with their existing terms (taking into account federal, state, and local income and employment taxes and the Excise Tax). For purposes of this Agreement, the term “Safe Harbor Amount” means the largest portion of the Total Payments that would result in no portion of the Total Payments being subject to the Excise Tax. To effectuate the foregoing, the Company shall reduce or eliminate the Total Payments by first reducing or eliminating the portion of the Total Payments which are payable in cash and then by reducing or eliminating non-cash payments, in each case, starting with the payments to be made farthest in time from the Determination (as defined below).

b. The determination of whether the Total Payments shall be reduced as provided in Section 8(a) and the amount of such reduction shall be made at the Company’s expense by an accounting firm selected by Company from among the 10 largest accounting firms in the United States or by qualified independent tax counsel (the “Determining Party”); provided, that Executive shall be given advance notice of the Determining Party selected by the Company, and shall have the opportunity to reject the selection, within two business days of being notified of the selection, on the basis of that Determining Party’s having a conflict of interest or other reasonable basis, in which case the Company shall select an alternative firm among the 10 largest accounting firms in the United States or alternative independent qualified tax counsel, which shall become the Determining Party. Such Determining Party shall provide its determination (the “Determination”), together with detailed supporting calculations and documentation to the Company and Executive, within 10 business days of the termination of Executive’s employment or at such other time mutually agreed by the Company and Executive. If the Determining Party determines that no Excise Tax is payable by Executive with respect to the Total Payments, it shall furnish Executive with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and Executive. If the Determining Party determines that an Excise Tax would be payable, the Company shall have the right to accept the Determination as to the extent of the reduction, if any, pursuant to Section 8(a), or to have such Determination reviewed by another accounting firm selected by the Company, at the Company’s expense. If the two accounting firms do not agree, a third accounting firm shall be jointly chosen by Executive and the Company, in which case the determination of such third accounting firm shall be binding, final and conclusive upon the Company and Executive.

c. If, notwithstanding any reduction described in this Section 8, the Internal Revenue Service (“IRS”) determines that Executive is liable for the Excise Tax as a result of the receipt of any of the Total Payments or otherwise, then Executive shall be obligated to pay back to the Company, within 30 calendar days after a final IRS determination or in the event that Executive challenges the final IRS determination, a final judicial determination, a portion of the Total Payments equal to the “Repayment Amount”. The “Repayment Amount” with respect to the payment of benefits shall be the smallest such amount, if any, as shall be required to be paid to the Company so that Executive’s net after- tax proceeds with respect to the Total Payments (after taking into account the payment of the Excise Tax and all other applicable taxes imposed on the Total Payments) shall be maximized. The Repayment Amount shall be zero if a Repayment Amount of more than zero would not result in Executive’s net after-tax proceeds with respect to the Total Payments being maximized. If the Excise Tax is not eliminated pursuant to this Section 8, Executive shall pay the Excise Tax.

d. Notwithstanding any other provision of this Section 7, if (i) there is a reduction in the Total Payments as described in this Section 7, (ii) the IRS later determines that Executive is liable for the Excise Tax, the payment of which would result in the maximization of Executive's net after-tax proceeds (calculated as if Executive's benefits had not previously been reduced), and (iii) Executive pays the Excise Tax, then the Company shall pay to Executive those payments or benefits which were reduced pursuant to this Section 8 as soon as administratively possible after Executive pays the Excise Tax (but not later than March 15 following the calendar year of the IRS determination) so that Executive's net after-tax proceeds with respect to the Total Payments are maximized.

e. If, following a reduction of the Total Payments pursuant to Section 7(a), the Determining Party or a court of competent jurisdiction determines that the Total Payments were reduced to a greater extent than required under Section 7, then the Company shall as soon as administratively possible (but not later than by March 15 following the calendar year of such determination) pay the amount of such excess reduction to or for the benefit of Executive, together with interest at the applicable federal rate (as defined in Section 7872(f)(2)(A) of the Code), from the date the amount would have otherwise been paid to Executive until the payment date.

f. To the extent requested by Executive, the Company shall cooperate with Executive in good faith in valuing, and the Determining Party shall take into account the value of, services provided or to be provided by Executive (including, without limitation, Executive's agreeing to refrain from performing services pursuant to a covenant not to compete or similar covenant, before, on or after the date of a change in ownership or control of the Company (within the meaning of Q&A-2(b) of the final regulations under Section 280G of the Code), such that payments in respect of such services may be considered reasonable compensation within the meaning of Q&A-9 and Q&A-40 to Q&A- 44 of the final regulations under Section 280G of the Code and/or exempt from the definition of the term "parachute payment" within the meaning of Q&A-2(a) of the final regulations under Section 280G of the Code in accordance with Q&A- 5(a) of the final regulations under Section 280G of the Code.

8. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants or any court order or other legal obligation that would affect the performance of his obligations hereunder, any and all of which are superseded by this Agreement. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

9. Indemnification. The Company shall indemnify the Executive to the maximum extent permitted by the General Corporation Law of the State of Delaware. At the request of the Executive, and subject to the approval of the Board, the Company shall enter into an indemnification agreement with the Executive on terms at least as favorable in each respect to the Executive as the terms of any other indemnification agreement between the Company and any other director or officer of the Company. The Executive agrees to promptly notify the Company of any actual or threatened claim arising out of or as a result of his employment or other service with the Company or any of its affiliates (or the termination thereof).

10. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

11. Assignment. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter effect a reorganization, consolidate with, or merge into, any person or entity, transfer a substantial majority of its properties or assets to any person or entity, or engage in a similar transaction with any person or entity. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, and their respective successors, executors, administrators, heirs and permitted assigns.

12. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

13. Amendment and Waiver. This Agreement may be amended or modified only by a written instrument signed by the Executive and the Company. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time.

14. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed:

a. if to the Executive, at his last known address on the books of the Company, with a copy to [***]; and

b. if to the Company, at its principal place of business, attention, Secretary, with a copy to legal@awholdings.com; or

c. to such other address as either party may specify by notice to the other actually received.

15. Entire Agreement. Except for the Separation Agreement, this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive's employment and the subject matter hereof.

16. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

17. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement, by electronic mail in portable document format (.pdf) or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, has the same effect as delivery of an executed original of this Agreement.

18. Governing Law; Venue; WAIVER OF JURY TRIAL. This Agreement, the rights of the parties and all claims, actions, causes of action, suits, litigation, controversies, hearings, charges, complaints or proceedings arising in whole or in part under or in connection herewith, will be governed by and construed in accordance with the domestic substantive laws of the State of New York, without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any other jurisdiction. Both the Executive and the Company agree to appear before and submit exclusively to the jurisdiction of the United States District Court for the Southern District of New York with respect to any controversy, dispute, or claim arising out of or relating to this Agreement or the Executive's employment or service with the Company or any of its affiliates (or the termination thereof), or if such controversy, dispute or claim may not be brought in federal court, to the state courts located in New York, New York and, in each case, the applicable courts of appeals of such court. Both the Executive and the Company also agree to waive, to the fullest possible extent, the defense of an inconvenient forum or lack of jurisdiction. The Executive further consents to service of process in the State of New York. THE COMPANY AND THE EXECUTIVE HEREBY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING

OUT OF THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT OR SERVICE WITH THE COMPANY OR ANY OF ITS AFFILIATES (OR THE TERMINATION THEREOF), OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT OF THIS AGREEMENT (WHETHER ARISING IN CONTRACT, EQUITY, TORT OR OTHERWISE).

19. Code Section 409A Compliance. This Agreement is intended to comply with Code Section 409A (to the extent applicable) and the parties hereto agree to interpret this Agreement in the least restrictive manner necessary to comply therewith and without resulting in any increase in the amounts owed hereunder by the Company. To the maximum extent possible, any severance owed under this Agreement shall be construed to fit within the "short-term deferral rule" under Code Section 409A and/or the "two times two year" involuntary separation pay exception under Code Section 409A. Notwithstanding any other provision of this Agreement to the contrary, if the Executive is a "specified employee" within the meaning of Code Section 409A and the regulations issued thereunder, and a payment or benefit provided for in this Agreement would be subject to additional tax under Code Section 409A if such payment or benefit is paid within six (6) months after the Executive's "separation from service" (within the meaning of Code Section 409A), then such payment or benefit required under this Agreement (i) shall not be paid (or commence) during the six-month period immediately following the Executive's separation from service and (ii) shall instead be paid to the Executive in a lump-sum cash payment on the earlier of (A) the first regular payroll date of the seventh month following the Executive's separation from service or (B) the 10th business day following the Executive's death (but not earlier than such payment would have been made absent such death). If the Executive's termination of employment hereunder does not constitute a "separation from service" within the meaning of Code Section 409A, then any amounts payable hereunder on account of a termination of the Executive's employment and which are subject to Code Section 409A shall not be paid until the Executive has experienced a "separation from service" within the meaning of Code Section 409A. In addition, no reimbursement or in-kind benefit shall be subject to liquidation or exchange for another benefit and the amount available for reimbursement, or in-kind benefits provided, during any calendar year shall not affect the amount available for reimbursement, or in-kind benefits to be provided, in a subsequent calendar year. Any reimbursement to which the Executive is entitled hereunder shall be made no later than the last day of the calendar year following the calendar year in which such expenses were incurred. Notwithstanding anything herein to the contrary, neither the Company nor any of its affiliates shall have any liability to the Executive or to any other person or entity if this Agreement is, or if the payments and benefits provided in this Agreement that are intended to be exempt from or compliant with Code Section 409A are, not so exempt or compliant. Each payment payable hereunder shall be treated as a separate payment in a series of payments within the meaning of, and for purposes of, Code Section 409A.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE EXECUTIVE		ASCEND WELLNESS HOLDINGS, INC.	
By:	/s/ Abner Kurtin	By:	/s/ John Hartmann
Name:	Abner Kurtin	Name:	John Hartmann
		Title:	Chief Executive Officer

Exhibit A

[***]

Certain identified information has been omitted from this exhibit because it is both not material and is the type that the registrant treats as private or confidential. [***] indicates that information has been omitted.

EMPLOYEE SEPARATION AND RELEASE AGREEMENT

This Employee Separation and Release Agreement (the "Agreement") is entered into between Abner Kurtin ("Employee") and Ascend Wellness Holdings, Inc. (the "Company"). Employee and the Company (together, the "Parties") agree as follows:

WHEREAS, the Company currently employs Employee as Executive Chairman of the Company.

WHEREAS, the Company and Employee mutually agree to terminate Employee's current employment as Executive Chairman of the Company effective March 29, 2024 ("Termination Date").

WHEREAS, the Parties wish to amicably resolve any and all disputes between them, and are entering into this Agreement for the purposes of memorializing that resolution and settling, compromising and resolving any and all claims that Employee may have against the Company and any "Released Parties" (defined below), including all claims which were or could have been alleged against the Company or any Released Parties.

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth herein and for other good and valuable consideration, the sufficiency of which is acknowledged, it is agreed as follows:

1. Termination of Employment Relationship: In accordance with Section 5.d. of the Employee's Employment Agreement effective on March 22, 2021, and amended on September 27, 2022 (the "Employment Agreement"), Employee's employment relationship as Executive Chairman with the Company will end on March 29, 2024 ("Termination Date").

2. Acknowledgements: Employee acknowledges that the Company relied on the following representations by him in entering into this Agreement:

   a. Employee acknowledges that he does not have and has not raised a claim of unlawful discrimination, retaliation, harassment, sexual harassment, abuse, assault, alleged criminal conduct, or other alleged unlawful employment practices or unlawful conduct against the Company or any of the "Released Parties" (as defined below).

   b. Employee has received all compensation due to him through the Termination Date as a result of services performed for the Company with the receipt of his final paycheck.

   c. Employee has reported to the Company any and all work-related injuries or occupational illnesses incurred by him during employment with the Company.

   d. Employee has received any and all leaves for which he was eligible, and the Company properly provided any leave of absence because Employee or his family member's health condition or military service and Employee has not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave.

e. Employee has had the opportunity to provide the Company with written notice of any and all concerns regarding suspected ethical and compliance issues or violations on part of the Company.

3. IRC Section 409A: Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A of the Internal Revenue Code ("Section 409A") or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A.

4. Consideration: In accordance with the terms and conditions set forth in the Employment Agreement, and in return for Employee's promises set forth in this Agreement, and provided that Employee signs and returns this Agreement and does not revoke it, the Company will provide Employee with the following consideration:

a. Final Compensation: The Company will pay Employee the "Final Compensation" (as defined and in accordance with the terms and conditions set forth in Sections 5.a. and d. of the Employment Agreement) in two one lump sum payments, one payment in the total gross amount of $19,230.78, minus applicable withholdings and deductions as solely determined by the Company, and one payment in the amount of $0 for reimbursement of outstanding and unpaid business expenses. The Final Compensation shall be paid to Employee on or about April 5, 2024.

b. Termination Compensation: The Company will pay the Employee the "Termination Compensation"; (as defined and in accordance with the terms and conditions set forth in Section 5.d. of the Employment Agreement), which shall be in the total gross amount of $3,300,000.00, minus applicable withholdings and deductions as solely determined by the Company, which represents two (2) times Employee's 2023 Base Salary plus two (2) times Employee's 2023 earned Annual Bonus. The Termination Compensation shall be payable to the Employee in substantially equal installments in accordance with the Company's normal payroll practices as in effect from time to time, over the twelve (12) month period immediately following the Termination Date (with the first payment to be made on the first payroll date following the Effective Date of this Agreement and to include a catch-up to cover any payment that would have been made prior to such date had this Agreement been effective on the Termination Date).

c. Prorated Bonus: In accordance with the terms and conditions of Sections 5.a. and d. of the Employment Agreement, the Company shall pay Employee a prorated bonus for the fiscal year of the Termination Date (the "Prorated Bonus"), if in cash, in one lump sum payment, minus applicable withholdings and deductions as solely determined by the Company. The Prorated Bonus, if payable, shall be paid to the Employee in accordance with the Company's normal payroll practices as in effect from time to time during the next fiscal year after the Termination Date; if the annual bonus is in equity grant, Company shall award Employee the Pro-rated Bonus in the form of such equity grant as approved by the

Board in such form (i.e., options and/or Restricted Shares) and such vesting schedule as approved by the Board. For purposes of this Agreement, the Prorated Bonus shall be calculated in accordance with the formula set forth in Section 5 of the Employee's Employment Agreement (e.g., calculated as the value of the annual bonus (in cash or equity) for the fiscal year of the Termination Date, if approved by the Board, multiplied by a fraction, the numerator of which is equal to the number of days the Executive worked for the Company in such fiscal year, and the denominator of which is equal to the total number of days in such fiscal year).

e. Equity Securities: In accordance with Section 5.d. of the Employment Agreement, notwithstanding the terms of any other agreement, instrument or document to the contrary (including without limitation any vesting terms, performance criteria or other conditions, and regardless of whether entered into before or after the date of this Agreement), upon the Termination Date, Employee's right to purchase or otherwise acquire any equity securities of the Company under any stock option or other agreement, instrument, plan, program or arrangement outstanding or in effect on the effective date of such termination, including but not limited to Employee's 635,686 options and 1,184,467 Restricted Stock Units, plus 1,096,492 Restricted Stock Units, representing Employee's 2024 grant under the Company's Long Term Incentive Plan,[1] shall thereupon vest in full (subject only to the payment of the applicable exercise or purchase price, if any, and provided that any equity awards that are subject to the satisfaction of performance goals shall be deemed earned at target performance), and any right of the Company or any subsidiary to repurchase any equity securities of the Company from Employee, whether arising under any option, agreement, instrument, plan, program, arrangement or otherwise, shall thereupon terminate. The equity shares will be transferred into Employee's Seibert account within ten (10) days after execution of this Agreement.

Employee acknowledges and agrees that if he revokes this Agreement within the Revocation Period, he shall not be entitled to any of the above consideration or any other consideration elsewhere in this Agreement.

5. Full and Final Release: In exchange for the benefits provided by the Company under this Agreement, Employee fully and forever releases and discharges the Company, its parents, subsidiaries, affiliates, and related entities and all of its/their respective current and former owners, agents, attorneys, employees, officers, directors, shareholders, members, managers, employee benefit plans and fiduciaries, insurers, successors, and assigns (the "Released Parties") from any and all claims and potential claims that may legally be waived by private agreement, whether known or unknown, which Employee has asserted or could assert against the Company arising out of or relating in any way to Employee's employment, termination of employment, and/or any acts, circumstances, facts, transactions, or omissions, occurring up to and including the date Employee signs this Agreement (the "Claims"). Employee understands that he is releasing such Claims on behalf of himself and all persons who could make Claims under, through or by him, such as Employee's spouse, heirs,

[1] Representing an LTIP value of $1,250,000 and calculated over a 10 day VWAP at market close on March 15, 2024 and share price of 1.14.

executors or assignees. This release includes, but is not limited to,

(i) any and all Claims arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967 (ADEA), the Family and Medical Leave Act (FMLA), the Employee Retirement Income Security Act (ERISA), the National Labor Relations Act (NLRA), 42 U.S.C. *§§* 1981, 1983 and 1988, the Pregnancy Discrimination Act, the Worker Adjustment and Retraining Notification Act, the Americans with Disabilities Act (ADA), the Older Workers Benefits Protection Act, the Fair Credit Reporting Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, the Equal Pay Act, and the Uniformed Services Employment and Reemployment Rights Act (USERRA);

(ii) any and all Claims under all New York state wage and hour laws (including the New York Wage Hour and Wage Payment Laws; the New York Minimum Wage Law; N.Y. Labor Law, Art. 19, *§* 651 et seq.); the New York State Human Rights Law-N.Y. Executive Law, Art. 15, Vol. 14, *§§* 290-301; New York Rights of Persons With Disabilities - N.Y. Stat., Art. 4-b of the Civil Rights Law, Vol. 5, *§* 47 et seq.; New York Confidentiality of Records of Genetic Tests-N.Y. Stat., Vol. 5, Civil Rights, Art. 7, § 79-1; New York Whistleblower- N.Y. Labor Law,§ 740(1), *et seq.;* the New York Equal Pay Law, as amended; N.Y. Stat., Labor Law, Vol. 20, Art. 7, § 201-c; New York Smokers' Rights Law-N.Y. Stat., Labor Law, Vol. 20, *§* 201-d; New York Equal Pay Law-N.Y. Stat., Vol. 20, Labor Law, Art. 6 § 194 *et seq.;* New York Equal Rights Law- N.Y. Stat., Vol. 5, Civil Rights, Art. 4, *§* 40-c *et seq.;* the New York State Civil Rights Act; the New York State Labor Relations Act; the general regulations of the New York State Division of Human Rights - New York Code of Rules and Regulations, Title 9, § 466; the New York State Labor Law; the New York City Administrative Code, Title 8, Chapter 1; the New York City Human Rights Law; the Code of Rules and Regulations of the State of New York, 12 N.Y.C.R.R. *§* 142-2.2; the New York City Civil Rights Law, Civil Rights Law *§* 40; the New York Occupational Safety and Health Laws; the New York Non-Discrimination for Legal Activities Law, N.Y. Labor Law, *§* 201-d; the New York State Constitution;

(iii) any and all Claims under the Massachusetts Fair Employment Practices Law, M.G.L. ch. 151B, the Massachusetts Equal Rights Act, G.L. c. 93, § 102 and § 103, the Massachusetts Equal Pay Act, G.L. c. 149, § 105A, the Massachusetts Earned Sick Leave law, G.L. c. 149, § 148C, the Massachusetts Pregnant Workers Fairness Act, the Massachusetts Privacy Statute, G.L. c. 214, § 1B, the Massachusetts Civil Rights Act, the Massachusetts Domestic Violence Leave Act, G.L. c. 149, § 52E, the Massachusetts Consumer Protection Act, G.L. c. 93A, the Massachusetts Labor and Industries Act, G.L. c. 149, § 102, the anti-retaliation provisions of the Massachusetts Paid Family and Medical Leave Act, M.G.L. c. 175M, s. 9, and the Massachusetts Independent Contractor Statute, G.L. c. 149, § 148B, the Massachusetts Overtime Law, Massachusetts General Laws, Chapter 151, § 1A et seq., the Massachusetts Payment of Wages Law, Massachusetts

General Laws, Chapter 149, § 148 et seq., the Massachusetts Minimum Wage Law, Mass. Gen. Laws. Ch. 151, § 1 et seq., the Massachusetts Overtime regulations (M.G.L. ch.151 §§ 1A and 1B), the Meal Break regulations (M.G.L. ch.149 §§ 100 and 101);

(iv) any and all Claims under the Florida Civil Rights Act (§§ 760.01 to 760.11, Fla. Stat.), Florida Whistleblower Protection Act (§§ 448.101 to 448.105, Fla. Stat.), Florida Workers' Compensation Retaliation provision (§ 440.205, Fla. Stat.), Florida Minimum Wage Act (§ 448.110, Fla. Stat.), Article X, Section 24 of the Florida Constitution (Fla. Const. art. X, § 24), Florida Fair Housing Act (§§ 760.20 to 760.37, Fla. Stat.), Florida's Wage Rate Provision, Fla. Stat. § 448.07; Florida's Attorneys' Fees Provision for Successful Litigants in Suits for Unpaid Wages, Fla. Stat. § 448.08;

(v) any amendments to any of the above laws, any other federal, state, or local constitution, charter, law, rule, ordinance, regulation, or order or those of any other country; and

(vi) any and all Claims under any statute, rule, regulation, or in equity or under common law including but not limited to claims for discrimination, hostile work environment, harassment, retaliation, tort, breach of contract (express or implied, written or oral), wrongful discharge, defamation, emotional distress, and negligence, and any other state wage and hour related claims arising out of or in any way connected with Employee's employment with (or termination from) the Company, including any claims for unpaid or delayed payment of wages, overtime, bonuses, commissions, incentive payments or severance, missed or interrupted meal periods, as well as interest, attorneys' fees, costs, expenses, liquidated damages, treble damages or damages of any kind, to the maximum extent permitted by law.

6. Non-Admission: This Agreement shall not be construed as an admission by the Company (or any of the Released Parties) of any liability or acts of wrongdoing or unlawful conduct, nor shall it be considered to be evidence of such liability, wrongdoing, or unlawful discrimination, harassment, or retaliation.

7. Proprietary Information: Employee shall not retain, use and/or disclose any confidential and/or proprietary information Employee learned or acquired while employed by the Company, including, but not limited to, personnel and compensation information other than pertaining to Employee; financial information and data; technical data and information; programmatic and operational information; customer identities and information; marketing plans, data and information; business information; strategy; research; information related to the Company's computer and/or communications systems; and/or information the nature of which would commonly be reasonably understood to be confidential ("Confidential Information"), except as required by law or as to information that is otherwise available in the Public Domain. Employee further promises that he shall not directly or indirectly use, disclose, reproduce, sell, retain, remove from the premises, make available to any other person or entity, or use for her own or for any other person or entity's benefit, any portion of the Confidential Information. Employee also promises that he shall not use any such Confidential Information to damage Releasees or their interests, or any other person or entity

with which the Company does business. By signing this Agreement, Employee certifies that: (i) he has returned to the Company any and all Confidential Information and all other materials, documents and/or property belonging to the Company and/or any of its affiliated entities, including the originals and any and all copies thereof, whether in hard copy or electronic form, which were in Employee's possession or under his control, including without limitation files, documents, lists, records, customer information, manuals, reports, software and hardware, laptops, printers, computers, cell phone, iPhone, iPad, tablet, blackberry or other PDA, keys, equipment, identification cards, access card, corporate credit cards, mailing lists, rolodexes, personnel information, electronic information and files, computer print-outs, and computer disks and tapes, all without any destruction, deletion, alteration or any other type of compromise, whether such data and/or property was in hard copy or electronic form, (ii) after returning such property to the Company, Employee has not retained any copies of any Confidential Information and/or any other materials, documents and/or property belonging to the Company and/or any of its affiliated entities, (iii) after returning such property to the Company, Employee has permanently deleted all Confidential Information from his home and/or personal computer drives and from any other personal electronic, digital or magnetic storage devices, and (iv) Employee shall remain in strict compliance with his obligations under any applicable Company policies, including without limitation those restricting the use of Confidential Information, prohibiting conflicts of interest, prohibiting solicitation of employees or customers, prohibiting competition, and assigning intellectual property.

The Company shall take all appropriate steps to remove Employee’s name from any and all State licenses issued to the Company on which his name appears.

8. Confidentiality of Agreement: Employee agrees that he will maintain the confidentiality of this Agreement and will not disclose in any fashion the nature and terms of this Agreement, the consideration provided to him under this Agreement, and/or the substance or content of discussions involved in reaching this Agreement, except to his lawyer, accountant, or immediate family, or governmental agency without the prior written consent of an officer of the Company, except as necessary in any legal proceeding directly related to his employment with the Company or the provisions and terms of this Agreement, to prepare and file income tax forms, or as required by court order after reasonable notice to the Company; and provided that he will instruct the recipient(s) of the information (with the exception of a governmental agency), and such individuals agree not to disclose the terms of this Agreement.

9. Cooperation: Employee agrees to cooperate with the Company relating to matters within his knowledge or responsibility. Without limiting this commitment, Employee agrees (i) to meet with Company representatives, its counsel, or other designees at mutually convenient times and places with respect to any items within the scope of this provision; (ii) to provide truthful testimony regarding same to any court, agency, or other adjudicatory body; (iii) to provide the Company with notice of contact by any non-governmental adverse party or such adverse party's representative; except as may be required by law. The Company will reimburse Employee for reasonable expenses in connection with the cooperation described in this paragraph.

This paragraph shall not require Employee to cooperate with the Company regarding any charge or litigation in which he is a charging or complaining party, or any confidential investigation by a government agency in which Employee is asked by such agency to maintain information in confidence.

10. Non-Disparagement: Employee agrees that he shall not make, directly or indirectly, to any person or entity, including but not limited to the Company's present, future, and/or former employees and/or clients, and/or the press, any negative, derogatory or disparaging oral, written and/or electronic statements about the Company, their products and services, or his employment with and/or separation from employment with the Company, or do anything which damages the Company or any of its and/or their products and services, reputation, good will, financial status, or business or client relationships. Employee further agrees not to post any such statements on the internet or any blog or social networking site, including but not limited to Facebook, Glassdoor, LinkedIn, or any other internet site or platform. The Company agrees that it shall not make, directly or indirectly, to any person or entity, any negative, derogatory or disparaging oral, written and/or electronic statements about the Employee. The Company shall provide any prospective employer requesting a reference or third party making inquiry about Employee only with Employee’s last job title and dates of employment.

11. Liquidated Damages: Employee agrees that the Cooperation, Confidentiality, Non- Disparagement, and/or Proprietary Information provisions of the Agreement may be specifically enforced by a court of competent jurisdiction, and may be used as evidence in a subsequent proceeding alleging a breach of the Agreement. Employee agrees that damages for an improper disclosure in violation of these provisions would be and are difficult to ascertain and therefore render this matter appropriate for liquidated damages. Thus, to the extent that the Company proves in a court of competent jurisdiction that Employee breached this Agreement's Cooperation, Confidentiality, Non-Disparagement, and/or Proprietary Information provisions, Employee agrees to pay the Company $10,000 per violation. Employee agrees that this sum is reasonable in light of the circumstances existing at the time of the Agreement. If there is any legal action filed regarding a dispute under this Agreement, the prevailing party shall be entitled to the attorneys’ fees and costs and expenses incurred.

12. Applicable Law: This Agreement shall be governed, construed, and interpreted under the laws of the state of New York, without regard to conflicts of laws principles.

13. Complete Release: Except for the terms and conditions of Employee's Employment Agreement, including but not limited to the Restrictive Covenants in Section 7, which are made a part hereof and incorporated by reference, this Agreement constitutes the complete and total agreement between Employee and the Company with respect to issues addressed in this Agreement, and except for Employee's obligations that he may have under any other agreements with the Company related to intellectual property, inventions, business ideas, confidentiality of corporate information, non-solicitation, unfair competition, or providing for arbitration or other dispute resolution programs, contained in any agreements Employee has entered into or with the Company or under applicable law. Employee represents that he is not relying on any other written or oral representations not fully expressed in this document. Employee agrees that this Agreement shall not be modified, altered, or discharged except by written instrument signed by Employee and an authorized

Company representative. The headings in this document are for reference only and shall not in any way affect the meaning or interpretation of this Agreement.

14. Severability: Employee agrees that should any part of this Agreement except the release of claims be found to be void or unenforceable by a court of competent jurisdiction, that determination will not affect the remainder of this Agreement.

15. Use As Evidence: The Parties agree that this Agreement may be used as evidence in a subsequent proceeding in which any of the Parties allege a breach of this Agreement or as a complete defense to any lawsuit brought by any party. Other than this exception, the Parties agree that this Agreement will not be introduced as evidence in any proceeding or in any lawsuit.

16. Binding Agreement and Covenant Not to Sue: Employee understands that following the Revocation Period (as defined below), this Agreement will be final and binding. Employee promises not to file a lawsuit or arbitration proceeding based on any claim that is settled by this Agreement. If Employee breaks this promise or fails to comply with his obligations under the Agreement, Employee agrees to pay all of the Company's costs and expenses (including reasonable attorneys' fees) related to the defense of any claims covered by this Agreement or any Released Party's efforts to enforce the terms of this Agreement, except this covenant not to sue does not apply to claims under the Older Worker Benefit Protection Act (OWBPA) and the ADEA. Although Employee is releasing claims that Employee may have under the ADEA, Employee may challenge the knowing and voluntary nature of this release before a court, the Equal Employment Opportunity Commission (EEOC) or any other federal, state, or local agency charged with the enforcement of any employment laws. *Employee understands, however, that if he pursues a claim against the Company under the OWBPA and/or the ADEA to challenge the validity of this Agreement and the Company prevails on the merits of an ADEA claim, or a Released Party files a lawsuit or arbitration to enforce any part of this Agreement, a court has the discretion to determine whether the Company or any other Released Party is entitled to restitution, recoupment, or set off (hereinafter "reduction') against a monetary award obtained by Employee in the court proceeding. A reduction never can exceed the amount Employee recovers, or the consideration Employee received for signing this Agreement, whichever is less.* This provision is not intended to preclude otherwise available recovery of attorneys' fees or cost specifically authorized under applicable law.

17. Advice of Counsel: Employee acknowledges that he has read and fully understand the terms of this Agreement. The Company advises Employee, in writing, to consult with an attorney of his choice regarding the terms of this Agreement prior to signing this Agreement.

18. Consideration Period: Employee understands that he has at least 21 days from the date he receives this Agreement and any attached information to consider the terms of this Agreement, including whether to sign this Agreement (the "Consideration Period"). He must not sign this Agreement prior to the Termination Date. He agrees with the Company that changes, whether material or immaterial, do not toll or restart the running of the Consideration Period. Employee agrees the Company has made no threats or promises to induce him to sign earlier.

19. Revocation Period: Employee shall have seven calendar days from the date he signs this Agreement to revoke this Agreement by delivering a written or electronic notice of revocation to Denise Pedulla, Chief Legal Officer and Corporate Secretary, at 1411 Broadway, 16th Floor, New York, NY 10018 and [***] (the "Revocation Period"). If the Revocation Period expires on a weekend or holiday, Employee will have until the end of the next business day to revoke. This Agreement will become effective on the day after the end of the Revocation Period (the "Effective Date"), provided Employee does not revoke this Agreement. No consideration provided for under this Agreement, including but not limited to the consideration set forth in paragraph 3 above (including subparagraphs a through e) shall be due or owed to the Employee in the event that he timely revokes this Agreement.

20. Return of Signed Agreement: Employee is required to return his signed Agreement and any written revocation notice to Denise Pedulla at 1411 Broadway, 16th Floor, New York, NY 10018 and [***].

21. No Interference with Rights: Employee understands this Agreement does not apply to (i) claims for unemployment or workers' compensation benefits, (ii) claims or rights that may arise after the date that Employee signs this Agreement, (iii) claims for reimbursement of expenses under the Company's expense reimbursement policies, (iv) any vested rights under the Company's ERISA-covered employee benefit plans as applicable on the date Employee signs this Agreement, and (v) any claims that controlling law clearly states may not be released by private agreement. Moreover, nothing in this Agreement (including but not limited to the acknowledgements, release of claims, the promise not to sue, the confidentiality and non-disparagement obligations, cooperation, and the return of property provision) (i) limits or affects Employee's right to challenge the validity of this Agreement under the ADEA or the OWBPA, (ii) prevents Employee from communicating with, filing a charge or complaint with; providing documents or information voluntarily or in response to a subpoena or other information request to; or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, National Labor Relations Board, the Securities and Exchange Commission, the Occupational Safety and Health Administration, law enforcement, or any other federal, state or local agency charged with the enforcement of any laws, or from testifying, providing evidence, responding to a subpoena or discovery request in court litigation or arbitration, or (iii) prevents a non-management, non-supervisory employee from engaging in protected concerted activity under Section 7 of the NLRA or under similar state law such as joining, assisting, or forming a union, bargaining, picketing, striking, or participating in other activity for mutual aid or protection, or refusing to do so; this includes using or disclosing information acquired through lawful means regarding wages, hours, benefits, or other terms and conditions of employment, except where the information was entrusted to the employee in confidence by the Company as part of the employee's job duties.

In addition, nothing in this Agreement limits or affects Employee's right to disclose or discuss sexual harassment or sexual assault disputes.

By signing this Agreement Employee is waiving his right to recover any individual relief (including any backpay, front pay, reinstatement or other legal or equitable relief) in any charge, complaint, lawsuit or other proceeding brought by Employee or on his behalf by any third party, except for any right Employee may have to receive a payment or award from a government agency (and not the Company) for information provided to the government agency or where otherwise prohibited.

Notwithstanding Employee's confidentiality and non-disclosure obligations in this Agreement and otherwise, Employee understands that as provided by the Federal Defend Trade Secrets Act, Employee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

In exchange for the promises contained in this Agreement, the Company promises to provide the benefits set forth in this Agreement.

Dated: March 29, 2024 /s/ John Hartmann

Ascend Wellness Holdings Inc.

Employee has read this Agreement and understand its legal and binding effect. Employee is acting voluntarily, deliberately, and of his own free will in signing this Agreement.

Dated: March 29, 2024 /s/ Abner Kurtin

Abner Kurtin

Certain identified information has been omitted from this exhibit because it is both not material and is the type that the registrant treats as private or confidential. [***] indicates that information has been omitted.

EMPLOYMENT AGREEMENT

This Employment Agreement (this "Agreement") dated as of March 26, 2024 (the "Effective Date") is made and entered into by and between Ascend Wellness Holdings, Inc., a Delaware corporation with a principal place of business at 1411 Broadway, 16th Floor, New York, NY 10018 (the "Company"), and Francis Perullo, an individual whose principal business address is in care of the Company at 1411 Broadway, 16th Floor, New York, NY 10018 (the "Executive").

RECITALS

WHEREAS, the Company formerly employed Executive as Strategic Advisor of the Company.

WHEREAS, for the purposes of terminating Executive's former employment with the Company, the Company and Executive have entered into an Employee Separation and Release Agreement effective March 29, 2024 ("Separation Agreement").

WHEREAS, the Company and Executive wish to enter into a new employment relationship with one another in connection with Executive's new role with the Company as Executive Vice President, Corporate Affairs.

WHEREAS, the parties desire to memorialize the terms of the Executive's employment as Executive Vice President, Corporate Affairs, on the terms and conditions hereinafter set forth.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual promises, terms, provisions, and conditions set forth in this Agreement, the parties hereby agree:

1. Employment. Subject to the terms and conditions set forth in this Agreement, the Company hereby offers, and the Executive hereby accepts, employment as Executive Vice President, Corporate Affairs of the Company, commencing as of March 30, 2024 (the "Commencement Date").

2. At Will. The Executive is an employee at will and nothing in this Agreement is intended to change that status in any way. As a result, the Executive and/or the Company can terminate the employment relationship at any time. The parties agree, however, that if the Company terminates the employment relationship without Cause or the employee resigns for Good Reason (as each term is defined herein), then the Executive shall be eligible to receive the Severance Benefits as defined and as limited in Section 5.

3. Capacity and Performance.

   a. During the term hereof, the Executive shall serve the Company as Executive Vice President, Corporate Affairs, reporting to the Chief Executive Officer of the Company (the "CEO").

   b. During the term hereof, the Executive shall be employed by the Company on a full-time and diligent basis and shall perform such duties and responsibilities on behalf of the Company as are customarily performed by an Executive Vice President, Corporate Affairs of a company of comparable size and as may be reasonably designated from time to time by the CEO.

   c. During the term hereof, the Executive shall not, directly or indirectly, render any material services of a business, commercial or professional nature to any person or entity other than the Company (or any affiliate thereof), whether for compensation or otherwise, without the prior written consent of the Board of Directors of the Company (the "Board"), which shall not be unreasonably withheld. For the avoidance of doubt, notwithstanding the foregoing, the Executive may (i) engage in the activities set forth on Exhibit A hereto so long as such activities do not (A) individually or in the aggregate, interfere with the performance of the Executive's duties under this Agreement and (B) materially change in nature or scope of the Executive's engagement after the Commencement Date, in which case the Executive shall not be permitted to continue such engagement without the prior written consent of the Board and (ii) engage in educational, charitable and civic activities and manage the Executive's personal investments and affairs, in each case, so long as such activities (A) do not, individually or in the aggregate, interfere with the performance of the Executive's duties under this Agreement and (B) are not contrary to the interests of the Company or any of its affiliates or competitive with the Company or any of its affiliates.

4. Compensation and Benefits. As compensation for all services performed by the Executive under this Agreement and during the term hereof and subject to performance of the Executive's duties and obligations to the Company pursuant to this Agreement:

a. Base Salary. The Company shall pay the Executive a base salary at the rate of $450,000 per annum (the "Base Salary"). The Executive's base salary shall be payable in accordance with the payroll practices of the Company for its executives and subject to increase from time to time by the Board, in its sole discretion. The base salary set forth in this Section 4(a), as from time to time increased, is hereafter referred to as the "Base Salary."

b. Annual Incentive Plan. For each complete fiscal year, the Executive shall be eligible to earn an annual performance-based bonus (the "Annual Bonus"). The Executive's annual target bonus opportunity for each such fiscal year shall be equal to up to 100% of his Base Salary, contingent upon the achievement of financial, operational, and strategic/individual objectives. The terms of the Annual Bonus, including Executive's financial, operational, and strategic/individual objectives, are subject to approval by the Board and/or its designees, and may be modified from time to time. All payouts are based on achieving such financial, operational, and strategic/individual objectives, are discretionary, and irrespective of whether such threshold performance objectives are not achieved for any fiscal year, then the Executive may or may not receive an Annual Bonus for such fiscal year. For the 2024 fiscal year, Executive shall only be eligible for a prorated portion of any Annual Bonus earned (calculated as the Annual Bonus that would have been paid for a full fiscal year, multiplied by a fraction, the numerator of which is equal to the number of days the Executive worked for the Company in such fiscal year, and the denominator of which is equal to the total number of days in such fiscal year), with any such prorated Annual Bonus to be paid at the same time as others members of the Company receive payment of their Annual Bonus (the "Prorated Bonus"). Executive must be employed at the time of payout and payout may be made via any method of payment determined by the Board to include equity and/or cash.

c. Equity Incentives. Executive shall be eligible to participate in the Company's Long Term Incentive Program, starting in the 2025 fiscal year, the terms of which are subject to the Board or its designee's discretion from year to year.

d. CEO Senior Advisory Services Compensation. The Executive shall be eligible to earn an annual performance-based compensation payment in the amount of $100,000 for the provision of senior advisory services to the CEO (the "CEO Senior Advisory Payment"). The Executive's receipt of the CEO Senior Advisory Payment for each such fiscal year shall be contingent upon the achievement of certain performance objectives to be mutually agreed by Executive and the CEO.

e. Vacations. During the term hereof, the Executive shall be entitled to vacation, personal days, sick time and similar paid time off benefits in accordance with the applicable policies of the Company, as in effect from time to time.

f. Insurance Benefits. During the term hereof and subject to any contribution therefor generally required of employees of the Company, the Executive shall be eligible to participate in any medical, dental and disability insurance plans maintained by the Company from time to time (collectively, the "Insurance Benefits"). The Executive's participation in such Insurance Benefits shall be subject to applicable law, the terms of the applicable plan documents and generally applicable Company policies. Notwithstanding anything herein to the contrary, the Company may amend, modify or terminate any Insurance Benefits at any time in its discretion.

g. Business Expenses. During the term hereof, the Company shall promptly pay or reimburse the Executive for all reasonable, customary and necessary business expenses incurred or paid by the Executive in the performance of his duties and responsibilities hereunder, subject to any reasonable maximum annual limit and other restrictions on such expenses set by the Board and otherwise in accordance with the Company's then-prevailing policies and procedures for expense reimbursement (including such reasonable substantiation and documentation as may be specified by the Company from time to time).

5. Termination of Employment, Resignation for Good Reason, and Severance Benefits. Notwithstanding the provisions of Section 2 hereof, the Executive's employment hereunder shall end under the following circumstances:

a. Death. In the event of the Executive's death during the term hereof, the Executive's employment hereunder shall immediately and automatically terminate. In such event, the Company shall pay to the Executive's designated beneficiary or, if no beneficiary has been designated by the Executive, to his surviving spouse or dependents, (i) the Base Salary earned but not paid through the date of termination (to be paid in accordance with the Company's normal payroll policies or at such earlier time as required by applicable law), (ii) the value of any vacation time earned but not used through the date of termination (to be paid in accordance with the Company's policies and applicable law), and (iii) any business expenses incurred by the Executive but unreimbursed as of the date of termination, provided that such expenses are reimbursable under Company policy (with such expenses to be reimbursed in accordance with the Company's expense reimbursement policies as in effect from time to time) (all of the foregoing, "Final Compensation"). In addition to Final Compensation, if the Executive's employment terminates due to his death during the term hereof, the Executive's surviving spouse and/or eligible dependents will be entitled to (x) the Benefit Continuation he would have been entitled to receive under Section 5(d) below had the Executive been terminated by the Company other than for Cause in accordance with such Section 5(d). The Company shall have no further obligation to the Executive or his estate hereunder.

b. Disability.

i. The Company may terminate the Executive's employment hereunder, upon notice to the Executive, in the event that the Executive becomes disabled during his employment hereunder through any illness, injury, accident or condition of either a physical or psychological nature and, as a result, is unable to perform substantially all of his duties and responsibilities hereunder, with or without reasonable accommodation, for any period of ninety (90) consecutive days or more, or one hundred eighty (180) days (whether or not consecutive) during any period of three hundred and sixty-five (365) consecutive calendar days. In the event of such termination, the Company shall pay to the Executive the Final Compensation and shall otherwise comply with the provisions of this Section 5(b). In addition to such Final Compensation, the Executive will be entitled to (x) the Benefit Continuation he would have been entitled to receive under Section 5(d) below had the Executive been terminated by the Company other than for Cause in accordance with such Section 5(d). The Company shall have no further obligation to the Executive hereunder.

ii. In lieu of terminating the Executive's employment hereunder, the Board may designate another employee to act in the Executive's place during any period of the Executive's disability. Notwithstanding any such designation, the Executive shall continue to receive the Base Salary in accordance with Section 4(a) and Insurance Benefits in accordance with Section 4(e), to the extent permitted by the then-current terms of the applicable benefit plans, until the Executive becomes eligible for long- term disability income benefits under the Company's disability income plan (or any disability insurance policy of the Company).

iii. If the Executive becomes eligible to receive disability income payments under the Company's disability income plan (or any disability insurance policy of the Company), the Executive shall be entitled to receive Base Salary under Section 4(a) hereof less the amount of such disability income payments being made to the Executive, and shall continue to participate in Company benefit plans in accordance with Section 4(e) and as permitted by the terms of such plans, in each case, until the termination of his employment.

iv. Any determination as to whether during any period the Executive is disabled through any illness, injury, accident or condition of either a physical or psychological nature so as to be unable to perform substantially all of his duties and responsibilities hereunder shall be made by a physician satisfactory to both the Executive (or his duly appointed guardian) and the Company, provided that if the Executive and the Company do not agree on a physician, the Executive and the Company shall each select a physician and these two together shall select a third physician, whose determination as to disability shall be binding on all parties. If the Executive fails to submit to such medical examination, the Company's determination of the issue shall be binding on the Executive.

v. If the Company temporarily replaces Executive or transfers the Executive's duties or responsibilities to another individual on account of the Executive's inability to perform such duties due to an incapacity which is, or is reasonably expected to become, a Disability, then the Executive's employment shall not be deemed terminated by the Company and Executive shall not be able to resign with Good Reason (as defined below) as a result thereof (for the avoidance of doubt, the Employee shall resume his employment under this Agreement upon his return from any such temporary inability to perform such duties or physical incapacity that does not become a Disability).

c. By the Company for Cause. The Company may terminate the Executive's employment hereunder for Cause at any time upon notice to the Executive setting forth in reasonable detail the nature of such Cause. The following shall constitute "Cause" for termination:

i. Failure or neglect by the Executive to perform the material duties of his employment or to follow the lawful directions of the CEO or the Board (other than by reason of the Executive's physical or mental illness or impairment);

ii. The Executive's committing any act of fraud, embezzlement, misappropriation, or theft;

iii. The Executive's material violation of the Company's policies;

iv. The Executive's behavior or engagement in any acts that may interfere with the ability of the Company or any of its affiliates to maintain a license to harvest, cultivate, process, or sell cannabis or otherwise continue to operate its business;

v. The Executive's breach of any non-disclosure, non-disparagement, non-competition, non- solicitation, assignment of inventions agreement or other restrictive covenants set forth herein, other than the Executive's inadvertent and immaterial breach of any non- competition or non-disclosure obligation that is not otherwise detrimental to the Company or any of its affiliates;

vi. The Executive's conviction of a felony (including pleading guilty or nolo contendere to a felony) or commitment of other acts causing a material detriment to the reputation, the business or a business relationship of the Company or any of its affiliates; provided, however, that for the avoidance of doubt, no conviction or plea of nolo contendere of a felony or crime that occurs solely as a result of a violation of U.S. federal law concerning cannabis or the cannabis industry shall be deemed to constitute "Cause", so long as (A) the acts, omissions, conduct or activity related to cannabis or the cannabis industry giving rise to any such conviction or plea of nolo contendere of a felony or crime could be reasonably believed to be in compliance with applicable state and local laws and (B) such conviction or plea of nolo contendere is not likely to interfere with the ability of the Company or any of its affiliates to maintain a license to harvest, cultivate, process, or sell cannabis or otherwise continue to operate its business;

vii. The Executive's engagement in dishonesty, unlawful conduct (other than solely as a result of a violation of U.S. federal law concerning cannabis or the cannabis industry, so long as (A) the acts, omissions, conduct or activity related to cannabis or the cannabis industry giving rise to such illegal conduct could be reasonably believed to be in compliance with applicable state and local laws and (B) such unlawful conduct is not likely to interfere with the ability of the Company or any of its affiliates to maintain a license to harvest, cultivate, process, or sell cannabis or otherwise continue to operate its business), or misconduct, which in each case is injurious (monetarily or otherwise) to the Company or its affiliates; or

viii. The Executive's material breach of the terms of this Agreement.

Upon the termination of the Executive's employment hereunder for Cause, the Company shall have no further obligation hereunder to the Executive, other than for Final Compensation.

d. By the Company Other than for Cause. The Company may terminate the Executive's employment hereunder other than for Cause (and other than in connection with the Executive's death or disability) at any time upon written notice to the Executive. In the event of such termination within two (2) years from the Effective Date of this Agreement, then the Company shall pay to the Executive the Final Compensation, and no further compensation shall be due to Executive under this paragraph 5(d). In the event of such termination after two (2) years from the Effective Date of this Agreement, then (i) the Company shall pay to Executive the Final Compensation, and (ii) the Company shall pay the Executive an amount equal to the sum of Base Salary earned by the Executive for the full fiscal year immediately preceding the fiscal year in which such termination occurs (the "Termination Compensation"), payable in substantially equal installments in accordance with the Company's normal payroll practices as in effect from time to time, over the twelve (12) month period immediately following Executive's termination date under this Agreement (with the first payment to be made on the first payroll date following the effective date of the Employee Release (as defined below). Irrespective of the date of such termination and subject to Executive's election of COBRA continuation coverage, at a monthly premium cost equal to the amount of the employee contribution for medical and dental coverage applicable to the Executive as of the date immediately prior to the date of termination with the Company paying the cost of such medical and dental coverage for a period of twelve (12) months, provided that if the Executive's continued participation in such plans would result in a violation of any non-discrimination rules or result in any fines, penalties or excise taxes to the Company or any of its affiliates or if the Executive is otherwise not eligible to continue participation in such plans under applicable law or plan terms, then, to the extent possible without resulting in such violation, fines, penalties or excise taxes, the Company shall, for the balance of the period of this subsidized coverage, instead make monthly cash payments to the Executive in an amount equal to the employer portion of the monthly insurance premiums that would have been applicable had the Executive been eligible to continue such participation (the benefit described in this clause collectively, the "Benefit Continuation") (with all items described in paragraph 5(d) collectively shall be defined as the "Severance Benefits").

e. Resignation for Good Reason. Executive may terminate this Agreement at any time for Good Reason, provided that the Company shall have thirty (30) days from such notice of termination in which to cure (if curable) any act or omission constituting Good Reason pursuant to subsections (i) to (iv) below prior to the effective termination date. If the Company fails to cure the act or omission constituting Good Reason, and such notice of termination occurs within two (2) years of the Effective Date of this Agreement, then the Company shall pay to Executive the Final Compensation, and the Benefits Continuation with no further compensation due to Executive under this paragraph 5 (d). If such notice of termination occurs after two (2) years from the Effective Date of this Agreement, then Executive shall be entitled to the Severance Benefits. For purposes of this Agreement, "Good Reason" means: (i) any material reduction in the Executive's Base Salary other than in connection with a general reduction in base salaries that affects all similarly situated executives in substantially the same proportions; (ii) any material reduction in the Executive's target Annual Bonus (other than solely as a result of a reduction in Base Salary); (iii) any material diminution in the Executive's responsibilities or authority within the Company so as to fundamentally change the nature and extent of the job other than that which occurs as a result of a change of control event; (iv); and any failure by the Company to comply with any material provision of this Agreement that remains uncured after thirty (30) days.

f. Any obligation of the Company to make the payments and provide the benefits to the Executive under Section 5 (other than Final Compensation) is conditioned, however, upon the Executive (or his estate or legal representative, as applicable) signing a general release of claims and covenant not to sue (the "Employee Release") within twenty-one (21) days (or such greater period as the Company may specify) (the "Release Period") following the date of termination of employment and upon the Executive (or his estate or legal representative, as applicable) not revoking the Employee Release during the seven (7) day revocation period following the execution of the Employee Release (the "Revocation Period"). Notwithstanding the foregoing, if payment of Termination Compensation and the Benefit Continuation could commence in more than one taxable year based on when the Employee Release could become effective, then to the extent required by Section 409A of the Code, any such payments that would have been made during the calendar year in which the Executive's employment terminates shall instead be withheld and paid on the first payroll date in the calendar year immediately after the calendar year in which the Executive's employment terminates, with all remaining payments to be made as if no such delay had occurred.

6. Effect of Termination. The provisions of this Section 6 shall apply to a termination of the Executive's employment with the Company hereunder, whether due to the expiration of the term hereof, pursuant to Section 5 or otherwise.

a. Except as provided by the Separation Agreement, payment by the Company of any applicable Final Compensation, Termination Compensation, Benefit Continuation, and/or any other amounts or benefits that may be due the Executive in each case under the applicable termination provision of Section 5 shall constitute the entire obligation of the Company to the Executive, and the Executive shall not be entitled to additional payments or benefits under any other severance agreement or executive severance plan of the Company. Upon request of the Company, the Executive shall promptly give the Company notice of all facts necessary for the Company to determine the amount and duration of its obligations in connection with any termination pursuant to Section 5 hereof.

b. Except for the Benefit Continuation and as provided for by the Separation Agreement, all benefits shall terminate pursuant to the terms of the applicable benefit plans based on the date of termination of the Executive's employment without regard to any continuation of any applicable Termination Compensation or other payment to the Executive following such date of termination.

c. Provisions of this Agreement shall survive any termination of Executive's employment hereunder if so provided herein or if necessary or desirable to accomplish the purposes of other surviving provisions, including without limitation the Restrictive Covenants (as defined below). The obligation of the Company to make payments and provide benefits to or on behalf of the Executive under 5(b), 5(d), 5(e) or 5(f) hereof (other than the Final Compensation) is expressly conditioned upon the Executive's continued compliance with the Restrictive Covenants; provided that (i) the Company may not discontinue any such payments and benefits (or require repayment of any such payments or benefits already provided to the Executive) unless the Company has provided written notice to the Executive setting forth in reasonable detail the nature of such non-compliance and, if the nature of such non-compliance is such that it is capable of being remedied by the Executive without any damage to the Company, as determined by the Board, the Executive shall have failed to remedy such non-compliance within ten (10) days following receipt of such notice (it being understood that if the nature of such non-compliance is such that it is not capable of being remedied by the Executive without any damage to the Company, as determined by the Board, the Company may discontinue such payments and benefits at such time as it provides such written notice to the Executive) and (ii) to the extent curable, the Company may suspend or discontinue such payments or benefits thereafter only during such period as such non-compliance continues. The Executive recognizes that, except as expressly provided in Section 5, no compensation is earned after termination of employment.

7. Restrictive Covenants. As an inducement and as essential consideration for the Company to enter into this Agreement, and in exchange for other good and valuable consideration, the Executive hereby agrees to the restrictive covenants contained in this Section 7 (the "Restrictive Covenants"). The Company and the Executive agree that the Restrictive Covenants are essential and narrowly tailored to preserve the goodwill of the business of the Company and its affiliates, to maintain the confidential and trade secret information of the Company and its affiliates, and to protect other legitimate business interests of the Company and its affiliates in light of their niche businesses and the executive position held by the Executive. The Company and the Executive further agree that the Company would not have entered into this Agreement without the Executive's agreement to the Restrictive Covenants. For purposes of the Restrictive Covenants, each reference to "Company" and "affiliate" shall also refer to the predecessors and successors of the Company and any of its affiliates (as the case may be).

a. Customer Non-Solicitation. During the period commencing on the Commencement Date and ending on the date that is twelve (12) months after the Termination Date, regardless of the reason for the Executive's termination of employment and regardless of who initiates such termination, the Executive shall not (except on the Company's behalf during the term hereof), for purposes of providing products or services that are competitive with those provided by the Company or any of its affiliates, directly or indirectly, on the Executive's own behalf or on behalf of any other person or entity, contact, solicit, divert, induce, call on, take away, or do business with (or attempt to do any of the foregoing) any customer or client of the Company or any of its affiliates (or any person or entity who, during the twelve (12) months prior to the Termination Date, was engaged in mutual contact, discussion or correspondence with the Company in respect of becoming a customer or client of the Company or any of its affiliates) with whom the Executive had contact within the twelve (12) months immediately prior to the Termination Date.

b. Service Provider Non-Solicitation. During the period commencing on the Commencement Date and ending on the date that is twelve (12) months after the Termination Date, regardless of the reason for the Executive's termination of employment and regardless of who initiates such termination, the Executive shall not (except on the Company's behalf during the term hereof), directly or indirectly, on the Executive's own behalf or on behalf of any other person or entity, solicit for employment or engagement, employ or engage, or interfere with the employment or engagement of (or attempt to do any of the foregoing) any individual who (A) is employed by, or an independent contractor of, the Company or any of its affiliates at the time of such solicitation, interference or attempt thereof or (B) was employed by, or an independent contractor of, the Company or any of its affiliates within twelve (12) months prior to such solicitation, employment, engagement, interference or attempt thereof.

c. Non-Competition. During the period commencing on the Commencement Date and ending on the date that is six (6) months after the Termination Date, regardless of the reason for the Executive's termination of employment and regardless of who initiates such termination (such period, the "Non-Competition Period"), the Executive shall not, anywhere in the United States or in any other country or jurisdiction in which the Company or any of its affiliates conducts or conducted business during the Non-Competition Period, either directly or indirectly, as a proprietor, partner, stockholder, director, executive, employee, consultant, joint venturer, member, investor, lender or otherwise, engage or assist others to engage in, or own, manage, operate or control, or participate in the ownership, management, operation or control of, or become employed or engaged by any person or entity that (i) is engaged in the business of the cultivation, manufacture and/or sale of cannabis or (ii) is, or has taken steps to become, competitive with the current business, activities, products or services of the type conducted, authorized, offered, or provided by the Company or any of its affiliates, or with respect to prospective business, activities, products or services which the Company or any of its affiliates (with the Executive's knowledge or involvement) has spent significant time or resources analyzing for the purposes of assessing expansion opportunities by the Company or any of its affiliates during the twelve (12) month period immediately prior to the Termination Date, in each case except as otherwise approved by the Board at any time prior to the Termination Date (the "Competitive Business").

d. Non-Disparagement. During the term hereof and at all times thereafter, (I) the Executive shall not, directly or through any other person or entity, make any public or private statements (whether orally, in writing, via electronic transmission, or otherwise) that disparage, denigrate or malign (i) the Company or any of its affiliates, (ii) any of the businesses, activities, operations, affairs, reputations or prospects of the Company or any of its affiliates, or (iii) any of the officers, employees, directors, managers, partners (general and limited), agents, members or shareholders of any of the persons or entities described in any of clauses (i) or (ii) and (II) none of the members of the Board shall, and the Company shall not instruct any of its employees or employees of any of its affiliates to, directly or through any other person or entity, make any public or private statements (whether orally, in writing, via electronic transmission, or otherwise) that disparage, denigrate or malign the Executive. For purposes of clarification, and not limitation, a statement shall be deemed to disparage, denigrate or malign a person or entity if such statement could be reasonably construed to adversely affect the opinion any other person or entity may have or form of such first person or entity. No obligation under this Section 7(d) shall be violated by truthful statements (x) made to any governmental authority, (y) which are in connection with legal process, required governmental testimony or filings, or administrative or arbitral proceedings (including, without limitation, depositions in connection with such proceedings) or (z) made in performance reviews.

e. Confidentiality; Return of Property. During the term hereof and at all times thereafter, the Executive shall not, without the prior express written consent of the Company, directly or indirectly, use on the Executive's behalf or on behalf of any other person or entity, or divulge, disclose or make available or accessible to any person or entity, any Confidential Information (as defined below), other than when required to do so in good faith to perform the Executive's duties and responsibilities hereunder while employed by the Company, or when required to do so by a lawful order of a court of competent jurisdiction, any governmental authority or agency, or any recognized subpoena power. Nothing in this Section 7(e) or in this Agreement prohibits the Executive from reporting possible violations of federal law or regulation to any governmental agency or entity, or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation. Further, in accordance with the Defend Trade Secrets Act of 2016, (I) the Executive shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that: (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal, and (II) if the Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, the Executive may disclose a trade secret to his attorney and use the trade secret information in the court proceeding, if the Executive files any document containing the trade secret under seal and does not disclose the trade secret except pursuant to court order. In the event that the Executive becomes legally compelled (by oral questions, interrogatories, request for information or documents, subpoena, criminal or civil investigative demand or similar process) to disclose any Confidential Information, then prior to such disclosure, the Executive will provide the Board with prompt written notice so that the Company may seek (with the Executive's cooperation) a protective order or other appropriate remedy and/or waive compliance with the provisions of this Agreement. In the event that such protective order or other remedy is not obtained, then the Executive will furnish only that portion of the Confidential Information which is legally required (as may be advised by Executive's legal counsel), and will cooperate with the Company in the Company's efforts to obtain reliable assurance that confidential treatment will be accorded to the Confidential Information. In addition, the Executive shall not create any derivative work or other product based on or resulting from any Confidential Information (except in the good faith performance of the Executive's duties under this Agreement while employed by the Company). The Executive shall also proffer to the Board's designee, no later than the Termination Date (or upon the earlier request of the Company), and without retaining any copies, notes or excerpts thereof, all property of the Company and its affiliates in whatever form, including, without limitation, memoranda, computer disks or other media, computer programs, diaries, notes, records, data, customer or client lists, marketing plans and strategies, and any other documents consisting of or containing Confidential Information, that are in the Executive's actual or constructive possession or which are subject to the Executive's control at such time. To the extent the Executive has retained any such property or Confidential Information on any electronic or computer equipment belonging to the Executive or under the Executive's control, the Executive agrees to so advise Company and to follow Company's instructions in permanently deleting all such property or Confidential Information and all copies. For purposes of this Agreement, "Confidential Information" shall mean all information of a sensitive, confidential or proprietary nature respecting the business and activities of the Company or any of its affiliates, including, without limitation, the terms and provisions of this Agreement (except for the terms and provisions of Section 7), and the clients, customers, suppliers, computer or other files, projects, products, computer disks or other media, computer hardware or computer software programs, marketing plans, financial information, methodologies, Inventions (as defined below), know-how, research, developments, processes, practices, approaches, projections, forecasts, formats, systems, data gathering methods and/or strategies of the Company or any of its affiliates. Confidential Information also includes all information received by the Company or any of its affiliates under an obligation of confidentiality to a third party of which the Executive has knowledge. Notwithstanding the foregoing, Confidential Information shall not include any information that is generally available, or is made generally available, to the public other than as a result of a direct or indirect unauthorized disclosure by the Executive or any other person or entity subject to a confidentiality obligation.

f. Ownership of Inventions. The Executive acknowledges and agrees that all Company Inventions (as defined below) (including all intellectual property rights arising therein or thereto, all rights of priority relating to patents, and all claims for past, present and future infringement, misappropriation relating thereto), and all Confidential Information, hereby are and shall be the sole and exclusive property of the Company (collectively, the "Company IP"). For consideration acknowledged and received, the Executive hereby irrevocably assigns, conveys and sets over to the Company all of the Executive's right, title and interest in and to all Company IP. The Executive acknowledges and agrees that the compensation received by the Executive for employment or services provided to the Company is adequate consideration for the foregoing assignment. The Executive further agrees to disclose in writing to the Board any Company Inventions promptly following their conception or reduction to practice. Such disclosure shall be sufficiently complete in technical detail and appropriately illustrated by sketch or diagram to convey to one skilled in the art of which the Company Invention pertains, a clear understanding of the nature, purpose, operations, and other characteristics of the Company Invention. The Executive agrees to execute and deliver such deeds of assignment or other documents of conveyance and transfer as the Company may request to confirm in the Company or its designee the ownership of the Company Inventions, without compensation beyond that provided in this Agreement. The Executive further agrees, upon the request of the Company and at its expense, that the Executive will execute any other instrument and document necessary or desirable in applying for and obtaining patents in the United States and in any foreign country with respect to any Company Invention. The Executive further agrees, whether or not the Executive is then an employee or other service provider of the Company or any of its affiliates, upon request of the Company, to provide reasonable assistance with respect to the perfection, recordation or other documentation of the assignment of Company IP hereunder, and the enforcement of the Company's rights in any Company IP, and to cooperate to the extent and in the manner reasonably requested by the Company in any litigation or other claim or proceeding (including, without limitation, the prosecution or defense of any claim involving a patent) involving any Company IP covered by this Agreement, without further compensation, but all reasonable out-of-pocket expenses incurred by the Executive in satisfying the requirements of this Section 7(f) shall be paid by the Company or its designee. The Executive shall not, on or after the Commencement Date, directly or indirectly challenge the validity or enforceability of the Company's ownership of, or rights with respect to, any Company IP, including, without limitation, any patent issued on, or patent application filed in respect of, any Company Invention. For purposes of this Agreement, "Company Invention" shall mean any Invention that is made, conceived, invented, authored, or first actually reduced to practice, by the Executive (alone or jointly with others) (i) in the course of, in connection with, or as a result of the Executive's employment or other service with the Company or any of its affiliates (whether before, on, or after the Commencement Date, but not before the commencement of Executive's employment with the Company or its predecessor), (ii) at the direction or request of the Company or any of its affiliates (whether before, on, or after the Commencement Date), or (iii) through the use of, or that is related to, facilities, equipment, Confidential Information, other Company Inventions, intellectual property or other resources of the Company or any of its affiliates, whether or not during the Executive's work hours (and whether before, on, or after the Commencement Date, but not before the commencement of Executive's employment with the Company or its predecessor). For purposes of this Agreement, "Invention" shall mean any invention, formula, therapy, diagnostic technique, discovery, improvement, idea, technique, design, method, art, process, methodology, algorithm, machine, development, product, service, technology, strategy, software, work of authorship or other Works (as defined below), trade secret, innovation, trademark, data, database, or the like, whether or not patentable, together with all intellectual property rights therein.

g. Works for Hire. The Executive also acknowledges and agrees that all works of authorship, in any format or medium, and whether published or unpublished, created wholly or in part by the Executive, whether alone or jointly with others, (i) in the course of, in connection with, or as a result of the Executive's employment or other service with the Company or any of its affiliates (whether before, on, or after the Commencement Date), (ii) at the direction or request of the

Company or any of its affiliates (whether before, on, or after the Commencement Date), or (iii) through the use of, or that is related to, facilities, equipment, Confidential Information, other Company Inventions, intellectual property or other resources of the Company or any of its affiliates, whether or not during the Executive's work hours (and whether before, on, or after the Effective Date) ("Works"), are works made for hire as defined under United States copyright law, and that the Works (and all copyrights arising in the Works) are owned exclusively by the Company and all rights therein will automatically vest in the Company without the need for any further action by any party. To the extent any such Works are not deemed to be works made for hire, for consideration acknowledged and received, the Executive hereby waives any "moral rights" in such Works and the Executive hereby irrevocably assigns, transfers, conveys and sets over to the Company or its designee, without compensation beyond that provided in this Agreement, all right, title and interest in and to such Works, including without limitation all rights of copyright arising therein or thereto, and further agrees to execute such assignments or other deeds of conveyance and transfer as the Company may request to vest in the Company or its designee all right, title and interest in and to such Works, including all rights of copyright arising in or related to the Works.

h. Cooperation. During and after the term hereof, the Executive agrees to cooperate with the Company and its affiliates in any internal investigation, any administrative, regulatory, or judicial proceeding or any dispute with a third-party concerning issues about which the Executive has knowledge or that may relate to the Executive or the Executive's employment or service with the Company or any of its affiliates (or the termination thereof). The Executive's obligation to cooperate hereunder includes, without limitation, being available to the Company and its affiliates upon reasonable notice for interviews and factual investigations, appearing in any forum at the Company's or any of its affiliates' reasonable request to give testimony (without requiring service of a subpoena or other legal process), volunteering to the Company and its affiliates pertinent information, and turning over to the Company and its affiliates all relevant documents which are or may come into the Executive's possession. The Company shall promptly reimburse the Executive for the reasonable pre-approved out-of-pocket expenses incurred by the Executive in connection with such cooperation. For the avoidance of doubt, the immediately preceding sentence shall not require the Company to reimburse the Executive for any attorneys' fees or related costs the Executive may incur absent advance written approval by the Company, which shall not be unreasonably withheld.

i. Notification Requirement. Until the expiration of the period or periods for Restrictive Covenants (as applicable), the Executive shall, upon a reasonable request by the Company, give notice to the Company of any new business activity in which he is engaged. Such notice shall state the name and address of the individual, corporation, limited liability company, association, partnership, estate, trust and other entity or organization, other than the Company or any of its affiliates (any such individual or entity being hereinafter referred to as a "Person") for whom such activity is undertaken and the nature of the Executive's business relationship(s) and position(s) with such Person. The Executive shall provide the Company with such other pertinent information concerning such business activity as the Company may reasonably request in order to determine the Executive's continued compliance with the Restrictive Covenants.

j. Enforcement of Covenants. The Executive acknowledges that he has carefully read and considered all the terms and conditions of this Agreement, including the Restrictive Covenants. The Executive agrees that the Restrictive Covenants are necessary for the reasonable and proper protection of the Company and its affiliates and that each and every one of the Restrictive Covenants is reasonable in respect to subject matter, length of time and geographic area, and otherwise. The Executive agrees that the Company and its affiliates, in addition to any other legal or equitable remedies available to them, shall be entitled to seek preliminary and permanent injunctive relief against any breach or threatened breach by the Executive of any of the Restrictive Covenants, without having to post bond, and to seek specific performance of each of the terms thereof. The Restrictive Covenants are intended for the benefit of the Company and each of its affiliates. Each affiliate of the Company is an intended third-party beneficiary of the Restrictive Covenants, and each affiliate of the Company, as well as any successor or assign of the Company or such affiliate, may enforce the Restrictive Covenants. The parties further agree that, in the event that any provision of the Restrictive Covenants shall be determined by any court of competent jurisdiction to be unenforceable by reason of its being extended over too great a time, too large a geographic area or too great a range of activities or otherwise, such provision shall be deemed to be modified by the court to permit its enforcement to the maximum extent permitted by law.

k. Notification of New Employer. In the event that the Executive is employed or otherwise engaged by any other person or entity following the Termination Date, the Executive agrees to notify, and consents to the notification by Company and its affiliates of, such person or entity of the Restrictive Covenants.

8. Excise Tax.

a. Notwithstanding anything to the contrary contained in this Agreement or otherwise, to the extent that any payment, distribution or acceleration of vesting to or for the benefit of Executive by the Company (within the meaning of Section 280G of the Code and the regulations thereunder), whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (the "Total Payments"), is or will be subject to the excise tax imposed under Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (but not below zero) to the Safe Harbor Amount (as defined below) if and to the extent that a reduction in the Total Payments would result in Executive retaining a larger amount, on an after-tax basis (taking into account federal, state and local income and employment taxes and the Excise Tax), than if Executive received the entire amount of such Total Payments in accordance with their existing terms (taking into account federal, state, and local income and employment taxes and the Excise Tax). For purposes of this Agreement, the term "Safe Harbor Amount" means the largest portion of the Total Payments that would result in no portion of the Total Payments being subject to the Excise Tax. To effectuate the foregoing, the Company shall reduce or eliminate the Total Payments by first reducing or eliminating the portion of the Total Payments which are payable in cash and then by reducing or eliminating non-cash payments, in each case, starting with the payments to be made farthest in time from the Determination (as defined below).

b. The determination of whether the Total Payments shall be reduced as provided in Section 8(a) and the amount of such reduction shall be made at the Company's expense by an accounting firm selected by Company from among the 10 largest accounting firms in the United States or by qualified independent tax counsel (the "Determining Party"); provided, that Executive shall be given advance notice of the Determining Party selected by the Company, and shall have the opportunity to reject the selection, within two business days of being notified of the selection, on the basis of that Determining Party's having a conflict of interest or other reasonable basis, in which case the Company shall select an alternative firm among the 10 largest accounting firms in the United States or alternative independent qualified tax counsel, which shall become the Determining Party. Such Determining Party shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and Executive, within 10 business days of the termination of Executive's employment or at such other time mutually agreed by the Company and Executive. If the Determining Party determines that no Excise Tax is payable by Executive with respect to the Total Payments, it shall furnish Executive with an opinion reasonably acceptable to Executive that no Excise Tax will be imposed with respect to any such payments and, absent manifest error, such Determination shall be binding, final and conclusive upon the Company and Executive. If the Determining Party determines that an Excise Tax would be payable, the Company shall have the right to accept the Determination as to the extent of the reduction, if any, pursuant to Section 8(a), or to have such Determination reviewed by another accounting firm selected by the Company, at the Company's expense. If the two accounting firms do not agree, a third accounting firm shall be jointly chosen by Executive and the Company, in which case the determination of such third accounting firm shall be binding, final and conclusive upon the Company and Executive.

c. If, notwithstanding any reduction described in this Section 8, the Internal Revenue Service ("IRS") determines that Executive is liable for the Excise Tax as a result of the receipt of any of the Total Payments or otherwise, then Executive shall be obligated to pay back to the Company, within 30 calendar days after a final IRS determination or in the event that Executive challenges the final IRS determination, a final judicial determination, a portion of the Total Payments equal to the "Repayment Amount". The "Repayment Amount" with respect to the payment of benefits shall be the smallest such amount, if any, as shall be required to be paid to the Company so that Executive's net after- tax proceeds with respect to the Total Payments (after taking into account the payment of the Excise Tax and all other applicable taxes imposed on the Total Payments) shall be maximized. The Repayment Amount shall be zero if a Repayment Amount of more than zero would not result in Executive's net after-tax proceeds with respect to the Total Payments being maximized. If the Excise Tax is not eliminated pursuant to this Section 8, Executive shall pay the Excise Tax.

d. Notwithstanding any other provision of this Section 8, if (i) there is a reduction in the Total Payments as described in this Section 8, (ii) the IRS later determines that Executive is liable for the Excise Tax, the payment of which would result in the maximization of Executive's net after-tax proceeds (calculated as if Executive's benefits had not previously been reduced), and (iii) Executive pays the Excise Tax, then the Company shall pay to Executive those payments or benefits which were reduced pursuant to this Section 8 as soon as administratively possible after Executive pays the Excise Tax (but not later than March 15 following the calendar year of the IRS determination) so that Executive's net after-tax proceeds with respect to the Total Payments are maximized.

e. If, following a reduction of the Total Payments pursuant to Section 8(a), the Determining Party or a court of competent jurisdiction determines that the Total Payments were reduced to a greater extent than required under Section 8, then the Company shall as soon as administratively possible (but not later than by March 15 following the calendar year of such determination) pay the amount of such excess reduction to or for the benefit of Executive, together with interest at the applicable federal rate (as defined in Section 7872(f)(2)(A) of the Code), from the date the amount would have otherwise been paid to Executive until the payment date.

f. To the extent requested by Executive, the Company shall cooperate with Executive in good faith in valuing, and the Determining Party shall take into account the value of, services provided or to be provided by Executive (including, without limitation, Executive's agreeing to refrain from performing services pursuant to a covenant not to compete or similar covenant, before, on or after the date of a change in ownership or control of the Company (within the meaning of Q&A-2(b) of the final regulations under Section 280G of the Code), such that payments in respect of such services may be considered reasonable compensation within the meaning of Q&A-9 and Q&A-40 to Q&A- 44 of the final regulations under Section 280G of the Code and/or exempt from the definition of the term "parachute payment" within the meaning of Q&A-2(a) of the final regulations under Section 280G of the Code in accordance with Q&A- 5(a) of the final regulations under Section 280G of the Code.

9. Conflicting Agreements. The Executive hereby represents and warrants that the execution of this Agreement and the performance of his obligations hereunder will not breach or be in conflict with any other agreement to which the Executive is a party or is bound and that the Executive is not now subject to any covenants against competition or similar covenants or any court order or other legal obligation that would affect the performance of his obligations hereunder, any and all of which are superseded by this Agreement. The Executive will not disclose to or use on behalf of the Company any proprietary information of a third party without such party's consent.

10. Indemnification. The Company shall indemnify the Executive to the maximum extent permitted by the General Corporation Law of the State of Delaware. At the request of the Executive, and subject to the approval of the Board, the Company shall enter into an indemnification agreement with the Executive on terms at least as favorable in each respect to the Executive as the terms of any other indemnification agreement between the Company and any other director or officer of the Company. The Executive agrees to promptly notify the Company

of any actual or threatened claim arising out of or as a result of his employment or other service with the Company or any of its affiliates (or the termination thereof).

11. Withholding. All payments made by the Company under this Agreement shall be reduced by any tax or other amounts required to be withheld by the Company under applicable law.

12. Assignment. Neither the Company nor the Executive may make any assignment of this Agreement or any interest herein, by operation of law or otherwise, without the prior written consent of the other; provided, however, that the Company may assign its rights and obligations under this Agreement without the consent of the Executive in the event that the Company shall hereafter effect a reorganization, consolidate with, or merge into, any person or entity, transfer a substantial majority of its properties or assets to any person or entity, or engage in a similar transaction with any person or entity. This Agreement shall inure to the benefit of and be binding upon the Company and the Executive, and their respective successors, executors, administrators, heirs and permitted assigns.

13. Severability. If any portion or provision of this Agreement shall to any extent be declared illegal or unenforceable by a court of competent jurisdiction, then the remainder of this Agreement, or the application of such portion or provision in circumstances other than those as to which it is so declared illegal or unenforceable, shall not be affected thereby, and each portion and provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.

14. Amendment and Waiver. This Agreement may be amended or modified only by a written instrument signed by the Executive and the Company. No waiver of any provision hereof shall be effective unless made in writing and signed by the waiving party. The failure of either party to require the performance of any term or obligation of this Agreement, or the waiver by either party of any breach of this Agreement, shall not prevent any subsequent enforcement of such term or obligation or be deemed a waiver of any subsequent breach. No waiver by either of the parties of any breach by the other party hereto of any condition or provision of this Agreement to be performed by the other party hereto shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time.

15. Notices. Any and all notices, requests, demands and other communications provided for by this Agreement shall be in writing and shall be effective when delivered in person or deposited in the United States mail, postage prepaid, registered or certified, and addressed:

a. if to the Executive, at his last known address on the books of the Company, with a copy to [***]; and

b. if to the Company, at its principal place of business, attention, Secretary, with a copy to legal@awholdings.com; or

c. to such other address as either party may specify by notice to the other actually received.

16. Entire Agreement. Except for the Separation Agreement, this Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior communications, agreements and understandings, written or oral, with respect to the terms and conditions of the Executive’s employment and the subject matter hereof.

17. Headings. The headings and captions in this Agreement are for convenience only and in no way define or describe the scope or content of any provision of this Agreement.

18. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original and all of which together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement, by electronic mail in portable document format (.pdf) or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document, has the same effect as delivery of an executed original of this Agreement.

19. Governing Law; Venue; WAIVER OF JURY TRIAL. This Agreement, the rights of the parties and all claims, actions, causes of action, suits, litigation, controversies, hearings, charges, complaints or proceedings arising in whole or in part under or in connection herewith, will be governed by and construed in accordance with the domestic substantive laws of the State of New York, without giving effect to any choice or conflict of law provision or rule that would cause the application of the laws of any other jurisdiction. Both the Executive and the Company agree to appear before and submit exclusively to the jurisdiction of the United States District Court for the Southern District of New York with respect to any controversy, dispute, or claim arising out of or relating to this Agreement or the Executive's employment or service with the Company or any of its affiliates (or the termination thereof), or if such controversy, dispute or claim may not be brought in federal court, to the state courts located in New York, New York and, in each case, the applicable courts of appeals of such court. Both the Executive and the Company also agree to waive, to the fullest possible extent, the defense of an inconvenient forum or lack of jurisdiction. The Executive further consents to service of process in the State of New York. THE COMPANY AND THE EXECUTIVE HEREBY WAIVE, TO THE EXTENT PERMITTED BY APPLICABLE LAW, TRIAL BY JURY IN ANY LITIGATION IN ANY COURT WITH RESPECT TO, IN CONNECTION WITH, OR ARISING OUT OF THIS AGREEMENT OR THE EXECUTIVE'S EMPLOYMENT OR SERVICE WITH THE COMPANY OR ANY OF ITS AFFILIATES (OR THE TERMINATION THEREOF), OR THE VALIDITY, PROTECTION, INTERPRETATION, COLLECTION OR ENFORCEMENT OF THIS AGREEMENT (WHETHER ARISING IN CONTRACT, EQUITY, TORT OR OTHERWISE).

20. Code Section 409A Compliance. This Agreement is intended to comply with Code Section 409A (to the extent applicable) and the parties hereto agree to interpret this Agreement in the least restrictive manner necessary to comply therewith and without resulting in any increase in the amounts owed hereunder by the Company. To the maximum extent possible, any severance owed under this Agreement shall be construed to fit within the "short-term deferral rule" under Code Section 409A and/or the "two times two year" involuntary separation pay exception under Code Section 409A. Notwithstanding any other provision of this Agreement to the contrary, if the Executive is a "specified employee" within the meaning of Code Section 409A and the regulations issued thereunder, and a payment or benefit provided for in this Agreement would be subject to additional tax under Code Section 409A if such payment or benefit is paid within six (6) months after the Executive's "separation from service" (within the meaning of Code Section 409A), then such payment or benefit required under this Agreement (i) shall not be paid (or commence) during the six-month period immediately following the Executive's separation from service and (ii) shall instead be paid to the Executive in a lump-sum cash payment on the earlier of (A) the first regular payroll date of the seventh month following the Executive's separation from service or (B) the 10th business day following the Executive's death (but not earlier than such payment would have been made absent such death). If the Executive's termination of employment hereunder does not constitute a "separation from service" within the meaning of Code Section 409A, then any amounts payable hereunder on account of a termination of the Executive's employment and which are subject to Code Section 409A shall not be paid until the Executive has experienced a "separation from service" within the meaning of Code Section 409A. In addition, no reimbursement or in-kind benefit shall be subject to liquidation or exchange for another benefit and the amount available for reimbursement, or in-kind benefits provided, during any calendar year shall not affect the amount available for reimbursement, or

in-kind benefits to be provided, in a subsequent calendar year. Any reimbursement to which the Executive is entitled hereunder shall be made no later than the last day of the calendar year following the calendar year in which such expenses were incurred. Notwithstanding anything herein to the contrary, neither the Company nor any of its affiliates shall have any liability to the Executive or to any other person or entity if this Agreement is, or if the payments and benefits provided in this Agreement that are intended to be exempt from or compliant with Code Section 409A are, not so exempt or compliant. Each payment payable hereunder shall be treated as a separate payment in a series of payments within the meaning of, and for purposes of, Code Section 409A.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, this Agreement has been executed as a sealed instrument by the Company, by its duly authorized representative, and by the Executive, as of the date first above written.

THE EXECUTIVE		ASCEND WELLNESS HOLDINGS, INC.	
By:	/s/ Francis Perullo	By:	/s/ John Hartmann
Name:	Francis Perullo	Name:	John Hartmann
		Title:	Chief Executive Officer

Exhibit A

[***]

Certain identified information has been omitted from this exhibit because it is both not material and is the type that the registrant treats as private or confidential. [***] indicates that information has been omitted.

EMPLOYEE SEPARATION AND RELEASE AGREEMENT

This Employee Separation and Release Agreement (the "Agreement") is entered into between Francis Perullo ("Employee") and Ascend Wellness Holdings, Inc. (the "Company"). Employee and the Company (together, the "Parties") agree as follows:

WHEREAS, the Company currently employs Employee as Strategic Advisor of the Company.

WHEREAS, the Company and Employee mutually agree to terminate Employee's current employment relationship with the Company as Strategic Advisor of the Company effective March 29, 2024 ("Termination Date").

WHEREAS, the Parties wish to amicably resolve any and all disputes between them, and are entering into this Agreement for the purposes of memorializing that resolution and settling, compromising and resolving any and all claims that Employee may have against the Company and any "Released Parties" (defined below), including all claims which were or could have been alleged against the Company or any Released Parties.

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth herein and for other good and valuable consideration, the sufficiency of which is acknowledged, it is agreed as follows:

1. Termination of Employment Relationship: In accordance with Section 5.d. of the Employee's Amended and Restated Employment Agreement signed in February 2022, and amended on May 8, 2023 (the "Employment Agreement"), Employee's employment relationship with the Company as Strategic Advisor will end on the Termination Date.

2. Acknowledgements: Employee acknowledges that the Company relied on the following representations by him in entering into this Agreement:

a. Employee acknowledges that he does not have and has not raised a claim of unlawful discrimination, retaliation, harassment, sexual harassment, abuse, assault, alleged criminal conduct, or other alleged unlawful employment practices or unlawful conduct against the Company or any of the "Released Parties" (as defined below).

b. Employee has received all compensation due to him through the Termination Date as a result of services performed for the Company with the receipt of his final paycheck.

c. Employee has reported to the Company any and all work-related injuries or occupational illnesses incurred by him during employment with the Company.

d. Employee has received any and all leaves for which he was eligible, and the Company properly provided any leave of absence because Employee or his family member's health condition or military service and Employee has not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave.

e. Employee has had the opportunity to provide the Company with written notice of any and all concerns regarding suspected ethical and compliance issues or violations on part of the Company.

3. IRC Section 409A: Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A of the Internal Revenue Code ("Section 409A") or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service or as a short-term deferral shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, each installment payment provided under this Agreement shall be treated as a separate payment. Any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A.

4. Consideration: In accordance with the terms and conditions set forth in the Employment Agreement, and in return for Employee's promises set forth in this Agreement, and provided that Employee signs and returns this Agreement and does not revoke it, the Company will provide Employee with the following consideration:

a. Final Compensation: The Company will pay Employee the "Final Compensation" (as defined and in accordance with the terms and conditions set forth in Sections 5.a. and d. of the Employment Agreement) in two one lump sum payments, one payment in the total gross amount of $14,423.08, minus applicable withholdings and deductions as solely determined by the Company, and one payment in the amount of $0.00 for reimbursement of outstanding and unpaid business expenses. The Final Compensation shall be paid to Employee on or about April 5, 2024.

b. Termination Compensation: The Company will pay the Employee the "Termination Compensation"; (as defined and in accordance with the terms and conditions set forth in Section 5.d. of the Employment Agreement), which shall be in the total gross amount of $2,475,000.00, minus applicable withholdings and deductions as solely determined by the Company, which represents two (2) times Employee's 2023 Base Salary plus two (2) times Employee's 2023 earned Annual Bonus. The Termination Compensation shall be payable to the Employee in substantially equal installments in accordance with the Company's normal payroll practices as in effect from time to time, over the twelve (12) month period immediately following the Termination Date (with the first payment to be made on the first payroll date following the Effective Date of this Agreement and to include a catch-up to cover any payment that would have been made prior to such date had this Agreement been effective on the Termination Date).

c. Prorated Bonus: In accordance with the terms and conditions of Sections 5.a. and d. of the Employment Agreement, the Company shall pay Employee a prorated bonus for the fiscal year of the Termination Date (the "Prorated Bonus"), to the extent not already paid to Employee as of the Termination Date, if in cash, in one lump sum payment, minus applicable withholdings and deductions as solely determined by the Company. The Prorated Bonus, if payable, shall be paid to the Employee in accordance with the Company's normal payroll practices as in effect from time to time during the next fiscal year after the Termination Date; if the annual bonus is in equity grant, Company shall award Employee the Prorated Bonus in the form of such equity grant as approved by the Board in such form (i.e., options and/or Restricted Shares) and such vesting schedule as approved by the Board. For purposes of this Agreement, the Prorated Bonus shall be calculated in accordance with the formula set forth in Section 5 of the Employee's Employment Agreement (e.g., calculated as the value of the annual bonus (in cash or equity) for the fiscal year of the Termination Date, if approved by the Board, multiplied by a fraction, the numerator of which is equal to the number of days the Executive worked for the Company in such fiscal year, and the denominator of which is equal to the total number of days in such fiscal year).

d. Equity Securities: In accordance with Section 5.d. of the Employment Agreement, notwithstanding the terms of any other agreement, instrument or document to the contrary (including without limitation any vesting terms, performance criteria or other conditions, and regardless of whether entered into before or after the date of this Agreement), upon the Termination Date, Employee's right to purchase or otherwise acquire any equity securities of the Company under any stock option or other agreement, instrument, plan, program or arrangement outstanding or in effect on the effective date of such termination, including but not limited to Employee's 381,412 options and 898,181 Restricted Stock Units, plus 657,895 Restricted Stock Units, representing Employee's 2024 grant under the Company's Long Term Incentive Plan[1], shall thereupon vest in full (subject only to the payment of the applicable exercise or purchase price, if any, and provided that any equity awards that are subject to the satisfaction of performance goals shall be deemed earned at target performance), and any right of the Company or any subsidiary to repurchase any equity securities of the Company from Employee, whether arising under any option, agreement, instrument, plan, program, arrangement or otherwise, shall thereupon terminate. The equity shares will be transferred into Employee's Seibert account within ten (10) days after execution of this Agreement.

Employee acknowledges and agrees that if he revokes this Agreement within the Revocation Period, he shall not be entitled to any of the above consideration or any other consideration elsewhere in this Agreement.

5. Full and Final Release: In exchange for the benefits provided by the Company under this Agreement, Employee fully and forever releases and discharges the Company, its parents, subsidiaries, affiliates, and related entities and all of its/their respective current and former owners, agents, attorneys, employees, officers, directors, shareholders, members, managers, employee benefit plans and fiduciaries, insurers, successors, and assigns (the "Released Parties") from any and all claims and potential claims that may legally be waived by private agreement, whether known or unknown, which Employee has asserted or could assert against the Company arising out of or relating in any way to Employee's employment,

[1] Representing an LTIP value of $750,000 and calculated over a 10 day VWAP at market close on March 15, 2024 and a share price of 1.14.

termination of employment, and/or any acts, circumstances, facts, transactions, or omissions, occurring up to and including the date Employee signs this Agreement (the "Claims"). Employee understands that he is releasing such Claims on behalf of himself and all persons who could make Claims under, through or by him, such as Employee's spouse, heirs, executors or assignees. This release includes, but is not limited to,

(i) any and all Claims arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1866, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967 (ADEA), the Family and Medical Leave Act (FMLA), the Employee Retirement Income Security Act (ERISA), the National Labor Relations Act (NLRA), 42 U.S.C. *§§* 1981, 1983 and 1988, the Pregnancy Discrimination Act, the Worker Adjustment and Retraining Notification Act, the Americans with Disabilities Act (ADA), the Older Workers Benefits Protection Act, the Fair Credit Reporting Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, the Equal Pay Act, and the Uniformed Services Employment and Reemployment Rights Act (USERRA);

(ii) any and all Claims under all New York state wage and hour laws (including the New York Wage Hour and Wage Payment Laws; the New York Minimum Wage Law; N.Y. Labor Law, Art. 19, *§* 651 et seq.); the New York State Human Rights Law-N.Y. Executive Law, Art. 15, Vol. 14, *§§* 290-301; New York Rights of Persons With Disabilities - N.Y. Stat., Art. 4-b of the Civil Rights Law, Vol. 5, *§* 47 et seq.; New York Confidentiality of Records of Genetic Tests-N.Y. Stat., Vol. 5, Civil Rights, Art. 7, § 79-1; New York Whistleblower- N.Y. Labor Law,§ 740(1), *et seq.;* the New York Equal Pay Law, as amended; N.Y. Stat., Labor Law, Vol. 20, Art. 7, § 201-c; New York Smokers' Rights Law-N.Y. Stat., Labor Law, Vol. 20, *§* 201-d; New York Equal Pay Law-N.Y. Stat., Vol. 20, Labor Law, Art. 6 § 194 *et seq.;* New York Equal Rights Law- N.Y. Stat., Vol. 5, Civil Rights, Art. 4, *§* 40-c *et seq.;* the New York State Civil Rights Act; the New York State Labor Relations Act; the general regulations of the New York State Division of Human Rights - New York Code of Rules and Regulations, Title 9, § 466; the New York State Labor Law; the New York City Administrative Code, Title 8, Chapter 1; the New York City Human Rights Law; the Code of Rules and Regulations of the State of New York, 12 N.Y.C.R.R. *§* 142-2.2; the New York City Civil Rights Law, Civil Rights Law *§* 40; the New York Occupational Safety and Health Laws; the New York Non-Discrimination for Legal Activities Law, N.Y. Labor Law, *§* 201-d; the New York State Constitution;

(iii) any and all Claims under the Massachusetts Fair Employment Practices Law, M.G.L. ch. 151B, the Massachusetts Equal Rights Act, G.L. c. 93, § 102 and § 103, the Massachusetts Equal Pay Act, G.L. c. 149, § 105A, the Massachusetts Earned Sick Leave law, G.L. c. 149, § 148C, the Massachusetts Pregnant Workers Fairness Act, the Massachusetts Privacy Statute, G.L. c. 214, § 1B, the Massachusetts Civil Rights Act, the Massachusetts Domestic Violence Leave Act, G.L. c. 149, § 52E, the

Massachusetts Consumer Protection Act, G.L. c. 93A, the Massachusetts Labor and Industries Act, G.L. c. 149, § 102, the anti-retaliation provisions of the Massachusetts Paid Family and Medical Leave Act, M.G.L. c. 175M, s. 9, and the Massachusetts Independent Contractor Statute, G.L. c. 149, § 148B, the Massachusetts Overtime Law, Massachusetts General Laws, Chapter 151, § 1A et seq., the Massachusetts Payment of Wages Law, Massachusetts General Laws, Chapter 149, § 148 et seq., the Massachusetts Minimum Wage Law, Mass. Gen. Laws. Ch. 151, § 1 et seq., the Massachusetts Overtime regulations (M.G.L. ch.151 §§ 1A and 1B), the Meal Break regulations (M.G.L. ch.149 §§ 100 and 101);

(iv) any amendments to any of the above laws, any other federal, state, or local constitution, charter, law, rule, ordinance, regulation, or order or those of any other country; and

(v) any and all Claims under any statute, rule, regulation, or in equity or under common law including but not limited to claims for discrimination, hostile work environment, harassment, retaliation, tort, breach of contract (express or implied, written or oral), wrongful discharge, defamation, emotional distress, and negligence, and any other state wage and hour related claims arising out of or in any way connected with Employee's employment with (or termination from) the Company, including any claims for unpaid or delayed payment of wages, overtime, bonuses, commissions, incentive payments or severance, missed or interrupted meal periods, as well as interest, attorneys' fees, costs, expenses, liquidated damages, treble damages or damages of any kind, to the maximum extent permitted by law.

6. Non-Admission: This Agreement shall not be construed as an admission by the Company (or any of the Released Parties) of any liability or acts of wrongdoing or unlawful conduct, nor shall it be considered to be evidence of such liability, wrongdoing, or unlawful discrimination, harassment, or retaliation.

7. Proprietary Information: Employee shall not retain, use and/or disclose any confidential and/or proprietary information Employee learned or acquired while employed by the Company, including, but not limited to, personnel and compensation information other than pertaining to Employee; financial information and data; technical data and information; programmatic and operational information; customer identities and information; marketing plans, data and information; business information; strategy; research; information related to the Company's computer and/or communications systems; and/or information the nature of which would commonly be reasonably understood to be confidential ("Confidential Information"), except as required by law or as to information that is otherwise available in the Public Domain. Employee further promises that he shall not directly or indirectly use, disclose, reproduce, sell, retain, remove from the premises, make available to any other person or entity, or use for her own or for any other person or entity's benefit, any portion of the Confidential Information. Employee also promises that he shall not use any such Confidential Information to damage Releasees or their interests, or any other person or entity with which the Company does business. By signing this Agreement, Employee certifies that:

(i) he has returned to the Company any and all Confidential Information and all other materials, documents and/or property belonging to the Company and/or any of its affiliated entities, including the originals and any and all copies thereof, whether in hard copy or electronic form, which were in Employee's possession or under his control, including without limitation files, documents, lists, records, customer information, manuals, reports, software and hardware, laptops, printers, computers, cell phone, iPhone, iPad, tablet, blackberry or other PDA, keys, equipment, identification cards, access card, corporate credit cards, mailing lists, rolodexes, personnel information, electronic information and files, computer print-outs, and computer disks and tapes, all without any destruction, deletion, alteration or any other type of compromise, whether such data and/or property was in hard copy or electronic form, (ii) after returning such property to the Company, Employee has not retained any copies of any Confidential Information and/or any other materials, documents and/or property belonging to the Company and/or any of its affiliated entities, (iii) after returning such property to the Company, Employee has permanently deleted all Confidential Information from his home and/or personal computer drives and from any other personal electronic, digital or magnetic storage devices, and (iv) Employee shall remain in strict compliance with his obligations under any applicable Company policies, including without limitation those restricting the use of Confidential Information, prohibiting conflicts of interest, prohibiting solicitation of employees or customers, prohibiting competition, and assigning intellectual property.

The Company shall take all appropriate steps to remove Employee’s name from any and all State licenses issued to the Company on which his name appears.

8. Confidentiality of Agreement: Employee agrees that he will maintain the confidentiality of this Agreement and will not disclose in any fashion the nature and terms of this Agreement, the consideration provided to him under this Agreement, and/or the substance or content of discussions involved in reaching this Agreement, except to his lawyer, accountant, or immediate family, or governmental agency without the prior written consent of an officer of the Company, except as necessary in any legal proceeding directly related to his employment with the Company or the provisions and terms of this Agreement, to prepare and file income tax forms, or as required by court order after reasonable notice to the Company; and provided that he will instruct the recipient(s) of the information (with the exception of a governmental agency), and such individuals agree not to disclose the terms of this Agreement.

9. Cooperation: Employee agrees to cooperate with the Company relating to matters within his knowledge or responsibility. Without limiting this commitment, Employee agrees (i) to meet with Company representatives, its counsel, or other designees at mutually convenient times and places with respect to any items within the scope of this provision; (ii) to provide truthful testimony regarding same to any court, agency, or other adjudicatory body; (iii) to provide the Company with notice of contact by any non-governmental adverse party or such adverse party's representative; except as may be required by law. The Company will reimburse Employee for reasonable expenses in connection with the cooperation described in this paragraph.

This paragraph shall not require Employee to cooperate with the Company regarding any charge or litigation in which he is a charging or complaining party, or any confidential investigation by a government agency in which Employee is asked by such agency to maintain information in confidence.

10. Non-Disparagement: Employee agrees that he shall not make, directly or indirectly, to any person or entity, including but not limited to the Company's present, future, and/or former employees and/or clients, and/or the press, any negative, derogatory or disparaging oral, written and/or electronic statements about the Company, their products and services, or his employment with and/or separation from employment with the Company, or do anything which damages the Company or any of its and/or their products and services, reputation, good will, financial status, or business or client relationships. Employee further agrees not to post any such statements on the internet or any blog or social networking site, including but not limited to Facebook, Glassdoor, LinkedIn, or any other internet site or platform. The Company agrees that it shall not make, directly or indirectly, to any person or entity, any negative, derogatory or disparaging oral, written and/or electronic statements about the Employee. The Company shall provide any prospective employer requesting a reference or third party making inquiry about Employee only with Employee’s last job title and dates of employment.

11. Liquidated Damages: Employee agrees that the Cooperation, Confidentiality, Non- Disparagement, and/or Proprietary Information provisions of the Agreement may be specifically enforced by a court of competent jurisdiction, and may be used as evidence in a subsequent proceeding alleging a breach of the Agreement. Employee agrees that damages for an improper disclosure in violation of these provisions would be and are difficult to ascertain and therefore render this matter appropriate for liquidated damages. Thus, to the extent that the Company proves in a court of competent jurisdiction that Employee breached this Agreement's Cooperation, Confidentiality, Non-Disparagement, and/or Proprietary Information provisions, Employee agrees to pay the Company $10,000 per violation. Employee agrees that this sum is reasonable in light of the circumstances existing at the time of the Agreement. If there is any legal action filed regarding a dispute under this Agreement, the prevailing party shall be entitled to the attorneys’ fees and costs and expenses incurred.

12. Applicable Law: This Agreement shall be governed, construed, and interpreted under the laws of the state of New York, without regard to conflicts of laws principles.

13. Complete Release: Except for the terms and conditions of Employee's Employment Agreement, including but not limited to the Restrictive Covenants in Section 7, which are made a part hereof and incorporated by reference, this Agreement constitutes the complete and total agreement between Employee and the Company with respect to issues addressed in this Agreement, and except for Employee's obligations that he may have under any other agreements with the Company related to intellectual property, inventions, business ideas, confidentiality of corporate information, non-solicitation, unfair competition, or providing for arbitration or other dispute resolution programs, contained in any agreements Employee has entered into or with the Company or under applicable law. Employee represents that he is not relying on any other written or oral representations not fully expressed in this document. Employee agrees that this Agreement shall not be modified,

altered, or discharged except by written instrument signed by Employee and an authorized Company representative. The headings in this document are for reference only and shall not in any way affect the meaning or interpretation of this Agreement.

14. Severability: Employee agrees that should any part of this Agreement except the release of claims be found to be void or unenforceable by a court of competent jurisdiction, that determination will not affect the remainder of this Agreement.

15. Use As Evidence: The Parties agree that this Agreement may be used as evidence in a subsequent proceeding in which any of the Parties allege a breach of this Agreement or as a complete defense to any lawsuit brought by any party. Other than this exception, the Parties agree that this Agreement will not be introduced as evidence in any proceeding or in any lawsuit.

16. Binding Agreement and Covenant Not to Sue: Employee understands that following the Revocation Period (as defined below), this Agreement will be final and binding. Employee promises not to file a lawsuit or arbitration proceeding based on any claim that is settled by this Agreement. If Employee breaks this promise or fails to comply with his obligations under the Agreement, Employee agrees to pay all of the Company's costs and expenses (including reasonable attorneys' fees) related to the defense of any claims covered by this Agreement or any Released Party's efforts to enforce the terms of this Agreement, except this covenant not to sue does not apply to claims under the Older Worker Benefit Protection Act (OWBPA) and the ADEA. Although Employee is releasing claims that Employee may have under the ADEA, Employee may challenge the knowing and voluntary nature of this release before a court, the Equal Employment Opportunity Commission (EEOC) or any other federal, state, or local agency charged with the enforcement of any employment laws. *Employee understands, however, that if he pursues a claim against the Company under the OWBPA and/or the ADEA to challenge the validity of this Agreement and the Company prevails on the merits of an ADEA claim, or a Released Party files a lawsuit or arbitration to enforce any part of this Agreement, a court has the discretion to determine whether the Company or any other Released Party is entitled to restitution, recoupment, or set off (hereinafter "reduction') against a monetary award obtained by Employee in the court proceeding. A reduction never can exceed the amount Employee recovers, or the consideration Employee received for signing this Agreement, whichever is less.* This provision is not intended to preclude otherwise available recovery of attorneys' fees or cost specifically authorized under applicable law.

17. Advice of Counsel: Employee acknowledges that he has read and fully understand the terms of this Agreement. The Company advises Employee, in writing, to consult with an attorney of his choice regarding the terms of this Agreement prior to signing this Agreement.

18. Consideration Period: Employee understands that he has at least 21 days from the date he receives this Agreement and any attached information to consider the terms of this Agreement, including whether to sign this Agreement (the "Consideration Period"). He must not sign this Agreement prior to the Termination Date. He agrees with the Company that changes, whether material or immaterial, do not toll or restart the running of the

Consideration Period. Employee agrees the Company has made no threats or promises to induce him to sign earlier.

19. Revocation Period: Employee shall have seven calendar days from the date he signs this Agreement to revoke this Agreement by delivering a written or electronic notice of revocation to Denise Pedulla, Chief Legal Officer and Corporate Secretary, at 1411 Broadway, 16th Floor, New York, NY 10018 and [***] (the "Revocation Period"). If the Revocation Period expires on a weekend or holiday, Employee will have until the end of the next business day to revoke. This Agreement will become effective on the day after the end of the Revocation Period (the "Effective Date"), provided Employee does not revoke this Agreement. No consideration provided for under this Agreement, including but not limited to the consideration set forth in paragraph 3 above (including subparagraphs a through e) shall be due or owed to the Employee in the event that he timely revokes this Agreement.

20. Return of Signed Agreement: Employee is required to return his signed Agreement and any written revocation notice to Denise Pedulla at 1411 Broadway, 16th Floor, New York, NY 10018 and **[***]**.

21. No Interference with Rights: Employee understands this Agreement does not apply to (i) claims for unemployment or workers' compensation benefits, (ii) claims or rights that may arise after the date that Employee signs this Agreement, (iii) claims for reimbursement of expenses under the Company's expense reimbursement policies, (iv) any vested rights under the Company's ERISA-covered employee benefit plans as applicable on the date Employee signs this Agreement, and (v) any claims that controlling law clearly states may not be released by private agreement. Moreover, nothing in this Agreement (including but not limited to the acknowledgements, release of claims, the promise not to sue, the confidentiality and non-disparagement obligations, cooperation, and the return of property provision) (i) limits or affects Employee's right to challenge the validity of this Agreement under the ADEA or the OWBPA, (ii) prevents Employee from communicating with, filing a charge or complaint with; providing documents or information voluntarily or in response to a subpoena or other information request to; or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission, National Labor Relations Board, the Securities and Exchange Commission, the Occupational Safety and Health Administration, law enforcement, or any other federal, state or local agency charged with the enforcement of any laws, or from testifying, providing evidence, responding to a subpoena or discovery request in court litigation or arbitration, or (iii) prevents a non-management, non-supervisory employee from engaging in protected concerted activity under Section 7 of the NLRA or under similar state law such as joining, assisting, or forming a union, bargaining, picketing, striking, or participating in other activity for mutual aid or protection, or refusing to do so; this includes using or disclosing information acquired through lawful means regarding wages, hours, benefits, or other terms and conditions of employment, except where the information was entrusted to the employee in confidence by the Company as part of the employee's job duties.

In addition, nothing in this Agreement limits or affects Employee's right to disclose or discuss sexual harassment or sexual assault disputes.

By signing this Agreement Employee is waiving his right to recover any individual relief (including any backpay, front pay, reinstatement or other legal or equitable relief) in any charge, complaint, lawsuit or other proceeding brought by Employee or on his behalf by any third party, except for any right Employee may have to receive a payment or award from a government agency (and not the Company) for information provided to the government agency or where otherwise prohibited.

Notwithstanding Employee's confidentiality and non-disclosure obligations in this Agreement and otherwise, Employee understands that as provided by the Federal Defend Trade Secrets Act, Employee will not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret made: (1) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (2) in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

In exchange for the promises contained in this Agreement, the Company promises to provide the benefits set forth in this Agreement.

Dated: March 26, 2024 /s/ John Hartmann
Ascend Wellness Holdings Inc.

Employee has read this Agreement and understands its legal and binding effect. Employee is acting voluntarily, deliberately, and of his own free will in signing this Agreement.

Dated: March 26, 2024 /s/ Francis Perullo
Francis Perullo

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT OF 1934
RULE 13a-14(a) OR 15d-14(a)

I, John Hartmann, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ascend Wellness Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and
    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 8, 2024

/s/ John Hartmann
John Hartmann
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
PURSUANT TO SECURITIES EXCHANGE ACT OF 1934
RULE 13a-14(a) OR 15d-14(a)

I, Mark Cassebaum, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ascend Wellness Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations, and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize, and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

May 8, 2024

/s/ Mark Cassebaum
Mark Cassebaum
Chief Financial Officer
(Principal Financial Officer)

CERTIFICATIONS PURSUANT TO SECURITIES EXCHANGE ACT OF 1934
RULE 13a-14(b) OR 15d-14(b) AND
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Ascend Wellness Holdings, Inc. (the "Company") for the quarter ended March 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), John Hartmann, Chief Executive Officer of the Company, and Mark Cassebaum, Chief Financial Officer of the Company, each certifies for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and Section 1350 of Chapter 63 of Title 18 of the United States Code, that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Exchange Act; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

May 8, 2024	/s/ John Hartmann
	John Hartmann
	Chief Executive Officer (Principal Executive Officer)
May 8, 2024	/s/ Mark Cassebaum
	Mark Cassebaum
	Chief Financial Officer (Principal Financial Officer)