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**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

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**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 5, 2023

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**ASCEND WELLNESS HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

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| **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**

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|  | | |  | | | (Address of principal executive offices) | | |  | | |  | | |

**(646) 661-7600**

(Registrant’s telephone number, including area code)

n/a

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|  | | |  | | | (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. ☐

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**Item 2.02.    Results of Operations and Financial Condition.**

On May 9, 2023, Ascend Wellness Holdings, Inc. (the “Company”) issued a press release announcing financial results for the quarter ended March 31, 2023. A copy of the press release is being furnished as Exhibit 99.1 to this Form 8-K, which is incorporated into this item by reference.

The information furnished under this Item 2.02 and in the accompanying Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

**Item 5.02.    Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.**

*Amendment to 2021 Stock Incentive Plan*

On May 5, 2023, the stockholders of the Company approved an amendment (the “Amendment”) to the Company’s 2021 Stock Incentive Plan to increase the maximum number of shares of the Company’s Class A common stock available for issuance under the Company’s 2021 Incentive Plan to an amount not to exceed 10% of the total number of issued and outstanding shares of the Company’s Class A common stock, on a non-diluted basis, as constituted on the grant date of an award. The foregoing description of the Amendment is subject to and qualified in its entirety by reference to the full text of the Amendment, a copy of which is filed herewith as Exhibit 10.1 and is incorporated herein by reference.

*Chief Executive Officer Appointment*

On May 9, 2023, the Company’s board of directors (the “Board”) approved the appointment of John Hartmann as the new chief executive officer of the Company, effective May 15, 2023. In connection with his appointment, the Company and Mr. Hartmann entered into an employment agreement, dated May 9, 2023 (the “CEO Employment Agreement”), pursuant to which Mr. Hartmann will receive an annual base salary of $950,000, an annual bonus of up to 100% of his base salary based on achievement of certain target performance goals and a one-time grant of 6,000,000 restricted stock units (the “RSUs”) under the Company’s 2021 Stock Incentive Plan. 1,000,000 of the RSUs vest upon the 12-month anniversary of issuance, and 1,000,000 RSUs vest upon the 24-month anniversary of issuance (together, the “Time-Based RSUs”). The remaining 4,000,000 RSUs (the “Performance-Based RSUs”) will vest upon the later to occur of (x) the date that is 24 months from the date of issuance and (y) the achievement of the Stock Price Condition (as defined in the CEO Employment Agreement). Upon the consummation of a Change of Control Event (as defined in the CEO Employment Agreement) that occurs within 24 months, the number of Performance-Based RSUs minus the number of Time-Based RSUs shall vest. Upon the consummation of a Change of Control Event (as defined in the CEO Employment Agreement) that occurs after 24 months, all of the Time-Based RSUs and Performance-Based RSUs shall vest. Mr. Hartmann will also be eligible for an annual equity grant valued at 75% of his base salary. Upon Mr. Hartmann’s death or disability or termination by the Company for Cause (as defined in the CEO Employment Agreement), Mr. Hartmann shall be entitled to any base salary, vacation time and annual bonus from the prior year earned but not paid, a pro-rated annual bonus for the current year to be granted at the discretion of the Board and any unreimbursed business expenses (together, the “Final Compensation”). Upon termination other than for Cause or Mr. Hartmann’s resignation for Good Reason, the Company shall pay Mr. Hartmann the Final Compensation and an amount equal to the sum of the base salary.

In connection with his appointment as Chief Executive Officer, the Board also appointed Mr. Hartmann as a director of the Company, effective May 15, 2023. Mr. Hartmann will not receive any additional compensation for his services as a member of the Board.

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Mr. Hartmann, 59, served as President of BuyBuy Baby from May 2020 to August 2022. He also served as President and CEO of True Value Company from May 2013 to May 2020. During his tenure, he successfully led True Value Company’s transformation and growth strategy, resulting in significant value creation for shareholders. Mr. Hartmann currently also serves as an Independent Director of the Board for Boyd Group Services, Inc (TSX: BYD) and HD Supply, Inc (a wholly-owned subsidiary of The Home Depot).

The foregoing description of the CEO Employment Agreement is subject to and qualified in its entirety by reference to the full text of the CEO Employment Agreement, a copy of which is filed herewith as Exhibit 10.2 and is incorporated herein by reference.

Mr. Hartmann does not have a family relationship with any of the officers or directors of the Company. There are no related party transactions with regard to Mr. Hartmann reportable under Item 404(a) of Regulation S-K.

*Frank Perullo and Dan Neville Transitions*

In connection with the appointment of Mr. Hartmann as the Company’s Chief Executive Officer, Frank Perullo, a co-founder of the Company, who currently serves as a director, President and Interim Co-Chief Executive Officer of the Company, will continue to serve on the Board, and will transition to a Strategic Advisor role for the Company, focusing on regulatory issues and legalization efforts, effective May 15, 2023. In connection with his transition, on May 9, 2023, the Company and Mr. Perullo entered into an amendment to Mr. Perullo’s amended and restated employment agreement (the “Perullo Employment Agreement Amendment”) to reflect Mr. Perullo’s role and duties as a Strategic Advisor of the Company.

The foregoing description of the Perullo Employment Agreement Amendment is subject to and qualified in its entirety by reference to the full text of the Perullo Employment Agreement Amendment, a copy of which is filed herewith as Exhibit 10.3 and is incorporated herein by reference.

In addition, Dan Neville, who currently serves as Chief Financial Officer, and Interim Co-Chief Executive Officer of the Company, will return to his original position as Chief Financial Officer, effective May 15, 2023. On May 8, 2023, Mr. Neville informed the Company that he will resign as a director of the Company, effective May 15, 2023. Mr. Neville did not resign as a result of any disagreement with the Company on any matter relating to the Company’s operations, policies, or practices.

*Director Appointment*

On May 9, 2023, the Board approved the appointment of Sam Brill as a director of the Company, effective May 15, 2023. Mr. Brill will receive annual cash and equity grants for his service as a member of the Board pursuant to the Company’s non-employee director policy. Mr. Brill will serve on the compensation and corporate governance committee of the Board.

Mr. Brill has served as the President and Chief Investment Officer of Seventh Avenue Investments (“SAI”) since August 2017. SAI is the private equity arm of a single-family office in New York City with a multibillion-dollar asset portfolio. At SAI, Mr. Brill is focused on direct investing in special situations through debt and equity securities in a wide range of private companies. Mr. Brill has a unique skill set to structure debt and equity transactions in a creative way to best meet a company’s needs, while constructing asymmetrical risk-reward characteristics for the investment. In many of SAI’s investments, he has played a critical role in helping management with strategic decisions, including mergers, acquisitions, corporate reorganization, and financial planning.

There are no related party transactions with regard to Mr. Brill reportable under Item 404(a) of Regulation S-K.

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**Item 5.07.    Submission of Matters to a Vote of Security Holders.**

On May 5, 2023, the Company held its 2023 Annual Meeting of Stockholders (the “Annual Meeting”), at which the Company’s stockholders voted on the following matters, which are described in detail in the Proxy Statement: (i) to elect five (5) directors to serve on the Company’s board of directors (the “Board”) until the 2024 Annual Meeting of Stockholders or until their successors are duly elected and qualified (“Proposal 1”); (ii) to ratify the appointment of Macias Gini & O'Connell LLP as the independent registered public accounting firm of the Company for the fiscal year ending December 31, 2023 (“Proposal 2”); and (iii) to approve an amendment to the Company’s 2021 Stock Incentive Plan (“Proposal 3”). At the Annual Meeting, the holders of 168,053,257 votes of the Company’s common stock were represented in person or by proxy, constituting a quorum.

Set forth below are the final voting results with respect to each of the proposals acted upon at the Annual Meeting, including the number of votes cast for and against (or withheld), and the number of abstentions and broker non-votes with respect to each such proposal.

Proposal 1: Election of Directors

The following five (5) nominees, unanimously recommended by the Board, each of whom were named in the Proxy Statement, were elected to serve on the Board to hold office until the 2024 Annual Meeting of Stockholders or until their successors are duly elected and qualified, based on the following votes:

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| Directors | | |  | | | FOR | | |  | | | WITHHELD | | |  | | | BROKER NON-VOTES | | |
| Abner Kurtin | | |  | | | 72,166,242 | | |  | | | 53,621,500 | | |  | | | 42,265,515 | | |
| Francis Perullo | | |  | | | 75,550,262 | | |  | | | 50,237,480 | | |  | | | 42,265,515 | | |
| Daniel Neville | | |  | | | 71,154,596 | | |  | | | 54,633,146 | | |  | | | 42,265,515 | | |
| Scott Swid | | |  | | | 71,205,646 | | |  | | | 54,582,096 | | |  | | | 42,265,515 | | |
| Josh Gold | | |  | | | 125,693,415 | | |  | | | 94,327 | | |  | | | 42,265,515 | | |

Proposal 2: Ratification of Appointment of Independent Registered Public Accounting Firm for 2023

The appointment of Macias Gini & O'Connell LLP to serve as the Company’s independent registered public accounting firm for the fiscal year ending December 31, 2023 was ratified based on the following votes:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| FOR | | |  | | | AGAINST | | |  | | | ABSTAIN | | |  | | | BROKER NON-VOTES | | |
| 167,968,667 | | |  | | | 10,437 | | |  | | | 74,153 | | |  | | | 0 | | |

Proposal 3: Approval of the amendment to the Company’s 2021 Stock Incentive Plan

The amendment to the Company’s 2021 Stock Incentive Plan was approved based on the following votes:

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| FOR | | |  | | | AGAINST | | |  | | | ABSTAIN | | |  | | | BROKER NON-VOTES | | |
| 74,384,528 | | |  | | | 50,282,769 | | |  | | | 1,120,445 | | |  | | | 42,265,515 | | |

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**Item 9.01.    Financial Statements and Exhibits.**

(d) Exhibits.

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| **Exhibit No.** | | |  | | | **Exhibit Description** | | |
| 10.1† | | |  | | | [Amendment to the Ascend Wellness Holdings, Inc. 2021 Stock Incentive Plan](#exhibit101-05092023form8k.htm) | | |
| 10.2† | | |  | | | [Employment Agreement between Ascend Wellness Holdings, Inc. and John Hartmann, dated May 9, 2023](#exhibit102-050923form8k.htm) | | |
| 10.3† | | |  | | | [Amendment No. 1 to the Amended and Restated Employment Agreement between Ascend Wellness Holdings, Inc. and Francis Perullo, dated May 9, 2023](#exhibit103-050923form8k.htm) | | |
| 99.1‡ | | |  | | | [Press release dated May 9, 2023](#ex991-awhq12023pressrelease.htm) | | |

†    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.

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**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.

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|  | | |  | | | **Ascend Wellness Holdings, Inc.** | | |  | | |
|  | | |  | | |  | | |  | | |
| May 9, 2023 | | |  | | | /s/ Daniel Neville | | |  | | |
|  | | |  | | | Daniel Neville Interim Co-Chief Executive Officer (Interim Co-Principal Executive Officer) and Chief Financial Officer  (Principal Financial Officer) | | |  | | |

**Exhibit 10.1**

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**FIRST AMENDMENT**

**TO THE ASCEND WELLNESS HOLDINGS, INC.**

**2021 STOCK INCENTIVE PLAN**

Effective upon approval of the stockholders, Ascend Wellness Holdings, Inc., a Delaware corporation (the “Corporation”) hereby amends the 2021 Stock Incentive Plan (the “2021 Plan”), as follows:

1.Section 4(a) of the 2021 Plan is hereby amended in its entirety to read as follows:

(a)Shares Available. At the time of grant of any Award, the aggregate number of Shares subject to all Awards then outstanding under the Plan shall not exceed 10% of the total number of issued and outstanding Shares, on a non-diluted basis, as constituted on the grant date of such Award.

2.    Section 4(b) of the 2021 Plan is hereby amended in its entirety to read as follows:

(b)    Limit on Incentive Stock Options. In addition to being subject to the limit described in (a) above, the maximum number of Shares available for grants of Incentive Stock Options under the Plan is also limited to 10% of issued and outstanding Shares as of May 5, 2023. The number of Shares covered by an Incentive Stock Option shall be counted on the date of grant against the aggregate number of Shares available for granting Incentive Stock Options under this Section 4(b). If any Shares covered by Incentive Stock Option are not purchased or are forfeited or are reacquired by the Company, or if an Incentive Stock Option otherwise terminates or is cancelled without delivery of any Shares, then the number of Shares counted against the aggregate number of Shares available under this Section 4(b), to the extent of any such forfeiture, reacquisition by the Company, termination or cancellation, shall again be available for granting Incentive Stock Options under this Section 4(b).

\* \* \* \* \*

The Corporation has caused this First Amendment to be signed on the date indicated below, to be effective as indicated above.

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| Dated: March 9, 2023 | | |  | | | **Ascend Wellness Holdings, Inc.** | | | | | |  | | |  | | |
|  | | |  | | |  | | |  | | |  | | |  | | |
|  | | |  | | | By: | | | /s/ Daniel Neville | | |  | | |  | | |
|  | | |  | | | Name: | | | Daniel Neville | | |  | | |  | | |
|  | | |  | | | Title: | | | Chief Financial Officer and  Interim Co-Chief Executive Officer | | |  | | |  | | |

**Exhibit 10.2**

**EMPLOYMENT AGREEMENT**

This Employment Agreement (this “Agreement”) dated as of May 15, 2023 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 John Hartmann, 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 parties desire to memorialize the terms of the Executive’s employment as Chief Executive Officer, 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 Chief Executive Officer of the Company, commencing May 15, 2023 (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 in Section 5.

3.Capacity and Performance.

a.During the term hereof, the Executive shall serve the Company as Chief Executive Officer, reporting directly to the Executive Chair and/or Chairman of the Board of Directors of the Company (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 a Chief Executive Officer of a company of comparable size and as may be reasonably designated from time to time by the Board.

c.At or as soon as reasonably possible after the Commencement Date, the Company will appoint the Executive to the Board. For so long as the Executive is employed as the Company’s Chief Executive Officer, the Company will nominate the Executive for re-election to the Board.

d.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 $950,000 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. During his employment hereunder, the Executive shall be eligible to earn an annual bonus (the “Annual Bonus”). The Executive’s annual target bonus opportunity for each such fiscal year shall be equal to up to 100% of Base Salary, based on the achievement of target performance goals established by the Board and/or its designee, and may be modified from time to time by the Board, in its sole discretion. The Annual Bonus for the Executive shall be 85% based on the achievement of EBITDA targets and 15% based on the achievement of cash flow metrics, both to be determined by the Board, in its sole discretion. If the Company and/or the Executive exceed performance goals established by the Board for any fiscal year, then the Executive shall be eligible to earn up to an additional 50% of Base Salary as part of his Annual Bonus for such fiscal year, in the sole discretion of the Board, for total potential Annual Bonus eligibility of up to 150% of Base Salary. If threshold performance goals are not achieved for any fiscal year, then the Executive shall not receive an Annual Bonus for such fiscal year. Except as provided in Section 5 of this Agreement, 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 Subject to the approval of the Board, on or as soon as reasonably practicable after the Commencement Date, the Executive will be granted 6,000,000 Restricted Stock Units pursuant to and as defined in the Ascend Wellness Holdings, Inc. 2021 Stock Incentive Plan and subject to the terms and conditions of the applicable award agreement, which except as expressly set forth in this Agreement shall be consistent with the terms and conditions of the awards granted to other senior executives of the Company ("Initial RSU Grant”). RSUs (the “Initial RSUs”) subject to the Initial RSU Grant will vest on the schedule set forth in this Section 4(c), or to the extent otherwise provided in either Section 4(d) or Section 5(d). 2,000,000 Initial RSUs will vest solely based on the passage of time and the Executive’s continued employment through the applicable vesting date (the “Time-Vesting Initial RSUs”), with 1,000,000 of such Time-Vesting Initial RSUs vesting on the date that is twelve (12) months from the date of issuance and the remaining 1,000,000 of such Time-Vesting Initial RSUs vesting on the date that is twenty-four (24) months from the date of issuance. Subject to the Executive’s continued employment through the applicable vesting date, the remaining 4,000,000 of the Initial RSUs (the “Performance-Based Initial RSUs”) will vest upon the later to occur of (x) the date that is 24 months

from the date of issuance and (y) the achievement of the stock price performance condition (the “Stock Price Condition”) applicable to the following tranches of the Performance-Based Initial RSUs: (i) 1,000,000 Performance-Based Initial RSUs will vest at the end of any 60-day period after the Company’s stock price has reached $2.00 per share provided that it remains at or above $2.00 per share for at least 30 days during this 60 day period; (ii) 1,000,000 Performance-Based Initial RSUs will vest at the end of any 60-day period after the Company’s stock price has reached $3.00 per share provided that it remains at or above $3.00 per share for at least 30 days during this 60 day period ; (iii) 1,000,000 Performance-Based Initial RSUs will vest at the end of any 60-day period after the Company’s stock price has reached $4.00 per share provided that it remains at or above $4.00 per share for at least 30 days during this 60 day period; and (iv) the remaining 1,000,000 Performance-Based Initial RSUs will vest at the end of any 60-day period after the Company’s stock price has reached $5.00 per share provided that it remains at or above $5.00 per share for at least 30 days during this 60 day period, in each case, with such Company’s stock price on any trading day based on the OTCQX closing price on such day. Any such issuance shall be adjusted to reflect stock splits, stock dividends, recapitalizations, mergers, reorganizations, and similar changes affecting the capital stock of the Company. Executive shall, subject to Board discretion from year to year, be entitled to participate in the Company’s Long Term Incentive Program. In addition to the Initial RSU Grant, the Executive is eligible to participate in any calendar year, Executive shall be eligible for an annual equity grant valued at 75% of Base Salary (the “Annual Equity Grant”). The Annual Equity Grant will be issued in the form of restricted stock units at the discretion of the Board or its designee and shall vest 50% annually over a two-year period, provided that Executive achieves certain target performance goals established by the Board. If achieved, the Annual Equity Grant for the year 2023 will be paid to the Executive in March 2024. The value of RSUs granted as part of the Annual Equity Grant will be calculated based on the product of (i) the Executive’s Base Salary on the grant date and (ii) the LTIP percentage noted above. This value will be based upon the 10-day volume weighted average price (“VWAP”) on the OTCQX (with this valuation period beginning 10 days prior to the grant date). All grants described herein shall be subject to the terms and conditions of the Ascend Wellness Holdings, Inc. 2021 Stock Incentive Plan (the “Plan”). Unless otherwise outlined here, in the event of a conflict between the terms of this Agreement and the Plan, the Plan shall govern.

d.Upon the consummation of a Change of Control Event (as defined below) that occurs within twenty-four (24) months of the Commencement Date, provided Executive is employed with the Company as of the Change of Control Event, and concurrent with the payment of any consideration to any other holders of capital stock of the Company in connection with such change of control, the number of the Performance-Based Initial RSUs minus the number of Time- Vesting Initial RSUs, if any, that have vested on or before the Change in Control Event shall vest (the “Non-Plan Change in Control Vesting”), notwithstanding the terms of any other agreement, the Plan, 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 consummation of a Change of Control Event that occurs after twenty-four (24) months of the Commencement Date, and concurrent with the payment of any consideration to any other holders of capital stock of the Company in connection with such change of control, 100% of all outstanding equity grants to Executive, including any then unvested Initial RSUs, shall vest (the “Plan Change in Control Vesting”), as set forth in the Plan. For purposes of

this Agreement, “Change of Control Event” shall mean the consummation, after the Commencement Date, of (i) the sale of all or substantially all of the Company’s assets or at least a majority of voting power of the capital stock of the Company, (ii) any liquidation, dissolution or winding up of the Company, or (iii) the merger or consolidation of the Company with or into another entity, except a merger or consolidation in which the holders of capital stock of the Company immediately prior to such merger or consolidation continue to hold at least 50% of the voting power of the capital stock of the Company or the surviving or acquiring entity, as applicable; provided, however, that no event described in the foregoing clauses (i), (ii) and (iii) shall constitute a Change of Control Event for purposes of this Agreement unless it satisfies the requirements of Treasury Regulation Section 1.409A-3(i)(5)(v) or (vii).

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 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 estate, (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), (iii) any Annual Bonus earned under Section 4(b) with respect to the fiscal year immediately preceding the fiscal year in which such termination occurs, but only to the extent unpaid as of the date of termination (with any such earned Annual Bonus to be paid at the same time as if no such termination had occurred), (iv) a pro-rated Annual Bonus for service completed during the then current fiscal year through and including the date

of termination, calculated on the same basis as though the Executive remained employed until such Annual Bonus was paid and paid at the same time as annual bonuses are payable generally to the senior officers of the Company; (v) any other benefits payable to the Executive, his estate or his beneficiaries, as the case may be, under the terms of any employee benefit plan, program or arrangement sponsored or maintained by the Company and (vi) 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 dependents will be entitled to (x) the Benefit Continuation on the same basis as would have provided to Executive under clause (iii) of 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 and his dependents will be entitled to (x) the Benefit Continuation he or they would have been entitled to receive under clause (iii) of 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 shall fail 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 Board (other than by reason of the Executive’s physical or mental illness or impairment), after written notice of such failure identifying in responsible detail the duties that the Executive has failed to perform has been provided to the Executive;

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

iii.The Executive’s material violation of the Company’s written policies that have been disclosed to the Executive;

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, then (i) the Company shall pay to the Executive the Final Compensation, (ii) the Company shall pay the Executive an amount equal to the sum of Base Salary (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 the termination date (with the first payment to be made on the first payroll date following the effective date of the Employee Release (as defined below) and to include a catch-up to cover any payment that would have been made prior to such date had the Employee Release been effective on the termination date); provided that, if the period from the termination date through the last day that the payments could begin spans two calendar years, such payments shall commence in the second calendar year; provided, further, that, if (and only if) such termination date occurs within eighteen (18) months after a Change of Control Event, then the Termination Compensation shall be payable to the Executive in a lump sum payment on the first payroll date following the effective date of the Employee Release (rather than in installments, as provided above in this clause (i)); (ii) subject to any employee contribution applicable to the Executive as of immediately prior to the date of termination, the Company shall continue to pay the cost of the Executive’s participation in the Company’s medical and dental insurance plans 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 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 (iii), collectively, the “Benefit Continuation”), and (iii) notwithstanding Section 4(b), 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), if such termination contemplated herein occurs within twenty-four (24) months of the Commencement Date, all of the Time-Vested Initial RSUs that have not previously vested and all Performance Vesting Initial RSUs as to which the applicable Stock Price Condition has been satisfied at the date of termination shall vest in full upon the date of such termination of employment. If such termination occurs after twenty-four (24) months, Executive shall only receive the severance benefits covered in items (i)-(ii) (items (i) – (iii) 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 (v) below prior to the effective termination date. If the Company fails to cure the act or omission constituting Good Reason, or such act or omission is incurable, 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 that does not result in the Executive having Good Reason under subclause (i)); (iii) any material diminution in the Executive’s responsibilities or authority within the Company; (iv); any failure by the Company to comply with any material provision of this Agreement that remains uncured after 30 days following written notice thereof from the Executive; (v) any requirement that the Executive relocate the principal place of his work for the Company such that his existing commute is increased by more than 50 miles.

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 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 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.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 any amounts included in Final Compensation or the Benefit Continuation pursuant to Section 5, 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 (the “Competitive Business”). Notwithstanding the immediately preceding sentence, the

Executive shall not be deemed to be engaged in a Competitive Business solely by reason of (i) less than a 1% equity ownership interest in the stock of any publicly traded company or (ii) a passive ownership interest in any registered investment company.

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. 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.

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| THE EXECUTIVE | | | | | | | | |  | | | ASCEND WELLNESS HOLDINGS, INC. | | | | | | | | |
|  | | |  | | |  | | |  | | |  | | |  | | |  | | |
| By: | | | /s/ John Hartmann | | |  | | |  | | | By: | | | /s/ Abner Kurtin | | |  | | |
| Name: | | | John Hartmann | | |  | | |  | | | Name: | | | Abner Kurtin | | |  | | |
|  | | |  | | |  | | |  | | | Title: | | | Executive Chairman | | |  | | |
|  | | |  | | |  | | |  | | | Date: | | | May 9, 2023 | | |  | | |

Exhibit A

Non-employee director for Boyd Group Services (d/b/a Gerber Collison & Glass)

Non-employee director for HD Supply (wholly owned subsidiary of The Home Depot)

Member of Board of Managers True Value Company, LLC

**Exhibit 10.3**

**AMENDMENT NO. 1**

**TO**

**AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

THIS AMENDMENT NO. 1 (this “Amendment”) to that certain Amended and Restated Employment Agreement, dated February 11, 2022, by and between Ascend Wellness Holdings, Inc., a Delaware corporation (the “Company”), and Francis Perullo (“Executive”) (the “Amended and Restated Employment Agreement”), is made as of May 8, 2023.

W I T N E S S E T H.

WHEREAS, the Company and the Executive are parties to the Amended and Restated Employment Agreement; and

WHEREAS, the parties hereto desire to amend the Amended and Restated Employment Agreement as set forth herein, effective as of September 15, 2023.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1.The Amended and Restated Employment Agreement is hereby amended as follows:

a)Section 1 of the Amended and Restated Employment Agreement is hereby amended by deleting Section 1 in its entirety and replacing Section 1 with the following: “Employment. Subject to the terms and conditions set forth in this Agreement, the Company hereby offers, and the Executive hereby accepts, continued employment as Strategic Advisor of the Company.”

b)Section 3(a) of the Amended and Restated Employment Agreement is hereby amended by deleting Section 3(a) in its entirety and replacing Section 3(a) with the following: “During the term hereof, the Executive shall serve the Company as Strategic Advisor, reporting directly to the Executive Chair and/or Chairman of the Board of Directors of the Company (the “Board”).”

c)Section 3(b) of the Amended and Restated Employment Agreement is hereby amended by deleting Section 3(b) in its entirety and replacing Section 3(b) with the following: “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 set forth on Exhibit B attached hereto and made a part hereof or as otherwise directed by the Board.”

d)The first sentence of Section 3(c) of the Amended and Restated Employment Agreement is hereby amended by deleting and replacing the first sentence of Section 3(c) with the following: [“During the term hereof, for so long as the Executive is employed as the Company’s Strategic Advisor, the Company will nominate the Executive for re-election to the Board and the Executive shall serve in such other officer and/or director positions with any affiliate of the Company (for no additional compensation) as may be determined by the Board (excluding the Executive) from time to time.”]

e)Section 5(f)(iii) of the Amended and Restated Employment Agreement is hereby amended by deleting Section 5(f)(iii) and replacing Section 5(f)(iii) with the following: [“any failure by the Company to nominate the Executive for re-election to the Board and to use its best efforts to have the Executive re-elected (other than as a result of a Change of Control Event, which shall be governed by this Section 5(f)(v)), or any change in the Executive’s title as Strategic Advisor of the Company;”]

f)Section 5(f)(v) of the Amended and Restated Employment Agreement is hereby amended by deleting and replacing Section 5(f)(v) with the following: “in the event of a Change of Control Event, any failure by the acquirer to (a) make an offer of employment to the Executive for a base salary, target bonus and maximum bonus opportunity amounts that are substantially comparable in the aggregate to the Executive’s Base Salary and Annual Bonus (taking into consideration both the Target Bonus and the Maximum Annual Bonus) each as of immediately prior to such sale, (b) nominate the Executive for election to the Board of the acquirer, (c) offer the Executive a position with duties, responsibilities and authority that are materially comparable to the Executive’s duties, responsibilities and authority as Strategic Advisor of the Company (disregarding any duties, responsibilities and authority the Executive had as a member of the Board or as an officer or director of any affiliate of the Company) as of immediately prior to such sale.”

2.Except as specifically set forth herein, the Amended and Restated Employment Agreement and all of its terms and conditions remain in full force and effect, and the Amended and Restated Employment Agreement is hereby ratified and confirmed in all respects, except that on or after the date of this Amendment all references in the Amended and Restated Employment Agreement to “this Agreement,” “hereto,” “hereof,” “hereunder,” or words of like import shall mean the Amended and Restated Employment Agreement as amended by this Amendment.

3.Executive hereby releases any and all claims and potential claims, known and unknown, against the Company and the other Releasees (as defined below) that are releasable by law, which arose on or before the effective date of this Amendment and are directly related to Executive’s appointment to the role of Strategic Advisor, the Executive’s resignation as the Company’s President and Interim Co-Chief Executive Officer, and the entry into this Amendment. This limited release is made by Executive for and on behalf of himself and his family, dependents, heirs, executors, administrators and assigns, and Executive hereby releases the Company and its respective predecessors, successors, and all their past, present or future assigns, parents, subsidiaries, affiliates, insurers, and affiliated entities, together with their respective current and former officers, directors, shareholders, fiduciaries, administrators, trustees, agents, employees, and/or representatives, and their respective predecessors, successors and assigns, heirs, executors, administrators, and any and all other affiliated persons or entities, which may have an interest by or through them (collectively “Releasees”), both jointly and individually, from any and all claims, actions, arbitrations, and lawsuits of any kind relating directly to the limited subject matter of this limited release in Section 3. For the avoidance of doubt, the parties agree that entry into this Amendment does not constitute “Good Reason” as such term is defined in the Amended and Restated Employment Agreement.

4.Except as set forth in Section 3 hereinabove, neither party waives any claims, demands, causes of actions, fees, damages, liabilities and expenses (including attorneys' fees) of any kind whatsoever, whether known or unknown, that such party has ever had or might

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have against the other party, including, but not limited to, those that directly or indirectly arise out of, relate to, or are connected with, the Amended and Restated Employment Agreement or this Amendment.

5.This Amendment may be executed in any number of counterparts, each of which shall be deemed an original and such counterparts together shall constitute one and the same instrument.

6.This Amendment shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto. The Amended and Restated Employment Agreement, as amended by this Amendment, embodies the entire agreement and understanding between the parties hereto and supersedes all prior agreements and understandings relating to the subject matter hereof.

*[remainder of page intentionally left blank; signature page follows]*

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**SIGNATURE PAGE TO AMENDMENT TO THE AMENDED AND RESTATED EMPLOYMENT AGREEMENT**

**IN WITNESS WHEREOF**, the parties hereto have executed this Amendment as of the date first written above.

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **ASCEND WELLNESS HOLDINGS, INC.** | | | | | | | | |
|  | | |  | | |  | | |  | | |
|  | | | By: | | | /s/ Abner Kurtin | | |  | | |
|  | | | Name: | | | Abner Kurtin | | |  | | |
|  | | | Title: | | | Executive Chairman | | |  | | |
|  | | | Date: | | | May 9, 2023 | | |  | | |
|  | | |  | | |  | | |  | | |
|  | | |  | | |  | | |  | | |
|  | | | **EXECUTIVE** | | | | | |  | | |
|  | | |  | | |  | | |  | | |
|  | | | By: | | | /s/ Francis Perullo | | |  | | |
|  | | | Name: | | | Francis Perullo | | |  | | |
|  | | |  | | |  | | |  | | |

**EXHIBIT B**

The Executive shall perform the following duties and responsibilities on behalf of the Company:

•Attend monthly management meetings;

•Attend meetings and travel as needed to help transition John Hartmann into CEO role;

•Attend meetings and discussions regarding complex regulatory matters in current and future markets;

•Attend meetings and discussions regarding license expansion;

•Represent the Company at industry trade meetings and events related to cannabis matters, legalization efforts, regulatory matters and partnerships;

•Shall be available to the Company for matters related to organized labor;

•Shall be available to the Chief Executive Officer on an as needed basis;

The Executive shall have no day-to-day operating role in the Company’s operations unless otherwise directed by the Chairman of the Board.

The Executive shall be responsive to the company as needed to transition all duties and responsibilities related to licenses for regulatory bodies both state and local.

**Exhibit 99.1**

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**AWH ANNOUNCES Q1 2023 FINANCIAL RESULTS**

***Reported Record Quarterly Revenue Since Company Inception***

***Achieved $114.2M Net Revenue in*** ***Q1 2023***, ***a* 34.2%** ***Increase Year-Over-Year and 1.9% Increase Quarter-Over-Quarter***

***Generates Positive Cash from Operations for First Quarter Since Company Inception***

**NEW YORK, NY, May 9, 2023** — Ascend Wellness Holdings, Inc. (“AWH” or the “Company” or “Ascend”) (CSE: AAWH.U/ OTCQX:AAWH), a vertically integrated multi-state cannabis operator focused on bettering lives through cannabis, today reported its financial results for the three months ending March 31, 2023 (“Q1 2023”). Financial results are reported in accordance with U.S. generally accepted accounting principles (“GAAP”) and all currency is in U.S. dollars.

**Q1 2023 Financial Highlights**

•Gross Revenue increased 39.5% year-over-year and 4.9% quarter-over-quarter to $141.2 million.

•Net revenue, which excludes intercompany sale of wholesale products, increased 34.2% year-over-year and 1.9% quarter-over-quarter to $114.2 million.

•Retail revenue increased 30.7% year-over-year but decreased 1.8% quarter-over-quarter to $82.7 million.

•Gross wholesale revenue increased 54.0% year-over-year and 16.3% quarter-over-quarter to $58.4 million. Wholesale, net of intercompany sales, increased 44.2% year-over-year and 13.0% quarter-over-quarter to $31.4 million.

•Net loss of $18.5 million during the quarter, represented an improvement compared to a net loss of $27.8 million in Q1 2022 and $15.1 million in Q4 2022.

•Adjusted EBITDA1 was $23.3 million, representing a 20.4% margin. Adjusted EBITDA increased 42% and margins expanded 118 basis points year-over-year. Margins declined 473 basis points quarter-over-quarter.

•As of March 31, 2023, cash and cash equivalents were $73.3 million, and net debt2 was $250.8 million.

**Business Highlights**

•During the quarter, the Company opened outlet dispensaries in New Bedford, Massachusetts and Grand Rapids, Michigan. Subsequent to the quarter, the Company opened an outlet dispensary in

1    Adjusted EBITDA/margin and Adjusted Gross Profit/margin are a non-GAAP financial measures. Please see the “GAAP Reconciliations” at the end of this release.

2    Total debt less cash and cash equivalents less unamortized deferred financing costs.

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Tinley Park, Illinois. Including the Scranton, Pennsylvania and Wayne, Pennsylvania dispensaries, the Company now operates five outlet dispensaries across the business.

•Subsequent to the quarter, the Company closed the acquisition of four dispensaries in Maryland from Devi Holdings, Inc. This marks the AWH’s expansion to the seventh state with a total of 31 operating dispensaries across all seven states.

•During the quarter, the Company had the first harvest at its Smithfield, Pennsylvania cultivation facility and made the first sale of product produced from that facility to its two retail dispensaries in Pennsylvania.

•Subsequent to the quarter, the Company announced it was appointing John Hartmann as permanent Chief Executive Officer of the company effective May 15th, 2023.

**Management Commentary**

“I am proud of the team for delivering record revenue and the first quarter of positive cash from operations in the quarter, despite the competitive industry dynamics,” said Abner Kurtin, Executive Chairman. “Additionally, as announced in a release published earlier today, I look forward to welcoming John Hartmann, our new CEO, when he joins Ascend on May 15th as Ascend transitions from a founder-led management team to a professional-led organization.”

Frank Perullo, Interim Co-CEO and President, commented, “During the quarter our team opened two outlet dispensaries to great success. We are happy with the traction the outlet model is generating in select markets. Subsequent to the quarter, we were also pleased to close on the transaction of four dispensaries in Maryland and are working hard to integrate these assets and get ready to commence adult-use sales at the start of the program expected in July. We were proud to generate nearly $6 million in cash from operations during the quarter. Ascend’s balance sheet remains one of our top priorities and we are laser focused on cash generation and committed to generating cash from operations for the full year 2023.”

**Q1 2023 Financial Overview**

Net revenue increased 1.9% quarter-over-quarter, primarily driven by opening of New Bedford, Massachusetts dispensary, the full quarter benefit of adult use sales at the Fort Lee, New Jersey dispensary, and increases in third-party wholesale sales in New Jersey, Massachusetts, and Illinois.

Total retail revenue in the first quarter of 2023 was $82.7 million, which represents a 1.8% decrease compared to the prior quarter and was driven by: the full quarter benefit of adult-use sales at Fort Lee, New Jersey and the opening of a dispensary in New Bedford, Massachusetts, being fully offset by declines in retail revenue in southern Illinois due to the start of adult-use in neighboring Missouri.

Gross wholesale revenue was $58.4 million, a 16.3% sequential increase, driven by growth in wholesale sales Massachusetts, New Jersey, Illinois, and Ohio. Net wholesale revenue, excluding intercompany sales, increased 13.0% sequentially to $31.4 million, driven by third-party sales increases in New Jersey, Massachusetts, and Illinois, partially offset by declines in Michigan.

Q1 2023 gross profit was $35.7 million, or 31.3% of revenue, compared to $41.5 million, or 37.0% of revenue, in the prior quarter. Q1 2023 Adjusted Gross Profit1 was $47.6 million, or 41.7% of revenue, compared to $53.5 million, or 47.7% of revenue, in the prior quarter. Adjusted Gross Profit1 excludes depreciation and amortization included in cost of goods sold, equity-based compensation included in cost of goods sold, and non-cash inventory adjustments. Adjusted Gross Profit1 margin decreased 601 basis

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points sequentially driven cultivation challenges in Franklin. New Jersey and pricing pressure and transaction declines in Southern Illinois retail.

Total Q1 2023 general and administrative (“G&A”) expenses were $35.4 million, compared to $36.1 million in the prior quarter as the Company completed workforce and other cost optimization measures. Total G&A expenses as a percentage of revenue improved from 32.2% of revenue in the prior quarter to 31.0% of revenue as the Company leveraged existing infrastructure and optimized the retail organizational structure.

Net loss in the first quarter of 2023 was $18.5 million, or a loss of $0.10 per basic and diluted share of Class A common stock, which was primarily driven by operating costs and tax expenses.

Adjusted EBITDA1, which adjusts for tax, interest, depreciation, amortization, equity-based compensation, and other items deemed one-time in nature, was $23.3 million in Q1 2023. This represents an 17.3% decrease quarter-over-quarter driven by the aforementioned gross profit declines in the New Jersey wholesale and Illinois retail businesses. Adjusted EBITDA Margin1 of 20.4% represented a 473 basis point decrease compared to the prior quarter driven by the above gross profit margin declines being partially offset by workforce and cost optimization.

**Non-GAAP Financial Information**

This press release includes certain non-GAAP financial measures as defined by the United States Securities and Exchange Commission (“SEC”), including Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, and Adjusted EBITDA Margin. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measure calculated and presented in accordance with GAAP are included in the financial schedules attached to this press release. This information should be considered as supplemental in nature and not as a substitute for, or superior to, any measure of performance prepared in accordance with GAAP.

**Conference Call and Webcast**

AWH will host a conference call on May 9, 2023 at 5:00 p.m. ET to discuss its financial results for the quarter ended March 31, 2023. The conference call may be accessed by dialing (888) 390-0605. A live audio webcast of the call will also be available on the Investor Relations section of AWH’s website at https://www.awholdings.com/investors and will be archived for replay.

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**About Ascend Wellness Holdings, Inc.**

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

Additional information relating to the Company’s first quarter 2023 results is available on the Investor Relations section of AWH’s website at https://awholdings.com/investors/, the SEC’s Electronic Data Gathering, Analysis and Retrieval System (“EDGAR”) at www.sec.gov and Canada’s System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com.

**Cautionary Note Regarding Forward-Looking Information**

This news release includes forward-looking information and statements, which may include, but are not limited to, the plans, intentions, expectations, estimates, and beliefs of the Company. Words such as “expects”, “continue”, “will”, “anticipates” and “intends” or similar expressions are intended to identify forward-looking information and statements. Without limiting the generality of the preceding statement, all statements in this press release relating to estimated and projected revenue, expectations regarding production capacity, anticipated capital expenditures, expansion, profit, product demand, margins, costs, cash flows, sources of capital, growth rates and future financial and operating results are forward-looking information and statements. We caution investors that any such forward-looking statements and information are based on the Company’s current projections and expectations about future events and financial trends, the receipt of all required regulatory approvals, and on certain assumptions and analysis made by the Company in light of the experience of the Company and perception of historical trends, current conditions and expected future developments and other factors management believes are appropriate.

Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. Such factors include, among others, the risks and uncertainties identified in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, and in the Company’s other reports and filings with the applicable Canadian securities regulators on its profile on SEDAR at www.sedar.com and with the SEC on its profile on EDGAR at www.sec.gov. Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking information or statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws. The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

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**Contacts**

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IR@awholdings.com

**Chief Financial Officer**

Daniel Neville

(617) 453-4042 ext. 90102

**ASCEND WELLNESS HOLDINGS, INC.**

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**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS INFORMATION (UNAUDITED)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Three Months Ended March 31,** | | | | | | | | |  |  |  | |
| *(in thousands, except per share amounts)* | | | **2023** | | |  | | | **2022** | | |  |  |  |  |
| Revenue, net | | | $ | 114,176 |  |  | | | $ | 85,090 |  |  |  |  |  |
| Cost of goods sold | | | (78,472) | |  |  | | | (61,643) | |  |  |  |  |  |
| **Gross profit** | | | 35,704 | |  |  | | | 23,447 | |  |  |  |  |  |
| **Operating expenses** | | |  | | |  | | |  | | |  |  |  |  |
| General and administrative expenses | | | 35,449 | |  |  | | | 33,227 | |  |  |  |  |  |
| Settlement expense | | | — | |  |  | | | 5,000 | |  |  |  |  |  |
| Total operating expenses | | | 35,449 | |  |  | | | 38,227 | |  |  |  |  |  |
| **Operating profit (loss)** | | | 255 | |  |  | | | (14,780) | |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |
| Other (expense) income | | |  | | |  | | |  | | |  |  |  |  |
| Interest expense | | | (8,975) | |  |  | | | (6,031) | |  |  |  |  |  |
| Other, net | | | 265 | |  |  | | | 103 | |  |  |  |  |  |
| Total other expense | | | (8,710) | |  |  | | | (5,928) | |  |  |  |  |  |
| Loss before income taxes | | | (8,455) | |  |  | | | (20,708) | |  |  |  |  |  |
| Income tax expense | | | (10,017) | |  |  | | | (7,107) | |  |  |  |  |  |
| **Net loss** | | | $ | (18,472) |  |  | | | $ | (27,815) |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |
| **Net loss per share attributable to Class A and Class B common stockholders — basic and diluted** | | | $ | (0.10) |  |  | | | $ | (0.16) |  |  |  |  |  |
| **Weighted-average common shares outstanding — basic and diluted** | | | 188,487 | |  |  | | | 172,494 | |  |  |  |  |  |

**ASCEND WELLNESS HOLDINGS, INC.**

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**SELECTED CONDENSED CONSOLIDATED CASH FLOW INFORMATION (UNAUDITED)**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | | **Three Months Ended March 31,** | | | | | | | | |  |  |  | |
| *(in thousands)* | | | **2023** | | |  | | | **2022** | | |  |  |  |  |
| **Net cash provided by (used in) operating activities** | | | $ | 5,778 |  |  | | | $ | (10,245) |  |  |  |  |  |
| **Cash flows from investing activities** | | |  | | |  | | |  | | |  |  |  |  |
| Reimbursements for (additions to) capital assets | | | 3,442 | |  |  | | | (10,214) | |  |  |  |  |  |
| Investments in notes receivable | | | (731) | |  |  | | | (1,000) | |  |  |  |  |  |
| Collection of notes receivable | | | 82 | |  |  | | | 82 | |  |  |  |  |  |
| Proceeds from sale of assets | | | — | |  |  | | | 35,400 | |  |  |  |  |  |
| Acquisition of businesses, net of cash acquired | | | (8,000) | |  |  | | | (24,890) | |  |  |  |  |  |
| Purchases of intangible assets | | | (472) | |  |  | | | — | |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |
| **Net cash used in investing activities** | | | (5,679) | |  |  | | | (622) | |  |  |  |  |  |
| **Cash flows from financing activities** | | |  | | |  | | |  | | |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |
| Repayments of debt | | | (786) | |  |  | | | (786) | |  |  |  |  |  |
| Repayments under finance leases | | | (63) | |  |  | | | — | |  |  |  |  |  |
| Debt issuance costs | | | — | |  |  | | | (31) | |  |  |  |  |  |
| Taxes withheld under equity-based compensation plans, net | | | (100) | |  |  | | | — | |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  |  |  |  |
| **Net cash used in financing activities** | | | (949) | |  |  | | | (817) | |  |  |  |  |  |
| Net decrease in cash, cash equivalents, and restricted cash | | | (850) | |  |  | | | (11,684) | |  |  |  |  |  |
| **Cash, cash equivalents, and restricted cash at beginning of period** | | | 74,146 | |  |  | | | 155,481 | |  |  |  |  |  |
| **Cash, cash equivalents, and restricted cash at end of period** | | | $ | 73,296 |  |  | | | $ | 143,797 |  |  |  |  |  |

**ASCEND WELLNESS HOLDINGS, INC.**

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**SELECTED CONDENSED CONSOLIDATED BALANCE SHEET INFORMATION (UNAUDITED)**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |
| *(in thousands)* | | | **March 31, 2023** | | |  | | | **December 31, 2022** | | |
| Cash and cash equivalents | | | $ | 73,296 |  |  | | | $ | 74,146 |  |
|  | | |  | | |  | | |  | | |
| Inventory | | | 98,360 | |  |  | | | 97,532 | |  |
| Other current assets | | | 32,552 | |  |  | | | 27,065 | |  |
| Property and equipment, net | | | 280,906 | |  |  | | | 279,860 | |  |
| Operating lease right-of-use assets | | | 106,050 | |  |  | | | 108,810 | |  |
| Intangible assets, net | | | 214,942 | |  |  | | | 221,093 | |  |
| Goodwill | | | 44,370 | |  |  | | | 44,370 | |  |
| Other noncurrent assets | | | 19,612 | |  |  | | | 19,284 | |  |
| **Total Assets** | | | $ | 870,088 |  |  | | | $ | 872,160 |  |
|  | | |  | | |  | | |  | | |
| Total current liabilities | | | $ | 109,812 |  |  | | | $ | 110,949 |  |
| Long-term debt, net | | | 321,417 | |  |  | | | 319,297 | |  |
| Operating lease liabilities, noncurrent | | | 242,888 | |  |  | | | 229,816 | |  |
| Other noncurrent liabilities | | | 47,010 | |  |  | | | 48,683 | |  |
| Total stockholders’ equity | | | 148,961 | |  |  | | | 163,415 | |  |
| **Total Liabilities and Stockholders’ Equity** | | | $ | 870,088 |  |  | | | $ | 872,160 |  |

**ASCEND WELLNESS HOLDINGS, INC.**

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**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)**

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 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; litigation settlement; 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, 2023 and 2022:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | | **Three Months Ended March 31,** | | | | | | | | |  |  |  | |
| *($ in thousands)* | | |  | | | **2023** | | |  | | | **2022** | | |  |  |  |  |
| Gross Profit | | |  | | | $ | 35,704 |  |  | | | $ | 23,447 |  |  |  |  |  |
| Depreciation and amortization included in cost of goods sold | | |  | | | 6,327 | |  |  | | | 2,943 | |  |  |  |  |  |
| Equity-based compensation included in cost of goods sold | | |  | | | 50 | |  |  | | | 3,995 | |  |  |  |  |  |
| Start-up costs included in cost of goods sold(1) | | |  | | | 1,570 | |  |  | | | 3,923 | |  |  |  |  |  |
| Non-cash inventory adjustments(2) | | |  | | | 3,942 | |  |  | | | 2,204 | |  |  |  |  |  |
| **Adjusted Gross Profit** | | |  | | | $ | 47,593 |  |  | | | $ | 36,512 |  |  |  |  |  |
| *Adjusted Gross Margin* | | |  | | | *41.7* | | *%* |  | | | *42.9* | | *%* |  |  |  |  |

(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 in Michigan and Massachusetts.

**ASCEND WELLNESS HOLDINGS, INC.**

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**RECONCILIATIONS OF NON-GAAP FINANCIAL MEASURES (UNAUDITED)**

The following table presents Adjusted EBITDA for the three months ended March 31, 2023 and 2022:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  | | |  | | | **Three Months Ended March 31,** | | | | | | | | |  |  |  | |
| *($ in thousands)* | | |  | | | **2023** | | |  | | | **2022** | | |  |  |  |  |
| Net loss | | |  | | | $ | (18,472) |  |  | | | $ | (27,815) |  |  |  |  |  |
| Income tax expense | | |  | | | 10,017 | |  |  | | | 7,107 | |  |  |  |  |  |
| Other (income) expense | | |  | | | (265) | |  |  | | | (103) | |  |  |  |  |  |
| Interest expense | | |  | | | 8,975 | |  |  | | | 6,031 | |  |  |  |  |  |
| Depreciation and amortization | | |  | | | 13,719 | |  |  | | | 5,675 | |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  |  |  |  |
| Non-cash inventory adjustments(1) | | |  | | | 3,942 | |  |  | | | 2,204 | |  |  |  |  |  |
| Equity-based compensation | | |  | | | 3,005 | |  |  | | | 6,499 | |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  |  |  |  |
| Start-up costs(2) | | |  | | | 2,527 | |  |  | | | 4,760 | |  |  |  |  |  |
|  | | |  | | |  | | |  | | |  | | |  |  |  |  |
| Transaction-related and other non-recurring expenses(3) | | |  | | | 302 | |  |  | | | 6,194 | |  |  |  |  |  |
| (Gain) loss on sale of assets | | |  | | | (442) | |  |  | | | 818 | |  |  |  |  |  |
| Litigation settlement | | |  | | | — | |  |  | | | 5,000 | |  |  |  |  |  |
| **Adjusted EBITDA** | | |  | | | $ | 23,308 |  |  | | | $ | 16,370 |  |  |  |  |  |
| *Adjusted EBITDA Margin* | | |  | | | *20.4* | | *%* |  | | | *19.2* | | *%* |  |  |  |  |

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

(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. The 2023 amount includes a $491 fair value adjustment related to the pending Ohio Patient Access LLC acquisition earn-out.

(3)Legal and professional fees associated with litigation matters, potential acquisitions, and other regulatory matters and other non-recurring expenses.

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