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

**FORM 8-K**

**CURRENT REPORT**
**Pursuant to Section 13 OR 15(D) of the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported):** May 18, 2022

**ASCEND WELLNESS HOLDINGS, INC.**
(Exact name of registrant as specified in its charter)

| **Delaware** | **333-254800** | **83-0602006** |
|---|---|---|
| (State or other jurisdiction of incorporation or organization) | (Commission File Number) | (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)

n/a
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2 below).

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

**Item 2.03 Creation of a Direct Financial Obligation or an Obligation under an Off-Balance Sheet Arrangement of a Registrant.**

On May 18, 2022, Ascend Wellness Holdings, Inc. (the "Company") closed on $36,500,000 of additional funding (the "Incremental Commitment") pursuant to the increase option under the Credit Agreement, dated August 27, 2021, among the Company, the lenders party thereto and Acquiom Agency Services LLC, as administrative agent and collateral agent, for which Seaport Global Securities LLC acted as placement agent (the "Credit Agreement"). The Company previously had a term loan of $210,000,000 outstanding under the Credit Agreement (together with the Incremental Commitment, the "Debt Facility").

The Debt Facility matures on August 27, 2025 and does not require scheduled principal amortization payments. Mandatory prepayments are required from the proceeds of (i) indebtedness that is not permitted by the Credit Agreement and (ii) asset sales and casualty events, subject to customary reinvestment rights. The Company may prepay the Debt Facility at any time, provided that principal prepayments (a) prior to February 27, 2023 must be accompanied by a customary make-whole payment, (b) on and after such date and prior to February 27, 2024 must be accompanied by a prepayment premium equal to 4.75% of the principal amount prepaid and (c) on and after February 27, 2024 and prior to February 27, 2025, must be accompanied by a prepayment premium equal to 2.375% of the principal amount prepaid. No prepayment premium is required for prepayments on or after February 27, 2025. Once repaid, amounts borrowed under the Debt Facility may not be re-borrowed.

Advances made under the Debt Facility bear interest at the fixed 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 Credit Agreement permits the Company (a) to request an extension of the maturity date for 364 days in the lenders' discretion and (b) to increase the Debt Facility up to $275,000,000 if the then existing lenders (or other lenders) agree to provide such additional term loans.

Under the Credit Agreement, the Company is required to comply with two financial covenants, commencing with its fiscal quarter ending December 31, 2021. The Company may not permit its Liquidity (defined as unrestricted cash and cash equivalents pledged under the Debt Facility plus any future revolving credit availability) to be below $20,000,000 as of the last day of any fiscal quarter. Additionally, the Company may not permit the ratio of consolidated EBITDA to consolidated cash interest expense for any period of four consecutive fiscal quarters to be less than the following ratios: (i) for the period ending December 31, 2021, 2.00:1.00, (ii) for the period ending March 31, 2022, 2.25: 1:00 and (iii) for the period ending June 30, 2022 and thereafter 2.50:1.00. The Company has a customary equity cure right for each of these financial covenants.

The Credit Agreement requires the Company to make representations and warranties and to comply with covenants that are customary in loan agreements of this type, including restrictions on the payment of dividends, repurchase of stock, incurrence of indebtedness, dispositions and acquisitions. The 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 Company intends to use the proceeds from the Incremental Commitment for working capital and general corporate purposes, including, but not limited to, growth investments, acquisitions, capital expenditures, and other strategic initiatives.

The Debt Facility is guaranteed by all the Company's subsidiaries. The Debt Facility is secured by substantially all the assets of the Company and its subsidiaries.

The foregoing description of the Credit Agreement is subject to and qualified in its entirety by reference to the full text of the Credit Agreement, a copy of which is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

**Item 9.01 Financial Statements and Exhibits.**

**(d) Exhibits.**

| Exhibit No. | Exhibit Description |
|---|---|
| 10.1 | Credit Agreement, dated August 27, 2021, by and among Ascend Wellness Holdings, Inc., group of lenders and Acquiom Agency Services LLC, as administrative agent and collateral agent (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K, filed with the SEC on September 1, 2021) |

**SIGNATURE**

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 hereunto duly authorized.

**Ascend Wellness Holdings, Inc.**

May 24, 2022

/s/ Daniel Neville

Daniel Neville
Chief Financial Officer
(Principal Financial Officer)