

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

**FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

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

Delaware

(State or other jurisdiction of incorporation or organization)

83-0602006

(I.R.S. Employer Identification No.)

**1411 Broadway, 16th Floor
New York, NY 10018
(646) 661-7600**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Daniel Neville
Interim Co-Chief Executive Officer and
Chief Financial Officer**

**Ascend Wellness Holdings, Inc.
1411 Broadway, 16th Floor
New York, NY 10018
(646) 661-7600**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

**James Guttman
Dorsey & Whitney LLP
TD Canada Trust Tower
Brookfield Place, 161 Bay Street, Suite 4310
Toronto, Ontario, Canada M5J 2S1
(416) 367-7376**

Approximate date of commencement of proposed sale to the public:

From time to time, after the effective date of this Registration Statement.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until this Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

EXPLANATORY NOTE

This registration statement contains two prospectuses:

- a base prospectus which covers the offering, issuance and sale of such indeterminate number of shares of Class A common stock, shares of preferred stock, warrants, debt securities, subscription rights and units, which together shall have an aggregate initial offering price not to exceed \$100,000,000; and
- a prospectus covering the resale by certain selling security holders up to an aggregate of 4,380,143 shares of Class A common stock.

The base prospectus immediately follows this explanatory note. The specific terms of any securities to be offered pursuant to the base prospectus will be specified in a prospectus supplement to the base prospectus. The Class A common shares that may be offered and sold under the additional prospectus are not included in the \$100,000,000 of securities that may be offered, issued and sold by the registrant under the base prospectus.

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the United States Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where such offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 22, 2022

PROSPECTUS



\$100,000,000

Ascend Wellness Holdings, Inc.

Class A Common Stock

Preferred Stock

Warrants

Debt Securities

Subscription Rights

Units

We may offer and sell from time to time, in one or more series or issuances and on terms that we will determine at the time of the offering, any combination of the securities described in this prospectus, up to an aggregate amount of \$100,000,000. We may also offer shares of Class A common stock or preferred stock upon conversion of debt securities, Class A common stock upon conversion of preferred stock, or Class A common stock, preferred stock or debt securities upon the exercise of warrants or subscription rights or units consisting of any combination of securities described in this prospectus.

We will provide specific terms of any offering in a supplement to this prospectus. Any prospectus supplement may also add, update or change information contained in this prospectus. You should carefully read this prospectus and the applicable prospectus supplement as well as the documents incorporated or deemed to be incorporated by reference in this prospectus before you purchase any of the securities offered hereby.

These securities may be offered and sold in the same offering or in separate offerings; to or through underwriters, dealers and agents; or directly to purchasers. The names of any underwriters, dealers or agents involved in the sale of our securities, their compensation and any over-allotment options held by them will be described in the applicable prospectus supplement. See the section titled "Plan of Distribution."

Our Class A common stock is listed on the Canadian Securities Exchange (the "CSE") under the symbol "AAWH.U" and quoted on the OTCQX® Best Market operated by OTC Markets Group, Inc. (the "OTCQX") under the symbol "AAWH". On November 21, 2022, the last reported sale price for our Class A common stock on the CSE was \$2.14 per share and on the OTCQX was \$2.13 per share. We will provide information in any applicable prospectus supplement regarding any listing of securities other than shares of our Class A common stock on any securities exchange or marketplace.

INVESTING IN OUR SECURITIES INVOLVES SIGNIFICANT RISKS. YOU SHOULD REVIEW CAREFULLY THE “RISK FACTORS” ON PAGE 35 OF THIS PROSPECTUS AND IN THE APPLICABLE PROSPECTUS SUPPLEMENT BEFORE INVESTING IN OUR SECURITIES.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2022

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement on Form S-3 that we filed with the United States Securities and Exchange Commission (the “SEC”) using a “shelf” registration process. Under this shelf process, we may, from time to time, sell any combination of the securities described in this prospectus in one or more offerings up to a total amount of \$100,000,000.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add to, update or change information contained in the prospectus and, accordingly, to the extent inconsistent, information in this prospectus is superseded by the information in the prospectus supplement.

The prospectus supplement to be attached to the front of this prospectus may describe, as applicable: the terms of the securities offered; the public offering price; the price paid for the securities; net proceeds; and the other specific terms related to the offering of the securities.

You should only rely on the information contained or incorporated by reference in this prospectus and any prospectus supplement or free writing prospectus relating to a particular offering. No person has been authorized to give any information or make any representations in connection with this offering other than those contained or incorporated by reference in this prospectus, any accompanying prospectus supplement and any related free writing prospectus in connection with the offering described herein and therein, and, if given or made, such information or representations must not be relied upon as having been authorized by us. Neither this prospectus nor any prospectus supplement nor any related free writing prospectus shall constitute an offer to sell or a solicitation of an offer to buy offered securities in any jurisdiction in which it is unlawful for such person to make such an offering or solicitation. This prospectus does not contain all of the information included in the registration statement. For a more complete understanding of the offering of the securities, you should refer to the registration statement, including its exhibits.

You should read the entire prospectus and any prospectus supplement and any related free writing prospectus, as well as the documents incorporated by reference into this prospectus or any prospectus supplement or any related free writing prospectus, before making an investment decision. Neither the delivery of this prospectus or any prospectus supplement or any free writing prospectus nor any sale made hereunder shall under any circumstances imply that the information contained or incorporated by reference herein or in any prospectus supplement or free writing prospectus is correct as of any date subsequent to the date hereof or of such prospectus supplement or free writing prospectus, as applicable. You should assume that the information appearing in this prospectus, any prospectus supplement or any document incorporated by reference is accurate only as of the date of the applicable documents, regardless of the time of delivery of this prospectus or any sale of securities. Our business, financial condition, results of operations and prospects may have changed since that date.

PROSPECTUS SUMMARY

This summary description about us and our business highlights selected information contained elsewhere in this prospectus or incorporated in this prospectus by reference. This summary does not contain all of the information you should consider before buying securities in this offering. You should carefully read this entire prospectus and any applicable prospectus supplement, including each of the documents incorporated herein or therein by reference, before making an investment decision. Unless the context otherwise requires, the terms “Ascend,” “Ascend Wellness Holdings Inc.,” “AWH,” “the “Company,” “we,” “us” and “our” refer to Ascend Wellness Holdings, Inc., a Delaware corporation.

Overview

Ascend Wellness Holdings, Inc. is a vertically integrated multi-state cannabis operator focused on operating in adult-use or near-term adult-use states in primarily limited license markets. Ascend’s core business is the cultivation, manufacturing and distribution of cannabis consumer packaged goods, which are sold through company-owned retail stores and to third-party licensed retail cannabis stores. The Company is a reporting issuer in the United States of American (the “United States”). The Company’s shares of Class A common stock are listed in Canada on the Canadian Securities Exchange (“CSE”) under the symbol “AAWH.U.” and in the United States on the OTCQX Best Market (the “OTCQX”) under the symbol “AAWH.” Ascend is an emerging growth company under federal securities laws and as such Ascend is able to elect to follow scaled disclosure requirements for this filing.

The Company was founded in 2018 with initial operations in Illinois and has since expanded its operational footprint, primarily through acquisitions, and now has operations, licenses, or financial interests in six U.S. geographic markets: Illinois, Massachusetts, Michigan, New Jersey, Ohio, and Pennsylvania. As of November 18, 2022, Ascend has 24 open dispensaries, 20 of which are in states which have passed legislation permitting recreational cannabis. Ascend also operates cultivation facilities in six states with approximately 223,000 square feet of canopy.

Ascend believes in bettering lives through cannabis. The mission is to improve the lives of its employees, patients, customers and the communities they serve through the use of the cannabis plant. As of November 18, 2022, AWH employs approximately 2,000 people across the cultivation, processing, retail, and corporate functions.

History of the Company

Founding and Incorporation

The Company was originally formed on May 15, 2018 as Ascend Group Partners, LLC, and changed its name to “Ascend Wellness Holdings, LLC” on September 10, 2018. On April 22, 2021, Ascend Wellness Holdings, LLC converted into a Delaware corporation and changed its name to “Ascend Wellness Holdings, Inc.” and effected a 2-for-1 reverse stock split, which is retrospectively presented for all periods in this filing and referred to as the “Conversion.” As a result of the Conversion, the members of Ascend Wellness Holdings, LLC became holders of shares of stock of Ascend Wellness Holdings, Inc.

Following the Conversion, the Company authorized 750,000,000 shares of Class A common stock with a par value of \$0.001 per share, 100,000 shares of Class B common stock with a par value of \$0.001 per share, and 10,000,000 shares of preferred stock with a par value of \$0.001 per share. The rights of the holders of Class A common stock and Class B common stock are identical, except for voting and conversion rights. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to 1,000 votes per share and is convertible at any time into one share of Class A common stock at the option of the holder.

Initial Public Offering

On May 4, 2021, the Company completed an Initial Public Offering (“IPO”) of its Class A common stock, in which it issued and sold 10.0 million shares of Class A common stock at a price of \$8.00 per share. On May 7, 2021, the underwriters exercised their over-allotment option in full and AWH issued and sold an additional 1.5 million shares of Class A common stock. AWH received total net proceeds of approximately \$86.1 million after

deducting underwriting discounts and commissions and certain other direct offering expenses paid by the Company. In connection with the IPO, the historical common units, Series Seed Preferred Units, Series Seed+ Preferred Units, and Real Estate Preferred Units then-outstanding automatically converted into a total of 113.3 million shares of Class A common stock and 65,000 historical common units were allocated as shares of Class B common stock. Additionally, 3.4 million shares of Class A common stock were issued for a beneficial conversion feature associated with the conversion of certain historical preferred units and the Company's convertible notes, plus accrued interest, converted into 37.4 million shares of Class A common stock. The Company's shares of Class A common stock are listed on the CSE under the ticker symbol "AAWH.U" and are quoted on the OTCQX Best Market under the symbol "AAWH."

Operations by State

The following is an overview of our cultivation and dispensary assets by state that are currently operational, as well as our expected asset base once fully built out.

Cultivation assets:

Across its cultivation assets, as of November 18, 2022, AWH has approximately 223,000 square feet of total canopy, which is defined as the square footage of flower, vegetation, and propagation tables. The Company estimates each square foot of total canopy has the power to generate approximately half a pound of cannabis per year. All of the Company's cultivation and planned cultivation facilities are indoor, with the exception of the 55,000 square foot greenhouse in Illinois. The Company believes that indoor grow facilities allow for fine-tuned controls which help enable AWH to grow high-quality cannabis. The Company deems these as lower risk than green fielding at new sites that are not yet permitted for cultivation operations. The new cultivation plans are flexible and will ultimately depend on market conditions, local licensing, construction, and other regulatory permissions. All of our expansion plans are subject to capital allocation decisions, the evolving regulatory environment and the COVID-19 pandemic. See "*Cautionary Note Regarding Forward-Looking Statements.*"

State	Square Feet of Canopy as of Current	Additional Comments
Illinois	113,000	Located in Barry, Illinois, the cultivation facility also has ethane and butane-based extraction equipment and kitchen.
Michigan	28,000	Located in Lansing, Michigan, the cultivation facility has 28,000 square feet of canopy. The Company added a kitchen in 2022.
Massachusetts	54,000	Located in Athol, Massachusetts, the cultivation facility underwent a phase 2 expansion which it completed in 2022. The Company is also adding an ethane and butane-based extraction equipment and kitchen.
New Jersey	20,000	Located in Franklin, New Jersey, the cultivation facility is undergoing phase 2 expansion which will add 22,000 square feet of canopy and a lab and kitchen. The Company plans to complete phase 2 in Q4 2022.
Ohio	2,000	Located in Monroe, OH the facility currently has 2,000 square feet of canopy. In October 2022, the Company completed an acquisition of a processing facility located near the cultivation facility.
Pennsylvania	6,000	Located in Smithfield, PA the facility currently has 6,000 square feet of canopy.

Dispensary assets:

As of November 18, 2022 AWH has 24 open and operating retail locations. By the end of 2022, AWH anticipates opening one additional dispensary in New Bedford, Massachusetts. The new store opening plans are also flexible and will ultimately depend on market conditions, local licensing, construction, and other regulatory permissions. All of the dispensary plans are subject to capital allocation decisions, the evolving regulatory environment and the COVID-19 pandemic. See “*Cautionary Note Regarding Forward-Looking Statements.*”

State	Open Dispensaries as of Current	Ow ned Dispensaries and Licenses as of Current⁽¹⁾	Comments
Illinois	8	8	4 dispensaries in the Chicago area; 2 in Southern IL bordering Missouri; 2 near Springfield, IL. The state caps recreational dispensary licenses at 10 stores per owner. The Company has entered definitive agreements to acquire 2 additional licenses which would bring it to the 10 state cap.
Massachusetts	2	3	1 dispensary in downtown Boston; 1 in Newton; 1 license and building under construction in New Bedford. The state caps recreational dispensary licenses at 3 stores per owner.
New Jersey	3	3	1 dispensary in Rochelle Park; 1 in Montclair; 1 in Fort Lee. The state caps recreational dispensary licenses at 3 stores per owner.
Michigan	7	7	7 dispensaries throughout the state; 1 license pending approval and 1 building under construction in Grand Rapids
Ohio	2	2	2 dispensaries in the greater Columbus area. The state caps dispensary licenses at 5 stores per owner. The Company has entered definitive agreement to acquire 1 license which would permit them to 3 additional dispensaries which would bring it to the 5 state cap.
Pennsylvania	2	6	The Company opened its Scranton and Wayne, PA dispensaries in Q4 2022. It plans to open the remaining 4 over the next year.

(1) The Company has entered into definitive agreements to acquire an entity that holds licenses to open three dispensaries in Ohio and the associated real estate, as well as definitive agreements to acquire two entities that each hold one social equity dispensary license in Illinois. These transactions have not yet closed and the assets are not included herein.

Licenses

The following chart summarizes the U.S. states in which we operate or have an investment as of November 18, 2022, along with the nature of the operations, whether such activities carried on are direct, indirect or ancillary in nature, the number of dispensary, cultivation and other licenses held by each entity, and whether such entity has any operation, cultivation, or processing facilities.

State	Entity	Adult-Use/Medical	Direct/Indirect/Ancillary	Dispensary Licenses	Cultivation/Processing/Distribution Licenses	Operational Dispensaries	Operational Cultivation/Processing Facilities
Illinois	HealthCentral LLC	AU, M	Direct	6	—	4	—
Illinois	Revolution Cannabis-Barry LLC	AU, M	Direct	—	3	—	1
Illinois	MOCA LLC	AU, M	Direct	3	—	2	—
Illinois	Chicago Alternative Health Center, LLC	AU, M	Direct	3	—	2	—
Mass.	MassGrow LLC	AU	Direct	—	2	—	1
Mass.	Ascend Mass LLC	AU	Direct	2	—	2	—
Mass.	Southcoast Apothecary LLC	AU	Direct	1	—	— ⁽¹⁾	—
New Jersey	Ascend New Jersey LLC	M, AU	Direct	6	3	3	1
Michigan	FPAW Michigan LLC	AU, M	Direct	11	19	7	1
Ohio	BCCO, LLC	M	Direct	1	—	1	—
Ohio	Ohio Cannabis Clinic, LLC	M	Direct	1	—	1	—
Ohio	Hemma, LLC	M	Direct	—	2	—	1
Ohio	Marichron Pharma, LLC	M	Ancillary	—	1	—	1
Pennsylvania	Story of PA, LLC	M	Direct	2	1	2	1
Total				36	31	24	7

(1) Anticipated to open during the fourth quarter of 2022.

Description of the Business

Overview of the Company

Ascend is a vertically integrated multi-state cannabis operator focused on adult-use or near-term adult-use cannabis states in limited license markets. The core business is the cultivation, manufacturing, and distribution of cannabis consumer packaged goods, which Ascend sells through company-owned retail stores and to third-party licensed retail cannabis stores. Ascend believes in bettering lives through cannabis. The mission is to improve the lives of its employees, patients, customers and the communities we serve through the use of the cannabis plant.

Product Offering

Ascend produces and distributes cannabis products for its wholesale partners and AWH owned retail stores. Ascend's goal is to provide wholesale partners and retail customers with consistent access to quality cannabis products while maintaining a variety of form-factors and SKUs. Ascend currently produces its full product set with multiple form factors in Illinois, New Jersey, and Michigan where it has both labs and kitchens. Ascend's in-house brands offer a variety of options to satisfy every potential customer's budget and preference. Ascend's approach to branding is to have brands that fit the "good", "better", and "best" consumer categories. The in-house brands include: SimplyHerb, Ozone, and Ozone Reserve. SimplyHerb is the "good" brand and the most price accessible product with SKUs targeted for the price conscious, value-driven buyer. SimplyHerb is currently produced in Illinois, Massachusetts, and Michigan. Ozone is the "better" brand aimed at providing quality products to the

seasoned connoisseur as well as the canna-curious. Ozone Reserve is the “best” offering with premier products including exotic flower, refined concentrates, purified oils, as well as resins and distillates. Ozone and Ozone Reserve are currently produced and sold in Illinois, Massachusetts, Michigan, New Jersey, and Ohio. Ozone products have been well received in the market. Ozone has been cited as having the second highest sales of any branded product in Illinois for 2021.

In addition to producing its own brands, AWH also partners with multiple premiere brands for which it cultivates and sells products targeted to different demographics. Among our partners are Lowell Farms, Flower by Edie Parker, and 1906. This model allows AWH to target customer demographics that complement its base-markets and leverage brand recognition of our partners, while crafting and selling their tried-and-true products. For example:

- *Lowell Smokes*, by Lowell Farms, allows AWH to leverage the Lowell Farms brand amongst the male demographic seeking premium pre-rolls.
- *Edie Parker*, is a Women-led fashion and lifestyle company that launched a cannabis brand, “Flower by Edie Parker.” The Flower by Edie Parker line provides AWH with a product aimed to attract the female consumer.
- *1906*, is a brand targeted to consumers looking for premier edible experiences. 1906 gives AWH the ability to provide a competitive edible offering.

Overview of Government Regulation

On February 8, 2018, the Canadian Securities Administrators revised their previously released Staff Notice 51-532 – *Issuers with U.S. Marijuana-Related Activities* (“Staff Notice 51-532”), which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis related activities in the United States as permitted within a particular State’s regulatory framework. In accordance with the Staff Notice 51-532, below is a discussion of the federal and state-level U.S. regulatory regimes in those jurisdictions where we are currently directly involved, through our subsidiaries, in the cannabis industry. Our subsidiaries and licensed operators with which we have contractual relationships are directly engaged in the manufacture, possession, sale, or distribution of cannabis in the adult-use and/or medical cannabis marketplace in the states of Illinois, Massachusetts, Michigan, New Jersey, Ohio, and Pennsylvania. In accordance with Staff Notice 51-532, we evaluate, monitor, and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented and amended to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws, or regulations regarding cannabis regulation. We intend to promptly remedy any material known occurrences of non-compliance with applicable state and local cannabis rules and regulations, and intend to publicly disclose any material non-compliance, citations, or notices of violation which may have an impact on our licenses, business activities, or operations.

The U.S. federal government regulates drugs through the Controlled Substances Act (21 U.S.C. § 811) (the “CSA”), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I controlled substance. The CSA explicitly prohibits the manufacturing, distribution, selling and possession of cannabis and cannabis-derived products as a consequence of its Schedule I classification. Classification of substances under the CSA is determined jointly by the United States Drug Enforcement Administration (the “DEA”) and the FDA. The United States Department of Justice (the “DOJ”) defines Schedule I drugs and substances as drugs with no currently accepted medical use, a high potential for abuse, and a lack of accepted safety for use under medical supervision. However, the FDA has approved Epidiolex, which contains a purified form of cannabidiol (“CBD”), a non-psychoactive cannabinoid in the cannabis plant, for the treatment of seizures associated with two epilepsy conditions. The FDA has not approved cannabis or cannabis compounds as a safe and effective drug for any other condition. Moreover, under the 2018 Farm Bill or Agriculture Improvement Act of 2018, CBD remains a Schedule I controlled substance under the CSA, with a narrow exception for CBD derived from hemp with a tetrahydrocannabinol (“THC”) concentration of less than 0.3%.

Unlike in Canada, where federal legislation uniformly governs the cultivation, distribution, sale, and possession of medical and adult-use cannabis under the Cannabis Act, S.C. 2018, c. 16, and the Cannabis for Medical Purposes Regulations, cannabis is largely regulated at the state level in the United States. To date, there are 37 states, plus the District of Columbia (and the territories of Guam, Puerto Rico, the U.S. Virgin Islands and the

Northern Mariana Islands), that have laws and/or regulations that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment. In addition, the Northern Mariana Islands, Guam, the District of Columbia, and 21 states, including Alaska, Arizona, California, Colorado, Connecticut, Illinois, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, Virginia, and Washington have legalized cannabis for adult-use. Eleven states have also enacted low-THC/high-CBD only laws for medical cannabis patients.

State laws that permit and regulate the production, distribution and use of cannabis for adult-use or medical purposes are in direct conflict with the CSA, which makes cannabis use, distribution and possession federally illegal. Although certain states and territories of the U.S. authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under any and all circumstances under the CSA. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and in case of conflict between federal and state law, the federal law shall apply. Although the Company's activities are compliant with applicable United States state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

The Obama administration attempted to address the inconsistent treatment of cannabis under state and federal law in the Cole Memorandum which outlined certain priorities for the DOJ relating to the prosecution of cannabis offenses. The Cole Memorandum acknowledged that, notwithstanding the designation of cannabis as a Schedule I controlled substance at the federal level, several states had enacted laws authorizing the use of cannabis for medical or adult-use purposes. The Cole Memorandum noted that jurisdictions that have enacted laws legalizing cannabis in some form have also implemented strong and effective regulatory and enforcement systems to control the cultivation, processing, distribution, sale and possession of cannabis. As such, conduct in compliance with those laws and regulations is less likely to implicate the Cole Memorandum's enforcement priorities. The DOJ did not provide (and has not provided since) specific guidelines for what regulatory and enforcement systems would be deemed sufficient under the Cole Memorandum. In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the DOJ should be focused on addressing only the most significant threats related to cannabis, such as distribution of cannabis from states where cannabis is legal to those where cannabis is illegal, the diversion of cannabis revenues to illicit drug cartels and sales of cannabis to minors.

On January 4, 2018, former U.S. Attorney General Jeff Sessions issued the Sessions Memorandum, which rescinded the Cole Memorandum effective upon its issuance. The Sessions Memorandum stated, in part, that current law reflects "Congress' determination that cannabis is a dangerous drug and cannabis activity is a serious crime," and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress by following well-established principles when pursuing prosecutions related to cannabis activities. We are not aware of any prosecutions of investment companies doing routine business with licensed cannabis related businesses in light of the new DOJ position. However, there can be no assurance that the federal government will not enforce federal laws relating to cannabis in the future. As a result of the Sessions Memorandum, federal prosecutors are now free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities, despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors in the Sessions Memorandum as to the priority they should ascribe to such cannabis activities, and thus it is uncertain how active U.S. federal prosecutors will be in relation to such activities.

The former Attorneys General who succeeded former Attorney General Sessions following his resignation did not provide a clear policy directive for the United States as it pertains to state-legal cannabis related activities. President Joseph R. Biden was sworn in as the 46th United States President on January 20, 2021. President Biden nominated Merrick Garland to serve as Attorney General in his administration. It is not yet known whether the Department of Justice under President Biden and Attorney General Garland, confirmed on March 10, 2021, will re-adopt the Cole Memorandum or announce a substantive cannabis enforcement policy. At Mr. Garland's confirmation hearing, he stated, "It does not seem to me a useful use of limited resources that we have, to be pursuing prosecutions in states that have legalized and that are regulating the use of marijuana, either medically or otherwise." He has not, however, reissued the Cole Memorandum or otherwise provided guidance. If the

Department of Justice policy under Attorney General Garland were to aggressively pursue financiers or owners of cannabis-related businesses, and United States Attorneys followed such Department of Justice policies through pursuing prosecutions, then the Company could face (i) seizure of its cash and other assets used to support or derived from its cannabis operations, (ii) the arrest of its employees, directors, officers, managers and investors, and charges of ancillary criminal violations of the Controlled Substances Act for aiding and abetting and conspiring to violate the Controlled Substances Act by virtue of providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis, and/or (iii) the barring of its employees, directors, officers, managers and investors who are not United States citizens from entry into the United States for life. Unless and until the United States Congress amends the Controlled Substances Act with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law criminalizing cannabis.

While federal prosecutors appear to continue to use the Cole Memorandum's priorities as an enforcement guide, the prosecutorial effects resulting from the rescission of the Cole Memorandum and the implementation of the Sessions Memorandum remain uncertain. The sheer size of the cannabis industry, in addition to participation by state and local governments and investors, suggests that a large-scale federal enforcement operation may create unwanted political backlash for the DOJ. It is also possible that the revocation of the Cole Memorandum could motivate Congress to reconcile federal and state laws. While Congress is considering and has considered legislation that may address these issues, there can be no assurance that such legislation passes. Regardless, at this time, cannabis remains a Schedule I controlled substance at the federal level. The U.S. federal government has always reserved the right to enforce federal law in regard to the sale and disbursement of medical or adult-use cannabis, even if state law authorizes such sale and disbursement. It is unclear whether the risk of enforcement has been altered.

Additionally, under United States federal law, it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of cannabis or any other Schedule I controlled substance. Canadian banks are likewise hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions, particularly those that are federally chartered in the United States, could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. While Congress is considering legislation that may address these issues, there can be no assurance of the content of any proposed legislation or that such legislation is ever passed.

Despite these laws, the U.S. Department of the Treasury's United States Financial Crimes Enforcement Network ("FinCEN") issued a memorandum (the "FinCEN Memorandum") outlining guidance for financial institutions that bank state-sanctioned cannabis businesses in compliance with federal enforcement priorities. The FinCEN Memorandum echoed the enforcement priorities of the Cole Memorandum. Under these guidelines, financial institutions must submit a Suspicious Activity Report ("SAR") in connection with all cannabis-related banking activities by any client of such financial institution, in accordance with federal money laundering laws. These cannabis-related SARs are divided into three categories - cannabis limited, cannabis priority, and cannabis terminated - based on the financial institution's belief that the business in question follows state law, is operating outside of compliance with state law, or where the banking relationship has been terminated, respectively. On the same day that the FinCEN Memorandum was published, the DOJ issued a memorandum (the "2014 Cole Memorandum") directing prosecutors to apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of cannabis-related conduct. The 2014 Cole Memorandum has been rescinded as of January 4, 2018, along with the Cole Memorandum, removing guidance that enforcement of applicable financial crimes against state-compliant actors was not a DOJ priority.

However, former Attorney General Sessions' revocation of the Cole Memorandum and the 2014 Cole Memorandum has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memorandum and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum is a standalone document which explicitly lists the eight enforcement priorities originally cited in the Cole Memorandum. As such, the FinCEN Memorandum remains intact, indicating that the Department of the Treasury

and FinCEN intend to continue abiding by its guidance. However, in the United States, it is difficult for cannabis-based businesses to open and maintain a bank account with any bank or other financial institution.

One legislative safeguard for the medical cannabis industry, appended to the federal budget bill, remains in place following the rescission of the Cole Memorandum. For fiscal years 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, Congress has included a rider to the Consolidated Appropriations Acts (currently referred to as the “Rohrabacher/Blumenauer Amendment”) to prevent the federal government from using congressionally appropriated funds to enforce federal cannabis laws against regulated medical cannabis actors operating in compliance with state and local law. The Rohrabacher/Blumenauer Amendment was included in the Consolidated Appropriations Act, 2022 signed into law by President Biden on March 15, 2022. The Rohrabacher/Blumenauer Amendment will remain effective through December 16, 2022. There is no guarantee that the Rohrabacher/Blumenauer Amendment will be included in the omnibus appropriations package or a continuing budget resolution once the current Consolidated Appropriations Act, 2022 expires.

Despite the rescission of the Cole Memorandum, the DOJ appears to continue to adhere to the enforcement priorities set forth in the Cole Memorandum. The Cole Memorandum and the Rohrabacher/Blumenauer Amendment gave licensed cannabis operators (particularly medical cannabis operators) and investors in states with legal regimes greater certainty regarding the DOJ’s enforcement priorities and the risk of operating cannabis businesses. While the Sessions Memorandum has introduced some uncertainty regarding federal enforcement, the cannabis industry continues to experience growth in legal medical and adult-use markets across the United States. Accordingly, as an industry best practice, we continue to employ the following policies to ensure compliance with the guidance provided by the Cole Memorandum:

- ensure that its operations are compliant with all licensing requirements as established by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions;
- ensure that its cannabis related activities adhere to the scope of the licensing obtained (for example: in the states where cannabis is permitted only for adult-use, the products are only sold to individuals who meet the requisite age requirements);
- implement policies and procedures to ensure that cannabis products are not distributed to minors;
- implement policies and procedures in place to ensure that funds are not distributed to criminal enterprises, gangs or cartels;
- implement an inventory tracking system and necessary procedures to ensure that such compliance system is effective in tracking inventory and preventing diversion of cannabis or cannabis products into those states where cannabis is not permitted by state law, or cross any state lines in general;
- ensure that its state-authorized cannabis business activity is not used as a cover or pretense for trafficking of other illegal drugs, and is not engaged in any other illegal activity, or any activities that are contrary to any applicable anti-money laundering statutes; and
- ensure that its products comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

On December 4, 2020, the House of Representatives passed the Marijuana Opportunity Reinvestment and Expungement Act of 2019 (the “MORE Act”). The MORE Act would provide for the removal of cannabis from the list of controlled substances in the CSA and other federal legislation. It would end the applicability of Section 280E to cannabis businesses but would impose a 5% federal excise tax. The MORE Act was not passed by the Senate prior to the end of the 116th Congress, but an updated version was subsequently reintroduced in the House of Representatives on May 28, 2021. On September 30, 2021, the House Judiciary Committee voted to advance the MORE Act once again in a first step towards passage in the full House. On April 1, 2022, the House of Representatives passed the MORE Act once again. Before it could become law, the MORE Act would need to be passed by the Senate and then signed into law by the president. There is no guarantee the MORE Act will become law in its current form.

H.R. 1595, the SAFE Banking Act of 2019, which would expand financial services in the United States to cannabis-related legitimate businesses and service providers, was introduced in the House of Representatives on March 7, 2019 with bipartisan support. On April 11, 2019, S. 1200, the Senate version of the SAFE Banking Act, was filed. This bill also has bipartisan support and more than a fifth of the total Senate, 27 members, co-sponsored it. On September 25, 2019, H.R. 1595 passed in the House of Representatives by a vote of 321 to 103, but it stalled in the Senate. The SAFE Banking Act passed the House again on May 15, 2020, when it was included in the COVID-19 stimulus bill, the Health and Economic Recovery Omnibus Emergency Solutions Act. However, that measure also stalled in the Senate. The SAFE Banking Act passed the House again on April 19, 2021 as H.R. 1996, by a vote of 321 – 101. On September 23, 2021, the House approved the National Defense Authorization Act (“NDAA”) that contained the provisions of the SAFE Banking Act. The SAFE Banking Act was subsequently removed from the NDAA by the House-Senate conference committee on December 7, 2021, and was not included in the final version of the NDAA. On February 4, 2022, the House approved The America COMPETES Act of 2022, which includes the provisions of the Safe Banking Act. The Senate’s final version of the bill, which was passed on March 28, 2022, removed the provisions related to the Safe Banking Act. There is no guarantee the SAFE Banking Act will become law in its current form, if at all.

On July 21, 2022, the Cannabis Administration and Opportunity Act (“CAOA”) was introduced in the Senate. The CAO, if enacted, would, among other impacts, remove marijuana from the CSA, impose excise taxes on the sale of marijuana, and create a federal regulatory framework for the marijuana industry. There is no certainty that the CAO will become law in its current form or at all.

On October 6, 2022, President Biden announced that he directed the Secretary of the United States Department of Health and Human Services (“HHS”) and Attorney General Merrick Garland to initiate a review of marijuana’s classification as a Schedule I controlled substance under the CSA. The timing and outcome of this review is uncertain and there is no certainty that marijuana will be placed under a different schedule or de-scheduled, and there is also no certainty as to the impacts such actions would have on our business or the marijuana industry as a whole, particularly when considering potential implications for federal regulation and interstate commerce.

Compliance with Applicable State Laws in the United States

We are in compliance with applicable cannabis licensing requirements and the regulatory framework enacted by each state in which we currently operate. We have in place a detailed compliance program and an internal legal and compliance department, and we are building out our operational compliance team across all states in which we operate. Our compliance department is overseen by our President and further consists of compliance professionals who oversee and ensure compliance in each of our jurisdictions and facilities. We also have external state and local regulatory/compliance counsel engaged in every jurisdiction in which we operate.

We provide training for all relevant employees, using various methods on the following topics relevant to job tasks: compliance with state laws and rules; patient education materials; education materials for recreational customers; security in our facilities and establishments; handwashing and sanitation practices; packaging procedures; state mandated tracking software; establishment specific tracking; track and trace; inventory and POS software; audit procedures; epidemic responses; emergency situation response; dispensing procedures; patient/client check-in procedure; employee education and consultation materials; packaging and labeling requirements; cannabis waste and destruction; active shooter response; robbery response; fire response; bomb-threat response; sexual harassment; drug free workplace; internet and phone usage; discrimination harassment; workplace violence; hygiene and clothing requirements; hand washing; medical emergency response; biocontamination response; gas leak response; visitor access; discounts for special groups; customer loyalty programs; client intake; storage and recall of products; the science of cannabis; speaking with physicians; edibles education; reconciling transactions; inventory control; receiving inventory; shipping inventory; corrective and preventive action plans; filing corrective and preventive action reports; pesticides; wastewater; irrigation systems; fertilizer; beneficial organisms; climate control; transplanting; inventory tagging; pruning; defoliation; drying, trimming and curing; storage of products; maintaining confidentiality; cash handling; and preventing diversion of products.

We emphasize security and inventory control to ensure strict monitoring of cannabis and inventory, from delivery by a licensed distributor to sale or disposal. Only authorized, properly trained employees are allowed to access our computerized inventory control system.

We monitor all compliance notifications from the regulators and inspectors in each market and timely resolve any issues identified. We keep records of all compliance notifications received from the state regulators or inspectors, as well as how and when an issue was resolved. Moreover, we monitor news sources for information regarding developments at the state and federal level relating to the regulation and criminalization of cannabis.

Further, we have created comprehensive standard operating procedures that include detailed descriptions and instructions for receiving shipments of inventory, inventory tracking, recordkeeping and record retention practices related to inventory. We also have comprehensive standard operating procedures in place for performing inventory reconciliation, and ensuring the accuracy of inventory tracking and recordkeeping. We maintain accurate records of our inventory at all licensed facilities. Adherence to our standard operating procedures is mandatory and helps ensure that our operations are compliant with the rules set forth by the applicable state and local laws, regulations, ordinances, licenses and other requirements. We enforce adherence to standard operating procedures by regularly conducting internal inspections and ensures that any issues identified are resolved quickly and thoroughly.

We maintain strict compliance guidelines with respect to online reservations of products. No purchase and sale transactions may be completed online. A patient, patient's primary caregiver or customer may reserve products online, but the patient or customer must be physically present at one of our dispensaries to complete the transaction. This requirement allows our dispensary staff to ensure that our standard operating procedures (including its compliance programs) are applied to all patients, patient's primary caregivers and customers in connection with the purchase and sale of products.

In jurisdictions where medical cannabis is legal, upon arrival of the patient or the patient's primary caregiver at the applicable dispensary, dispensary staff must verify the patient's or the patient's primary caregiver's identity and credentials (such as a state-issued medical cannabis card) and confirm the patient's allotment amount to ensure the user is not exceeding the state's dispensing limits. Once the foregoing is verified, the patient or the patient's primary caregiver may pay for the products to complete the purchase. If the customer does not have valid identification and credentials, the customer will not be able to purchase medical cannabis at the applicable dispensary, irrespective of any reservations made online.

In jurisdictions where recreational cannabis is legal, upon arrival at the dispensary, a customer must present government-issued photo identification to verify they are at least 21 years of age. Once the identification is verified, the customer may pay for the products to complete the transaction. If the customer does not have valid identification, the customer will not be able to purchase recreational cannabis at the applicable Company dispensary, irrespective of any reservations made online.

We will continue to monitor compliance on an ongoing basis in accordance with our compliance program and standard operating procedures. While our operations are in full compliance with all applicable state laws, regulations and licensing requirements, such activities remain illegal under federal law. For the reasons described above and the risks further described in the section entitled "*Risk Factors*," there are significant risks associated with our business.

State Regulation of Cannabis

The risk of federal enforcement and other risks associated with our business are described in the section entitled "*Risk Factors*" in this prospectus and the section entitled "*Risk Factors*" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Following the thesis that distributing brands at scale will win, we enter markets where we believe that we can profitably and sustainably operate and command significant market share, and thus maximize consumer and brand awareness. The regulatory frameworks enacted by the states, which are similar to the limited and controlled issuance of gaming or alcohol distributorship licenses, provide macro-level indication of whether certain state markets will be sustainable and profitable.

Below is a summary overview of the regulatory and competitive frameworks in each of our operating markets.

Illinois

Illinois Regulatory Landscape

In January 2014, the Compassionate Use of Medical Cannabis Pilot Program Act, which allows individuals diagnosed with certain debilitating or “qualified” medical conditions to access medical cannabis, became effective. There are over 35 qualifying conditions as part of the medical program, including epilepsy, traumatic brain injury, and post-traumatic stress disorder. In January 2019, the Illinois Department of Health launched the Opioid Alternative Pilot Program that allows individuals who have/could receive a prescription for opioids to access medical cannabis.

On August 28, 2018, Public Act 100-1114, the Alternative to Opioids Act of 2018, was signed into law, making changes to the Compassionate Use of Medical Cannabis Pilot Program Act. The Public Act created the Opioid Alternative Pilot Program (“OAPP”), which allows access to medical cannabis for individuals who have or could receive a prescription for opioids as certified by a physician licensed in Illinois.

On August 12, 2019 Governor J.B. Pritzker signed into law legislation that made the program permanent and added 11 conditions to the existing program.

In June 2019, Illinois legalized adult-use cannabis pursuant to the Cannabis Regulation and Tax Act (the “IL Act”). Effective January 1, 2020, Illinois residents 21 years of age and older may possess up to 30 grams of cannabis (non-residents may possess up to 15 grams). The IL Act authorizes the Illinois Department of Financial and Professional Regulation (the “IDFPR”) to issue up to 75 Conditional Adult Use Dispensing Organization licenses before May 1, 2020 and an additional 110 conditional licenses during 2021. No person may hold a financial interest in more than 10 dispensing organizations. Existing medical dispensaries were able to apply for an “Early Approval Adult Use Dispensing Organization License” to serve adult purchasers at an existing medical dispensary or at a secondary site. The IDFPR also held an application period for Conditional Adult Use Cannabis Dispensary Licenses from December 10, 2019 through January 2, 2020. On September 3, 2021, the IDFPR announced the results of the lotteries to award 185 conditional adult use dispensing licenses. On June 23, 2022, a corrective lottery was conducted for up to 75 additional licenses. As of October 11, 2022 185 conditional licenses have been issued.

The Illinois Department of Agriculture (the “IL Ag. Department”) is authorized to make up to 30 cultivation center licenses available for medical and adult-use programs. As with existing medical dispensaries, existing cultivation centers were able to apply for an “Early Approval Adult Use Cultivation Center License.” The IL Act requires the IL Ag. Department to issue up to 60 craft grower licenses by December 21, 2021, and states the IL Ag. Department may also issue up to 60 infuser licenses by the same date. On August 2, 2021, the IL Ag. Department announced that it had issued 32 initial craft grow licenses, 28 infuser licenses, and 9 transporter licenses. As of June 1, 2022, the IL Ag. Department has awarded a total of 341 adult use cannabis licenses for craft growers, infusers, and transporters under the IL Act. No person can hold a financial interest in more than three cultivation centers, and the centers are limited to 210,000 square feet of canopy space. Cultivation centers are also prohibited from discriminating in price when selling to dispensaries, craft growers, or infuser organizations. License awards will likely be delayed due to the COVID-19 pandemic and legal actions taken by applicants.

The IL Act imposes several operational requirements on adult-use licensees and requires prospective licensees to demonstrate their plans to comply with such requirements. For example, applicants for dispensary licenses must include an employee training plan, a security plan, recordkeeping and inventory plans, a quality control plan and an operating plan.

Licensees must establish methods for identifying, recording, and reporting diversion, theft, or loss, correcting inventory errors, and complying with product recalls. Licensees also must comply with detailed inventory, storage, and security requirements. Cultivation licenses are subject to similar operational requirements, such as complying with detailed security and storage requirements, and must also establish plans to address energy,

water, and waste-management needs. Dispensary licenses will be renewed bi-annually, and cultivation licenses, craft grower licenses, infuser organization licenses, and transporter licenses will be renewed annually.

Illinois Licenses

Illinois licenses four types of cannabis businesses within the state: (1) cultivation; (2) processing; (3) transportation; and (4) dispensary. All cultivation, craft growers, infusers, and transporting establishments must register with the Illinois Department of Agriculture. All dispensaries must register with the IDFPR. If applications contain all required information, establishments are issued a cannabis establishment registration certificate. Registration certificates are valid for a period of one year and are subject to strict annual renewal requirements.

HealthCentral LLC has been issued a total of six dispensary licenses, two medical licenses and four adult use licenses. Revolution Cannabis-Barry LLC has been issued two cultivation licenses, one medical license and one adult use license, and one transporter license. MOCA LLC is licensed to operate two dispensaries and has been issued a total of three dispensary licenses, one medical and two adult use licenses. Chicago Alternative Health Center, LLC is licensed and operates two dispensaries, one in Chicago and one in Chicago Ridge and has been issued a total of three dispensary licenses, one medical and two adult use licenses.

The below table lists our Illinois licenses:

Entity	License Number	City	Expiration Date / Renewal Date	Description
Revolution Cannabis-Barry, LLC	1503060627	Barry	03/09/2023	Medical Cultivation License
Revolution Cannabis-Barry, LLC	1503060627- AU	Barry	03/31/2023	Adult Use Cultivation License
Revolution Cannabis-Barry, LLC	1503060627-TR	Barry	7/14/2023	Transporter License
HealthCentral, LLC	280.000022-DISP	Collinsville	01/07/2023	Medical License
HealthCentral, LLC	284.000025-AUDO	Collinsville	03/31/2024	Adult Use License
HealthCentral, LLC	280.000029-DISP	Adam St. / Springfield	02/03/2023	Medical License
HealthCentral, LLC	284.000026-AUDO	Adam St. / Springfield	03/31/2024	Adult Use License
HealthCentral, LLC	284.000069-DISP	Horizon Dr. / Springfield	03/31/2024	Adult Use License
HealthCentral, LLC	284.000104-AUDO	Fairview Heights	03/31/2024	Adult Use License
Chicago Alternative Health Center, LLC	280.000033 -DISP	Archer Ave. / Chicago	04/13/2023	Medical License
Chicago Alternative Health Center, LLC	284.000124 -DISP	Archer Ave. / Chicago	03/31/2024	Adult Use License
Chicago Alternative Health Center, LLC	284.000125 - DISP	Chicago Ridge	03/31/2024	Adult Use License
MOCA LLC	280.000028-DISP.	Fullerton Ave/ Chicago	02/01/2023	Medical License
MOCA LLC	284.000076-AUDO	Fullerton Ave/ Chicago	03/31/2024	Adult Use License
MOCA LLC	284.000077-AUDO	Ohio St / Chicago	03/31/2024	Adult Use License

Illinois Storage and Security

Both our cultivation center and our dispensaries are required to store cannabis in restricted-access areas. Our dispensaries must store inventory on-site in a secured and restricted-access area and enter information into Illinois' tracking system as required by law and IDFPR rules. Any cannabis or cannabis products in an open or

defective package, which have expired, or which the company otherwise has reason to believe have been opened or tampered with must be segregated in secure storage until promptly and properly disposed of.

Dispensaries are also required to implement security measures designed to deter and prevent unauthorized entry into the facility (and restricted-access areas) and theft, loss or diversion of cannabis or cannabis products. In this respect, dispensaries must maintain a commercial grade alarm and surveillance system installed by an Illinois licensed private alarm contractor or private alarm contractor agency. Dispensaries must also implement various security measures designed to protect the premises, customers and dispensing organization agents (employees).

Illinois Reporting Requirements

Illinois uses BioTrack THC as its track and trace (“T&T”) system. All dispensing organization licensees are required to use a real-time, web-based inventory tracking/point-of-sale system that is accessible to IDFPR at any time, and at a minimum, tracks the date of sale, amount, price, and currency. We use BioTrack THC for inventory management and LeafLogix as a point-of-sale system. Licensees are also required to track each sales transaction at the time of the sale, daily beginning and ending inventory, acquisitions (including information about the supplier and the product) and disposal.

Illinois Transportation Requirements

Currently, licensed cultivation centers may transport cannabis and cannabis products in accordance with certain guidelines. For receiving products, dispensing organizations must receive a copy of the shipping manifest prepared by the cultivation center in advance of transport and is required to check the product delivered against such manifest at the time of delivery. All cannabis and cannabis products must be packaged in properly labeled and sealed containers. Dispensaries may not accept products that are mislabeled, products that have labels missing or when packaging is opened or tampered with.

U.S. Attorney Statements in Illinois

To the knowledge of management, other than as disclosed in this prospectus, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Illinois. See “*Risk Factors - U.S. state regulation of cannabis is uncertain.*”

Massachusetts

Massachusetts Regulatory Landscape

The Massachusetts Medical Use of Marijuana Program (the “MA Program”) was formed pursuant to the Act for the Humanitarian Medical Use of Marijuana (the “MA ACT”). The MA Program allows registered persons to purchase medical cannabis and applies to any patient, personal caregiver, Medical Marijuana Treatment Center (each, a “MTC”), and MTC agent that qualifies and registers under the MA Program. To qualify, patients must suffer from a debilitating condition as defined by the MA Program. Currently there are eight conditions that allow a patient to acquire cannabis in Massachusetts, including AIDS/HIV, ALS, cancer and Crohn’s disease. As of May 31, 2019, approximately 59,000 patients have been registered to purchase medical cannabis products in Massachusetts. The MA Program is administrated by the Cannabis Control Commission of Massachusetts (the “CCC”). As of November 3, 2022, there were approximately 184 open MTCs in Massachusetts.

In November 2016, Massachusetts voted affirmatively on a ballot petition to legalize and regulate cannabis for adult-use. The Massachusetts legislature amended the law on December 28, 2016, delaying the date adult-use cannabis sales would begin by six months. The delay allowed the legislature to clarify how municipal land-use regulations would treat the cultivation of cannabis and authorized a study of related issues. After further debate, the state House of Representatives and state Senate approved H.3818 which became Chapter 55 of the Acts of 2017, An Act to Ensure Safe Access to Marijuana, and established the CCC. The CCC consists of five commissioners and regulates both the Adult Use and Medical Use of Marijuana programs. Sales of adult-use cannabis in Massachusetts started in July 2018. Adult-use cannabis in Massachusetts is regulated under M.G.L. ch. 94G and 935 CMR 500 et seq.

Under the MA Program, MTCs are heavily regulated. Vertically integrated MTCs grow, process, and dispense their own cannabis. As such, each MTC is required to have a retail facility as well as cultivation and processing operations, although retail operations may be separate from grow and cultivation operations. An MTC’s cultivation location may be in a different municipality or county than its retail facility.

The MA Program mandates a comprehensive application process for MTCs. Each Registered Marijuana Dispensary (each, a “RMD”) applicant must submit a Certificate of Good Standing from the Massachusetts Department of Revenue, comprehensive financial statements, a character and competency form, and employment and education histories of the senior partners and individuals responsible for the day-to-day security and operation of the MTC. Municipalities may individually determine what local permits or licenses are required if an MTC wishes to establish an operation within its boundaries.

Massachusetts Licenses

MassGrow LLC has been issued one cultivation and one provisional manufacturing processing license and Ascend Mass LLC has been issued one retail license and two provisional retail licenses.

The below table lists our Massachusetts licenses:

Entity	License Number	City	Expiration Date / Renewal Date	Description
MassGrow, LLC	MC281488	Athol	8/12/2023	Adult Use Cultivation License
MassGrow, LLC	MP281460	Athol	8/12/2023	Manufacturing Processing License
Ascend Mass, LLC	MR282077	Boston	1/21/2023	Adult Use License
Ascend Mass, LLC	MR282837	Newton	6/10/2023	Adult Use License
Southcoast Apothecary LLC	MR283075	New Bedford	8/11/2023	Adult Use License

Each Massachusetts dispensary, grower and processor license is valid for one year and must be renewed no later than 60 calendar days prior to expiration. As in other states where cannabis is legal, the CCC can deny licenses and renewals for multiple reasons, including (per 935 CMR 500.400) (1) failure to complete the application process within the required time period; (2) submission of deceptive, misleading, or fraudulent information, (3) an indication of an inability to maintain and operate a compliant cannabis establishment, (4) determination of unsuitability pursuant to, for example, certain criminal convictions, (5) failure to comply with cannabis license control limitations, (6) rejection of revocation of another cannabis license in Massachusetts or elsewhere; or (7) any other ground that serves the purposes of the law. Revocations can also be based on (per 935 CMR 500.450) (1) failure to submit or implement a plan of correction; (2) attempting to assign ownership to another entity or making other significant changes without proper permission, (3) lack of responsible operation of a cannabis establishment, (4) maintaining a substandard level of compliance with applicable statutory and regulatory requirements, (5) financial insolvency; (6) failure to cooperate with law enforcement, (7) violation of the safety, health, or welfare of the public; or (8) committing, permitting, aiding, or abetting of any illegal practices in the operation of the cannabis establishment. Additionally, license holders must ensure that no cannabis is sold, delivered, or distributed by a producer from or to a location outside of the state.

Regulation of the Adult-Use Cannabis Market in Massachusetts

Adult-use cannabis has been legal in Massachusetts since December 15, 2016, following a ballot initiative in November of that year. The CCC, a regulatory body created in 2018, licenses adult-use cultivation, processing and dispensary facilities (collectively, “Marijuana Establishments” or “MEs”) pursuant to 935 CMR 500.000 et seq. The first adult-use cannabis facilities in Massachusetts began operating in November 2018.

Massachusetts Licensing Requirements (Adult-Use)

Applicants must submit proof of being an entity registered to do business in Massachusetts, as well as a list of all people and entities having direct or indirect control of the business, documentation of any such people or entities' other business interests, details of the amounts and sources of capital resources, and documentation of a bond or escrow account. Furthermore, the applicant must provide a specific address for the location of the establishment, proof of a property interest in that address, documentation that the applicant has a "host community agreement" with the municipality, and documentation that the applicant has held at least one community outreach meeting. The applicant must also provide a description of plans to ensure that the cannabis establishment will be compliant with all applicable laws and regulations, and also a specific plan to positively impact areas of disproportionate impact (geographical locations in the state which have had historically high rates of arrest, conviction, and incarceration related to cannabis crimes). The application also requires payment of a fee.

All individuals identified as having direct or indirect control in the license must undergo an extensive background check that includes criminal, civil, and regulatory records; certain criminal convictions, civil actions, or regulatory infractions may trigger a finding of unsuitability

Each license applicant must submit detailed information about its business registration, certificates of good standing, and a plan to obtain liability insurance. The application must include a detailed business plan, a detailed summary of operating policies and procedures addressing issues like security, storage, prevention of diversion, transportation, inventory practices, recordkeeping, and a specific diversity plan demonstrating promotion of equity among people of color, women, veterans, persons with disabilities, and LGBTQ+ individuals. Such plans must have specific goals and measurable outcomes that will be monitored and updated through the entire existence of the cannabis establishment.

Pursuant to 935 CMR 500.050, no person or entity may own or have direct or indirect control over more than three licenses in each Marijuana Establishment category (i.e., cannabis retailer, cannabis cultivator, cannabis product manufacturer). Additionally, there is a 100,000 square foot cultivation canopy restriction for adult-use licenses.

Massachusetts Dispensary Requirements (Adult-Use)

Cannabis retailers may purchase, transport, sell, repackage, or otherwise transfer cannabis and cannabis products to consumers. On-site consumption is prohibited. All permitted cannabis-related activities must take place solely at the licensed address.

All cannabis establishment employees must receive at least eight hours of training annually. A total of four hours of training shall be from Responsible Vendor Training Program courses established under 935 CMR 500.105(2)(b). The remaining four hours may be conducted in-house by the cannabis establishment as on-the-job training.

All cannabis establishments must have written operating procedures addressing security measures, employee security policies, descriptions of operating hours and after-hours contact information, storage and waste disposal, product descriptions, price list, recordkeeping, quality control, staffing, emergency procedures, alcohol/smoke/drug-free workplace policies, confidential information handling, plans for immediate dismissal of employees who divert cannabis, engage in unsafe practices or are convicted of certain crimes, Board and members list, cash handling, prevention of diversion, energy efficiency, and workplace safety. Retail establishments must also have plans to check the identification of each customer both upon entering the store and again at the point of sale. No one under 21 is permitted to purchase cannabis or to be on the premises. Retail stores must ensure that customers purchase no more than one ounce of cannabis (or its equivalent in other forms) per day. Retailers also have the right to refuse sales to customers, for example, those that appear to be impaired by the influence of substances.

The retail point of sale system must be approved by both the CCC and the state Department of Revenue. It must be integrated with Metrc, the state's seed-to-sale tracking system. The system must also be audited on a monthly basis to ensure that no additional software has been installed that could alter sales data.

Cannabis retailers must have available extensive consumer education materials, including in languages other than English.

Massachusetts Security and Storage Requirements (Adult-Use)

Each Marijuana Establishment must implement sufficient safety measures to deter and prevent unauthorized entrance into areas containing cannabis and theft of cannabis at the establishment. Security measures taken by the establishments to protect the premises, employees, consumers and general public must include, but not be limited to, the following:

- positively identifying individuals seeking access to the premises of the Cannabis Establishment or to whom or cannabis products are being transported pursuant to 935 CMR 500.105(13) to limit access solely to individuals 21 years of age or older;
- adopting procedures to prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication permitted by the regulations and its enabling statute are allowed to remain on the premises;
- disposing of cannabis in accordance with 935 CMR 500.105(12) in excess of the quantity required for normal, efficient operation as established within 935 CMR 500.105;
- securing all entrances to the Marijuana Establishment to prevent unauthorized access;
- establishing limited access areas pursuant to 935 CMR 500.110(4), which shall be accessible only to specifically authorized personnel limited to include only the minimum number of employees essential for efficient operation;
- storing all finished cannabis products in a secure, locked safe or vault in such a manner as to prevent diversion, theft and loss;
- keeping all safes, vaults, and any other equipment or areas used for the production, cultivation, harvesting, processing or storage of cannabis products securely locked and protected from entry, except for the actual time required to remove or replace cannabis;
- keeping all locks and security equipment in good working order;
- prohibiting keys, if any, from being left in the locks or stored or placed in a location accessible to persons other than specifically authorized personnel;
- prohibiting accessibility of security measures, such as combination numbers, passwords or electronic or biometric security systems, to persons other than specifically authorized personnel;
- ensuring that the outside perimeter of the Marijuana Establishment is sufficiently lit to facilitate surveillance, where applicable;
- ensuring that all cannabis products are kept out of plain sight and are not visible from a public place without the use of binoculars, optical aids or aircraft;
- developing emergency policies and procedures for securing all product following any instance of diversion, theft or loss of cannabis, and conduct an assessment to determine whether additional safeguards are necessary;
- developing sufficient additional safeguards as required by the CCC for Marijuana Establishments that present special security concerns;
- establishing procedures for safe cash handling and cash transportation to financial institutions to prevent theft, loss and associated risks to the safety of employees, customers and the general public;
- sharing the establishment's floor layout with law enforcement and as required by the municipality to identify the use of any flammable or combustible solvents, chemicals, or other such materials in use; and
- sharing the Marijuana Establishment's security plan and procedures with law enforcement authorities and fire services and periodically updating law enforcement authorities and fire services if the plans or procedures are modified in a material way.

Cannabis must be stored in special limited access areas, and alarm systems must meet certain technical requirements, including a failure notification system, perimeter alarms on all entry and exit points, duress/panic alarms, and video surveillance in all areas where cannabis or cash is kept and at all points of entry and exit. The surveillance system must have the ability to record footage 24 hours a day and to retain such footage for at least 90 days. The systems must be angled so as to allow for the capture of clear identification of any person entering or existing the establishment and must be able to remain operational for a minimum of four hours in the event of a power outage. Regular audits are required every 30 days.

Massachusetts Transportation Requirements (Adult-Use)

Cannabis products may only be transported between licensed MEs by registered Marijuana Establishment agents. A licensed cannabis transporter may contract with a licensed Marijuana Establishment to transport that licensee's cannabis products to other licensed establishments. The originating and receiving licensed establishments shall ensure that all transported cannabis products are linked to METRC, Massachusetts' seed-to-sale tracking program. For the purposes of tracking, seeds and clones will be properly tracked and labeled in a form and manner determined by the CCC. Any cannabis product that is undeliverable or is refused by the destination Marijuana Establishment shall be transported back to the originating establishment. All vehicles transporting cannabis products shall be staffed with a minimum of two Marijuana Establishment agents. At least one agent shall remain with the vehicle at all times that the vehicle contains cannabis or cannabis products. Prior to the products leaving a Marijuana Establishment for the purpose of transporting cannabis products, the originating Marijuana Establishment must weigh, inventory, and account for, on video, all cannabis products to be transported. Within eight hours after arrival at the destination Marijuana Establishment, the destination establishment must re-weigh, re-inventory, and account for, on video, all cannabis products transported. When videotaping the weighing, inventorying, and accounting of cannabis products before transportation or after receipt, the video must show each product being weighed, the weight, and the manifest. Cannabis products must be packaged in sealed, labeled, and tamper or child-resistant packaging prior to and during transportation. In the case of an emergency stop during the transportation of cannabis products, a log must be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. A Marijuana Establishment or a cannabis transporter transporting cannabis products is required to ensure that all transportation times and routes are randomized. An establishment or transporter transporting cannabis products shall ensure that all transport routes remain within Massachusetts. All vehicles and transportation equipment used in the transportation of cannabis products or edibles requiring temperature control for safety must be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the cannabis products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).

Vehicles used for transport must be owned or leased by the Marijuana Establishment or transporter, and they must be properly registered, inspected, and insured in Massachusetts. All vehicles must be equipped with a video system that includes at least one camera in the storage area and at least one camera in the driver area. All cameras must remain functional throughout the entire transportation process. All vehicles must also be equipped with an alarm system, and functioning heating and air conditioning. Cannabis may not be visible from outside the vehicle, and it must be transported in a secure, locked storage compartment. The vehicle may not have any external markings indicating that it is used to transport cannabis. Each vehicle must have a global positioning system, and any agent transporting cannabis must have access to a secure form of communication with the originating location. Firearms are forbidden inside the vehicle or on the person of an agent. Each transport must have a manifest filled out in triplicate.

Massachusetts CCC Inspections

The CCC or its agents may inspect a Marijuana Establishment and affiliated vehicles at any time without prior notice in order to determine compliance with all applicable laws and regulations. All areas of a Marijuana Establishment, all Marijuana Establishment agents and activities, and all records are subject to such inspection. Marijuana establishments must immediately upon request make available to the CCC all information that may be relevant to a CCC inspection, or an investigation of any incident or complaint. A Marijuana Establishment must make all reasonable efforts to facilitate the CCC's inspection, or investigation of any incident or complaint, including the taking of samples, photographs, video or other recordings by the CCC or its agents, and to facilitate the

CCC's interviews of Marijuana Establishment agents. During an inspection, the CCC may direct a Marijuana Establishment to test cannabis for contaminants as specified by the CCC, including but not limited to mold, mildew, heavy metals, plant-growth regulators, and the presence of pesticides not approved for use on cannabis by the Massachusetts Department of Agricultural Resources.

Moreover, the CCC is authorized to conduct a secret shopper program in retail establishments to ensure compliance with all applicable laws and regulations.

U.S. Attorney Statements in Massachusetts

On July 10, 2018, the U.S. Attorney for the District of Massachusetts, Andrew Lelling, issued a statement regarding the legalization of adult-use cannabis in Massachusetts. Mr. Lelling stated that since he has a constitutional obligation to enforce the laws passed by Congress, he would not immunize the residents of Massachusetts from federal law enforcement. He did state, however, that his office's resources would be primarily focused on combating the opioid epidemic. He stated that considering those factors and the experiences of other states that have legalized adult-use cannabis, his office's enforcement efforts would focus on the areas of (i) overproduction, (ii) targeted sales to minors, and (iii) organized crime and interstate transportation of drug proceeds.

To the knowledge of management, other than as disclosed in this prospectus, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Massachusetts. See "*Risk Factors - U.S. state regulation of cannabis is uncertain.*"

Michigan

Michigan Regulatory Landscape

In 2008, the Michigan Compassionate Care Initiative established a medical cannabis program for serious and terminally ill patients. This program, which was approved by the House but not acted upon and defaulted to a public initiative on the November ballot. Proposal 1 was approved by 63% of voters on November 8, 2008. Proposal 1 was then written into law and approved by Michigan's lawmakers in December 2008. The resulting Act became the Michigan Medical Marihuana Act ("MMMA"). The MMMA provides access to state residents to cannabis and cannabis related products under one of 11 debilitating conditions, including epilepsy, cancer, HIV/AIDS, cancer and post-traumatic stress disorder. In July 2018, the Medical Marihuana Review Panel approved 11 additional conditions to the list of ailments to qualify for medical cannabis. The additional 11 include chronic pain, colitis and spinal cord injury.

In 2016, the Michigan legislature passed two new acts and also amended the original MMMA. The first act, the Medical Marihuana Facilities Licensing Act ("MMFLA"), effective December 20, 2016 and most recently amended effective December 7, 2021, establishes a licensing and regulation framework for medical cannabis growers, processors, secure transporters, provisioning centers, and safety compliance facilities. The second act, the Marihuana Tracking Act ("MTA"), establishes a "seed-to-sale" system to track cannabis that is grown, processed, transferred, stored, or disposed of under the MMFLA.

In November of 2018 Michigan voters, through another public ballot initiative approved the Michigan Regulation and Taxation of Marihuana Act ("MRTMA") legalizing and establishing a licensing and regulatory framework for adult-use growers, processors, secure transporters, retailers, microbusinesses, event organizers, designated consumption establishments, and safety compliance facilities. The proposal was approved by nearly 56% of the voters. The state began taking applications for such on November, 1, 2019 and the first sales of adult-use marihuana took place on December 1, 2019. According to the Cowen report, *Charting Cannabis: A U.S. State Level Deep Dive*, published February 19, 2020, there were 125 open dispensaries in Michigan as of the end of 2019.

The Marihuana Regulatory Agency ("MRA") is a separate agency within the Michigan Department of Licensing and Regulatory Affairs and is responsible for the oversight of cannabis in Michigan. The MRA consists of the Medical and Adult Marihuana Applications, Compliance, Scientific & Legal and Enforcement Divisions and the Michigan Medical Marihuana Program Division. The MRA is responsible for issuing cards to medical cannabis patients, and oversight and licensing of medical facilities and adult-use establishments.

The MRA and State of Michigan attempted to combine the medical and adult-use markets during the 2019-2020 legislative session, but the proposed bill did not receive a vote in both legislative bodies. However, while the MMFLA and MRTMA remain separate and distinct laws, the MRA adopted topic-based Administrative Rules in June 2020 which address both medical facilities and adult-use establishments.

On September 27, 2021, the MRA held a public hearing to receive comments on updated Administrative Rules that are intended to provide clarity and consistency to licensees in both the medical and adult-use markets. Final drafts of the amended Administrative Rules were published in January 2022. On March 7, 2022 the updated Administrative Rules went into effect.

Under both the MMFLA and MRTMA Michigan municipalities can choose if they will allow cannabis establishments or facilities, and the type and number of establishments or facilities within their jurisdiction. This includes licensing and zoning ordinances for many municipalities. Because each municipality is able to devise a unique set of rules for cannabis licenses, each facility or establishment in a different Michigan municipality may be subject to a different set of local ordinances.

Michigan Licenses

The below table lists our Michigan licenses:

Entity	License Number	City	Expiration Date / Renewal Date	Description
FPAW Michigan, LLC	AU-R-000286	Ann Arbor	11/27/2023	Adult Use License
FPAW Michigan, LLC	PC-000391	Battle Creek	07/29/2023	Medical Use License
FPAW Michigan, LLC	AU-R-000234	Battle Creek	11/27/2023	Adult Use License
FPAW Michigan, LLC	PC-000390	Detroit	07/29/2023	Medical Use License
FPAW Michigan, LLC	PC-000318	Morenci	07/29/2023	Medical Use License
FPAW Michigan, LLC	AU-R-000125	Morenci	11/27/2023	Adult Use License
FPAW Michigan, LLC	PC-000503	28th Street, Grand Rapids	07/29/2023	Medical Use License
FPAW Michigan, LLC	AU-R-000338	28th Street, Grand Rapids	11/27/2023	Adult Use License
FPAW Michigan, LLC	AU-R-000373	Scribner Ave, Grand Rapids	11/27/2023	Adult Use License
FPAW Michigan, LLC	PR-000171, GR-C-000742, GR-C-000856, GR-C-000857	Lansing	07/29/2023	Medical Processor License
FPAW Michigan, LLC	GR-C-000858, GR-C-000859, GR-C-000860, GR-C-000861	Lansing	07/29/2023	Medical Cultivation License
FPAW Michigan, LLC	AU-G-EX-000209, AU-G-EX-000210, AU-G-EX-000211, AU-G-EX-000212, AU-G-EX-000213	Lansing	11/27/2023	Adult Use Cultivation License
FPAW Michigan, LLC	AU-P-000145, AU-G-C000312, AU-G-C000327, AU-G-C000328, AU-G-C000329, AU-G-C000498	Lansing	11/27/2023	Adult Use Processor License

FPAW Michigan, LLC	PC-000791	East Lansing	07/29/2023	Medical License
FPAW Michigan, LLC	AU-R-000706	East Lansing	11/27/2023	Adult Use License

Michigan Storage and Security Requirements

Michigan licensees must meet the security requirements as set forth in the MRTMA, MMFLA and Administrative Rules. As such, licensees are required to include a security plan in their state license applications. The plan and required security measures include, but are not limited to, ensuring that visitors are escorted by an employee at all times; maintaining commercial locks or electronic access on all doors and windows; having an active alarm system for the premises; having a video surveillance system that records all areas where marihuana products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved; recording the access point to the surveillance system; recording the exterior and interior of entrances and exits; recording all areas within 20 feet of entrances and exits; recording in 720p resolution or higher; ensuring sufficient lighting for recording; maintaining recordings for at least 30 days and a log of all those with access to the surveillance system. All marihuana products must be stored in a secured limited or restricted access area on the licensed premises. General requirements for all cannabis business can be found in Michigan Administrative Rule 420.206.

Michigan Transportation Requirements

Except in limited circumstances, transportation of cannabis between licensees takes place via State licensed secure transporters. Transported products are entered into a manifest and the Michigan statewide monitoring system. Products are picked up from cultivators and processors by secure transporters and then delivered to destinations. For adult use products licensed transporters may also transfer products between our retail locations. A transporter must transport all cannabis products in a locked, secured, and sealed container that is not accessible while in transit. The container must be secured by a locked closed lid or door. Cannabis product must be labeled and kept in separate compartments or containers within the main locked, secured, and sealed container. If the transporter transports money associated with the purchase or sale of cannabis product between businesses, the transporter shall lock the money in a sealed container kept separate from the cannabis product and only accessible to the licensee and its employees. A transporter cannot maintain custody of the cannabis product for more than 96 hours without permission from the MRA.

Michigan Reporting Requirements

Michigan licensees must maintain on-site, or have electronic access to, all records of the establishment. Records are defined as books, ledgers, documents, writings, photocopies, correspondence, electronic storage media, electronically stored records, money receptacles, equipment in which records are stored, including data or information in the statewide monitoring system, or any other document that is used for recording information. Additionally, licensees must provide the state with an audited annual financial statements every three years, or a shorter period as may be determined by the MRA. This report must be conducted by an independent certified public accountant and includes information including but not limited to: sampling of all transaction done by the organization over the course of the year; employees and employment; bank accounts; management, revenues, METRC transactions, vendors, taxes, ownership and distributions, outsourcing, licensing agreements, and independent contractors. Additionally, licensees must report any change to operations, officers, owners, members, managers, applicants; changes in processing machinery or equipment, violations or local ordinances, changes in named applicant; changes in names; conveyances of interest in a license; modifications to businesses or business plans between inspections or submissions; changes in capacities; changes to ingress or egress; adverse reactions to marihuana products; criminal convictions, charges, civil judgements, lawsuits, legal proceedings, charges, or governmental investigations; employee discipline for misconduct related to product sales or transfers; diversion; theft; and any suspected criminal activity on the premises. The above issues, depending on the type, must be reported either before the change, within 24 hours thereof or within 10 days of notice thereof.

Michigan Site-Visits and Inspections

The MRA or its agents may inspect a licensee at any time without prior notice in order to determine compliance with all applicable laws and regulations. All areas of the licensed premises, all licensee employees, agents, and activities, and all records are subject to such inspection. Licensees must immediately upon request make available to the MRA all information that may be relevant to a MRA inspection, or an investigation of any incident or complaint.

MRA agents conduct initial pre-licensure inspections, a post-licensure inspection within 30 days of operation, and then semi-annual inspections thereafter. The Michigan Bureau of Fire Services also conducts fire safety plan reviews, initial pre-licensure and semi-annual inspections of licensees.

U.S. Attorney Statements in Michigan

On November 8, 2018, United States Attorneys Matthew Schneider and Andrew Birge for the Eastern and Western Districts of Michigan, respectively, issued a joint statement regarding the legalization of adult-use cannabis in Michigan. They stated that since they had taken oaths to protect and defend the Constitution and the laws of the United States, they would not immunize the residents of Michigan from federal law enforcement. They stated that they would continue to the investigation and prosecution of cannabis crimes as they do with any other crime. They stated they would consider the federal law enforcement priorities set by the DOJ, the seriousness of the crime, the deterrent effect of prosecution, and the cumulative impact of the crime on a community, while also considering their ability to prosecute with limited resources. They stated that combating illegal drugs was just one of many priorities, and that even within the area of drugs, they were focused on combating the opioid epidemic. They stated that they have not focused on prosecution of low-level offenders, which they stated would not change (unless aggravating factors were present). They did state that certain crimes involving cannabis could pose serious risks and harm to a community, including interstate trafficking, involvement of other illegal drugs or activity, persons with criminal records, presence of firearms or violence, criminal enterprises, gangs and cartels, bypassing local laws and regulations, potential for environmental contamination, risks to minors, and cultivation on federal property. On December 21, 2021, Dawn N. Ison was appointed as United States Attorney for the Eastern District of Michigan.

To the knowledge of management, other than as disclosed in this prospectus, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Michigan. See “*Risk Factors - U.S. state regulation of cannabis is uncertain.*”

New Jersey

New Jersey Regulatory Landscape

New Jersey’s medical cannabis program was introduced in January 2010 when then Governor Corzine signed the New Jersey Compassionate Use Medical Marijuana Act into law which legalized medical cannabis for patients with certain enumerated qualifying conditions. Medical cannabis sales began in December 2012 and as of the first quarter of 2021, there were 10 licensed and operational Adult Treatment Centers (“ATCs”) dispensing medical cannabis to patients. However, the state has accepted applications for satellite dispensaries for those operators, and we expect additional locations to open by the end of calendar year 2021. According to the Cowen report, *Charting Cannabis: A U.S. State Level Deep Dive*, published February 19, 2020, there were six open medical dispensaries in New Jersey as of the end of 2019.

In March 2018, under the direction of Governor Phil Murphy, who campaigned on a platform that included cannabis legalization, the New Jersey Department of Health (“NJ DOH”) issued the Executive Order 6 Report, which immediately expanded the medical cannabis program in numerous ways including adding chronic pain and anxiety as qualifying conditions, doubling the monthly product limit, and permitting current licensees to open satellite dispensaries. In August 2018, the NJ DOH began accepting applications for the licensing of six additional ATCs, and those licenses were awarded in December 2018. In August 2019, the NJ DOH accepted applications for the licensing of 24 additional ATCs, divvied among three regions (northern, central, southern) and three forms of endorsements (cultivation, dispensary, vertically integrated).

ATC licenses are awarded by a selection committee that evaluates applicants on the following general criteria: (1) submittal of mandatory organizational information; (2) ability to meet the overall health needs of qualified patients and safety of the public; (3) history of compliance with regulations and policies governing government-regulated cannabis programs; (4) ability and experience of applicant in ensuring an adequate supply of cannabis; (5) community support and participation; (6) ability to provide appropriate research data; (7) experience in cultivating, manufacturing, or dispensing cannabis in compliance with government-regulated cannabis programs; and (8) workforce and job creation plan. Information required to be submitted is wide-ranging, and includes identification information and background checks of principals, employees, directors, and other stakeholders, and evidence of compliance with certain state and local laws and ordinances.

ATCs are subject to a detailed regulatory scheme encompassing security, staffing, point-of-sale systems, manufacturing standards, hours of operation, delivery, advertising and marketing, product labeling, records and reporting, and more. As with all jurisdictions, the full regulations (N.J.A.C. 8:64 et seq.) should be consulted for further information about any particular operational area. For example (and not by limitation), ATCs are subject to a number of regulations regarding their policies, procedures, records, and reporting. For example, ATCs must develop oversight procedures; procedures to ensure safe growing and dispensing operations; security policies; inventory protocols; disaster plans; pricing standards; and crime prevention plans and must maintain careful records, including organizational charts; facility documents; supply-and-demand projections; general business records; detailed sales records; and detailed personnel and training records. ATCs must provide substantial training for their employees and must maintain an alcohol and drug-free workplace.

Licenses are renewed annually, and applications therefore must be submitted 60-days prior to expiration of the license then in force and effect. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations associated with the license, license holders can expect to receive a renewal in the ordinary course of business.

On November 3, 2020, voters in New Jersey approved an amendment to the state’s constitution to legalize cannabis for adult use in New Jersey. On February 22, 2021, New Jersey Governor Phil Murphy signed into law three bills which, taken together, give effect to the amendment and decriminalize small amounts of cannabis possession in New Jersey. The Cannabis Regulatory Commission (“CRC”) was created to establish rules and regulations governing the sale and purchase of adult-use cannabis, to administer the state’s medicinal cannabis program, and to oversee licensing for all areas of the cannabis industry. On August 19, 2021, the CRC voted to adopt initial rules regulating the adult-use cannabis market, Special Adopted New Rules: N.J.A.C. 17:30. In December of 2021, license applications opened for adult-use cultivators, manufacturers, and testing laboratories. In March of 2022, license applications opened for adult-use dispensaries and the first conditional recreation business applications were approved. On April 21, 2022 the first adult-use sales began.

New Jersey Licenses

Ascend New Jersey, LLC is permitted to open three dispensaries and one cultivation under its ATC and adult use license. Ascend New Jersey, LLC is an indirect subsidiary of the Company.

The below table lists our New Jersey licenses:

Entity	License Number	City	Expiration Date / Renewal Date	Description
Ascend New Jersey, LLC	9292020	Franklin	12/31/2022	Medical Cultivation License
Ascend New Jersey, LLC	C000002	Franklin	04/17/2023	Adult Use Cultivation License
Ascend New Jersey, LLC	M000001	Franklin	04/17/2023	Adult Use Manufacturing License
Ascend New Jersey, LLC	9292020	Montclair	12/31/2022	Medical License

Ascend New Jersey, LLC	RE00015	Montclair	06/05/2023	Adult Use License
Ascend New Jersey, LLC	9292020	Rochelle Park	12/31/2022	Medical License
Ascend New Jersey, LLC	RE000012	Rochelle Park	04/20/2023	Adult Use License
Ascend New Jersey, LLC	9292020	Fort Lee	12/31/2022	Medical License
Ascend New Jersey, LLC	RE000259	Fort Lee	11/14/2023	Adult Use License

New Jersey Storage and Security Requirements

All ATCs and adult use cannabis businesses are required to provide effective controls and procedures to guard against theft and diversion of cannabis including, when appropriate, systems to protect against electronic records tampering. With respect to security and inventory protocols, ATCs and adult use cannabis businesses are required to maintain security and alarm systems in good working order; test and inspect such security systems; employ policies to limit unauthorized access to areas containing cannabis; adopt security protocols to protect personnel; minimize exterior access and ensure the exterior of the facility has adequate lighting; and notify the proper authorities of reportable losses, security breaches, alarm activations, and electrical failures.

Further, all ATCs and adult use cannabis businesses must install, maintain in good working order and operate a safety and security alarm system at its authorized physical address(es) that will provide suitable protection 24 hours a day, seven days a week against theft and diversion and that provides, at a minimum: (i) immediate automatic or electronic notification to alert state or local police agencies to an unauthorized breach of security at the ATC or adult use cannabis business; and (ii) a backup system that activates immediately and automatically upon a loss of electrical support and that immediately issues either automatically or electronic notification to state or local police agencies of the loss of electrical support. ATCs and adult use cannabis businesses must also implement appropriate security and safety measures to deter and prevent the unauthorized entrance into areas containing cannabis and the theft of cannabis and security measures that protect the premises, registered qualifying patients, registered primary caregivers and principal officers, directors, board members and employees of the ATC and adult use cannabis business. Each ATC and adult use cannabis business must establish a protocol for testing and maintenance of the security alarm system and conduct maintenance inspections and tests of the security alarm system at the ATC's and adult use cannabis business' authorized location at intervals not to exceed 30 days from the previous inspection and test, and it must promptly implement all necessary repairs to ensure the proper operation of the alarm system. In the event of a failure of the security alarm system due to a loss of electrical support or mechanical malfunction that is expected to last longer than eight hours, an ATC must notify NJ DOH and the CRC and either provide alternative security measures or close the affected facilities until service is restored. Finally, each ATC and adult use cannabis business must equip its interior and exterior premises with electronic monitoring, video cameras, and panic buttons.

New Jersey Reporting Requirements

The reporting requirements for ATCs are governed by N.J.A.C. 8:64-4.3. The State of New Jersey allows ATCs to choose their method of electronic verification and a T&T system. In the course of operations, ATCs are required to conduct detailed monthly inventories and an annual comprehensive inventory. ATCs must retain records for at least two years. The reporting requirements for adult use cannabis businesses are governed by N.J.A.C. 17:30-9.11.

New Jersey Site-Visits & Inspections

ATCs are subject to inspection by NJ DOH at any time, with or without notice. ATCs must provide immediate access to all facilities, materials, and information requested by NJ DOH. Failure to cooperate with an onsite assessment and or to provide access to the premises or information may be grounds to revoke the permit of the ATC and to refer the matter to state law enforcement agencies. If a problem is discovered, the ATC must notify NJ DOH in writing, with a postmark date that is within 20 business days of the date of the notice of violations, of the corrective actions the ATC has taken to correct the violations and the date of implementation of the corrective actions. Additionally, the NJ DOH is continually monitoring the operations of the ATC through our security and

surveillance systems. The NJ DOH has the ability to access our surveillance system at any time and therefore may conduct a visual inspection of the premises at any time.

Adult use cannabis businesses are subject to inspection by the CRC at any time, with or without notice. Adult use cannabis businesses must provide immediate access to all facilities, materials, and information requested by the CRC. Pursuant to N.J.A.C. 17:30-17.4, if the CRC identifies a violation, the CRC shall provide notice of the violation, including an official written report of the findings and the nature of the violation, to the adult use cannabis business within 7 business days following the onsite assessment or other identification of the violation. If a problem is discovered, the adult use cannabis business must notify the CRC in writing, with a postmark date that is within 20 business days of the date of the notice of violations, of the corrective actions the adult use cannabis business has taken to correct the violations and the date of implementation of the corrective actions.

New Jersey Transportation Requirements

An ATC that is authorized by permit to cultivate medical cannabis at one location and to dispense it at a second location shall transport only usable cannabis from the cultivation site to the dispensing site according to a delivery plan submitted to the NJ DOH. Each vehicle must be staffed with at least two registered ATC employees. At least one delivery team member shall remain with the vehicle at all times that the vehicle contains medical cannabis. Each delivery team member shall have access to a secure form of communication with the ATC, such as a cellular telephone, at all times that the vehicle contains medical cannabis. Each delivery team member must possess their ATC employee identification card at all times and shall produce it to NJ DOH staff or law enforcement officials upon demand.

Each transport vehicle needs to be equipped with a secure lockbox or locking cargo area, which shall be used for the sanitary and secure transport of medical cannabis. Each ATC must maintain current commercial automobile liability insurance on each vehicle used for transport of medical cannabis in the amount of \$1 million per incident. Each ATC must ensure that vehicles used to transport medical cannabis bear no markings that would either identify or indicate that the vehicle is used to transport medical cannabis, and each trip must be completed in a timely and efficient manner, without intervening stops or delays. Each ATC shall maintain a record of each transport of medical cannabis in a transport logbook, which must include dates and times of trips, names of employees on the delivery team, relevant facts about the products transported and the signatures of the delivery team.

ATCs must report any vehicle accidents, diversions, losses, or other reportable events that occur during transport to the permitting authority in accordance with New Jersey law.

Home delivery is not permitted under New Jersey law. An ATC may not deliver cannabis to the home or residence of a registered qualifying patient or primary caregiver.

An adult use cannabis business may securely transport cannabis items to another cannabis business, or it may use a licensed cannabis distributor for such transport. A license holder may transport between multiple cannabis business premises or to another cannabis business anywhere in the state using a delivery vehicle, as required under N.J.A.C. 17:30-9.15.

Each transport vehicle needs to be equipped with a GPA device identifying the geographic location of the delivery vehicle, a secure lockbox or locking cargo area, and functional heating and cooling, which shall be used for the sanitary and secure transport of cannabis. Each adult use cannabis business must maintain current commercial automobile liability insurance on each vehicle used for transport of medical cannabis in the amount of \$1 million per incident. Each adult use cannabis business must ensure that vehicles used to transport cannabis bear no markings that would either identify or indicate that the vehicle is used to transport cannabis, and each trip must be completed in a timely and efficient manner, without intervening stops or delays. Each adult use cannabis business shall maintain a record of each transport of cannabis in a transport logbook, which must include dates and times of trips, names of employees on the delivery team, relevant facts about the products transported and the signatures of the delivery team.

An adult use cannabis business shall report any vehicle accidents, diversions, losses, or other reportable events that occur during transport to the CRC in accordance with N.J.A.C. 17:30-9.11.

Pursuant to N.J.A.C. 17:30-12.8, a license holder holding a Class 6 Cannabis Delivery license may be authorized by a cannabis retailer to deliver cannabis items to consumers on behalf of that cannabis retailer. In transit, the cannabis items shall be locked and stored in a sanitary and secure lockbox. There must be real time GPA tracking of the delivery vehicle and the delivery service shall only deliver to a residence in New Jersey, to a legal customer whose age has been verified by an examination of the consumer's identification. Each ATC shall maintain a record of each transport of medical cannabis in a transport logbook, which must include dates and times of trips, names of employees on the delivery team, relevant facts about the products transported and the signatures of the delivery team. Each adult use cannabis business must maintain current commercial automobile liability insurance on each vehicle used for transport of medical cannabis in the amount of \$1 million per incident. Each adult use cannabis business must ensure that vehicles used to transport cannabis bear no markings that would either identify or indicate that the vehicle is used to transport cannabis, and each trip must be completed in a timely and efficient manner, without intervening stops or delays. Each adult use cannabis business shall maintain a record of each transport of cannabis in a transport logbook, which must include dates and times of trips, names of employees on the delivery team, relevant facts about the products transported and the signatures of the delivery team.

U.S. Attorney Statements in New Jersey

To the knowledge of management, other than as disclosed in this prospectus, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in New Jersey. See "*Risk Factors - U.S. state regulation of cannabis is uncertain.*"

Ohio

Ohio Regulatory Landscape

Effective September 8, 2016, House Bill 523 legalized the use of medical cannabis for 26 debilitating conditions as prescribed by a licensed physician. The Ohio Medical Marijuana Control Program ("OMMCP") allows people with certain medical conditions, including Alzheimer's disease, HIV/AIDS, ALS, cancer, traumatic brain injury, chronic pain, post-traumatic stress disorder and cachexia, to purchase medical cannabis. Though Ohio was required to implement a fully operational OMMCP by September 8, 2018 with a controlled system for cultivation, laboratory testing, physician/patient registration and dispensing, the timeline was delayed until November 2018. Regulatory oversight is shared between three offices; (a) the Ohio Department of Commerce with respect to overseeing cultivators, processors and testing laboratories; (b) the Ohio Board of Pharmacy with respect to overseeing retail dispensaries and the registration of patients and caregivers, and (c) the State Medical Board of Ohio with respect to certifying physicians to recommend medical cannabis. The OMMCP will permit limited product types including oils, tinctures, plant materials and edibles. Adult-use and the smoking of cannabis flower are prohibited. As of June 2022, there were approximately 278,731 registered patients allowed to purchase cannabis products from a dispensary. As of June 2022, there were 58 open dispensaries in Ohio.

Ohio Licenses

To be considered for approval of a provisional dispensary, cultivation or a processing license, the applicant must complete all mandated requirements. To obtain a certificate of operation for a medical cannabis dispensary, cultivation facility or processing facility, the prospective licensee must be capable of operating in accordance with Chapter 3796 of the Revised Code, the Medical Marijuana Control Program. Dispensary certificates of operation carry two-year terms, while certificates of operation for cultivators and processors must be renewed annually.

A certificate of operation will expire on the date identified on the certificate. A licensee will receive written or electronic notice 90 days before the expiration of its certificate of operation. The licensee must submit the renewal information at least 45 days prior to the date the existing certificate expires. The information required for the license renewal includes, but is not limited to, the following: (a) a roster that includes the dispensary's employees' names, (b) the history of compliance with regulations, and (c) the number and severity of any violations. If a licensee's renewal application is not filed prior to the expiration date of the certificate of operation, the certificate of operation will be suspended for a maximum of 30 days. After 30 days, if the dispensary has not successfully renewed the

certificate of operation, including the payment of all applicable fees, the certificate of operations will be deemed expired.

BCCO, LLC and Ohio Cannabis Clinic, LLC each operate one dispensary, and Hemma, LLC operates a cultivation facility. Marichron Pharma, LLC holds a processing license.

The below table lists the licenses held by our subsidiaries and contractual parties hold in Ohio:

Entity	License Number	City	Expiration Date / Renewal Date	Description
BCCO, LLC	MMD.0700075	Carroll	07/01/2023	Medical Dispensary
Hemma, LLC	MMCPC0014	Monroe	09/10/2023	Medical Cultivation
Hemma, LLC	MMCPP00125	Monroe	01/17/2023	Medical Cultivation - License to Package, Sell, Deliver
Ohio Cannabis Clinic, LLC	MMD.0700089	Coshocton	07/01/2023	Medical Dispensary
Marichron Pharma, LLC	MMCPP00082	Monroe	03/23/2023	Medical Processing

Ohio Storage Requirements

Ohio has selected METRC as the T&T system. Individual licensees, whether directly or through third-party APIs, are required to push data to the state to meet all reporting requirements. A holder of a processing or cultivation license must track and submit through the inventory tracking system any information the Ohio Department of Commerce determines necessary for maintaining and tracking medical cannabis extracts and products.

A holder of a cultivation license must conduct a weekly inventory of medical cannabis which includes (a) date of inventory; (b) amount of medical cannabis on hand; (c) total count of plants, whether in the flowering, vegetative, or clone phase of growth and organized by room in which the plants are being grown; (d) amount of medical cannabis sold since previous weekly inventory; (e) date, quantity, and method of disposal of medical cannabis; (f) summary of the inventory findings; and (g) name, signature, and title of the employees who conducted the inventory and oversaw the inventory. On an annual basis and as a condition for renewal of a cultivation license, a holder of a cultivation license must conduct a physical, manual inventory of the medical cannabis on hand at the cultivation facility and compare the findings to an annual inventory report generated using the inventory tracking system.

A holder of a processing license must conduct weekly inventory of medical cannabis which includes (a) the date of the inventory, (b) net weight of plant material and the net weight and volume of medical cannabis extract, (c) net weight and unit count of medical cannabis products prepared or packaged for sale to a dispensary, (d) the amount of medical cannabis and medical cannabis products sold since previous weekly inventory; (e) the date, quantity, and method of disposal of any plant material, medical cannabis extract, and medical cannabis products; (f) a summary of the inventory findings; and (g) name, signature and employees who conducted the inventory and oversaw the inventory. On an annual basis and as a condition for renewal of a processing license, a holder of a processing license shall conduct a physical, manual inventory of plant material, medical cannabis extract, and medical cannabis products on hand at the processor and compare the findings to an annual inventory report generated using the inventory tracking system. A holder of a processing license must store plant material, medical cannabis extract, and medical cannabis product inventory on the premises in a designated, enclosed, locked area and accessible only by authorized individuals.

A holder of a dispensary license must use the METRC T&T system to push data to the Ohio Board of Pharmacy on a real-time basis. The following data must be transmitted (a) each transaction and each day's beginning inventory, acquisitions, sales, disposal and ending inventory, (b) acquisitions of medical cannabis from a licensed processor or cultivator holding a plant-only processor designation, (c) name and license number of the licensed dispensary employee receiving the medical cannabis and, (d) other information deemed appropriate by the Ohio State Board of Pharmacy. A dispensary's designated representative shall conduct the inventory at least once a week.

Records of each day's beginning inventory, acquisitions, sales, disposal and ending inventory shall be kept for a period of three years.

The dispensary licensee must restrict access areas and keep stock of medical cannabis in secured area enclosed by a physical barrier with suitable locks and an alarm system capable of detecting entry at a time when licensed dispensary employees are not present. Medical cannabis must be stored at appropriate temperatures and under appropriate conditions to help ensure that its identity, strength, quality and purity are not adversely affected.

Ohio Security Requirements

All licensees must have a security system that remains operational at all times and that uses commercial grade equipment to prevent and detect diversion, theft or loss of medical cannabis, including (a) a perimeter alarm, (b) motion detectors, and (c) duress and panic alarms. All licensees must also employ a holdup alarm, which means a silent alarm signal generated by the manual activation of a device intended to signal a robbery in progress. Processing and cultivation facilities are also required to have secondary alarm systems installed and monitored by a vendor that differs from the primary alarm system.

Video cameras at a dispensary must be positioned at each point of egress and each point of sale. The cameras must capture the sale, the individuals and the computer monitors used for the sale, approved safes, approved vaults and any area where cannabis is stored, handled or destroyed. Video surveillance recording must operate 24 hours a day, seven days a week. Recording from all video cameras during hours of operation must be made available for immediate viewing by the Ohio State Board of Pharmacy upon request and must be retained for at least six months.

Video cameras at a processing or cultivation facility must be directed at all approved safes, approved vaults, and any other area where plant material, medical cannabis extract, or medical cannabis products are being processed, stored, handled or destroyed. Video surveillance must take place 24 hours a day, seven days a week. Recordings from all video cameras during hours of operation must be readily available for immediate viewing by the Ohio regulatory bodies upon request and must be retained for at least six months. Video recording must be maintained for at least a 45-day period. Video recording must be maintained beyond the 45-day period when the cultivator or processor becomes aware of a pending criminal, civil or administrative investigation or legal proceeding for which a recording may contain relevant information. The cultivator or processor must retain an unaltered copy of the recording until the investigation or proceeding is closed or the entity conducting the investigation or proceeding is closed or the entity conducting the investigation or proceeding notifies the cultivator or processor that it is no longer necessary to retain the recording.

Ohio Reporting Requirements

A holder of a processing license must maintain the following records: (a) samples sent for testing, (b) disposal of products, (c) tracking of inventory, (d) form and types of medical cannabis maintained at the processing facility on a daily basis, (e) production records, including extraction, refining, manufacturing, packaging and labeling, (f) financial records, (g) employee records and (h) purchase invoices, bills of lading, manifests, sales records, copies of bills of sale, and any supporting documents, including the items and/or services purchased, from whom the items were purchased, and the date of purchase. Records must be maintained for five years.

A holder of a cultivation license must maintain the following records: (a) forms and types of medical cannabis maintained at the cultivator on a daily basis; (b) soil amendment, fertilizers, pesticides, or other chemicals applied to the growing medium or plants or used in the process of growing medical cannabis; (c) production records, including planting, harvesting and curing, weighing, and packaging and labeling; (d) financial records; (e) employee records; and (f) purchase invoices, bills of lading, manifests, sales records, copies of bills of sale, and any supporting documents, including the items and/or services purchased, from whom the items were purchased, and the date of purchase. Records will be maintained for five years.

A holder of a dispensary license must maintain the following records (a) confidential storage and retrieval of patient information or other medical cannabis records, (b) records of all medical cannabis received, dispensed, sold, destroyed, or used, (c) dispensary operating procedures, (d) a third-party vendor list, (e) monetary transactions,

and (f) journals and ledgers. All records relating to the purchase or return, dispensing, distribution, destruction, and sale of medical cannabis must be maintained under appropriate supervision and control to restrict unauthorized access on the licensed premises for a five-year period.

Ohio Transportation Requirements

Medical cannabis entities must maintain a transportation log in METRC containing the names and addresses of the medical cannabis entities sending and receiving the shipment, names and registration numbers of the registered employees transporting the medical cannabis or the products containing medical cannabis, the license plate number and vehicle type that will transport the shipment, the time of departure and estimated time of arrival, the specific delivery route, which includes street names and distances; and the total weight of the shipment and a description of each individual package that is part of the shipment, and the total number of individual packages. Copies of the log described above must be transmitted to the recipient and to the Ohio Department of Commerce through METRC before 11:59 p.m. on the day prior to the trip.

Vehicles transporting medical cannabis or cannabis products must be insured as required by law, store the products in locked compartments, ensure that the products are not visible from outside the vehicle, be staffed with two employees registered with the department (with one remaining with the vehicle at all times) and have access to the 911 emergency system. Vehicles must not be marked with any marks or logos.

Trips must be direct, other than to refuel the vehicle. Drivers must have their employee identification cards on their person at all times and must ensure that delivery times and routes are randomized. A copy of the transportation log must be carried during the trip.

Ohio Inspections Requirements

The submission of an application that results in the issuance of a provisional license or certificate of operation for a cultivator irrevocably gives the Ohio Department of Commerce consent to conduct all inspections necessary to ensure compliance with the cultivator's application, state and local law and regulators. An inspector conducting an inspection pursuant to this rule shall be accompanied by a "type 1" key employee during the inspection. The inspector may review and make copies of records, enter any area of a facility, inspect vehicles, equipment, premises, and question employees, among other actions. Dispensaries are not permitted to deliver cannabis products to the homes of patients or their designated caregivers.

Dispensaries in Ohio are subject to random and unannounced dispensary inspections and medical cannabis testing by the Ohio Board of Pharmacy. The Ohio Board of Pharmacy and its representatives may enter facilities and vehicles where medical cannabis is held and conduct inspections in a reasonable manner each place and all pertinent equipment, containers and materials and data. The Ohio Board of Pharmacy may also obtain any medical cannabis or related products from such facility.

U.S. Attorney Statements in Ohio

To the knowledge of management, other than as disclosed in this prospectus, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Ohio. See "*Risk Factors - U.S. state regulation of cannabis is uncertain.*"

Pennsylvania

Pennsylvania Regulatory Landscape

The Pennsylvania medical marijuana program was signed into law on April 17, 2016, under Act 16 ("Act 16") and provided access to state residents with one or more of 17 qualifying conditions, including: epilepsy, chronic pain and PTSD. On March 22, 2018, it was announced that the final phase of the Pennsylvania medical marijuana program would initiate its rollout, which included 13 additional cultivation/processing licenses and 23 additional dispensary licenses. It was announced on April 17, 2018, that dry flower would be included in the regulations as an approved product form for sale and consumption (in addition to the already approved forms of concentrates, pills, and tinctures). Simultaneously, it was announced that the list of qualifying conditions would

expand from 17 to 21, including additions of cancer remission therapy and opioid-addiction therapy. On July 20, 2019, two more qualifying medical conditions were added, bringing the total to 23.

On June 30, 2021, Pennsylvania Governor Tom Wolf signed into law H.B. 1024 (“Act 44”), which made revisions to Pennsylvania’s medical marijuana program, including codification of certain practices permitted under emergency orders issued in response to the COVID-19 pandemic. The changes permit a wider range of individuals to serve as caregivers, including employees of long-term care and nursing facilities. The changes also permit dispensaries some additional operational flexibility, including providing limited, on-site outdoor order pickups, providing remote patient consultations, and providing medical dosages up to a 90 days’ supply as opposed to a 30 days’ supply.

On July 11, 2022, Pennsylvania Governor Tom Wolf signed into law H.B. 311, containing an amendment that states that a “financial institution authorized to engage in business in this Commonwealth may provide financial services to or for the benefit of a legitimate cannabis -related business.” The same protections will apply to insurers.

As of July, 2022, adult use of cannabis remains illegal.

Pennsylvania Licenses / Regulations

There are two principal license categories in Pennsylvania: (1) cultivation/processing and (2) dispensary. All cultivation/processing establishments and dispensaries must register with Pennsylvania Department of Health under the provisions of Act 16 (35 P.S. §§ 10231.101—10231.2110) and Chapters 1141, 1151 and 1161 of the Pennsylvania regulations. Registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. The Pennsylvania Department of Health must renew a permit unless it determines the applicant is unlikely to maintain effective control against diversion of medical cannabis and the applicant is unlikely to comply with all laws as prescribed under the Pennsylvania medical marijuana program.

Under applicable laws, the licenses permit the license holder to cultivate, manufacture, process, package, sell and purchase medical marijuana pursuant to the terms of the licenses, which are issued by the Pennsylvania Department of Health under the provisions of Act 16 and Pennsylvania regulations. The medical cultivation/processing licenses permit the licensee to acquire, possess, cultivate, manufacture/process into medical marijuana products and/or medical marijuana-infused products, deliver, transfer, have tested, transport, supply or sell marijuana and related supplies to medical marijuana dispensaries. The retail dispensary licenses permit the license holder to purchase marijuana and marijuana products from cultivation/processing facilities, as well as allow the sale of marijuana and marijuana products.

On March 5, 2021, the Department of Health proposed permanent regulations relating to medical marijuana, replacing the temporary regulations governing the program through its history. These proposed regulations are in substantially the same form as the temporary regulations, with only a few distinctions. One proposed revision identifies that a medical marijuana organization’s change in ownership without the Department of Health’s knowledge and written approval of all individuals affiliated with the medical marijuana organization would be a violation of the act and proposed rules. The proposed regulations also require dispensaries and grower/processors to supplement ongoing reports to the Department of Health with information related to the average price per unit of medical marijuana products sold, as opposed to the per-dose price. The proposed rules also increase the list of reasons for which the Department of Health may suspend or revoke a medical marijuana organization’s permit by adding falsification of information on any applications submitted to the Department of Health. The proposed regulations also address training, identifying that principals, as well as employees, who have direct contact with patients or caregivers or who physically handle medical marijuana plants, seeds and products must also complete a training.

The below table lists the licenses applied for by our subsidiaries and contractual parties hold in Pennsylvania:

Entity	Clinical Registrant Number	City	Expiration / Renewal Date	Description
Story of PA CR, LLC	CR-01-GP21-5101	Smithfield	03/01/2023	Medical Cultivation / Processor License
Story of PA CR, LLC	CR01-D21-2101	Scranton	03/01/2023	Medical License
Story of PA CR, LLC	CR01-D21-2101	Wayne	03/01/2023	Medical License

Pennsylvania Storage / Reporting / Inventory Requirements

A dispensary shall have separate and locked limited access areas for storage of medical marijuana products that are expired, damaged, deteriorated, mislabeled, contaminated, recalled, or whose containers or packaging have been opened or breached until the medical marijuana products are returned to a grower/processor, destroyed or otherwise disposed of as required under § 1151.40 (relating to management and disposal of medical marijuana waste). A dispensary shall maintain all storage areas in a clean and orderly condition and free from infestation by insects, rodents, birds and pests.

A grower/processor shall ensure that a facility has separate and locked limited access areas for storage of seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products that are expired, damaged, deteriorated, mislabeled, contaminated, recalled or whose containers or packaging have been opened or breached until the seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products are destroyed or otherwise disposed of as required under § 1151.40 (relating to management and disposal of medical marijuana waste). A grower/processor facility shall maintain all storage areas in a clean and orderly condition and free from infestation by insects, rodents, birds and pests.

A grower/processor and dispensary shall use the electronic tracking system prescribed by the Department of Health containing the requirements in section 701 of Act 16 (35 P.S. § 10231.701). Pennsylvania has elected to use MJ Freeway’s electronic tracking system.

A dispensary shall maintain the following inventory data in its electronic tracking system; (1) medical marijuana products received from a grower/processor; (2) medical marijuana products dispensed to a patient or caregiver; (3) damaged, defective, expired or contaminated medical marijuana products awaiting return to a grower/processor or awaiting disposal. A dispensary shall establish inventory controls and procedures to conduct monthly inventory reviews and annual comprehensive inventories of medical marijuana products at its facility. A written or electronic record shall be created and maintained of each inventory which includes the date of the inventory, a summary of the inventory findings, and the employee identification numbers and titles or positions of the individuals who conducted the inventory.

A grower/processor shall maintain the following inventory data in its electronic tracking system which must include an accounting of and an identifying tracking number for; (1) the number, weight and type of seeds; (2) the number of immature medical marijuana plants; (3) the number of medical marijuana plants; (4) the number of medical marijuana products ready for sale; (5) the number of damaged, defective, expired or contaminated seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products awaiting disposal. A grower/processor shall establish inventory controls and procedures to conduct inventory reviews and comprehensive inventories at its facility. The following requirements apply; (1) inventory reviews of medical marijuana plants in the process of growing, and medical marijuana and medical marijuana products that are being stored for future sale shall be conducted monthly; (2) comprehensive inventories of seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products shall be conducted at least annually. A written or electronic record shall be created and maintained of each inventory conducted under this requirement that includes the date of the inventory, a summary of the inventory findings, and the employee identification numbers and titles or positions of the individuals who conducted the inventory.

Pennsylvania Security Requirements

A grower/processor shall have security and surveillance systems, utilizing commercial-grade equipment, to prevent unauthorized entry and to prevent and detect an adverse loss. The security and surveillance systems must include, subject to additional requirements of the Department of Health, (1) a professionally monitored security alarm system that includes: (i) coverage of all facility entrances and exits, (ii) two silent security alarms, (iii) an audible security alarm, (iv) a device capable of sending a prerecorded voice message requesting dispatch to a law enforcement, public safety or emergency services agency, (v) a failure notification system that provides an alert to a designated security person within 5 minutes after the failure, (vi) smoke and fire alarms, (vii) auxiliary power sufficient to maintain operation of specified growing and processing areas for at least 48 hours following a power outage, (viii) the ability to ensure all access doors are not solely controlled by an electronic access panel to prevent locks from becoming released during a power outage, and (ix) motion detectors; (2) a professionally monitored security and surveillance system that is operational 24 hours per day, 7 days per week and records all activity in images capable of clearly revealing facial detail; (3) the ability to display the date and time clearly and accurately; (4) the ability to record and store all images captured by each surveillance camera for a minimum of 2 years in a format that may be easily accessed for investigative purposes; (5) a security alarm system separate from the facility's primary security system covering the limited access area or other room where the recordings under paragraph (4) are stored.

The Department of Health also requires certain inspection and document retention policies as well the installation of commercial-grade, nonresidential steel doors and door locks on each room where seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products are stored, and on each external door of the facility.

A dispensary shall have security and surveillance systems, utilizing commercial-grade equipment, to prevent unauthorized entry and to prevent and detect an adverse loss. The security and surveillance system must include, subject to additional requirements of the Department of Health, (1) a professionally monitored security alarm system that includes: (i) coverage of all facility entrances and exits, (ii) two silent security alarms, (iii) an audible security alarm, (iv) a device capable of sending a prerecorded voice message requesting dispatch to a law enforcement, public safety or emergency services agency, (v) a failure notification system that provides an alert to a designated security person within 5 minutes after the failure, (vi) smoke and fire alarms, (vii) auxiliary power sufficient to maintain security and surveillance systems for at least 48 hours following a power outage, (viii) the ability to ensure all access doors are not solely controlled by an electronic access panel to prevent locks from becoming released during a power outage, and (ix) motion detectors; (2) a professionally-monitored security and surveillance system that is operational 24 hours per day, 7 days per week and records all activity in images capable of clearly revealing facial detail; (3) the ability to clearly and accurately display the date and time; (4) the ability to record and store all images captured by each surveillance camera for a minimum of 2 years in a format that may be easily accessed for investigative purposes; (5) a security alarm system separate from the facility's primary security system covering the limited access area or other room where the recordings under paragraph (4) are stored. The separate security alarm system must meet the same requirements as the facility's primary security alarm system. The Department of Health also requires certain inspection and document retention policies as well as access restrictions for certain personnel to the security system and security records.

Pennsylvania Transportation Requirements

A grower/processor may transport and deliver seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products to a medical marijuana organization or an approved laboratory in Pennsylvania in accordance with certain guidelines promulgated by the Department of Health, including but not limited to, requiring (1) the use of a global positioning system to ensure safe, efficient delivery of the seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products to a medical marijuana organization or approved laboratory between 7 a.m. and 9 p.m.; and (2) a transport vehicle must be staffed with at least two individuals, at least one of whom must remain with the vehicle at all times that the vehicle contains seeds, immature medical marijuana plans, medical marijuana plants, medical marijuana and medical marijuana products to ensure the security of the products.

A dispensary may transport and deliver medical marijuana products to a medical marijuana organization in Pennsylvania in accordance with certain guidelines promulgated by the Department of Health, including but not limited to, requiring (1) the use of a global positioning system to ensure safe, efficient delivery of the medical marijuana products to a medical marijuana organization between 7 a.m. and 9 p.m.; and (2) transport vehicle must be staffed with at least two individuals, at least one of whom must remain with the vehicle at all times that the vehicle contains medical marijuana products to ensure the security of the products.

Pennsylvania Inspections

The Department of Health may conduct announced or unannounced inspections or investigations to determine the medical marijuana organization's compliance with its permit, Act 16, or the regulations. An investigation or inspection may include but is not limited to; (1) inspection of a medical marijuana organization's site, facility, vehicles, books, records, papers, documents, data, and other physical or electronic information; (2) questioning of employees, principals, operators, financial backers, authorized agents of, and any other person or entity providing services to the medical marijuana organization; and (3) inspection of a grower/processor facility's equipment, instruments, tools and machinery that are used to grow, process and package medical marijuana, including containers and labels.

U.S. Attorney Statements in Pennsylvania

To the knowledge of management, other than as disclosed in this prospectus, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Pennsylvania. See "*Risk Factors - U.S. state regulation of cannabis is uncertain.*"

Recent Developments

On November 21, 2022, Emily Paxhia informed the Company that she will be resigning as a member of the Company's board of directors (the "Board") effective upon the earlier of December 1, 2022 and the appointment of a new independent director to the Board.

Effective November 23, 2022, the Company will appoint Joshua Gold as an independent director and Daniel Neville as a director to the Board. Accordingly, Ms. Paxhia's resignation will become effective on November 23, 2022, the date of Mr. Gold's appointment.

Outstanding Securities

As of September 30, 2022, the Company had approximately 195.1 million fully diluted shares outstanding, including approximately 187.9 million shares of Class A common stock, approximately 0.1 million shares of Class B common stock, and approximately 7.1 million total unvested restricted stock awards and restricted stock units. Additionally, the Company had approximately 5.9 million warrants outstanding, which are excluded from the fully diluted calculation as they are out-of-the money based on the closing stock price of the shares of Class A common stock on the CSE on September 30, 2022 of \$1.82 per share. As of September 30, 2022 there were also approximately 2.1 million stock options outstanding, of which none are exercisable and are excluded from the fully diluted calculation. These options are considered out-of-the money based on the closing stock price of the shares of Class A common stock on the CSE on September 30, 2022.

The Securities We May Offer

We may offer up to \$100,000,000 of Class A common stock, preferred stock, warrants, debt securities, subscription rights and units in one or more offerings and in any combination. This prospectus provides you with a general description of the securities we may offer. A prospectus supplement, which we will provide each time we offer securities, will describe the specific amounts, prices and terms of these securities.

Class A Common Stock

Holders of our Class A common stock are entitled to one vote for each share held. Holders of Class A common stock vote together with holders of Class B common stock, which are entitled to 1,000 votes for each share

held. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or our certificate of incorporation. Our stockholders do not have the ability to cumulate votes for the election of directors. Subject to preferences that may apply to any shares of preferred stock outstanding at the time, and any contractual limitations, the holders of our common stock will be entitled to receive dividends out of funds then legally available, if any, if our Board, in its discretion, determines to issue dividends and then only at the times and in the amounts that our Board may determine. In the event of our liquidation, dissolution or winding up, holders of our Class A common stock and Class B common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

Preferred Stock

Pursuant to our certificate of incorporation, our Board has the authority, without further action by the stockholders, to issue from time to time shares of preferred stock in one or more series. Our Board may designate the rights, preferences, privileges and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, redemption rights, liquidation preference, sinking fund terms, and the number of shares constituting any series or the designation of any series.

Each series of preferred stock will be more fully described in the particular prospectus supplement that will accompany this prospectus, including redemption provisions, rights in the event of our liquidation, dissolution or winding-up, voting rights and rights to convert into Class A common stock.

Warrants

We may issue warrants for the purchase of Class A common stock, preferred stock or debt securities. We may issue warrants independently or together with other securities.

Debt Securities

We may offer secured or unsecured obligations in the form of one or more series of senior or subordinated debt. The senior debt securities and the subordinated debt securities are together referred to in this prospectus as the “debt securities.” The subordinated debt securities generally will be entitled to payment only after payment of our senior debt. Senior debt generally includes all debt for money borrowed by us, except debt that is stated in the instrument governing the terms of that debt to be not senior to, or to have the same rank in right of payment as, or to be expressly junior to, the subordinated debt securities. We may issue debt securities that are convertible into shares of our Class A common stock or preferred stock. We may also issue debt securities upon the exercise of warrants or subscription rights.

The terms of any debt securities and any related agreements or indentures will be described in a prospectus supplement to be filed in respect of such offering.

Subscription Rights

We may issue subscription rights to purchase our Class A common stock, preferred stock or debt securities. These subscription rights may be offered independently or together with any other security offered hereby and may or may not be transferable by the stockholder receiving the subscription rights in such offering.

Units

We may issue units comprised of one or more of the other classes of securities issued by us as described in this prospectus in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit.

RISK FACTORS

An investment in our securities involves a high degree of risk. The prospectus supplement applicable to each offering of our securities will contain a discussion of the risks applicable to an investment in our securities. Prior to making a decision about investing in our securities, you should carefully consider the specific factors discussed in the section titled “Risk Factors” in the applicable prospectus supplement, together with all of the other information contained or incorporated by reference in the prospectus supplement or appearing or incorporated by reference in this prospectus. You should also consider the risks, uncertainties and assumptions discussed under “Part I—Item 1A—Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, which is incorporated herein by reference, and as may be amended, supplemented or superseded from time to time by other reports we file with the SEC in the future and any prospectus supplement related to a particular offering. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our operations. The occurrence of any of these known or unknown risks might cause you to lose all or part of your investment in the offered securities.

Risks Related to the Offering of Our Securities

You may experience future dilution as a result of future equity offerings.

In order to raise additional capital, we may in the future offer additional Class A common stock or other securities convertible into or exchangeable for Class A common stock at prices that may not be the same as the price per share of stock paid by any investor in an offering in a subsequent prospectus supplement. We may sell shares or other securities in any other offering at a price per share that is less than the price per share or other security paid by any investor in an offering in a subsequent prospectus supplement, and investors purchasing shares or other securities in the future could have rights superior to you. The price per share of stock at which we sell additional Class A common stock or securities convertible or exchangeable into Class A common stock, in future transactions may be higher or lower than the price per share of stock paid by any investor in an offering under a subsequent prospectus supplement.

Future offerings of debt securities or preferred stock, which would rank senior to our Class A common stock, may adversely affect the market price of our Class A common stock.

If, in the future, we decide to issue debt securities or preferred stock that may rank senior to our Class A common stock, it is likely that such securities will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Any convertible or exchangeable securities that we issue in the future may also have rights, preferences and privileges more favorable than those of our Class A common stock and may result in dilution to owners of our Class A common stock. We and, indirectly, our shareholders, will bear the cost of issuing and servicing such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our Class A common stock will bear the risk of our future offerings reducing the market price of our Class A common stock and diluting the value of their stock holdings in us.

Debt securities may rank junior or be subordinated to secured or senior indebtedness.

If the debt securities are unsecured, they will rank equally in right of payment with all of the Company’s other existing and future unsecured debt. Holders of secured indebtedness of the Company would have a claim on the assets securing such indebtedness that effectively ranks prior to the claim of holders of debt securities and would have a claim that ranks equal with the claim of holders of senior debt securities and senior to the claim of holders of subordinated debt securities to the extent that such security did not satisfy the secured indebtedness.

The debt securities may be either senior or subordinated indebtedness as described in the relevant prospectus supplement. In the event of the insolvency or winding-up of the Company, any subordinated debt securities would be subordinated and postponed in right of payment to the prior payment in full of all other liabilities and indebtedness of the Company, other than indebtedness that, by its terms, ranks equally with, or subordinate to, such subordinated debt securities.

There can be no assurance as to the liquidity of the trading market for certain securities or that a trading market for certain securities will develop.

There is no public market for the preferred stock, warrants, debt securities, subscription rights or units and, unless otherwise specified in the applicable prospectus supplement, the Company does not intend to apply for listing of these securities on any securities exchange. If these securities are traded after their initial issue, they may trade at a discount from their initial offering prices depending on the market for similar securities, prevailing interest rates and other factors, including general economic conditions and the Company's financial condition. There can be no assurance as to the liquidity of the trading market for any preferred stock, warrants, debt securities, subscription rights or units or that a trading market for these securities will develop.

Return on securities is not guaranteed.

There is no guarantee that any of the Class A common stock, preferred stock, warrants, debt securities, subscription rights or units will earn any positive return in the short term or long term. A holding of any such security is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who have no need for immediate liquidity in their investment. An investment in any of the Class A common stock, preferred stock, warrants, debt securities, subscription rights or units is appropriate only for holders who have the capacity to absorb a loss of some or all of their investment.

Discretion in the use of proceeds.

Management of the Company will have broad discretion with respect to the application of net proceeds received by the Company from the sale of any securities under this prospectus or a future prospectus supplement and may spend such proceeds in ways that do not improve the Company's results of operations or enhance the value of the Class A common stock or its other securities issued and outstanding from time to time. As a result, an investor will be relying on the judgment of management for the application of the proceeds. Any failure by management to apply these funds effectively could result in financial losses that could have a material adverse effect on the Company's business or cause the price of the securities of the Company issued and outstanding from time to time to decline. Management will have discretion concerning the use of the proceeds received by the Company from the sale of securities under this prospectus or a future prospectus supplement as well as the timing of their expenditure.

Risks Related to Operating in the U.S. Cannabis Industry.

Cannabis remains illegal under U.S. federal law, and enforcement of cannabis laws could change.

We are currently engaged in the cannabis industry in the United States, both directly and indirectly, where local and state laws permit such activities. However, investors are cautioned that cannabis is a Schedule I controlled substance pursuant to the United States Controlled Substances Act (21 U.S.C. § 811) (the "CSA"), and is illegal under U.S. federal law. Even in those states in which the use of cannabis has been legalized, its use, cultivation, sale and distribution remains a violation of federal law. Since federal law criminalizing the use of cannabis preempts state laws that legalize its use, strict enforcement of federal law regarding cannabis would harm our business, prospects, results of operation, and financial condition.

Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical and adult-use cannabis, for both adult-use and medical purposes, cannabis is largely regulated at the state level in the United States. To date, the cultivation and sale of cannabis for medical uses has been legalized in 37 states, four of five permanently inhabited U.S. territories and the District of Columbia. The adult-use of cannabis has been legalized in 21 states, the Northern Mariana Islands, Guam, and the District of Columbia. Although certain U.S. states have legalized the sale of medical or adult-use cannabis, the sale, distribution, and cultivation of cannabis and cannabis-related products remains illegal under U.S. federal law pursuant to the CSA. The CSA classifies cannabis as a Schedule I controlled substance, and as such, medical and adult-use cannabis use is illegal under U.S. federal law.

Unless and until the United States Congress (“Congress”) amends the CSA with respect to cannabis (and the President approves such amendment), there is a risk that federal authorities may enforce current federal law. If that occurs, we may be deemed to be producing, cultivating or dispensing cannabis and drug paraphernalia in violation of federal law. Any person connected to the cannabis industry in the United States may be at risk of federal criminal prosecution and civil liability in the United States. Any investments may be subject to civil or criminal forfeiture and total loss.

We are directly or indirectly engaged in the medical and adult-use cannabis industry in the United States where local state law permits such activities. Although our activities are believed to be compliant with applicable state and local laws, strict compliance with state and local laws with respect to cannabis may neither absolve us from liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against us. There can be no assurances that the federal government of the United States will not seek to enforce the applicable laws against us. Enforcement of federal law regarding cannabis is a significant risk and would greatly harm our business, prospects, revenue, results of operation and financial condition.

Due to the conflicting views between state legislatures and the federal government regarding cannabis, cannabis businesses are subject to inconsistent laws and regulations. The Obama administration attempted to address the inconsistent treatment of cannabis under state and federal law in August 2013 in a memorandum which then-Deputy Attorney General James Cole sent to all U.S. District Attorneys (the “Cole Memorandum”). The Cole Memorandum outlined certain priorities for the Department of Justice (the “DOJ”) relating to the prosecution of cannabis offenses and noted that, in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, processing, distribution, sale and possession of cannabis, conduct in compliance with such laws and regulations was not a priority for the DOJ. However, the DOJ did not provide (and has not provided since) specific guidelines for what regulatory and enforcement systems would be deemed sufficient under the Cole Memorandum.

On January 4, 2018, then-U.S. Attorney General Jeff Sessions formally issued a memorandum (the “Sessions Memorandum”) which rescinded the Cole Memorandum effective upon its issuance. The Sessions Memorandum stated, in part, that current law reflects “Congress’ determination that cannabis is a dangerous drug and cannabis activity is a serious crime,” and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress and to follow well-established principles when pursuing prosecutions related to cannabis activities.

As a result of the Sessions Memorandum, federal prosecutors are now free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities, despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors in the Sessions Memorandum as to the priority they should ascribe to such cannabis activities, and thus it is uncertain how active U.S. federal prosecutors will be in relation to such activities.

There can be no assurance that the federal government will not enforce federal laws relating to cannabis and seek to prosecute cases involving cannabis businesses that are otherwise compliant with state laws in the future. Mr. Sessions resigned as U.S. Attorney General on November 7, 2018. On February 14, 2019, William Barr was confirmed as U.S. Attorney General. On January 7, 2021, then President-elect Joe Biden announced his nomination of current Chief Judge of the United States Court of Appeals for the District of Columbia Circuit, Merrick Garland, to succeed Mr. Barr as the U.S. Attorney General. Merrick Garland was officially sworn in as Attorney General of the United States on March 11, 2021. It is unclear what impact this development will have on U.S. federal government enforcement policy.

We may be subject to action by the U.S. federal government.

Since the cultivation, processing, production, distribution and sale of cannabis for any purpose, medical, adult-use or otherwise, remain illegal under U.S. federal law, it is possible that we may be forced to cease activities. The U.S. federal government, through, among others, the DOJ, its sub-agency, the Drug Enforcement Administration (the “DEA”), and the Internal Revenue Service (“IRS”), has the right to actively investigate, audit and shut down cannabis growing facilities, processors and retailers. The U.S. federal government may also attempt to seize our property. Any action taken by the DOJ, the DEA and/or the IRS to interfere with, seize or shut down our

operations will have an adverse effect on our business, prospects, revenue, results of operation and financial condition.

Because federal law criminalizing the use of cannabis preempts state laws that legalize its use, the federal government can assert criminal violations of federal law despite state laws permitting the use of cannabis. While it does not appear that federal law enforcement and regulatory agencies are focusing resources on licensed cannabis related businesses that are operating in compliance with state law, this could change at any time. Additionally, while various federal bills to legalize cannabis possession and distribution have been introduced, including but not limited to the MORE Act and the CAOA, there is no guaranty that any of these bills will become law in their current forms, if at all. Additionally, as the rescission of the Cole Memorandum and the implementation of the Sessions Memorandum demonstrate, the DOJ may at any time issue additional guidance that directs federal prosecutors to devote more resources to prosecuting cannabis related businesses. If the DOJ under the Biden administration aggressively pursues financiers or equity owners of cannabis-related businesses, and U.S. Attorneys follow the DOJ policies through pursuing prosecutions, then we could face:

- seizure of our cash and other assets used to support or derived from our cannabis subsidiaries;
- the arrest of our employees, directors, officers, managers and investors;
- ancillary criminal violations of the Controlled Substances Act for aiding and abetting, and conspiracy to violate the Controlled Substances Act by providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors and/or retailers of cannabis; and
- the barring of our employees, directors, officers, managers and investors who are not U.S. citizens from entry into the United States for life.

Because the Cole Memorandum was rescinded, the DOJ under the current or new administration or an aggressive federal prosecutor could allege that us and our Board, our executive officers and, potentially, our stockholders, “aided and abetted” violations of federal law by providing finances and services to our portfolio cannabis companies. Under these circumstances, federal prosecutors could seek to seize our assets, and to recover the “illicit profits” previously distributed to stockholders resulting from any of our financing or services. In these circumstances, our operations would cease, stockholders may lose their entire investments and directors, officers and/or stockholders may be left to defend any criminal charges against them at their own expense and, if convicted, be sent to federal prison.

Additionally, there can be no assurance as to the position the new administration under President Biden may take on cannabis, and the new administration could decide to enforce the federal laws strongly. Any enforcement of current federal cannabis laws could cause significant financial damage to us and our stockholders. Further, President Biden’s administrations may choose to treat cannabis differently and potentially enforce the federal laws more aggressively.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. These results could have a material adverse effect on us, including our reputation and ability to conduct business, our holding (directly or indirectly) of cannabis licenses in the United States, the listing of our Class A common stock on various stock exchanges, our financial position, operating results, profitability or liquidity or the market price of our shares of Class A common stock. In addition, it is difficult to estimate the time or resources that would be needed for the investigation or final resolution of any such matters because: (i) the time and resources that may be needed depend on the nature and extent of any information requested by the authorities involved, and (ii) such time or resources could be substantial.

U.S. state regulation of cannabis is uncertain.

Our activities are, and will continue to be, subject to evolving regulation and interpretation by various governmental authorities. The medical and adult-use cannabis industries are subject to various local, state and federal laws, regulations, guidelines, and licensing requirements relating to the manufacture, sale, distribution,

management, transportation, storage, and disposal of cannabis, as well as being subject to laws and regulations relating to health and safety, the conduct of operations, and the protection of the environment. There is no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Given the current regulatory environment in the United States, new risks may emerge, and management may not be able to predict all such risks. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, our business or operations in those states or under those laws would be materially and adversely affected. Federal actions against any individual or entity engaged in the cannabis industry or a substantial repeal of cannabis related legislation could adversely affect us, our business and our assets or investments.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, the rulemaking process at the state level that applies to cannabis operators in any state will be ongoing and result in frequent changes. As a result, a compliance program is essential to manage regulatory risk. All of our implemented operating policies and procedures are compliance-based and are derived from the state regulatory structure governing ancillary cannabis businesses and their relationships to state-licensed or permitted cannabis operators, if any. Notwithstanding our efforts and diligence, regulatory compliance and the process of obtaining regulatory approvals can be costly and time-consuming. No assurance can be given that we will receive or will continue to hold the requisite licenses, permits or cards to operate our businesses as currently operated or as proposed to be operated in the future, or that we will be able to complete business transactions, including acquisitions or transfers of licenses, permits, cards or other property.

In addition, local laws and ordinances could restrict our business activity. Although our operations are legal under the laws of the states in which we operate, local governments have the ability to limit, restrict and ban cannabis businesses from operating within their jurisdiction. Land use, zoning, local ordinances and similar laws could be adopted or changed and have a material adverse effect on our business.

Multiple states where medical and/or adult-use cannabis is legal have or are considering special taxes or fees on businesses in the cannabis industry. It is uncertain at this time whether other states are in the process of reviewing such additional taxes and fees. The implementation of special taxes or fees could have a material adverse effect upon our business, prospects, revenue, results of operation and financial condition.

We are affected by the dynamic laws and regulations of the industry.

The success of our business strategy depends on the legality of the cannabis industry. The constant evolution of laws and regulations affecting the cannabis industry could detrimentally affect us. Our current and proposed operations are subject to a variety of local, state and federal medical cannabis laws and regulations relating to the manufacture, management, transportation, storage and disposal of cannabis, as well as laws and regulations relating to consumable products health and safety, the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations, which could require us to incur substantial costs associated with compliance or alter certain aspects of their business plans.

In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of our business plans and result in a material adverse effect on certain aspects of its planned operations. These laws and regulations are rapidly evolving and subject to change with minimal notice. Regulatory changes may adversely affect our profitability or cause us to cease operations entirely. If cannabis is legalized at the federal level, our business and operations could be negatively affected if such legalization permits cannabis to be transported or sold across state lines, which could disrupt wholesale pricing in states with high wholesale prices. The cannabis industry may come under the scrutiny or further scrutiny by the FDA, SEC, the DOJ, the Financial Industry Regulatory Authority or other federal or applicable state or nongovernmental regulatory authorities or self-regulatory organizations that supervise or regulate the production, distribution, sale or use of cannabis for medical or adult-use purposes in the United States.

It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The medical and adult-use cannabis industries are subject to

significant regulatory change at both the state and federal level. The regulatory uncertainty surrounding the industries may adversely affect our business and operations, including without limitation, the costs to remain compliant with applicable laws and the impairment of its business or the ability to raise additional capital. In addition, we will not be able to predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted in the future that will be directly applicable to its business. For example, see “*Risk Factors - We may be subject to heightened scrutiny by Canadian regulatory authorities*” below.

State regulatory agencies may require us to post bonds, maintain large insurance policies or post significant fees.

There is a risk that a greater number of state regulatory agencies will begin requiring entities engaged in certain aspects of the legal cannabis industry to post a bond or significant fees when applying, for example, for a dispensary license or renewal as a guarantee of payment of sales and franchise taxes. We are not able to quantify at this time the potential scope of such bonds or fees in the states in which we currently operate or may in the future operate. Any bonds or fees of material amounts could have a negative impact on the ultimate success of our business.

We may be subject to heightened scrutiny by Canadian regulatory authorities.

Our Class A common stock is traded on the CSE. Our business, operations and investments in the United States, and any future business, operations or investments, may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada and the United States. As a result, we may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on our ability to operate or invest in the United States or any other jurisdiction.

In 2017, there were concerns that the Canadian Depository for Securities Limited, through its subsidiary CDS Clearing and Depository Services Inc. (“CDS”), Canada’s central securities depository (clearing and settling trades in the Canadian equity, fixed income and money markets), would refuse to settle trades for cannabis issuers that have investments in the United States. However, CDS has not implemented this policy.

On February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 describing the Canadian Securities Administrators’ disclosure expectations for specific risks facing issuers with cannabis-related activities in the U.S. Staff Notice 51-352 confirms that a disclosure-based approach remains appropriate for issuers with U.S. cannabis-related activities. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with U.S. cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the U.S. cannabis industry.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group, which is the owner and operator of CDS, announced the signing of a Memorandum of Understanding (“MOU”) with Aequis NEO Exchange Inc., the CSE, the Toronto Stock Exchange and the TSX Venture Exchange. The MOU outlines the parties’ understanding of Canada’s regulatory framework applicable to the rules, procedures and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the Canadian securities exchanges to review the conduct of listed issuers.

The MOU notes that securities regulation requires that the rules of each of the exchanges must not be contrary to the public interest and that the rules of each of the exchanges have been approved by the securities regulators. Pursuant to the MOU, CDS will not ban accepting deposits of or transactions for clearing and settlement of securities of issuers with cannabis-related activities in the United States.

Although the MOU indicated that there are no plans to ban the settlement of securities through CDS, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were implemented at a time when shares of Class A common stock are listed on a Canadian stock exchange, it would have a material adverse effect on the ability of holders of shares of Class A common stock to make and settle trades. In particular, the shares of Class A common stock would become highly illiquid until an alternative (if available) was

implemented, and investors would have no ability to effect a trade of shares of Class A common stock through the facilities of the applicable Canadian stock exchange.

We may face limitations on ownership of cannabis licenses.

In certain states, the cannabis laws and regulations limit not only the number of cannabis licenses and types of licenses issued, but also the number of cannabis licenses and types that one person or entity may own. We believe that, where such restrictions apply, the Company may still recognize revenue in the market through wholesale sales, exclusive marketing relations, the provision of management or support services, and joint ventures or similar contractual relationships with other operators to ensure continued compliance with the applicable regulatory guidelines. In addition, states may require that certain qualified applicants or individuals participate in the ownership of the licensed entity. Such limitations on the ownership of additional licenses within certain states may limit our ability to expand in such states.

Our ability to expand our product offerings and dispensary services may be limited.

As we introduce or expand our cannabis product offerings and dispensary services, we may incur losses or otherwise fail to enter certain markets successfully. Our expansion into new markets may place us in competitive and regulatory environments with which we are unfamiliar and involve various risks, including the need to invest significant resources and the possibility that returns on those investments will not be achieved for several years, if at all. In attempting to establish new product offerings or dispensary services, we may incur significant expenses and face various other challenges, such as expanding our work force and management personnel to cover these markets and complying with complicated cannabis regulations that apply to these markets. In addition, we may not successfully demonstrate the value of these product offerings and dispensary services to consumers, and failure to do so would compromise our ability to successfully expand these additional revenue streams.

We face risks associated with licensing relating to supply, supply chain, and market constraints.

The cannabis laws and regulations of states in which we operate limit the granting and number of licenses granted for dispensaries and cultivation and production facilities. The number of licenses by category, and issuance of individual licenses, may be limited, delayed, denied or otherwise unissued. This separate treatment of individual licenses as well as license categories, along with limits set on the number of licenses granted in each of these operating categories, can result in market and supply chain risks including, for example, mismatch between cultivation and production facilities and dispensaries relating to availability and production of cannabis products. This can result in, among other things, market, pricing and supply risks, which may have a material effect on the Company's business, financial condition and operations.

We may become subject to FDA or Bureau of Alcohol, Tobacco, Firearms and Explosives ("ATF") regulation.

Cannabis remains a Schedule I controlled substance under U.S. federal law. If the federal government reclassifies cannabis to a Schedule II controlled substance, it is possible that the FDA would seek to regulate cannabis under the Food, Drug and Cosmetics Act of 1938. The proposed CAO also creates a regulatory oversight role for the FDA. Additionally, the FDA may issue rules and regulations, including good manufacturing practices, related to the growth, cultivation, harvesting, processing and labeling of medical cannabis. Clinical trials may be needed to verify the efficacy and safety of cannabis. It is also possible that the FDA would require facilities where medical use cannabis is grown to register with the FDA and comply with certain federally prescribed regulations. If some or all of these regulations are imposed, the impact they would have on the cannabis industry is unknown, including the costs, requirements and possible prohibitions that may be enforced. If we are unable to comply with the potential regulations or registration requirements prescribed by the FDA, it may have an adverse effect on our business, prospects, revenue, results of operation and financial condition.

It is also possible that the federal government could seek to regulate cannabis under the ATF. The ATF may issue rules and regulations related to the use, transporting, sale and advertising of cannabis or cannabis products, including smokeless cannabis products.

Cannabis businesses are subject to applicable anti-money laundering laws and regulations and have restricted access to banking and other financial services.

We are subject to a variety of laws and regulations in the United States that involve money laundering, financial record-keeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 (the “Bank Secrecy Act”) as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (which we refer to as the USA Patriot Act), and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States. Since the cultivation, manufacture, distribution and sale of cannabis remains illegal under the CSA, banks and other financial institutions providing services to cannabis-related businesses risk violation of federal anti-money laundering statutes (18 U.S.C. §§ 1956 and 1957) and the Bank Secrecy Act, among other applicable federal statutes. Accordingly, pursuant to the Bank Secrecy Act, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan or any other service could be criminally prosecuted for willful violations of money laundering statutes, in addition to being subject to other criminal, civil, and regulatory enforcement actions.

Banks often refuse to provide banking services to businesses involved in the cannabis industry due to the present state of the laws and regulations governing financial institutions in the U.S. The lack of banking and financial services presents unique and significant challenges to businesses in the cannabis industry. The potential lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the unavailability of traditional banking and financial services. The above-mentioned laws and regulations can impose criminal liability for engaging in certain financial and monetary transactions with the proceeds of a “specified unlawful activity” such as distributing controlled substances, including cannabis, which are illegal under federal law, and for failing to identify or report financial transactions that involve the proceeds of cannabis-related violations of the CSA. We may also be exposed to the foregoing risks.

In February 2014, the FinCEN issued the FinCEN Memorandum providing instructions to banks seeking to provide services to cannabis-related businesses. The FinCEN Memorandum echoed the enforcement priorities of the Cole Memorandum and states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. The FinCEN Memorandum directed prosecutors to apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of cannabis-related conduct.

The revocation of the Cole Memorandum has not yet affected the status of the FinCEN Memorandum, nor has FinCEN given any indication that it intends to rescind the FinCEN Memorandum itself. Shortly after the Sessions Memorandum was issued, FinCEN did state that it would review the FinCEN Memorandum, but FinCEN has not yet issued further guidance.

Although the FinCEN Memorandum remains intact, it is unclear whether the current administration will continue to follow its guidelines. The DOJ continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state including states that have in some form legalized the sale of cannabis. Further, the conduct of the DOJ’s enforcement priorities could change for any number of reasons. A change in the DOJ’s priorities could result in the prosecution of banks and financial institutions for crimes that were not previously prosecuted.

If our operations, or proceeds thereof, dividend distributions or profits or revenues derived from our operations were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds from a crime (the sale of a Schedule I drug) under the Bank Secrecy Act’s money laundering provisions. This may restrict our ability to declare or pay dividends or effect other distributions.

The FinCEN Memorandum does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the DOJ, FinCEN or other federal regulators. Thus, most banks and other financial institutions in the United States do not appear comfortable providing banking services to cannabis-related businesses or relying on this guidance given that it has the potential to be amended or revoked by the current administration. There are no assurances that this position will change under the Biden administration. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, we may have limited or no access to banking or other financial services in the United States. In addition, federal money laundering statutes and Bank Secrecy Act regulations discourage financial institutions from working with any organization that sells a controlled substance, regardless of whether the state it operates in permits cannabis sales. Our inability or limitation of our ability to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for us to operate and conduct our business as planned or to operate efficiently.

Other potential violations of U.S. federal law resulting from cannabis-related activities include the Racketeer Influenced Corrupt Organizations Act (“RICO”). RICO is a federal statute providing criminal penalties in addition to a civil cause of action for acts performed as part of an ongoing criminal organization. Under RICO, it is unlawful for any person who has received income derived from a pattern of racketeering activity (which includes most felonious violations of the CSA), to use or invest any of that income in the acquisition of any interest, or the establishment or operation of, any enterprise which is engaged in interstate commerce. RICO also authorizes private parties whose properties or businesses are harmed by such patterns of racketeering activity to initiate a civil action against the individuals involved. Although RICO suits against the cannabis industry are rare, a few cannabis businesses have been subject to a civil RICO action. Defending such a case has proven extremely costly, and potentially fatal to a business’ operations.

On March 18, 2021, the Secure and Fair Enforcement Banking Act (the “SAFE Banking Act”) was reintroduced in the House of Representatives. As written, the SAFE Banking Act would allow financial institutions to provide their services to state-legal cannabis clients and ancillary businesses serving state-legal cannabis businesses without fear of federal sanctions. On March 23, 2021, the bill was reintroduced in the Senate as well. The House previously passed the SAFE Banking Act in September 2019, but the measure stalled in the Senate. Most recently, on February 4, 2022, the House approved the America COMPETES Act of 2022, which includes the provisions of the SAFE Banking Act. The Senate’s final version of the bill, which was passed on March 28, 2022, removed the provisions related to the Safe Banking Act. There is no guarantee the SAFE Banking Act will become law in its current form, if at all.

In the event that any of our operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize our ability to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada, and subject us to civil and/or criminal penalties. Furthermore, in the event that a determination was made that the proceeds from our operations (or any future operations or investments in the United States) could reasonably be shown to constitute proceeds of crime, we may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time. We could likewise be required to suspend or cease operations entirely.

We are subject to proceeds of crime statutes.

We will be subject to a variety of laws that concern money laundering, financial recordkeeping and proceeds of crime. These include: the Bank Secrecy Act, as amended by Title III of the USA Patriot Act, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), the rules and regulations under the Criminal Code of Canada and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In the event that any of our activities, or any proceeds thereof, in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above, or any other applicable legislation. This could have a material adverse effect on us and, among other things, could restrict or otherwise jeopardize our ability to declare or pay dividends or effect other distributions.

We face risks related to U.S. tax provisions related to controlled substances.

Limits on U.S. deductibility of certain expenses may have a material adverse effect on our financial condition, results of operations and cash flows. Section 280E (“Section 280E”) of the United States Internal Revenue Code of 1986, as amended (the “Code”), prohibits businesses from deducting certain expenses associated with the trafficking of controlled substances (within the meaning of Schedule I and II of the CSA). The IRS has applied Section 280E broadly in tax audits against various cannabis businesses in the U.S. that are permitted under applicable state laws, seeking substantial sums in tax liabilities, interest and penalties resulting from the underpayment of taxes due to the lack of deductibility of otherwise ordinary business expenses the deduction of which is prohibited by Section 280E. Although the IRS issued a clarification allowing the deduction of certain expenses that can be categorized as cost of goods sold, the scope of such items is interpreted very narrowly, and the bulk of operating costs and general administrative costs are not permitted to be deducted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E that is favorable to cannabis businesses.

If our tax filing positions were to be challenged by federal, state and local or foreign tax jurisdictions, we may not be wholly successful in defending our tax filing positions. We record reserves for unrecognized tax benefits based on our assessment of the probability of successfully sustaining tax filing positions. We, therefore, analyze and consider the appropriateness of recording reserves for unrecognized tax benefits each quarter. Management exercises significant judgment when assessing the probability of successfully sustaining tax filing positions, and in determining whether a contingent tax liability should be recorded and, if so, estimating the amount. If our tax filing positions are successfully challenged, payments could be required that are in excess of reserved amounts or we may be required to reduce the carrying amount of our net deferred tax asset, either of which result could be significant to our financial condition or results of operations.

We operate in a highly regulated sector and may not always succeed in complying fully with applicable regulatory requirements in all jurisdictions where we conduct business.

Our business and activities are heavily regulated in all jurisdictions where we carry on business. Our operations are subject to various laws, regulations and guidelines by state and local governmental authorities relating to the manufacture, marketing, management, transportation, storage, sale, pricing and disposal of cannabis and cannabis oil, and also including laws and regulations relating to health and safety, insurance coverage, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over our activities, including the power to limit, require, or restrict business activities as well as impose additional disclosure requirements on our products and services. Achievement of our business objectives is contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all necessary regulatory approvals for the manufacture, production, storage, transportation, sale, import and export, as applicable, of our products, and as may be required in connection with any business transactions, including acquisition or transfer of licenses, permits, cards or other property. The commercial cannabis industry is still a new industry at the state and local level. The effect of relevant governmental authorities’ administration, application and enforcement of their respective regulatory regimes and delays in obtaining, or failure to obtain, applicable regulatory approvals which may be required may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on our business, prospects, revenue, results of operation and financial condition.

While we endeavor to comply with all relevant laws, regulations and guidelines and we are in compliance or are in the process of being assessed for compliance with all such laws, regulations and guidelines, any failure to comply with the regulatory requirements applicable to our operations may lead to possible sanctions including the revocation or imposition of additional conditions on licenses to operate our business; the suspension or expulsion

from a particular market or jurisdiction or of our key personnel; the imposition of additional or more stringent inspection, testing and reporting requirements; and the imposition of fines and censures. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations, increase compliance costs or give rise to material liabilities and/or revocation of our licenses and other permits, which could have a material adverse effect on our business, results of operations and financial condition. Furthermore, governmental authorities may change their administration, application or enforcement procedures at any time, which may adversely impact our ongoing costs relating to regulatory compliance.

We may face difficulties in enforcing our contracts.

Because our contracts involve cannabis and other activities that are currently illegal under U.S. federal law and the laws of certain other jurisdictions, we may face difficulties in enforcing our contracts in U.S. federal courts and certain state courts.

More specifically, some courts have determined that contracts relating to state legal cultivation and sale of cannabis are unenforceable on the grounds that they are illegal under federal law and therefore void as a matter of public policy. This could substantially impact the rights of parties making or defending claims involving us and any of our lenders or members.

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Notwithstanding that cannabis related businesses operate pursuant to the laws of states in which such activity is legal under state law, judges have on a number of occasions refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate federal law, even if there is no violation of state law. There remains doubt and uncertainty that we will be able to legally enforce contracts we enter into if necessary. As we cannot be assured that we will have a remedy for breach of contract, investors must bear the risk of the uncertainty in the law. If borrowers fail or refuse to repay loans and we are unable to legally enforce our contracts, we may suffer substantial losses for which we have no legal remedy. The potential inability of us to enforce any of our contracts could have a material adverse effect on our business, revenues, operating results, financial condition or prospects.

We have limited trademark and intellectual property protection.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the CSA, the benefit of certain federal laws which may be available to most businesses, such as federal trademark protection, may not be available to us. Because producing, manufacturing, processing, possessing, distributing, selling and using cannabis is illegal under the CSA, the United States Patent and Trademark Office will not permit the registration of any trademark that identifies cannabis products. As a result, our intellectual property may never be adequately or sufficiently protected against use or misappropriation by third-parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, we can provide no assurance that we will ever obtain any protection of its intellectual property, whether on a federal, state or local level.

Any infringement or misappropriation of our intellectual property could damage its value and limit our ability to compete. We may have to engage in litigation to protect the rights to our intellectual property, which could result in significant litigation costs and require a significant amount of our time.

Competitors may also harm our sales by designing products that mirror our products or processes without infringing on our intellectual property rights. If we do not obtain sufficient protection for our intellectual property, or if we are unable to effectively enforce our intellectual property rights, our competitiveness could be impaired, which would limit our growth and future revenue.

We may also find it necessary to bring infringement or other actions against third parties to seek to protect our intellectual property rights. Litigation of this nature, even if successful, is often expensive and time-consuming to prosecute and there can be no assurance that we will have the financial or other resources to enforce our rights or be able to prevent other parties from developing similar products or processes or designing around our intellectual property.

We are and may continue to be subject to constraints on marketing our products.

We have committed and expect to continue committing significant resources and capital to develop and market existing products and new products and services. The development of our business and operating results may be adversely affected by applicable restrictions on sales and marketing activities imposed by regulatory bodies. Certain of the states in which we operate have enacted strict regulations regarding marketing and sales activities on cannabis products. There may be restrictions on sales and marketing activities imposed by government regulatory bodies that can hinder the development of our business and operating results. Restrictions may include regulations that specify what, where and to whom product information and descriptions may appear and/or be advertised. Marketing, advertising, packaging and labeling regulations also vary from state to state, potentially limiting the consistency and scale of consumer branding communication and product education efforts. The regulatory environment in the U.S. limits our ability to compete for market share in a manner similar to other industries. If we are unable to effectively market our products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for our products, our sales and operating results could be adversely affected.

We lack access to U.S. bankruptcy protections.

Because cannabis is illegal under U.S. federal law, and bankruptcy is a strictly federal proceeding, many courts have denied cannabis businesses federal bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If we were to seek protection from creditors pursuant to applicable bankruptcy or insolvency laws, there is no guarantee that U.S. federal bankruptcy protections would be available to our United States operations, which would have a material adverse effect on us, our lenders and other stakeholders. While state-level receivership options do exist in some states as an alternative to bankruptcy, the efficacy of these alternatives cannot be guaranteed.

Cannabis businesses may be subject to civil asset forfeiture.

As an entity that conducts business in the cannabis industry, we will potentially be subject to federal and state forfeiture laws (criminal and civil) that permit the government to seize the proceeds of criminal activity. Civil forfeiture laws could provide an alternative enforcement mechanism for the federal government, any state, or local police force that wants to discourage residents from conducting transactions with cannabis related businesses but believes criminal liability is too difficult to prove beyond a reasonable doubt. Individuals may be required to forfeit property considered to be from proceeds of crime even if the individual is not convicted of a criminal offense, and the standard of proof in a civil forfeiture matter is lower than the burden in a criminal matter. Depending on the applicable law, whether federal or state, rather than having to establish liability beyond a reasonable doubt, the federal government or the state, as applicable, may be required to prove that the money or property at issue is proceeds of a crime only by either clear and convincing evidence or a mere preponderance of the evidence.

Our stockholders that are located in states where cannabis remains illegal may be at risk of prosecution under federal and/or state conspiracy, aiding and abetting, and money laundering statutes, and may be at further risk of losing their investments or proceeds thereof under forfeiture statutes. Many states remain able to take action to prevent the proceeds of cannabis businesses from entering their state. Because state legalization is relatively new, it remains to be seen whether these states would take such action and whether a court would approve it. Our stockholders and prospective stockholders should be aware of these potentially relevant federal and state laws in considering whether to invest in our securities.

We may face difficulties acquiring additional or traditional financing.

Due to the present state of the laws and regulations governing financial institutions in the U.S., banks often refuse to provide banking services to businesses involved in the cannabis industry. Consequently, it may be difficult for us to obtain financing from large U.S. financial institutions.

We have historically, and continue to have, access to equity and debt financing from non-public (i.e., private placement) markets. Our business plan continues to include aggressive growth, both in the form of additional acquisitions and through facility expansion and improvements. Accordingly, we may require equity and/or debt

financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions and/or other business combination transactions. There can be no assurance that additional financing will be available to us when needed or on terms which are acceptable. Our inability to raise financing through traditional banking to fund ongoing operations, capital expenditures or acquisitions could limit our growth and may have a material adverse effect upon our business, prospects, revenue, results of operation and financial condition.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, each prospectus supplement and the information incorporated by reference in this prospectus and each prospectus supplement contains both historical and forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, and forward-looking information within the meaning of applicable Canadian securities legislation, that involve risks and uncertainties (collectively, “forward-looking statements”). We make forward-looking statements related to future expectations, estimates, and projections that are uncertain and often contain words such as, but not limited to, “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “intend,” “likely,” “may,” “outlook,” “plan,” “predict,” “should,” “target,” or other similar words or phrases. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict. Factors that might cause such differences include, but are not limited to, those discussed in the section titled “*Risk Factors*,” in this prospectus and in our Annual Report on Form 10-K and we urge readers to consider these risks and uncertainties in evaluating our forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated, or intended. The forward-looking statements contained herein are based on certain key expectations and assumptions, including, but not limited to, with respect to expectations and assumptions concerning receipt and/or maintenance of required licenses and success of our operations, are based on estimates prepared by us using data from publicly available governmental sources as well as from industry analysis, and on assumptions based on data and knowledge of this industry that we believe to be reasonable. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

MARKET AND INDUSTRY DATA

This prospectus and the documents incorporated by reference herein contain statistical data and estimates regarding market and industry data. Unless otherwise indicated, information concerning our industry and the markets in which we operate, including our general expectations, market position, market opportunity and market size, are based on our management’s knowledge and experience in the markets in which we operate, together with currently available information obtained from various sources, including publicly available information, industry reports and publications, surveys, our customers, trade and business organizations and other contacts in the markets in which we operate. Certain information is based on management estimates, which have been derived from third-party sources, as well as data from our internal research, and are based on certain assumptions that we believe to be reasonable. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. We have not independently verified any of the information from third-party sources nor have we ascertained the validity or accuracy of the underlying economic assumptions relied upon therein. Actual outcomes may vary materially from those forecast in the reports or publications referred to herein, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Because this information involves a number of assumptions and limitations, you are cautioned not to give undue weight to these estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section entitled “*Risk Factors*” in this prospectus and in our Annual Report on Form 10-K.

USE OF PROCEEDS

Unless otherwise indicated in the applicable prospectus supplement, we will use the net proceeds from the sale of securities offered by this prospectus for general corporate purposes, which may include working capital, capital expenditures, other corporate expenses and acquisitions of complementary products, technologies or businesses. We do not have binding agreements or commitments for any specific acquisitions at this time. The timing and amount of our actual expenditures will be based on many factors, including cash flows from operations and the anticipated growth of our business. As a result, unless otherwise indicated in the applicable prospectus supplement, our management will have broad discretion to allocate the net proceeds of the offerings. Pending their ultimate use, we intend to invest the net proceeds in short-term, investment-grade, interest-bearing instruments. See “*Risk Factors - Discretion in the Use of Proceeds.*”

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of the rights of our common stock and preferred stock and certain provisions of our certificate of incorporation and bylaws. This summary does not purport to be complete and is qualified in its entirety by the provisions of our certificate of incorporation and bylaws, which documents are incorporated by reference to the registration statement of which this prospectus is a part, and the applicable provisions of the Delaware General Corporation Law (the “DGCL”). We encourage you to read our certificate of incorporation and our bylaws for additional information.

Our authorized capital stock consists of 760,100,000 shares of capital stock, of which:

- 750,000,000 shares are designated as Class A common stock, \$0.001 par value per share;
- 100,000 shares are designated as Class B common stock, \$0.001 par value per share; and
- 10,000,000 shares are designated as preferred stock, \$0.001 par value per share.

As of September 30, 2022 there were 188,498,706 shares of Class A common stock issued and outstanding, 65,000 shares of Class B common stock issued and outstanding and no shares of our preferred stock outstanding.

Common Stock

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, and any contractual limitations, the holders of our common stock will be entitled to receive dividends out of funds then legally available, if any, if our Board, in its discretion, determines to issue dividends and then only at the times and in the amounts that our Board may determine. If a dividend is paid in the form of Class A common stock or Class B common stock, then holders of Class A common stock shall receive Class A common stock and holders of Class B common stock shall receive Class B common stock.

Voting Rights

We have two classes of authorized common stock, Class A common stock and Class B common stock. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to 1,000 votes per share. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or our certificate of incorporation.

Delaware law could require holders of Class A common stock or Class B common stock to vote separately as a single class in the following circumstances:

- if we were to seek to amend our certificate of incorporation to increase or decrease the par value of a class of our capital stock, then that class would be required to vote separately to approve the proposed amendment; and

- if we were to seek to amend our certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of our capital stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Our stockholders do not have the ability to cumulate votes for the election of directors. Except in respect of matters relating to the election of directors, or as otherwise provided in our certificate of incorporation or required by law, all matters to be voted on by our stockholders must be approved by a majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter. In the case of the election of directors, director candidates must be approved by a plurality of the shares present in person or by proxy at the meeting and entitled to vote on the election of directors.

AGP Partners, LLC (“AGP”), which is controlled by Mr. Kurtin and Mr. Perullo, owns all of our Class B common stock. Including Class A common stock, this entity controls approximately 36% of the voting power. Mr. Kurtin is one of our founders and serves as our Executive Chairman and a Director our Board. Mr. Perullo is one of our founders, Interim Co-CEO, President, and a Director of our Board.

Conversion, Preemptive or Similar Rights

Each share of Class B common stock will automatically convert into one share of Class A common stock on the final conversion date, as defined in our certificate of incorporation. Each share of Class B common stock is also convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain transfers described in our certificate of incorporation, including, without limitation, transfers for tax and estate planning purposes, so long as the transferring holder of Class B common stock continues to hold exclusive voting and dispositive power with respect to the shares transferred.

All shares of Class B common stock will convert automatically into Class A common stock on the date on which Mr. Kurtin or Mr. Perullo cease for any reason to own cumulatively at least 51% of the voting control of AGP.

Once converted into a share of Class A common stock, a converted share of Class B common stock will not be reissued. Following the conversion of all outstanding shares of Class B common stock, no further shares of Class B common stock will be issued.

Except as described above, holders of Class A common stock and Class B common stock will have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to Class A common stock or Class B common stock. The rights, preferences and privileges of the holders of Class A common stock and Class B common stock will be subject to and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

Right to Receive Liquidation Distributions

In the event of our liquidation, dissolution or winding up, holders of our Class A common stock and Class B common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

Identical Treatment of Common Stock in Change of Control Transaction

In the event of any change of control transaction, shares of our Class A common stock and Class B common stock shall be treated equally, ratably and identically, on a per share basis, with respect to any consideration into which such shares are converted or any consideration paid or otherwise distributed to stockholders of the Company, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

Fully Paid and Non-Assessable

All of the outstanding shares of our common stock are, and any shares of our Class A common stock to be issued pursuant to this prospectus will be, fully paid and non-assessable.

Preferred Stock

No shares of our preferred stock are currently outstanding. Pursuant to our certificate of incorporation, our Board has the authority, without further action by the stockholders, to issue from time to time shares of preferred stock in one or more series. Our Board may designate the rights, preferences, privileges and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, redemption rights, liquidation preference, sinking fund terms, and the number of shares constituting any series or the designation of any series. The issuance of preferred stock could have the effect of restricting dividends on our common stock, diluting the voting power of our common stock, impairing the liquidation rights of our common stock, or delaying, deterring or preventing a change in control. Such issuance could have the effect of decreasing the market price of our common stock. Any preferred stock so issued may rank senior to our common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up, or both. We currently have no plans to issue any shares of preferred stock.

Warrants to Purchase Class A Common Stock

As of September 30, 2022, we had outstanding warrants to purchase Class A common stock as follows:

	Total Outstanding and Exercisable	Underlying Shares of Common Stock	Exercise Price per Share	Expiration Date
Historical Warrants ⁽¹⁾	2,422,330	2,422,330	\$ 4.00	Various from June 22, 2023 through October 15, 2025
2022 Warrants	3,130,143	3,130,143	\$ 3.10	June 30, 2026

(1) Excludes 312,500 warrants that were cancelled in November 2022.

As of September 30, 2022, a total of 2,422,330 warrants that were issued prior to the Company's IPO (the "Historical Warrants") were outstanding and exercisable (excluding 312,500 warrants that were cancelled in November 2022). In June 2022, the Company issued 3,130,143 warrants to certain lenders as part of a debt financing transaction (the "2022 Warrants").

Historical Warrants

The Historical Warrants were issued by Ascend Wellness Holdings, LLC and entitled holders to receive historical common units. In conjunction with the Conversion, the holders received warrants to acquire an equal number of Class A common stock.

Each Historical Warrant entitles the registered holder to purchase one share of our Class A common stock at a price of \$4.00 per share, subject to adjustment. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of the Class A common stock. The Historical Warrants were issued with an exercise period ranging from three to five years and expire at various dates ranging from June 22, 2023 through October 15, 2025, or earlier upon redemption or liquidation.

2022 Warrants

Each 2022 Warrant entitles the registered holder to purchase one share of our Class A common stock at a price of \$3.10 per share, subject to adjustment under a customary anti-dilution provision. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of the Class A common stock. The Company will have the option to require warrant holders to exercise the warrants if, after the first anniversary of the issuance, the 30 day volume weighted average price of the Company's Class A common stock

exceeds \$6.50 per share. The 2022 Warrants were issued with an exercise period of four years and expire on June 30, 2026, or earlier upon redemption or liquidation.

Equity Awards

As of September 30, 2022, approximately 5.9 million shares of Class A common stock remained available for issuance under the Company's 2021 stock incentive plan (the "2021 Equity Incentive Plan"). Total equity-based compensation associated with equity awards issued under the 2021 Equity Incentive Plan was approximately \$17.4 million during the nine months ended September 30, 2022 and approximately \$18.6 million during the fiscal year ended December 31, 2021.

As of September 30, 2022, approximately 0.2 million awards remained available for future issuance under the Company's previous equity incentive plan (the "2020 Equity Incentive Plan") that are no longer available for issuance following stockholder approval of the 2021 Equity Incentive Plan, which occurred in May 2022. Total equity-based compensation expense associated with equity awards issued under the 2020 Equity Incentive Plan was approximately \$0.2 million during the nine months ended September 30, 2022 and approximately \$0.4 million during the fiscal year ended December 31, 2021.

Anti-Takeover Provisions in Our Certificate of Incorporation and Bylaws

Certain provisions of our certificate of incorporation and bylaws may have the effect of delaying, deferring or discouraging another person from attempting to acquire control of us. These provisions, which are summarized below, may discourage takeovers, coercive or otherwise. These provisions are also geared, in part, towards encouraging persons seeking to acquire control of us to negotiate first with our Board. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Stockholder Action; Special Meeting of Stockholders. Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our certificate of incorporation provides otherwise. Our certificate of incorporation provides that our stockholders may not take action by written consent but may only take action at annual or special meetings of our stockholders. As a result, a holder controlling a majority of our capital stock would not be able to amend our bylaws or remove directors without holding a meeting of our stockholders called in accordance with our bylaws. Our certificate of incorporation provides that special meetings of the stockholders may be called only upon a resolution approved by a majority of the total number of directors that we would have if there were no vacancies, the Chair of our Board, the Chief Executive Officer or the President. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. Our bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our bylaws specify certain requirements regarding the form and content of a stockholder's notice. Our bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. Our bylaws also provide that nominations of persons for election to our Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the notice of meeting (i) by or at the direction of our Board or (ii) provided that our Board has determined that directors shall be elected at such meeting, by any stockholder who (a) is a stockholder of record both at the time the notice is delivered and on the record date for the determination of stockholders entitled to vote at the special meeting, (b) is entitled to vote at the meeting and upon such election and (c) complies with the notice procedures set forth in our bylaws. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our

annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

No Cumulative Voting. The DGCL provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our certificate of incorporation does not provide for cumulative voting.

Additional Authorized Shares of Capital Stock. The additional shares of authorized common stock and preferred stock available for issuance under our certificate of incorporation, could be issued at such times, under such circumstances and with such terms and conditions as to impede a change in control.

Issuance of Undesignated Preferred Stock. Our Board has the authority, without further action by our stockholders, to designate and issue shares of preferred stock with rights and preferences, including super voting, special approval, dividend or other rights or preferences on a discriminatory basis. The existence of authorized but unissued shares of undesignated preferred stock would enable our Board to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

Business Combinations with Interested Stockholders. We have elected in our certificate of incorporation to be subject to Section 203 of the DGCL, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with an interested stockholder (i.e., a person or group owning 15% or more of the corporation's voting capital stock) for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Accordingly, we are subject to any anti-takeover effects of Section 203 of the DGCL.

Dual-class Stock Structure. Our certificate of incorporation provides for a dual-class common stock structure. As a result of this structure, our founders will have significant influence over all matters requiring stockholder approval, including the election of directors, amendments to our charter documents and significant corporate transactions, such as a merger or other sale of our company or its assets. This concentrated control could discourage others from initiating any potential merger, takeover or other change of control transaction that other stockholders may view as beneficial.

Choice of Forum

Our bylaws provide that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to the DGCL or our certificate of incorporation or bylaws, (iv) any action to interpret apply, enforce or determine the validity of our certificate of incorporation or bylaws, or (v) any action asserting a claim governed by the internal affairs doctrine.

This exclusive forum provision would not apply to suits brought to enforce any liability or duty created by the United States Securities Act of 1933, as amended (the "Securities Act"), or the United States Securities Exchange Act of 1934, as amended (the "Exchange Act"), or any other claim for which the federal courts have exclusive jurisdiction. Our bylaws provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act or the Exchange Act.

The choice of forum provisions above may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees or could result in increased costs for a stockholder to bring a claim, both of which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

Transfer Agent and Registrar

The transfer agent for our Class A common stock is Odyssey Trust Company.

Market Listing

Our Class A common stock is listed on the CSE under the symbol “AAWH.U” and quoted on the OTCQX under the symbol “AAWH.”

DESCRIPTION OF WARRANTS

General

We may issue warrants for the purchase of our debt securities, preferred stock, Class A common stock or any combination thereof. Warrants may be issued independently or together with our debt securities, preferred stock, Class A common stock, subscription rights or any combination thereof and may be attached to or separate from any offered securities. If we choose to use a warrant agent, each series of warrants will be issued under a separate warrant agreement to be entered into between us and a bank or trust company, as warrant agent. The warrant agent will act solely as our agent in connection with the warrants. The warrant agent will not have any obligation or relationship of agency or trust for or with any holders or beneficial owners of warrants. This summary of certain provisions of the warrants is not complete. For the terms of a particular series of warrants, you should refer to the prospectus supplement for that series of warrants and the warrant agreement for that particular series.

Debt Warrants

The prospectus supplement relating to a particular issue of warrants to purchase debt securities will describe the terms of the debt warrants, including the following, where applicable:

- the title of the debt warrants;
- the offering price for the debt warrants, if any;
- the aggregate number of the debt warrants;
- the designation and terms of the debt securities, including any conversion rights, purchasable upon exercise of the debt warrants;
- if applicable, the date from and after which the debt warrants and any debt securities issued with them will be separately transferable;
- the principal amount of debt securities that may be purchased upon exercise of a debt warrant and the exercise price for the warrants, which may be payable in cash, securities or other property;
- the dates on which the right to exercise the debt warrants will commence and expire;
- if applicable, the minimum or maximum amount of the debt warrants that may be exercised at any one time;
- information with respect to book-entry procedures, if any;
- the currency or currency units in which the offering price, if any, and the exercise price are payable;
- if applicable, a discussion of material United States federal income tax considerations and material Canadian federal income tax consequences;
- the anti-dilution provisions of the debt warrants, if any;
- the procedures and terms for modifying or altering the debt warrants;
- the redemption or call provisions, if any, applicable to the debt warrants;
- any provisions with respect to the holder’s right to require us to repurchase the warrants upon a change in control or similar event; and
- any additional material terms of the debt warrants, including procedures, and limitations relating to the exchange, exercise and settlement of the debt warrants.

Equity Warrants

The prospectus supplement relating to a particular series of warrants to purchase our Class A common stock or preferred stock will describe the terms of the warrants, including the following, where applicable:

- the title of the warrants;
- the offering price for the warrants, if any;
- the aggregate number of warrants;
- the designation and terms of the Class A common stock or preferred stock that may be purchased upon exercise of the warrants;
- if applicable, the designation and terms of the securities with which the warrants are issued and the number of warrants issued with each security;
- if applicable, the date from and after which the warrants and any securities issued with the warrants will be separately transferable;
- the number of shares of Class A common stock or preferred stock that may be purchased upon exercise of a warrant and the exercise price for the warrants;
- the dates on which the right to exercise the warrants shall commence and expire;
- if applicable, the minimum or maximum amount of the warrants that may be exercised at any one time;
- the currency or currency units in which the offering price, if any, and the exercise price are payable;
- if applicable, a discussion of material United States federal income tax considerations and material Canadian federal income tax consequences;
- the anti-dilution provisions of the equity warrants, if any;
- any provisions for changes to or adjustments in the exercise price or number of securities issuable upon exercise of the warrants;
- the redemption or call provisions, if any, applicable to the warrants;
- the procedures and terms for modifying or altering the warrants;
- any provisions with respect to the holder's right to require us to repurchase the warrants upon a change in control or similar event; and
- any additional material terms of the warrants, including procedures, and limitations relating to the exchange, exercise and settlement of the warrants.

Before exercising their warrants, holders of warrants will not have any of the rights of holders of the securities purchasable upon such exercise, including:

- in the case of warrants to purchase debt securities, the right to receive payments of principal of, or premium, if any, or interest on, the debt securities purchasable upon exercise or to enforce covenants in the applicable indenture; or
- in the case of warrants to purchase Class A common stock or preferred stock, the right to receive dividends, if any; to receive payments upon our liquidation, dissolution or winding up; to receive notice as stockholders with respect to meetings of stockholders; or to exercise voting or consent rights, if any.

The descriptions of the warrants in this prospectus and in any prospectus supplement are summaries of the material provisions of the applicable warrants. These descriptions do not restate those warrants in their entirety and may not contain all the information that you may find useful. We urge you to read the applicable warrants because they, and not the summaries, define your rights as holders of the warrants. For more information, please review the forms of the relevant warrants and warrant agreements, which will be filed by amendment or incorporated by reference in connection with the offering of warrants.

DESCRIPTION OF DEBT SECURITIES

This section describes the general terms that will apply to any debt securities issued pursuant to this prospectus. Debt securities may be offered separately or in combination with one or more other securities of the Company. The debt securities may be issued in one or more series under an indenture (the “Indenture”) to be entered into between the Company and one or more trustees (the “Trustee”) that will be named in a Prospectus Supplement for a series of debt securities. To the extent applicable, the Indenture will be subject to and governed by the *United States Trust Indenture Act of 1939*, as amended. A copy of the form of the Indenture to be entered into has been or will be filed with the SEC as an exhibit to the registration statement of which this prospectus is a part and will be filed with the securities commissions or similar authorities in Canada when it is entered into. The description of certain provisions of the Indenture in this section do not purport to be complete and are subject to, and are qualified in their entirety by reference to, the provisions of the Indenture. This section describes the general terms of the debt securities. The specific terms of the debt securities, and the extent to which the general terms described in this section apply to those debt securities, will be set forth in the applicable prospectus supplement. This description may include, but may not be limited to, any of the following, if applicable:

- the specific designation of the debt securities;
- any limit on the aggregate principal amount of the debt securities;
- the date or dates, if any, on which the debt securities will mature and the portion (if less than all of the principal amount) of the debt securities to be payable upon declaration of acceleration of maturity;
- the rate or rates (whether fixed or variable) at which the debt securities will bear interest, if any, the date or dates from which any such interest will accrue and on which any such interest will be payable and the record dates for any interest payable on the debt securities ;
- the terms and conditions under which the Company may be obligated to redeem, repay or purchase the debt securities pursuant to any sinking fund or analogous provisions or otherwise;
- the terms and conditions upon which the Company may redeem the debt securities, in whole or in part, at its option;
- the covenants applicable to the debt securities;
- the terms and conditions for any conversion or exchange of the debt securities for any other securities;
- the extent and manner, if any, to which payment on or in respect of the securities of the series will be senior or will be subordinated to the prior payment of other liabilities and obligations of the Company;
- whether the securities will be secured or unsecured;
- whether the debt securities will be issuable in the form of registered global securities (“Global Securities”), and, if so, the identity of the depository for such registered Global Securities;
- the denominations in which debt securities will be issuable, if other than denominations of US\$1,000 or integral multiples of US\$1,000;
- each office or agency where payments on the debt securities will be made and each office or agency where the debt securities may be presented for registration of transfer or exchange;
- if other than United States dollars, the currency in which the debt securities are denominated or the currency in which we will make payments on the debt securities;
- material Canadian federal income tax consequences and United States federal income tax consequences of owning the debt securities;
- any index, formula or other method used to determine the amount of payments of principal of (and premium, if any) or interest, if any, on the debt securities; and
- any other terms, conditions, rights or preferences of the debt securities which apply solely to the debt securities.

If the Company denominates the purchase price of any of the debt securities in a currency or currencies other than United States dollars or a non-United States dollar unit or units, or if the principal of and any premium and interest on any debt securities is payable in a currency or currencies other than United States dollars or a non-

United States dollar unit or units, the Company will provide investors with information on the restrictions, elections, general tax considerations, specific terms and other information with respect to that issue of debt securities and such non-United States dollar currency or currencies or non-United States dollar unit or units in the applicable prospectus supplement. Each series of debt securities may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary. The terms on which a series of debt securities may be convertible into or exchangeable for Class A common stock or preferred stock will be described in the applicable prospectus supplement. These terms may include provisions as to whether conversion or exchange is mandatory, at the option of the holder, or at the option of the Company, and may include provisions pursuant to which the number of shares Class A common stock or preferred stock to be received by the holders of such series of debt securities would be subject to adjustment. To the extent any debt securities are convertible into Class A common stock or preferred stock, prior to such conversion the holders of such debt securities will not have any of the rights of holders of the securities into which the debt securities are convertible, including the right to receive payments of dividends or the right to vote such underlying securities.

The Company may, from time to time, issue debt securities and incur additional indebtedness other than through the issue of debt securities pursuant to this prospectus.

DESCRIPTION OF SUBSCRIPTION RIGHTS

We may issue subscription rights to purchase our Class A common stock, our other securities or any combination thereof. These subscription rights may be offered independently or together with any other security offered hereby and may or may not be transferable by the stockholder receiving the subscription rights in such offering. In connection with any offering of subscription rights, we may enter into a standby arrangement with one or more underwriters or other purchasers pursuant to which the underwriters or other purchasers may be required to purchase any securities remaining unsubscribed for after such offering.

Subscription rights will be issued pursuant to one or more subscription right agreements, each to be entered into between us and an escrow agent, which will establish the terms and conditions of the subscription rights. Each escrow agent will be a financial institution organized under the laws of the United States or a state thereof or Canada or a province thereof and authorized to carry on business as a trustee. We will file as exhibits to the registration statement of which this prospectus is a part, or will incorporate by reference, any subscription right agreement describing the terms and conditions of subscription receipts we are offering before the issuance of such subscription rights.

The prospectus supplement relating to any subscription rights we offer, if any, will, to the extent applicable, include specific terms relating to the offering, including some or all of the following, as applicable:

- the price, if any, for the subscription rights;
- the exercise price payable for our Class A common stock or our other securities issuable upon the exercise of the subscription rights;
- the number of subscription rights to be issued to each stockholder;
- the number and terms of our Class A common stock or our other securities which may be purchased per each subscription right;
- the extent to which the subscription rights are transferable;
- any other material terms of the subscription rights, including the terms, procedures and limitations relating to the exchange and exercise of the subscription rights;
- whether the subscription rights are to be issued in registered form, “book-entry only” form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof
- the date on which the right to exercise the subscription rights shall commence, and the date on which the subscription rights shall expire;
- the extent to which the subscription rights may include an over-subscription privilege with respect to unsubscribed securities or an over-allotment privilege to the extent the securities are fully subscribed;

- if applicable, a discussion of material United States federal income tax considerations and material Canadian federal income tax consequences; and
- if applicable, the material terms of any standby underwriting or purchase arrangement which may be entered into by the Company in connection with the offering of subscription rights.

The descriptions of the subscription rights in this prospectus and in any prospectus supplement are summaries of the material provisions of the applicable subscription right agreements. These descriptions do not restate those subscription right agreements in their entirety and may not contain all the information that you may find useful. We urge you to read the applicable subscription right agreements because they, and not the summaries, define your rights as holders of the subscription rights. For more information, please review the forms of the relevant subscription right agreements, which will be filed by amendment or incorporated by reference in connection with the offering of subscription rights.

DESCRIPTION OF UNITS

We may issue units comprised of one or more of the other classes of securities described in this prospectus in any combination. Each unit will be issued so that the holder of the unit is also the holder of each security included in the unit. Thus, the holder of a unit will have the rights and obligations of a holder of each included security. The units may be issued under unit agreements to be entered into between us and a unit agent, as detailed in the prospectus supplement relating to the units being offered. The prospectus supplement will describe, as applicable:

- the designation and material terms of the units and of the securities comprising the units, including whether and under what circumstances the securities comprising the units may be held or transferred separately;
- a description of the material terms of any unit agreement governing the units;
- a description of the provisions for the payment, settlement, transfer or exchange of the units;
- a discussion of material United States federal income tax considerations and material Canadian federal income tax consequences, if applicable; and
- whether the units if issued as a separate security will be issued in fully registered or global form.

The descriptions of the units in this prospectus and in any prospectus supplement are summaries of the material provisions of the applicable unit agreements. These descriptions do not restate those unit agreements in their entirety and may not contain all the information that you may find useful. We urge you to read the applicable unit agreements because they, and not the summaries, define your rights as holders of the units. For more information, please review the forms of the relevant unit agreements, which will be filed with each of the SEC and the relevant securities commissions or similar authorities in Canada when it is entered into promptly after the offering of units and will be available as described in the section titled “Where You Can Find More Information.”

PLAN OF DISTRIBUTION

We may sell the securities offered through this prospectus (1) to or through underwriters or dealers, (2) directly to purchasers, including our affiliates, (3) through agents, including ordinary brokerage transactions, block trades, placements, “at the market” transactions, put or call transactions or in any other way not involving market makers or established trading markets, (4) through a combination of any of these methods or (5) through any other methods described in a prospectus supplement. The securities may be distributed at a fixed price or prices, which may be changed, market prices prevailing at the time of sale, prices related to the prevailing market prices, or negotiated prices. Any prospectus supplement will include, to the extent applicable, the following information:

- the terms of the offering;
- the names of any underwriters or agents;
- the name or names of any managing underwriter or underwriters;
- the purchase price of the securities;
- the net proceeds from the sale of the securities;

- any delayed delivery arrangements;
- any underwriting discounts, commissions and other items constituting underwriters' compensation;
- any initial public offering price;
- any discounts or concessions allowed or reallocated or paid to dealers; and
- any commissions paid to agents.

We may engage in “at the market” offerings in an existing trading market in accordance with Rule 415(a)(4). Any “at the market” offering will be through an underwriter or underwriters acting as principal or agent for us.

Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. The applicable prospectus supplement may provide that the original issue date for your securities may be more than two scheduled business days after the trade date for your securities. Accordingly, in such a case, if you wish to trade securities on any date prior to the second business day before the original issue date for your securities, you will be required, by virtue of the fact that your securities initially are expected to settle in more than two scheduled business days after the trade date for your securities, to make alternative settlement arrangements to prevent a failed settlement.

We may issue to the holders of our Class A common stock, on a pro rata basis for no consideration, subscription rights to purchase shares of our Class A common stock or preferred stock. These subscription rights may or may not be transferable by stockholders. The applicable prospectus supplement will describe the specific terms of any offering of our common or preferred stock through the issuance of subscription rights, including the terms of the subscription rights offering, the terms, procedures and limitations relating to the exchange and exercise of the subscription rights and, if applicable, the material terms of any standby underwriting or purchase arrangement entered into by us in connection with the offering of common or preferred stock through the issuance of subscription rights.

Sale through Underwriters or Dealers

If underwriters are used in the sale, the underwriters will acquire the securities for their own account, including through underwriting, purchase, security lending or repurchase agreements with us. The underwriters may resell the securities from time to time in one or more transactions, including negotiated transactions.

Underwriters may sell the securities in order to facilitate transactions in any of our other securities (described in this prospectus or otherwise), including other public or private transactions and short sales. Underwriters may offer securities to the public either through underwriting syndicates represented by one or more managing underwriters or directly by one or more firms acting as underwriters. Unless otherwise indicated in the prospectus supplement, the obligations of the underwriters to purchase the securities will be subject to certain conditions, and the underwriters will be obligated to purchase all the offered securities if they purchase any of them. The underwriters may change from time to time any initial public offering price and any discounts or concessions allowed or reallocated or paid to dealers. The prospectus supplement will include the names of the principal underwriters, the respective amount of securities underwritten, the nature of the obligation of the underwriters to take the securities and the nature of any material relationship between an underwriter and us. We may agree to pay the underwriters a fee or commission for various services relating to the offering of any of our securities. Any such fee or commission will be paid out of our general corporate funds. We may use underwriters with whom we have a material relationship. We will describe in the applicable prospectus supplement, naming the underwriter, the nature of any such relationship.

Some or all of the securities that we offer through this prospectus may be new issues of securities with no established trading market. Any underwriters to whom we sell securities for public offering and sale may make a market in those securities, but they will not be obligated to do so and they may discontinue any market making at any time without notice. Accordingly, we cannot assure you of the liquidity of, or continued trading markets for, any securities offered pursuant to this prospectus.

If dealers are used in the sale of securities offered through this prospectus, we will sell the securities to them as principals. They may then resell those securities to the public at varying prices determined by the dealers at the time of resale. Any public offering price and any discounts or concessions allowed or re-allowed or paid to dealers may be changed from time to time. The prospectus supplement will include the names of the dealers and the terms of the transaction.

Direct Sales and Sales through Agents

We may sell the securities offered through this prospectus directly at such prices and upon such terms as agreed to by us and the purchaser. In this case, no underwriters or agents would be involved. We may sell the securities directly to institutional investors or others who may be deemed to be underwriters within the meaning of the Securities Act with respect to any sale of those securities. The terms of any such sales will be described in any required prospectus supplement.

Securities may also be sold through agents designated from time to time. Any required prospectus supplement will name any agent involved in the offer or sale of the offered securities and will describe any fees or commissions payable to the agent by us. Unless otherwise indicated in such prospectus supplement, any agent will agree to use its reasonable best efforts to solicit purchases for the period of its appointment.

Delayed Delivery Contracts

If the applicable prospectus supplement indicates, we may authorize agents, underwriters or dealers to solicit offers from certain types of institutions to purchase securities at the public offering price under delayed delivery contracts. These contracts would provide for payment and delivery on a specified date in the future. The contracts would be subject only to those conditions described in the applicable prospectus supplement. The applicable prospectus supplement will describe the fee or commission payable for solicitation of those contracts.

Market Making, Stabilization and Other Transactions

Unless the applicable prospectus supplement states otherwise, each series of offered securities by us will be a new issue and will have no established trading market, except for our Class A common stock. We may elect to list any series of offered securities on an exchange. Any underwriters that we use in the sale of such offered securities may make a market in such securities, but may discontinue such market making at any time without notice. Accordingly, we cannot assure you that the securities will have a liquid trading market.

Any underwriter may engage in over-allotment, stabilizing transactions, short covering transactions and penalty bids in accordance with Rule 103 of Regulation M under the Exchange Act. Over-allotment involves sales in excess of the offering size, which creates a short position. Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum. Short covering transactions involve purchases of the securities in the open market after the distribution is completed to cover short positions. Penalty bids permit the underwriters to reclaim a selling concession from a dealer when the securities originally sold by the dealer are purchased in a stabilizing or covering transaction to cover short positions. Those activities may cause the price of the securities to be higher than it would otherwise be. If commenced, the underwriters may discontinue any of the activities at any time. These transactions may be effected on any exchange or over-the-counter market or otherwise.

Derivative Transactions and Hedging

We, the underwriters or other agents may engage in derivative transactions involving our securities. These derivatives may consist of short sale transactions and other hedging activities. The underwriters or agents may acquire a long or short position in our securities, hold or resell securities acquired and purchase options or futures on our securities and other derivative instruments with returns linked to or related to changes in the price of our securities. In order to facilitate these derivative transactions, we may enter into security lending or repurchase agreements with the underwriters or agents. The underwriters or agents may effect the derivative transactions through sales of our securities to the public, including short sales, or by lending the securities in order to facilitate short sale transactions by others. The underwriters or agents may also use our securities that are purchased or

borrowed from us or others (or, in the case of derivatives, securities received from us in settlement of those derivatives) to directly or indirectly settle sales of the securities or close out any related open borrowings of the securities.

Electronic Auctions

We may also make sales through the Internet or through other electronic means. Since we may from time to time elect to offer securities directly to the public, with or without the involvement of agents, underwriters or dealers, utilizing the Internet or other forms of electronic bidding or ordering systems for the pricing and allocation of such securities, you should pay particular attention to the description of that system we will provide in an applicable prospectus supplement.

Such electronic system may allow bidders to directly participate, through electronic access to an auction site, by submitting conditional offers to buy that are subject to acceptance by us, and which may directly affect the price or other terms and conditions at which such securities are sold. These bidding or ordering systems may present to each bidder, on a so-called “real-time” basis, relevant information to assist in making a bid, such as the clearing spread at which the offering would be sold, based on the bids submitted, and whether a bidder’s individual bids would be accepted, prorated or rejected. For example, in the case of a debt security, the clearing spread could be indicated as a number of “basis points” above an index treasury note. Of course, many pricing methods can and may also be used.

Upon completion of such an electronic auction process, securities will be allocated based on prices bid, terms of bid or other factors. The final offering price at which securities would be sold and the allocation of securities among bidders would be based in whole or in part on the results of the Internet or other electronic bidding process or auction.

General Information

Agents, underwriters and dealers may be entitled, under agreements entered into with us, to indemnification by us against certain liabilities, including liabilities under the Securities Act or applicable Canadian securities laws. Agents, underwriters and dealers may engage in transactions with or perform services for us in the ordinary course of their businesses.

LEGAL MATTERS

The validity of the securities offered by this prospectus will be passed upon by Dorsey & Whitney LLP.

EXPERTS

The consolidated balance sheet of Ascend Wellness Holdings, Inc. as of December 31, 2021, the related consolidated statement of operations, stockholders’ equity and cash flows for the year ended December 31, 2021, and the related notes incorporated by reference in this prospectus and in the registration statement of which this prospectus forms a part have been so incorporated in reliance on the report of Macias Gini & O’Connell LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated balance sheet of Ascend Wellness Holdings, LLC as of December 31, 2020, the related consolidated statement of operations, members’ equity and cash flows for the two years in the period ended December 31, 2020, and the related notes incorporated by reference in this prospectus and in the registration statement of which this prospectus forms a part have been so incorporated in reliance on the report of Marcum LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and other reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, including any amendments to those reports, and other information that we file with or furnish to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act can also be accessed free of charge through the Internet. These filings will be available as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

We have filed with the SEC a registration statement under the Securities Act relating to the offering of these securities. The registration statement, including the attached exhibits, contains additional relevant information about us and our securities. This prospectus does not contain all of the information set forth in the registration statement. You can obtain a copy of the registration statement, at prescribed rates, from the SEC at the address listed above. The registration statement and the documents referred to below under "Information Incorporated by Reference" are also available on our Internet website, www.awholdings.com. We have not incorporated by reference into this prospectus the information on our website, and you should not consider it to be a part of this prospectus.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus certain information we file with it, which means that we can disclose important information by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC will automatically update and supersede information contained in this prospectus and any accompanying prospectus supplement. We incorporate by reference the documents listed below that we have previously filed with the SEC (excluding any portions of any Form 8-K that are not deemed "filed" pursuant to the General Instructions of Form 8-K):

- our [Annual Report on Form 10-K](#) for the fiscal year ended December 31, 2021, filed with the SEC on March 11, 2022;
- our [Definitive Proxy Statement on Schedule 14A](#), filed with the SEC on March 28, 2022;
- our Quarterly Reports on Form 10-Q, for the quarterly period ended [March 31, 2022](#), filed with the SEC on May 12, 2022, for the quarterly period ended [June 30, 2022](#), filed with the SEC on August 15, 2022, and for the quarterly period ended [September 30, 2022](#), filed with the SEC on November 14, 2022; and
- our Current Reports on Form 8-K filed with the SEC on [January 4, 2022](#), [January 6, 2022](#), [February 16, 2022](#), [March 8, 2022](#), [April 25, 2022](#), [May 11, 2022](#), [May 11, 2022](#), [May 24, 2022](#), [July 5, 2022](#), [August 15, 2022](#), [August 16, 2022](#), [September 15, 2022](#), [September 28, 2022](#), [October 4, 2022](#), and [November 10, 2022](#).

We also incorporate by reference any future filings (other than Current Reports furnished under Items 2.02 or 7.01 of Form 8-K and exhibits filed on such form that are related to such items unless such Form 8-K expressly provides to the contrary) made with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial registration statement of which this prospectus forms a part until we sell all of the securities we are offering or the termination of the offering, excluding, in each case, information deemed furnished and not filed. Additionally, we also incorporate by reference all future filings (other than Current Reports furnished under Items 2.02 or 7.01 of Form 8-K and exhibits filed on such form that are related to such items unless such Form 8-K expressly provides to the contrary) made with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of this initial registration statement and prior to the effectiveness of this registration statement.

Any statement contained in this prospectus, or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded to the extent that a statement contained herein, or in any subsequently filed document that also is incorporated or deemed to be incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request, at no cost to the requester, a copy of any and all of the information that is incorporated by reference in this prospectus.

Requests for such documents should be directed to:

Ascend Wellness Holdings, Inc.
1411 Broadway, 16th Floor
New York, NY 10018
(646) 661-7600
Attention: Daniel Neville

You may also access the documents incorporated by reference in this prospectus through our website at www.awholdings.com. Except for the specific incorporated documents listed above, no information available on or through our website shall be deemed to be incorporated in this prospectus or the registration statement of which it forms a part.

\$100,000,000



Ascend Wellness Holdings, Inc.

Class A Common Stock

Preferred Stock

Warrants

Debt Securities

Subscription Rights

Units

PROSPECTUS
, 2022

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the United States Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where such offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED NOVEMBER 22, 2022

PROSPECTUS



4,380,143 Shares of Class A Common Stock

Ascend Wellness Holdings, Inc.

This prospectus relates to the resale of 4,380,143 shares of Class A common stock, par value \$0.001 per share of Ascend Wellness Holdings, Inc. (the “Company”) by the selling stockholders named herein (the “Selling Stockholders”). The shares of Class A common stock offered by the Selling Stockholders consist of (i) 3,130,143 shares of Class A common stock issuable upon the exercise of 3,130,143 warrants (the “Debt Warrants”) of the Company issued pursuant to the credit agreement dated August 27, 2021 (the “Credit Agreement”) with an exercise price of \$3.10 per share subject to adjustment and (ii) 1,250,000 shares of Class A common stock issuable upon the exercise of 1,250,000 warrants (the “SAI Warrants” and together with the Debt Warrants, the “Warrants”) of the Company issued pursuant to the credit and guarantee agreement dated October 15, 2020 with an exercise price of \$4.00 per share subject to adjustment. We will receive the proceeds from the exercise of the Debt Warrants and SAI Warrants, however, we will not receive any proceeds from the sale of any shares of Class A common stock by the Selling Stockholders pursuant to this prospectus.

Our registration of the securities covered by this prospectus does not mean that the Selling Stockholders will offer or sell any of the shares of Class A common stock. The Selling Stockholders may sell the shares of Class A common stock offered by this prospectus from time to time on terms to be determined at the time of sale through ordinary brokerage transactions or through any other means described in this prospectus under the caption “Plan of Distribution.” The shares of Class A common stock may be sold at fixed prices, at market prices prevailing at the time of sale, at prices related to prevailing market prices or at negotiated prices.

Our Class A common stock is listed on the Canadian Securities Exchange (the “CSE”) under the symbol “AAWH.U” and quoted on the OTCQX® Best Market operated by OTC Markets Group, Inc. (the “OTCQX”) under the symbol “AAWH”. On November 21, 2022, the last reported sale price for our Class A common stock on the CSE was \$2.14 per share and on the OTCQX was \$2.13 per share. We will provide information in any applicable prospectus supplement regarding any listing of securities other than shares of our Class A common stock on any securities exchange or marketplace.

INVESTING IN OUR SECURITIES INVOLVES SIGNIFICANT RISKS. YOU SHOULD REVIEW CAREFULLY THE “[RISK FACTORS](#)” ON PAGE 34 OF THIS PROSPECTUS AND IN THE APPLICABLE PROSPECTUS SUPPLEMENT BEFORE INVESTING IN OUR SECURITIES.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2022

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ABOUT THIS PROSPECTUS

This prospectus describes the general manner in which the Selling Stockholders identified in this prospectus may offer from time to time (i) 3,130,143 shares of our Class A common stock issuable upon the exercise of 3,130,143 Debt Warrants (the “Debt Warrant Shares”) and (ii) 1,250,000 shares of our Class A common stock issuable upon the exercise of 1,250,000 SAI Warrants (the “SAI Warrant Shares”).

You should rely only on the information contained in this prospectus or in any related free writing prospectus filed by us with the Securities and Exchange Commission (“SEC”). We and the Selling Stockholders have not authorized anyone to provide you with any information or to make any representation not contained in this prospectus. We and the Selling Stockholders do not take any responsibility for, and can provide no assurance as to the reliability of, any information that others may provide to you. This prospectus is not an offer to sell or an offer to buy securities in any jurisdiction where offers and sales are not permitted. The information in this prospectus is accurate only as of its date, regardless of the time of delivery of this prospectus or any sale of securities. You should also read and consider the information in the documents to which we have referred you under the caption “Where You Can Find More Information” in the prospectus.

Neither we nor the Selling Stockholders have done anything that would permit a public offering of the securities or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the securities and the distribution of this prospectus outside of the United States.

This prospectus contains summaries of certain provisions contained in some of the documents described herein, but reference is made to the actual documents for complete information. All of the summaries are qualified in their entirety by the actual documents. Copies of some of the documents referred to herein have been filed, will be filed or will be incorporated by reference as exhibits to the registration statement of which this prospectus is a part, and you may obtain copies of those documents as described below under the section titled “Where You Can Find Additional Information.”

We urge you to read carefully this prospectus, as supplemented and amended, before deciding whether to invest in any of the Class A Common Stock being offered.

PROSPECTUS SUMMARY

This summary description about us and our business highlights selected information contained elsewhere in this prospectus or incorporated in this prospectus by reference. This summary does not contain all of the information you should consider before buying securities in this offering. You should carefully read this entire prospectus as supplemented and amended, including each of the documents incorporated herein or therein by reference, before making an investment decision. Unless the context otherwise requires, the terms “Ascend,” “Ascend Wellness Holdings Inc.,” “AWH,” “the “Company,” “we,” “us” and “our” refer to Ascend Wellness Holdings, Inc., a Delaware corporation.

Overview

Ascend Wellness Holdings, Inc. is a vertically integrated multi-state cannabis operator focused on operating in adult-use or near-term adult-use states in primarily limited license markets. Ascend’s core business is the cultivation, manufacturing and distribution of cannabis consumer packaged goods, which are sold through company-owned retail stores and to third-party licensed retail cannabis stores. The Company is a reporting issuer in the United States of American (the “United States”). The Company’s shares of Class A common stock are listed in Canada on the Canadian Securities Exchange (“CSE”) under the symbol “AAWH.U.” and in the United States on the OTCQX Best Market (the “OTCQX”) under the symbol “AAWH.” Ascend is an emerging growth company under federal securities laws and as such Ascend is able to elect to follow scaled disclosure requirements for this filing.

The Company was founded in 2018 with initial operations in Illinois and has since expanded its operational footprint, primarily through acquisitions, and now has operations, licenses, or financial interests in six U.S. geographic markets: Illinois, Massachusetts, Michigan, New Jersey, Ohio, and Pennsylvania. As of November 18, 2022, Ascend has 24 open dispensaries, 20 of which are in states which have passed legislation permitting recreational cannabis. Ascend also operates cultivation facilities in six states with approximately 223,000 square feet of canopy.

Ascend believes in bettering lives through cannabis. The mission is to improve the lives of its employees, patients, customers and the communities they serve through the use of the cannabis plant. As of November 18, 2022, AWH employs approximately 2,000 people across the cultivation, processing, retail, and corporate functions.

History of the Company

Founding and Incorporation

The Company was originally formed on May 15, 2018 as Ascend Group Partners, LLC, and changed its name to “Ascend Wellness Holdings, LLC” on September 10, 2018. On April 22, 2021, Ascend Wellness Holdings, LLC converted into a Delaware corporation and changed its name to “Ascend Wellness Holdings, Inc.” and effected a 2-for-1 reverse stock split, which is retrospectively presented for all periods in this filing and referred to as the “Conversion.” As a result of the Conversion, the members of Ascend Wellness Holdings, LLC became holders of shares of stock of Ascend Wellness Holdings, Inc.

Following the Conversion, the Company authorized 750,000,000 shares of Class A common stock with a par value of \$0.001 per share, 100,000 shares of Class B common stock with a par value of \$0.001 per share, and 10,000,000 shares of preferred stock with a par value of \$0.001 per share. The rights of the holders of Class A common stock and Class B common stock are identical, except for voting and conversion rights. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to 1,000 votes per share and is convertible at any time into one share of Class A common stock at the option of the holder.

Initial Public Offering

On May 4, 2021, the Company completed an Initial Public Offering (“IPO”) of its Class A common stock, in which it issued and sold 10.0 million shares of Class A common stock at a price of \$8.00 per share. On May 7, 2021, the underwriters exercised their over-allotment option in full and AWH issued and sold an additional 1.5 million shares of Class A common stock. AWH received total net proceeds of approximately \$86.1 million after deducting underwriting discounts and commissions and certain other direct offering expenses paid by the Company. In connection with the IPO, the historical common units, Series Seed Preferred Units, Series Seed+ Preferred Units, and Real Estate Preferred Units then-outstanding automatically converted into a total of 113.3 million shares of Class A common stock and 65,000 historical common units were allocated as shares of Class B common stock. Additionally, 3.4 million shares of Class A common stock were issued for a beneficial conversion feature associated with the conversion of certain historical preferred units and the Company’s convertible notes, plus accrued interest, converted into 37.4 million shares of Class A common stock. The Company’s shares of Class A common stock are listed on the CSE under the ticker symbol “AAWH.U” and are quoted on the OTCQX Best Market under the symbol “AAWH.”

Operations by State

The following is an overview of our cultivation and dispensary assets by state that are currently operational, as well as our expected asset base once fully built out.

Cultivation assets:

Across its cultivation assets, as of November 18, 2022, AWH has approximately 223,000 square feet of total canopy, which is defined as the square footage of flower, vegetation, and propagation tables. The Company estimates each square foot of total canopy has the power to generate approximately half a pound of cannabis per year. All of the Company’s cultivation and planned cultivation facilities are indoor, with the exception of the 55,000 square foot greenhouse in Illinois. The Company believes that indoor grow facilities allow for fine-tuned controls which help enable AWH to grow high-quality cannabis. All of the cultivation projects underway are expansion projects to existing cultivation facilities. The Company deems these as lower risk than green fielding at new sites that are not yet permitted for cultivation operations. The new cultivation plans are flexible and will ultimately depend on market conditions, local licensing, construction, and other regulatory permissions. All of our expansion plans are subject to capital allocation decisions, the evolving regulatory environment and the COVID-19 pandemic. See “*Cautionary Note Regarding Forward-Looking Statements.*”

State	Square Feet of Canopy as of Current	Additional Comments
Illinois	113,000	Located in Barry, Illinois, the cultivation facility also has ethane and butane-based extraction equipment and kitchen.
Michigan	28,000	Located in Lansing, Michigan, the cultivation facility has 28,000 square feet of canopy. The Company added a kitchen in 2022.
Massachusetts	54,000	Located in Athol, Massachusetts, the cultivation facility underwent a phase 2 expansion which it completed in 2022. The Company is also adding an ethane and butane-based extraction equipment and kitchen.
New Jersey	20,000	Located in Franklin, New Jersey, the cultivation facility is undergoing phase 2 expansion which will add 22,000 square feet of canopy and a lab and kitchen. The Company plans to complete phase 2 in Q4 2022.
Ohio	2,000	Located in Monroe, OH the facility currently has 2,000 square feet of canopy. In October 2022, the Company completed an acquisition of a processing facility located near the cultivation facility.
Pennsylvania	6,000	Located in Smithfield, PA the facility currently has 6,000 square feet of canopy.

Dispensary assets:

As of November 18, 2022 AWH has 24 open and operating retail locations. By the end of 2022, AWH anticipates opening one additional dispensary in New Bedford, Massachusetts. The new store opening plans are also flexible and will ultimately depend on market conditions, local licensing, construction, and other regulatory permissions. All of the dispensary plans are subject to capital allocation decisions, the evolving regulatory environment and the COVID-19 pandemic. See “*Cautionary Note Regarding Forward-Looking Statements.*”

State	Open Dispensaries as of Current	Ow ned Dispensaries and Licenses as of Current⁽¹⁾	Comments
Illinois	8	8	4 dispensaries in the Chicago area; 2 in Southern IL bordering Missouri; 2 near Springfield, IL. The state caps recreational dispensary licenses at 10 stores per owner. The Company has entered definitive agreements to acquire 2 additional licenses which would bring it to the 10 state cap.
Massachusetts	2	3	1 dispensary in downtown Boston; 1 in Newton; 1 license and building under construction in New Bedford. The state caps recreational dispensary licenses at 3 stores per owner.
New Jersey	3	3	1 dispensary in Rochelle Park; 1 in Montclair; 1 in Fort Lee. The state caps recreational dispensary licenses at 3 stores per owner.
Michigan	7	7	7 dispensaries throughout the state; 1 license pending approval and 1 building under construction in Grand Rapids
Ohio	2	2	2 dispensaries in the greater Columbus area. The state caps dispensary licenses at 5 stores per owner. The Company has entered definitive agreement to acquire 1 license which would permit them to 3 additional dispensaries which would bring it to the 5 state cap.
Pennsylvania	2	6	The Company opened its Scranton and Wayne, PA dispensaries in Q4 2022. It plans to open the remaining 4 over the next year.

(1) The Company has entered into definitive agreements to acquire an entity that holds licenses to open three dispensaries in Ohio and the associated real estate, as well as definitive agreements to acquire two entities that each hold one social equity dispensary license in Illinois. These transactions have not yet closed and the assets are not included herein.

Licenses

The following chart summarizes the U.S. states in which we operate or have an investment as of November 18, 2022, along with the nature of the operations, whether such activities carried on are direct, indirect or ancillary in nature, the number of dispensary, cultivation and other licenses held by each entity, and whether such entity has any operation, cultivation, or processing facilities.

State	Entity	Adult-Use/Medical	Direct/Indirect/Ancillary	Dispensary Licenses	Cultivation/Processing/Distribution Licenses	Operational Dispensaries	Operational Cultivation/Processing Facilities
Illinois	HealthCentral LLC	AU, M	Direct	6	—	4	—
Illinois	Revolution Cannabis-Barry LLC	AU, M	Direct	—	3	—	1
Illinois	MOCA LLC	AU, M	Direct	3	—	2	—
Illinois	Chicago Alternative Health Center, LLC	AU, M	Direct	3	—	2	—
Mass.	MassGrow LLC	AU	Direct	—	2	—	1
Mass.	Ascend Mass LLC	AU	Direct	2	—	2	—
Mass.	Southcoast Apothecary LLC	AU	Direct	1	—	— ⁽¹⁾	—
New Jersey	Ascend New Jersey LLC	M, AU	Direct	6	3	3	1
Michigan	FPAW Michigan LLC	AU, M	Direct	11	19	7	1
Ohio	BCCO, LLC	M	Direct	1	—	1	—
Ohio	Ohio Cannabis Clinic, LLC	M	Direct	1	—	1	—
Ohio	Hemma, LLC	M	Direct	—	2	—	1
Ohio	Marichron Pharma, LLC	M	Ancillary	—	1	—	1
Pennsylvania	Story of PA, LLC	M	Direct	2	1	2	1
Total				36	31	24	7

(1) Anticipated to open during the fourth quarter of 2022.

Description of the Business

Overview of the Company

Ascend is a vertically integrated multi-state cannabis operator focused on adult-use or near-term adult-use cannabis states in limited license markets. The core business is the cultivation, manufacturing, and distribution of cannabis consumer packaged goods, which Ascend sells through company-owned retail stores and to third-party licensed retail cannabis stores. Ascend believes in bettering lives through cannabis. The mission is to improve the lives of its employees, patients, customers and the communities we serve through the use of the cannabis plant.

Product Offering

Ascend produces and distributes cannabis products for its wholesale partners and AWH owned retail stores. Ascend's goal is to provide wholesale partners and retail customers with consistent access to quality cannabis products while maintaining a variety of form-factors and SKUs. Ascend currently produces its full product set with multiple form factors in Illinois, New Jersey, and Michigan where it has both labs and kitchens. Ascend's in-house brands offer a variety of options to satisfy every potential customer's budget and preference. Ascend's approach to branding is to have brands that fit the "good", "better", and "best" consumer categories. The in-house brands include: SimplyHerb, Ozone, and Ozone Reserve. SimplyHerb is the "good" brand and the most price accessible product with SKUs targeted for the price conscious, value-driven buyer. SimplyHerb is currently produced in Illinois, Massachusetts, and Michigan. Ozone is the "better" brand aimed at providing quality products to the

seasoned connoisseur as well as the canna-curious. Ozone Reserve is the “best” offering with premier products including exotic flower, refined concentrates, purified oils, as well as resins and distillates. Ozone and Ozone Reserve are currently produced and sold in Illinois, Massachusetts, Michigan, New Jersey, and Ohio. Ozone products have been well received in the market. Ozone has been cited as having the second highest sales of any branded product in Illinois for 2021.

In addition to producing its own brands, AWH also partners with multiple premiere brands for which it cultivates and sells products targeted to different demographics. Among our partners are Lowell Farms, Flower by Edie Parker, and 1906. This model allows AWH to target customer demographics that complement its base-markets and leverage brand recognition of our partners, while crafting and selling their tried-and-true products. For example:

- *Lowell Smokes*, by Lowell Farms, allows AWH to leverage the Lowell Farms brand amongst the male demographic seeking premium pre-rolls.
- *Edie Parker*, is a Women-led fashion and lifestyle company that launched a cannabis brand, “Flower by Edie Parker.” The Flower by Edie Parker line provides AWH with a product aimed to attract the female consumer.
- *1906*, is a brand targeted to consumers looking for premier edible experiences. 1906 gives AWH the ability to provide a competitive edible offering.

Overview of Government Regulation

On February 8, 2018, the Canadian Securities Administrators revised their previously released Staff Notice 51-532 – *Issuers with U.S. Marijuana-Related Activities* (“Staff Notice 51-532”), which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis related activities in the United States as permitted within a particular State’s regulatory framework. In accordance with the Staff Notice 51-532, below is a discussion of the federal and state-level U.S. regulatory regimes in those jurisdictions where we are currently directly involved, through our subsidiaries, in the cannabis industry. Our subsidiaries and licensed operators with which we have contractual relationships are directly engaged in the manufacture, possession, sale, or distribution of cannabis in the adult-use and/or medical cannabis marketplace in the states of Illinois, Massachusetts, Michigan, New Jersey, Ohio, and Pennsylvania. In accordance with Staff Notice 51-532, we evaluate, monitor, and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented and amended to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws, or regulations regarding cannabis regulation. We intend to promptly remedy any material known occurrences of non-compliance with applicable state and local cannabis rules and regulations, and intend to publicly disclose any material non-compliance, citations, or notices of violation which may have an impact on our licenses, business activities, or operations.

The U.S. federal government regulates drugs through the Controlled Substances Act (21 U.S.C. § 811) (the “CSA”), which places controlled substances, including cannabis, in a schedule. Cannabis is classified as a Schedule I controlled substance. The CSA explicitly prohibits the manufacturing, distribution, selling and possession of cannabis and cannabis-derived products as a consequence of its Schedule I classification. Classification of substances under the CSA is determined jointly by the United States Drug Enforcement Administration (the “DEA”) and the FDA. The United States Department of Justice (the “DOJ”) defines Schedule I drugs and substances as drugs with no currently accepted medical use, a high potential for abuse, and a lack of accepted safety for use under medical supervision. However, the FDA has approved Epidiolex, which contains a purified form of cannabidiol (“CBD”), a non-psychoactive cannabinoid in the cannabis plant, for the treatment of seizures associated with two epilepsy conditions. The FDA has not approved cannabis or cannabis compounds as a safe and effective drug for any other condition. Moreover, under the 2018 Farm Bill or Agriculture Improvement Act of 2018, CBD remains a Schedule I controlled substance under the CSA, with a narrow exception for CBD derived from hemp with a tetrahydrocannabinol (“THC”) concentration of less than 0.3%.

Unlike in Canada, where federal legislation uniformly governs the cultivation, distribution, sale, and possession of medical and adult-use cannabis under the Cannabis Act, S.C. 2018, c. 16, and the Cannabis for Medical Purposes Regulations, cannabis is largely regulated at the state level in the United States. To date, there are 37 states, plus the District of Columbia (and the territories of Guam, Puerto Rico, the U.S. Virgin Islands and the

Northern Mariana Islands), that have laws and/or regulations that recognize, in one form or another, legitimate medical uses for cannabis and consumer use of cannabis in connection with medical treatment. In addition, the Northern Mariana Islands, Guam, the District of Columbia, and 21 states, including Alaska, Arizona, California, Colorado, Connecticut, Illinois, Maine, Maryland, Massachusetts, Michigan, Missouri, Montana, Nevada, New Jersey, New Mexico, New York, Oregon, Rhode Island, Vermont, Virginia, and Washington have legalized cannabis for adult-use. Eleven states have also enacted low-THC/high-CBD only laws for medical cannabis patients.

State laws that permit and regulate the production, distribution and use of cannabis for adult-use or medical purposes are in direct conflict with the CSA, which makes cannabis use, distribution and possession federally illegal. Although certain states and territories of the U.S. authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under U.S. federal law, the possession, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts under any and all circumstances under the CSA. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and in case of conflict between federal and state law, the federal law shall apply. Although the Company's activities are compliant with applicable United States state and local law, strict compliance with state and local laws with respect to cannabis may neither absolve the Company of liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against the Company.

The Obama administration attempted to address the inconsistent treatment of cannabis under state and federal law in the Cole Memorandum which outlined certain priorities for the DOJ relating to the prosecution of cannabis offenses. The Cole Memorandum acknowledged that, notwithstanding the designation of cannabis as a Schedule I controlled substance at the federal level, several states had enacted laws authorizing the use of cannabis for medical or adult-use purposes. The Cole Memorandum noted that jurisdictions that have enacted laws legalizing cannabis in some form have also implemented strong and effective regulatory and enforcement systems to control the cultivation, processing, distribution, sale and possession of cannabis. As such, conduct in compliance with those laws and regulations is less likely to implicate the Cole Memorandum's enforcement priorities. The DOJ did not provide (and has not provided since) specific guidelines for what regulatory and enforcement systems would be deemed sufficient under the Cole Memorandum. In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the DOJ should be focused on addressing only the most significant threats related to cannabis, such as distribution of cannabis from states where cannabis is legal to those where cannabis is illegal, the diversion of cannabis revenues to illicit drug cartels and sales of cannabis to minors.

On January 4, 2018, former U.S. Attorney General Jeff Sessions issued the Sessions Memorandum, which rescinded the Cole Memorandum effective upon its issuance. The Sessions Memorandum stated, in part, that current law reflects "Congress' determination that cannabis is a dangerous drug and cannabis activity is a serious crime," and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress by following well-established principles when pursuing prosecutions related to cannabis activities. We are not aware of any prosecutions of investment companies doing routine business with licensed cannabis related businesses in light of the new DOJ position. However, there can be no assurance that the federal government will not enforce federal laws relating to cannabis in the future. As a result of the Sessions Memorandum, federal prosecutors are now free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities, despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors in the Sessions Memorandum as to the priority they should ascribe to such cannabis activities, and thus it is uncertain how active U.S. federal prosecutors will be in relation to such activities.

The former Attorneys General who succeeded former Attorney General Sessions following his resignation did not provide a clear policy directive for the United States as it pertains to state-legal cannabis related activities. President Joseph R. Biden was sworn in as the 46th United States President on January 20, 2021. President Biden nominated Merrick Garland to serve as Attorney General in his administration. It is not yet known whether the Department of Justice under President Biden and Attorney General Garland, confirmed on March 10, 2021, will re-adopt the Cole Memorandum or announce a substantive cannabis enforcement policy. At Mr. Garland's confirmation hearing, he stated, "It does not seem to me a useful use of limited resources that we have, to be pursuing prosecutions in states that have legalized and that are regulating the use of marijuana, either medically or otherwise." He has not, however, reissued the Cole Memorandum or otherwise provided guidance. If the

Department of Justice policy under Attorney General Garland were to aggressively pursue financiers or owners of cannabis-related businesses, and United States Attorneys followed such Department of Justice policies through pursuing prosecutions, then the Company could face (i) seizure of its cash and other assets used to support or derived from its cannabis operations, (ii) the arrest of its employees, directors, officers, managers and investors, and charges of ancillary criminal violations of the Controlled Substances Act for aiding and abetting and conspiring to violate the Controlled Substances Act by virtue of providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis, and/or (iii) the barring of its employees, directors, officers, managers and investors who are not United States citizens from entry into the United States for life. Unless and until the United States Congress amends the Controlled Substances Act with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law criminalizing cannabis.

While federal prosecutors appear to continue to use the Cole Memorandum's priorities as an enforcement guide, the prosecutorial effects resulting from the rescission of the Cole Memorandum and the implementation of the Sessions Memorandum remain uncertain. The sheer size of the cannabis industry, in addition to participation by state and local governments and investors, suggests that a large-scale federal enforcement operation may create unwanted political backlash for the DOJ. It is also possible that the revocation of the Cole Memorandum could motivate Congress to reconcile federal and state laws. While Congress is considering and has considered legislation that may address these issues, there can be no assurance that such legislation passes. Regardless, at this time, cannabis remains a Schedule I controlled substance at the federal level. The U.S. federal government has always reserved the right to enforce federal law in regard to the sale and disbursement of medical or adult-use cannabis, even if state law authorizes such sale and disbursement. It is unclear whether the risk of enforcement has been altered.

Additionally, under United States federal law, it may potentially be a violation of federal money laundering statutes for financial institutions to take any proceeds from the sale of cannabis or any other Schedule I controlled substance. Canadian banks are likewise hesitant to deal with cannabis companies, due to the uncertain legal and regulatory framework of the industry. Banks and other financial institutions, particularly those that are federally chartered in the United States, could be prosecuted and possibly convicted of money laundering for providing services to cannabis businesses. While Congress is considering legislation that may address these issues, there can be no assurance of the content of any proposed legislation or that such legislation is ever passed.

Despite these laws, the U.S. Department of the Treasury's United States Financial Crimes Enforcement Network ("FinCEN") issued a memorandum (the "FinCEN Memorandum") outlining guidance for financial institutions that bank state-sanctioned cannabis businesses in compliance with federal enforcement priorities. The FinCEN Memorandum echoed the enforcement priorities of the Cole Memorandum. Under these guidelines, financial institutions must submit a Suspicious Activity Report ("SAR") in connection with all cannabis-related banking activities by any client of such financial institution, in accordance with federal money laundering laws. These cannabis-related SARs are divided into three categories - cannabis limited, cannabis priority, and cannabis terminated - based on the financial institution's belief that the business in question follows state law, is operating outside of compliance with state law, or where the banking relationship has been terminated, respectively. On the same day that the FinCEN Memorandum was published, the DOJ issued a memorandum (the "2014 Cole Memorandum") directing prosecutors to apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of cannabis-related conduct. The 2014 Cole Memorandum has been rescinded as of January 4, 2018, along with the Cole Memorandum, removing guidance that enforcement of applicable financial crimes against state-compliant actors was not a DOJ priority.

However, former Attorney General Sessions' revocation of the Cole Memorandum and the 2014 Cole Memorandum has not affected the status of the FinCEN Memorandum, nor has the Department of the Treasury given any indication that it intends to rescind the FinCEN Memorandum itself. Though it was originally intended for the 2014 Cole Memorandum and the FinCEN Memorandum to work in tandem, the FinCEN Memorandum is a standalone document which explicitly lists the eight enforcement priorities originally cited in the Cole Memorandum. As such, the FinCEN Memorandum remains intact, indicating that the Department of the Treasury

and FinCEN intend to continue abiding by its guidance. However, in the United States, it is difficult for cannabis-based businesses to open and maintain a bank account with any bank or other financial institution.

One legislative safeguard for the medical cannabis industry, appended to the federal budget bill, remains in place following the rescission of the Cole Memorandum. For fiscal years 2015, 2016, 2017, 2018, 2019, 2020, 2021, and 2022, Congress has included a rider to the Consolidated Appropriations Acts (currently referred to as the “Rohrabacher/Blumenauer Amendment”) to prevent the federal government from using congressionally appropriated funds to enforce federal cannabis laws against regulated medical cannabis actors operating in compliance with state and local law. The Rohrabacher/Blumenauer Amendment was included in the Consolidated Appropriations Act, 2022 signed into law by President Biden on March 15, 2022. The Rohrabacher/Blumenauer Amendment will remain effective through December 16, 2022. There is no guarantee that the Rohrabacher/Blumenauer Amendment will be included in the omnibus appropriations package or a continuing budget resolution once the current Consolidated Appropriations Act, 2022 expires.

Despite the rescission of the Cole Memorandum, the DOJ appears to continue to adhere to the enforcement priorities set forth in the Cole Memorandum. The Cole Memorandum and the Rohrabacher/Blumenauer Amendment gave licensed cannabis operators (particularly medical cannabis operators) and investors in states with legal regimes greater certainty regarding the DOJ’s enforcement priorities and the risk of operating cannabis businesses. While the Sessions Memorandum has introduced some uncertainty regarding federal enforcement, the cannabis industry continues to experience growth in legal medical and adult-use markets across the United States. Accordingly, as an industry best practice, we continue to employ the following policies to ensure compliance with the guidance provided by the Cole Memorandum:

- ensure that its operations are compliant with all licensing requirements as established by the applicable state, county, municipality, town, township, borough, and other political/administrative divisions;
- ensure that its cannabis related activities adhere to the scope of the licensing obtained (for example: in the states where cannabis is permitted only for adult-use, the products are only sold to individuals who meet the requisite age requirements);
- implement policies and procedures to ensure that cannabis products are not distributed to minors;
- implement policies and procedures in place to ensure that funds are not distributed to criminal enterprises, gangs or cartels;
- implement an inventory tracking system and necessary procedures to ensure that such compliance system is effective in tracking inventory and preventing diversion of cannabis or cannabis products into those states where cannabis is not permitted by state law, or cross any state lines in general;
- ensure that its state-authorized cannabis business activity is not used as a cover or pretense for trafficking of other illegal drugs, and is not engaged in any other illegal activity, or any activities that are contrary to any applicable anti-money laundering statutes; and
- ensure that its products comply with applicable regulations and contain necessary disclaimers about the contents of the products to prevent adverse public health consequences from cannabis use and prevent impaired driving.

On December 4, 2020, the House of Representatives passed the Marijuana Opportunity Reinvestment and Expungement Act of 2019 (the “MORE Act”). The MORE Act would provide for the removal of cannabis from the list of controlled substances in the CSA and other federal legislation. It would end the applicability of Section 280E to cannabis businesses but would impose a 5% federal excise tax. The MORE Act was not passed by the Senate prior to the end of the 116th Congress, but an updated version was subsequently reintroduced in the House of Representatives on May 28, 2021. On September 30, 2021, the House Judiciary Committee voted to advance the MORE Act once again in a first step towards passage in the full House. On April 1, 2022, the House of Representatives passed the MORE Act once again. Before it could become law, the MORE Act would need to be passed by the Senate and then signed into law by the president. There is no guarantee the MORE Act will become law in its current form.

H.R. 1595, the SAFE Banking Act of 2019, which would expand financial services in the United States to cannabis-related legitimate businesses and service providers, was introduced in the House of Representatives on March 7, 2019 with bipartisan support. On April 11, 2019, S. 1200, the Senate version of the SAFE Banking Act, was filed. This bill also has bipartisan support and more than a fifth of the total Senate, 27 members, co-sponsored it. On September 25, 2019, H.R. 1595 passed in the House of Representatives by a vote of 321 to 103, but it stalled in the Senate. The SAFE Banking Act passed the House again on May 15, 2020, when it was included in the COVID-19 stimulus bill, the Health and Economic Recovery Omnibus Emergency Solutions Act. However, that measure also stalled in the Senate. The SAFE Banking Act passed the House again on April 19, 2021 as H.R. 1996, by a vote of 321 – 101. On September 23, 2021, the House approved the National Defense Authorization Act (“NDAA”) that contained the provisions of the SAFE Banking Act. The SAFE Banking Act was subsequently removed from the NDAA by the House-Senate conference committee on December 7, 2021, and was not included in the final version of the NDAA. On February 4, 2022, the House approved The America COMPETES Act of 2022, which includes the provisions of the Safe Banking Act. The Senate’s final version of the bill, which was passed on March 28, 2022, removed the provisions related to the Safe Banking Act. There is no guarantee the SAFE Banking Act will become law in its current form, if at all.

On July 21, 2022, the Cannabis Administration and Opportunity Act (“CAOA”) was introduced in the Senate. The CAO, if enacted, would, among other impacts, remove marijuana from the CSA, impose excise taxes on the sale of marijuana, and create a federal regulatory framework for the marijuana industry. There is no certainty that the CAO will become law in its current form or at all.

On October 6, 2022, President Biden announced that he directed the Secretary of the United States Department of Health and Human Services (“HHS”) and Attorney General Merrick Garland to initiate a review of marijuana’s classification as a Schedule I controlled substance under the CSA. The timing and outcome of this review is uncertain and there is no certainty that marijuana will be placed under a different schedule or de-scheduled, and there is also no certainty as to the impacts such actions would have on our business or the marijuana industry as a whole, particularly when considering potential implications for federal regulation and interstate commerce.

Compliance with Applicable State Laws in the United States

We are in compliance with applicable cannabis licensing requirements and the regulatory framework enacted by each state in which we currently operate. We have in place a detailed compliance program and an internal legal and compliance department, and we are building out our operational compliance team across all states in which we operate. Our compliance department is overseen by our President and further consists of compliance professionals who oversee and ensure compliance in each of our jurisdictions and facilities. We also have external state and local regulatory/compliance counsel engaged in every jurisdiction in which we operate.

We provide training for all relevant employees, using various methods on the following topics relevant to job tasks: compliance with state laws and rules; patient education materials; education materials for recreational customers; security in our facilities and establishments; handwashing and sanitation practices; packaging procedures; state mandated tracking software; establishment specific tracking; track and trace; inventory and POS software; audit procedures; epidemic responses; emergency situation response; dispensing procedures; patient/client check-in procedure; employee education and consultation materials; packaging and labeling requirements; cannabis waste and destruction; active shooter response; robbery response; fire response; bomb-threat response; sexual harassment; drug free workplace; internet and phone usage; discrimination harassment; workplace violence; hygiene and clothing requirements; hand washing; medical emergency response; biocontamination response; gas leak response; visitor access; discounts for special groups; customer loyalty programs; client intake; storage and recall of products; the science of cannabis; speaking with physicians; edibles education; reconciling transactions; inventory control; receiving inventory; shipping inventory; corrective and preventive action plans; filing corrective and preventive action reports; pesticides; wastewater; irrigation systems; fertilizer; beneficial organisms; climate control; transplanting; inventory tagging; pruning; defoliation; drying, trimming and curing; storage of products; maintaining confidentiality; cash handling; and preventing diversion of products.

We emphasize security and inventory control to ensure strict monitoring of cannabis and inventory, from delivery by a licensed distributor to sale or disposal. Only authorized, properly trained employees are allowed to access our computerized inventory control system.

We monitor all compliance notifications from the regulators and inspectors in each market and timely resolve any issues identified. We keep records of all compliance notifications received from the state regulators or inspectors, as well as how and when an issue was resolved. Moreover, we monitor news sources for information regarding developments at the state and federal level relating to the regulation and criminalization of cannabis.

Further, we have created comprehensive standard operating procedures that include detailed descriptions and instructions for receiving shipments of inventory, inventory tracking, recordkeeping and record retention practices related to inventory. We also have comprehensive standard operating procedures in place for performing inventory reconciliation, and ensuring the accuracy of inventory tracking and recordkeeping. We maintain accurate records of our inventory at all licensed facilities. Adherence to our standard operating procedures is mandatory and helps ensure that our operations are compliant with the rules set forth by the applicable state and local laws, regulations, ordinances, licenses and other requirements. We enforce adherence to standard operating procedures by regularly conducting internal inspections and ensures that any issues identified are resolved quickly and thoroughly.

We maintain strict compliance guidelines with respect to online reservations of products. No purchase and sale transactions may be completed online. A patient, patient's primary caregiver or customer may reserve products online, but the patient or customer must be physically present at one of our dispensaries to complete the transaction. This requirement allows our dispensary staff to ensure that our standard operating procedures (including its compliance programs) are applied to all patients, patient's primary caregivers and customers in connection with the purchase and sale of products.

In jurisdictions where medical cannabis is legal, upon arrival of the patient or the patient's primary caregiver at the applicable dispensary, dispensary staff must verify the patient's or the patient's primary caregiver's identity and credentials (such as a state-issued medical cannabis card) and confirm the patient's allotment amount to ensure the user is not exceeding the state's dispensing limits. Once the foregoing is verified, the patient or the patient's primary caregiver may pay for the products to complete the purchase. If the customer does not have valid identification and credentials, the customer will not be able to purchase medical cannabis at the applicable dispensary, irrespective of any reservations made online.

In jurisdictions where recreational cannabis is legal, upon arrival at the dispensary, a customer must present government-issued photo identification to verify they are at least 21 years of age. Once the identification is verified, the customer may pay for the products to complete the transaction. If the customer does not have valid identification, the customer will not be able to purchase recreational cannabis at the applicable Company dispensary, irrespective of any reservations made online.

We will continue to monitor compliance on an ongoing basis in accordance with our compliance program and standard operating procedures. While our operations are in full compliance with all applicable state laws, regulations and licensing requirements, such activities remain illegal under federal law. For the reasons described above and the risks further described in the section entitled "*Risk Factors*," there are significant risks associated with our business.

State Regulation of Cannabis

The risk of federal enforcement and other risks associated with our business are described in the section entitled "*Risk Factors*" in this prospectus and the section entitled "*Risk Factors*" in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Following the thesis that distributing brands at scale will win, we enter markets where we believe that we can profitably and sustainably operate and command significant market share, and thus maximize consumer and brand awareness. The regulatory frameworks enacted by the states, which are similar to the limited and controlled issuance of gaming or alcohol distributorship licenses, provide macro-level indication of whether certain state markets will be sustainable and profitable.

Below is a summary overview of the regulatory and competitive frameworks in each of our operating markets.

Illinois

Illinois Regulatory Landscape

In January 2014, the Compassionate Use of Medical Cannabis Pilot Program Act, which allows individuals diagnosed with certain debilitating or “qualified” medical conditions to access medical cannabis, became effective. There are over 35 qualifying conditions as part of the medical program, including epilepsy, traumatic brain injury, and post-traumatic stress disorder. In January 2019, the Illinois Department of Health launched the Opioid Alternative Pilot Program that allows individuals who have/could receive a prescription for opioids to access medical cannabis.

On August 28, 2018, Public Act 100-1114, the Alternative to Opioids Act of 2018, was signed into law, making changes to the Compassionate Use of Medical Cannabis Pilot Program Act. The Public Act created the Opioid Alternative Pilot Program (“OAPP”), which allows access to medical cannabis for individuals who have or could receive a prescription for opioids as certified by a physician licensed in Illinois.

On August 12, 2019 Governor J.B. Pritzker signed into law legislation that made the program permanent and added 11 conditions to the existing program.

In June 2019, Illinois legalized adult-use cannabis pursuant to the Cannabis Regulation and Tax Act (the “IL Act”). Effective January 1, 2020, Illinois residents 21 years of age and older may possess up to 30 grams of cannabis (non-residents may possess up to 15 grams). The IL Act authorizes the Illinois Department of Financial and Professional Regulation (the “IDFPR”) to issue up to 75 Conditional Adult Use Dispensing Organization licenses before May 1, 2020 and an additional 110 conditional licenses during 2021. No person may hold a financial interest in more than 10 dispensing organizations. Existing medical dispensaries were able to apply for an “Early Approval Adult Use Dispensing Organization License” to serve adult purchasers at an existing medical dispensary or at a secondary site. The IDFPR also held an application period for Conditional Adult Use Cannabis Dispensary Licenses from December 10, 2019 through January 2, 2020. On September 3, 2021, the IDFPR announced the results of the lotteries to award 185 conditional adult use dispensing licenses. On June 23, 2022, a corrective lottery was conducted for up to 75 additional licenses. As of October 11, 2022 185 conditional licenses have been issued.

The Illinois Department of Agriculture (the “IL Ag. Department”) is authorized to make up to 30 cultivation center licenses available for medical and adult-use programs. As with existing medical dispensaries, existing cultivation centers were able to apply for an “Early Approval Adult Use Cultivation Center License.” The IL Act requires the IL Ag. Department to issue up to 60 craft grower licenses by December 21, 2021, and states the IL Ag. Department may also issue up to 60 infuser licenses by the same date. On August 2, 2021, the IL Ag. Department announced that it had issued 32 initial craft grow licenses, 28 infuser licenses, and 9 transporter licenses. As of June 1, 2022, the IL Ag. Department has awarded a total of 341 adult use cannabis licenses for craft growers, infusers, and transporters under the IL Act. No person can hold a financial interest in more than three cultivation centers, and the centers are limited to 210,000 square feet of canopy space. Cultivation centers are also prohibited from discriminating in price when selling to dispensaries, craft growers, or infuser organizations. License awards will likely be delayed due to the COVID-19 pandemic and legal actions taken by applicants.

The IL Act imposes several operational requirements on adult-use licensees and requires prospective licensees to demonstrate their plans to comply with such requirements. For example, applicants for dispensary licenses must include an employee training plan, a security plan, recordkeeping and inventory plans, a quality control plan and an operating plan.

Licensees must establish methods for identifying, recording, and reporting diversion, theft, or loss, correcting inventory errors, and complying with product recalls. Licensees also must comply with detailed inventory, storage, and security requirements. Cultivation licenses are subject to similar operational requirements, such as complying with detailed security and storage requirements, and must also establish plans to address energy,

water, and waste-management needs. Dispensary licenses will be renewed bi-annually, and cultivation licenses, craft grower licenses, infuser organization licenses, and transporter licenses will be renewed annually.

Illinois Licenses

Illinois licenses four types of cannabis businesses within the state: (1) cultivation; (2) processing; (3) transportation; and (4) dispensary. All cultivation, craft growers, infusers, and transporting establishments must register with the Illinois Department of Agriculture. All dispensaries must register with the IDFPR. If applications contain all required information, establishments are issued a cannabis establishment registration certificate. Registration certificates are valid for a period of one year and are subject to strict annual renewal requirements.

HealthCentral LLC has been issued a total of six dispensary licenses, two medical licenses and four adult use licenses. Revolution Cannabis-Barry LLC has been issued two cultivation licenses, one medical license and one adult use license, and one transporter license. MOCA LLC is licensed to operate two dispensaries and has been issued a total of three dispensary licenses, one medical and two adult use licenses. Chicago Alternative Health Center, LLC is licensed and operates two dispensaries, one in Chicago and one in Chicago Ridge and has been issued a total of three dispensary licenses, one medical and two adult use licenses.

The below table lists our Illinois licenses:

Entity	License Number	City	Expiration Date / Renewal Date	Description
Revolution Cannabis-Barry, LLC	1503060627	Barry	03/09/2023	Medical Cultivation License
Revolution Cannabis-Barry, LLC	1503060627- AU	Barry	03/31/2023	Adult Use Cultivation License
Revolution Cannabis-Barry, LLC	1503060627-TR	Barry	7/14/2023	Transporter License
HealthCentral, LLC	280.000022-DISP	Collinsville	01/07/2023	Medical License
HealthCentral, LLC	284.000025-AUDO	Collinsville	03/31/2024	Adult Use License
HealthCentral, LLC	280.000029-DISP	Adam St. / Springfield	02/03/2023	Medical License
HealthCentral, LLC	284.000026-AUDO	Adam St. / Springfield	03/31/2024	Adult Use License
HealthCentral, LLC	284.000069-DISP	Horizon Dr. / Springfield	03/31/2024	Adult Use License
HealthCentral, LLC	284.000104-AUDO	Fairview Heights	03/31/2024	Adult Use License
Chicago Alternative Health Center, LLC	280.000033 -DISP	Archer Ave. / Chicago	04/13/2023	Medical License
Chicago Alternative Health Center, LLC	284.000124 -DISP	Archer Ave. / Chicago	03/31/2024	Adult Use License
Chicago Alternative Health Center, LLC	284.000125 - DISP	Chicago Ridge	03/31/2024	Adult Use License
MOCA LLC	280.000028-DISP.	Fullerton Ave/ Chicago	02/01/2023	Medical License
MOCA LLC	284.000076-AUDO	Fullerton Ave/ Chicago	03/31/2024	Adult Use License
MOCA LLC	284.000077-AUDO	Ohio St / Chicago	03/31/2024	Adult Use License

Illinois Storage and Security

Both our cultivation center and our dispensaries are required to store cannabis in restricted-access areas. Our dispensaries must store inventory on-site in a secured and restricted-access area and enter information into Illinois' tracking system as required by law and IDFPR rules. Any cannabis or cannabis products in an open or

defective package, which have expired, or which the company otherwise has reason to believe have been opened or tampered with must be segregated in secure storage until promptly and properly disposed of.

Dispensaries are also required to implement security measures designed to deter and prevent unauthorized entry into the facility (and restricted-access areas) and theft, loss or diversion of cannabis or cannabis products. In this respect, dispensaries must maintain a commercial grade alarm and surveillance system installed by an Illinois licensed private alarm contractor or private alarm contractor agency. Dispensaries must also implement various security measures designed to protect the premises, customers and dispensing organization agents (employees).

Illinois Reporting Requirements

Illinois uses BioTrack THC as its track and trace (“T&T”) system. All dispensing organization licensees are required to use a real-time, web-based inventory tracking/point-of-sale system that is accessible to IDFPR at any time, and at a minimum, tracks the date of sale, amount, price, and currency. We use BioTrack THC for inventory management and LeafLogix as a point-of-sale system. Licensees are also required to track each sales transaction at the time of the sale, daily beginning and ending inventory, acquisitions (including information about the supplier and the product) and disposal.

Illinois Transportation Requirements

Currently, licensed cultivation centers may transport cannabis and cannabis products in accordance with certain guidelines. For receiving products, dispensing organizations must receive a copy of the shipping manifest prepared by the cultivation center in advance of transport and is required to check the product delivered against such manifest at the time of delivery. All cannabis and cannabis products must be packaged in properly labeled and sealed containers. Dispensaries may not accept products that are mislabeled, products that have labels missing or when packaging is opened or tampered with.

U.S. Attorney Statements in Illinois

To the knowledge of management, other than as disclosed in this prospectus, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Illinois. See “*Risk Factors - U.S. state regulation of cannabis is uncertain.*”

Massachusetts

Massachusetts Regulatory Landscape

The Massachusetts Medical Use of Marijuana Program (the “MA Program”) was formed pursuant to the Act for the Humanitarian Medical Use of Marijuana (the “MA ACT”). The MA Program allows registered persons to purchase medical cannabis and applies to any patient, personal caregiver, Medical Marijuana Treatment Center (each, a “MTC”), and MTC agent that qualifies and registers under the MA Program. To qualify, patients must suffer from a debilitating condition as defined by the MA Program. Currently there are eight conditions that allow a patient to acquire cannabis in Massachusetts, including AIDS/HIV, ALS, cancer and Crohn’s disease. As of May 31, 2019, approximately 59,000 patients have been registered to purchase medical cannabis products in Massachusetts. The MA Program is administrated by the Cannabis Control Commission of Massachusetts (the “CCC”). As of November 3, 2022, there were approximately 184 open MTCs in Massachusetts.

In November 2016, Massachusetts voted affirmatively on a ballot petition to legalize and regulate cannabis for adult-use. The Massachusetts legislature amended the law on December 28, 2016, delaying the date adult-use cannabis sales would begin by six months. The delay allowed the legislature to clarify how municipal land-use regulations would treat the cultivation of cannabis and authorized a study of related issues. After further debate, the state House of Representatives and state Senate approved H.3818 which became Chapter 55 of the Acts of 2017, An Act to Ensure Safe Access to Marijuana, and established the CCC. The CCC consists of five commissioners and regulates both the Adult Use and Medical Use of Marijuana programs. Sales of adult-use cannabis in Massachusetts started in July 2018. Adult-use cannabis in Massachusetts is regulated under M.G.L. ch. 94G and 935 CMR 500 et seq.

Under the MA Program, MTCs are heavily regulated. Vertically integrated MTCs grow, process, and dispense their own cannabis. As such, each MTC is required to have a retail facility as well as cultivation and processing operations, although retail operations may be separate from grow and cultivation operations. An MTC’s cultivation location may be in a different municipality or county than its retail facility.

The MA Program mandates a comprehensive application process for MTCs. Each Registered Marijuana Dispensary (each, a “RMD”) applicant must submit a Certificate of Good Standing from the Massachusetts Department of Revenue, comprehensive financial statements, a character and competency form, and employment and education histories of the senior partners and individuals responsible for the day-to-day security and operation of the MTC. Municipalities may individually determine what local permits or licenses are required if an MTC wishes to establish an operation within its boundaries.

Massachusetts Licenses

MassGrow LLC has been issued one cultivation and one provisional manufacturing processing license and Ascend Mass LLC has been issued one retail license and two provisional retail licenses.

The below table lists our Massachusetts licenses:

Entity	License Number	City	Expiration Date / Renewal Date	Description
MassGrow, LLC	MC281488	Athol	8/12/2023	Adult Use Cultivation License
MassGrow, LLC	MP281460	Athol	8/12/2023	Manufacturing Processing License
Ascend Mass, LLC	MR282077	Boston	1/21/2023	Adult Use License
Ascend Mass, LLC	MR282837	Newton	6/10/2023	Adult Use License
Southcoast Apothecary LLC	MR283075	New Bedford	8/11/2023	Adult Use License

Each Massachusetts dispensary, grower and processor license is valid for one year and must be renewed no later than 60 calendar days prior to expiration. As in other states where cannabis is legal, the CCC can deny licenses and renewals for multiple reasons, including (per 935 CMR 500.400) (1) failure to complete the application process within the required time period; (2) submission of deceptive, misleading, or fraudulent information, (3) an indication of an inability to maintain and operate a compliant cannabis establishment, (4) determination of unsuitability pursuant to, for example, certain criminal convictions, (5) failure to comply with cannabis license control limitations, (6) rejection of revocation of another cannabis license in Massachusetts or elsewhere; or (7) any other ground that serves the purposes of the law. Revocations can also be based on (per 935 CMR 500.450) (1) failure to submit or implement a plan of correction; (2) attempting to assign ownership to another entity or making other significant changes without proper permission, (3) lack of responsible operation of a cannabis establishment, (4) maintaining a substandard level of compliance with applicable statutory and regulatory requirements, (5) financial insolvency; (6) failure to cooperate with law enforcement, (7) violation of the safety, health, or welfare of the public; or (8) committing, permitting, aiding, or abetting of any illegal practices in the operation of the cannabis establishment. Additionally, license holders must ensure that no cannabis is sold, delivered, or distributed by a producer from or to a location outside of the state.

Regulation of the Adult-Use Cannabis Market in Massachusetts

Adult-use cannabis has been legal in Massachusetts since December 15, 2016, following a ballot initiative in November of that year. The CCC, a regulatory body created in 2018, licenses adult-use cultivation, processing and dispensary facilities (collectively, “Marijuana Establishments” or “MEs”) pursuant to 935 CMR 500.000 et seq. The first adult-use cannabis facilities in Massachusetts began operating in November 2018.

Massachusetts Licensing Requirements (Adult-Use)

Applicants must submit proof of being an entity registered to do business in Massachusetts, as well as a list of all people and entities having direct or indirect control of the business, documentation of any such people or entities' other business interests, details of the amounts and sources of capital resources, and documentation of a bond or escrow account. Furthermore, the applicant must provide a specific address for the location of the establishment, proof of a property interest in that address, documentation that the applicant has a "host community agreement" with the municipality, and documentation that the applicant has held at least one community outreach meeting. The applicant must also provide a description of plans to ensure that the cannabis establishment will be compliant with all applicable laws and regulations, and also a specific plan to positively impact areas of disproportionate impact (geographical locations in the state which have had historically high rates of arrest, conviction, and incarceration related to cannabis crimes). The application also requires payment of a fee.

All individuals identified as having direct or indirect control in the license must undergo an extensive background check that includes criminal, civil, and regulatory records; certain criminal convictions, civil actions, or regulatory infractions may trigger a finding of unsuitability.

Each license applicant must submit detailed information about its business registration, certificates of good standing, and a plan to obtain liability insurance. The application must include a detailed business plan, a detailed summary of operating policies and procedures addressing issues like security, storage, prevention of diversion, transportation, inventory practices, recordkeeping, and a specific diversity plan demonstrating promotion of equity among people of color, women, veterans, persons with disabilities, and LGBTQ+ individuals. Such plans must have specific goals and measurable outcomes that will be monitored and updated through the entire existence of the cannabis establishment.

Pursuant to 935 CMR 500.050, no person or entity may own or have direct or indirect control over more than three licenses in each Marijuana Establishment category (i.e., cannabis retailer, cannabis cultivator, cannabis product manufacturer). Additionally, there is a 100,000 square foot cultivation canopy restriction for adult-use licenses.

Massachusetts Dispensary Requirements (Adult-Use)

Cannabis retailers may purchase, transport, sell, repackage, or otherwise transfer cannabis and cannabis products to consumers. On-site consumption is prohibited. All permitted cannabis-related activities must take place solely at the licensed address.

All cannabis establishment employees must receive at least eight hours of training annually. A total of four hours of training shall be from Responsible Vendor Training Program courses established under 935 CMR 500.105(2)(b). The remaining four hours may be conducted in-house by the cannabis establishment as on-the-job training.

All cannabis establishments must have written operating procedures addressing security measures, employee security policies, descriptions of operating hours and after-hours contact information, storage and waste disposal, product descriptions, price list, recordkeeping, quality control, staffing, emergency procedures, alcohol/smoke/drug-free workplace policies, confidential information handling, plans for immediate dismissal of employees who divert cannabis, engage in unsafe practices or are convicted of certain crimes, board of directors and members list, cash handling, prevention of diversion, energy efficiency, and workplace safety. Retail establishments must also have plans to check the identification of each customer both upon entering the store and again at the point of sale. No one under 21 is permitted to purchase cannabis or to be on the premises. Retail stores must ensure that customers purchase no more than one ounce of cannabis (or its equivalent in other forms) per day. Retailers also have the right to refuse sales to customers, for example, those that appear to be impaired by the influence of substances.

The retail point of sale system must be approved by both the CCC and the state Department of Revenue. It must be integrated with Metrc, the state's seed-to-sale tracking system. The system must also be audited on a monthly basis to ensure that no additional software has been installed that could alter sales data.

Cannabis retailers must have available extensive consumer education materials, including in languages other than English.

Massachusetts Security and Storage Requirements (Adult-Use)

Each Marijuana Establishment must implement sufficient safety measures to deter and prevent unauthorized entrance into areas containing cannabis and theft of cannabis at the establishment. Security measures taken by the establishments to protect the premises, employees, consumers and general public must include, but not be limited to, the following:

- positively identifying individuals seeking access to the premises of the Cannabis Establishment or to whom or cannabis products are being transported pursuant to 935 CMR 500.105(13) to limit access solely to individuals 21 years of age or older;
- adopting procedures to prevent loitering and ensure that only individuals engaging in activity expressly or by necessary implication permitted by the regulations and its enabling statute are allowed to remain on the premises;
- disposing of cannabis in accordance with 935 CMR 500.105(12) in excess of the quantity required for normal, efficient operation as established within 935 CMR 500.105;
- securing all entrances to the Marijuana Establishment to prevent unauthorized access;
- establishing limited access areas pursuant to 935 CMR 500.110(4), which shall be accessible only to specifically authorized personnel limited to include only the minimum number of employees essential for efficient operation;
- storing all finished cannabis products in a secure, locked safe or vault in such a manner as to prevent diversion, theft and loss;
- keeping all safes, vaults, and any other equipment or areas used for the production, cultivation, harvesting, processing or storage of cannabis products securely locked and protected from entry, except for the actual time required to remove or replace cannabis;
- keeping all locks and security equipment in good working order;
- prohibiting keys, if any, from being left in the locks or stored or placed in a location accessible to persons other than specifically authorized personnel;
- prohibiting accessibility of security measures, such as combination numbers, passwords or electronic or biometric security systems, to persons other than specifically authorized personnel;
- ensuring that the outside perimeter of the Marijuana Establishment is sufficiently lit to facilitate surveillance, where applicable;
- ensuring that all cannabis products are kept out of plain sight and are not visible from a public place without the use of binoculars, optical aids or aircraft;
- developing emergency policies and procedures for securing all product following any instance of diversion, theft or loss of cannabis, and conduct an assessment to determine whether additional safeguards are necessary;
- developing sufficient additional safeguards as required by the CCC for Marijuana Establishments that present special security concerns;
- establishing procedures for safe cash handling and cash transportation to financial institutions to prevent theft, loss and associated risks to the safety of employees, customers and the general public;
- sharing the establishment's floor layout with law enforcement and as required by the municipality to identify the use of any flammable or combustible solvents, chemicals, or other such materials in use; and
- sharing the Marijuana Establishment's security plan and procedures with law enforcement authorities and fire services and periodically updating law enforcement authorities and fire services if the plans or procedures are modified in a material way.

Cannabis must be stored in special limited access areas, and alarm systems must meet certain technical requirements, including a failure notification system, perimeter alarms on all entry and exit points, duress/panic alarms, and video surveillance in all areas where cannabis or cash is kept and at all points of entry and exit. The surveillance system must have the ability to record footage 24 hours a day and to retain such footage for at least 90 days. The systems must be angled so as to allow for the capture of clear identification of any person entering or existing the establishment and must be able to remain operational for a minimum of four hours in the event of a power outage. Regular audits are required every 30 days.

Massachusetts Transportation Requirements (Adult-Use)

Cannabis products may only be transported between licensed MEs by registered Marijuana Establishment agents. A licensed cannabis transporter may contract with a licensed Marijuana Establishment to transport that licensee's cannabis products to other licensed establishments. The originating and receiving licensed establishments shall ensure that all transported cannabis products are linked to METRC, Massachusetts' seed-to-sale tracking program. For the purposes of tracking, seeds and clones will be properly tracked and labeled in a form and manner determined by the CCC. Any cannabis product that is undeliverable or is refused by the destination Marijuana Establishment shall be transported back to the originating establishment. All vehicles transporting cannabis products shall be staffed with a minimum of two Marijuana Establishment agents. At least one agent shall remain with the vehicle at all times that the vehicle contains cannabis or cannabis products. Prior to the products leaving a Marijuana Establishment for the purpose of transporting cannabis products, the originating Marijuana Establishment must weigh, inventory, and account for, on video, all cannabis products to be transported. Within eight hours after arrival at the destination Marijuana Establishment, the destination establishment must re-weigh, re-inventory, and account for, on video, all cannabis products transported. When videotaping the weighing, inventorying, and accounting of cannabis products before transportation or after receipt, the video must show each product being weighed, the weight, and the manifest. Cannabis products must be packaged in sealed, labeled, and tamper or child-resistant packaging prior to and during transportation. In the case of an emergency stop during the transportation of cannabis products, a log must be maintained describing the reason for the stop, the duration, the location, and any activities of personnel exiting the vehicle. A Marijuana Establishment or a cannabis transporter transporting cannabis products is required to ensure that all transportation times and routes are randomized. An establishment or transporter transporting cannabis products shall ensure that all transport routes remain within Massachusetts. All vehicles and transportation equipment used in the transportation of cannabis products or edibles requiring temperature control for safety must be designed, maintained, and equipped as necessary to provide adequate temperature control to prevent the cannabis products or edibles from becoming unsafe during transportation, consistent with applicable requirements pursuant to 21 CFR 1.908(c).

Vehicles used for transport must be owned or leased by the Marijuana Establishment or transporter, and they must be properly registered, inspected, and insured in Massachusetts. All vehicles must be equipped with a video system that includes at least one camera in the storage area and at least one camera in the driver area. All cameras must remain functional throughout the entire transportation process. All vehicles must also be equipped with an alarm system, and functioning heating and air conditioning. Cannabis may not be visible from outside the vehicle, and it must be transported in a secure, locked storage compartment. The vehicle may not have any external markings indicating that it is used to transport cannabis. Each vehicle must have a global positioning system, and any agent transporting cannabis must have access to a secure form of communication with the originating location. Firearms are forbidden inside the vehicle or on the person of an agent. Each transport must have a manifest filled out in triplicate.

Massachusetts CCC Inspections

The CCC or its agents may inspect a Marijuana Establishment and affiliated vehicles at any time without prior notice in order to determine compliance with all applicable laws and regulations. All areas of a Marijuana Establishment, all Marijuana Establishment agents and activities, and all records are subject to such inspection. Marijuana establishments must immediately upon request make available to the CCC all information that may be relevant to a CCC inspection, or an investigation of any incident or complaint. A Marijuana Establishment must make all reasonable efforts to facilitate the CCC's inspection, or investigation of any incident or complaint, including the taking of samples, photographs, video or other recordings by the CCC or its agents, and to facilitate the

CCC's interviews of Marijuana Establishment agents. During an inspection, the CCC may direct a Marijuana Establishment to test cannabis for contaminants as specified by the CCC, including but not limited to mold, mildew, heavy metals, plant-growth regulators, and the presence of pesticides not approved for use on cannabis by the Massachusetts Department of Agricultural Resources.

Moreover, the CCC is authorized to conduct a secret shopper program in retail establishments to ensure compliance with all applicable laws and regulations.

U.S. Attorney Statements in Massachusetts

On July 10, 2018, the U.S. Attorney for the District of Massachusetts, Andrew Lelling, issued a statement regarding the legalization of adult-use cannabis in Massachusetts. Mr. Lelling stated that since he has a constitutional obligation to enforce the laws passed by Congress, he would not immunize the residents of Massachusetts from federal law enforcement. He did state, however, that his office's resources would be primarily focused on combating the opioid epidemic. He stated that considering those factors and the experiences of other states that have legalized adult-use cannabis, his office's enforcement efforts would focus on the areas of (i) overproduction, (ii) targeted sales to minors, and (iii) organized crime and interstate transportation of drug proceeds.

To the knowledge of management, other than as disclosed in this prospectus, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Massachusetts. See "*Risk Factors - U.S. state regulation of cannabis is uncertain.*"

Michigan

Michigan Regulatory Landscape

In 2008, the Michigan Compassionate Care Initiative established a medical cannabis program for serious and terminally ill patients. This program, which was approved by the House but not acted upon and defaulted to a public initiative on the November ballot. Proposal 1 was approved by 63% of voters on November 8, 2008. Proposal 1 was then written into law and approved by Michigan's lawmakers in December 2008. The resulting Act became the Michigan Medical Marihuana Act ("MMMA"). The MMMA provides access to state residents to cannabis and cannabis related products under one of 11 debilitating conditions, including epilepsy, cancer, HIV/AIDS, cancer and post-traumatic stress disorder. In July 2018, the Medical Marihuana Review Panel approved 11 additional conditions to the list of ailments to qualify for medical cannabis. The additional 11 include chronic pain, colitis and spinal cord injury.

In 2016, the Michigan legislature passed two new acts and also amended the original MMMA. The first act, the Medical Marihuana Facilities Licensing Act ("MMFLA"), effective December 20, 2016 and most recently amended effective December 7, 2021, establishes a licensing and regulation framework for medical cannabis growers, processors, secure transporters, provisioning centers, and safety compliance facilities. The second act, the Marihuana Tracking Act ("MTA"), establishes a "seed-to-sale" system to track cannabis that is grown, processed, transferred, stored, or disposed of under the MMFLA.

In November of 2018 Michigan voters, through another public ballot initiative approved the Michigan Regulation and Taxation of Marihuana Act ("MRTMA") legalizing and establishing a licensing and regulatory framework for adult-use growers, processors, secure transporters, retailers, microbusinesses, event organizers, designated consumption establishments, and safety compliance facilities. The proposal was approved by nearly 56% of the voters. The state began taking applications for such on November, 1, 2019 and the first sales of adult-use marihuana took place on December 1, 2019. According to the Cowen report, *Charting Cannabis: A U.S. State Level Deep Dive*, published February 19, 2020, there were 125 open dispensaries in Michigan as of the end of 2019.

The Marihuana Regulatory Agency ("MRA") is a separate agency within the Michigan Department of Licensing and Regulatory Affairs and is responsible for the oversight of cannabis in Michigan. The MRA consists of the Medical and Adult Marihuana Applications, Compliance, Scientific & Legal and Enforcement Divisions and the Michigan Medical Marihuana Program Division. The MRA is responsible for issuing cards to medical cannabis patients, and oversight and licensing of medical facilities and adult-use establishments.

The MRA and State of Michigan attempted to combine the medical and adult-use markets during the 2019-2020 legislative session, but the proposed bill did not receive a vote in both legislative bodies. However, while the MMFLA and MRTMA remain separate and distinct laws, the MRA adopted topic-based Administrative Rules in June 2020 which address both medical facilities and adult-use establishments.

On September 27, 2021, the MRA held a public hearing to receive comments on updated Administrative Rules that are intended to provide clarity and consistency to licensees in both the medical and adult-use markets. Final drafts of the amended Administrative Rules were published in January 2022. On March 7, 2022 the updated Administrative Rules went into effect.

Under both the MMFLA and MRTMA Michigan municipalities can choose if they will allow cannabis establishments or facilities, and the type and number of establishments or facilities within their jurisdiction. This includes licensing and zoning ordinances for many municipalities. Because each municipality is able to devise a unique set of rules for cannabis licenses, each facility or establishment in a different Michigan municipality may be subject to a different set of local ordinances.

Michigan Licenses

The below table lists our Michigan licenses:

Entity	License Number	City	Expiration Date / Renewal Date	Description
FPAW Michigan, LLC	AU-R-000286	Ann Arbor	11/27/2023	Adult Use License
FPAW Michigan, LLC	PC-000391	Battle Creek	07/29/2023	Medical Use License
FPAW Michigan, LLC	AU-R-000234	Battle Creek	11/27/2023	Adult Use License
FPAW Michigan, LLC	PC-000390	Detroit	07/29/2023	Medical Use License
FPAW Michigan, LLC	PC-000318	Morenci	07/29/2023	Medical Use License
FPAW Michigan, LLC	AU-R-000125	Morenci	11/27/2023	Adult Use License
FPAW Michigan, LLC	PC-000503	28th Street, Grand Rapids	07/29/2023	Medical Use License
FPAW Michigan, LLC	AU-R-000338	28th Street, Grand Rapids	11/27/2023	Adult Use License
FPAW Michigan, LLC	AU-R-000373	Scribner Ave, Grand Rapids	11/27/2023	Adult Use License
FPAW Michigan, LLC	PR-000171, GR-C-000742, GR-C-000856, GR-C-000857	Lansing	07/29/2023	Medical Processor License
FPAW Michigan, LLC	GR-C-000858, GR-C-000859, GR-C-000860, GR-C-000861	Lansing	07/29/2023	Medical Cultivation License
FPAW Michigan, LLC	AU-G-EX-000209, AU-G-EX-000210, AU-G-EX-000211, AU-G-EX-000212, AU-G-EX-000213	Lansing	11/27/2023	Adult Use Cultivation License
FPAW Michigan, LLC	AU-P-000145, AU-G-C000312, AU-G-C000327, AU-G-C000328, AU-G-C000329, AU-G-C000498	Lansing	11/27/2023	Adult Use Processor License

FPAW Michigan, LLC	PC-000791	East Lansing	07/29/2023	Medical License
FPAW Michigan, LLC	AU-R-000706	East Lansing	11/27/2023	Adult Use License

Michigan Storage and Security Requirements

Michigan licensees must meet the security requirements as set forth in the MRTMA, MMFLA and Administrative Rules. As such, licensees are required to include a security plan in their state license applications. The plan and required security measures include, but are not limited to, ensuring that visitors are escorted by an employee at all times; maintaining commercial locks or electronic access on all doors and windows; having an active alarm system for the premises; having a video surveillance system that records all areas where marihuana products are weighed, packed, stored, loaded, and unloaded for transportation, prepared, or moved; recording the access point to the surveillance system; recording the exterior and interior of entrances and exits; recording all areas within 20 feet of entrances and exits; recording in 720p resolution or higher; ensuring sufficient lighting for recording; maintaining recordings for at least 30 days and a log of all those with access to the surveillance system. All marihuana products must be stored in a secured limited or restricted access area on the licensed premises. General requirements for all cannabis business can be found in Michigan Administrative Rule 420.206.

Michigan Transportation Requirements

Except in limited circumstances, transportation of cannabis between licensees takes place via State licensed secure transporters. Transported products are entered into a manifest and the Michigan statewide monitoring system. Products are picked up from cultivators and processors by secure transporters and then delivered to destinations. For adult use products licensed transporters may also transfer products between our retail locations. A transporter must transport all cannabis products in a locked, secured, and sealed container that is not accessible while in transit. The container must be secured by a locked closed lid or door. Cannabis product must be labeled and kept in separate compartments or containers within the main locked, secured, and sealed container. If the transporter transports money associated with the purchase or sale of cannabis product between businesses, the transporter shall lock the money in a sealed container kept separate from the cannabis product and only accessible to the licensee and its employees. A transporter cannot maintain custody of the cannabis product for more than 96 hours without permission from the MRA.

Michigan Reporting Requirements

Michigan licensees must maintain on-site, or have electronic access to, all records of the establishment. Records are defined as books, ledgers, documents, writings, photocopies, correspondence, electronic storage media, electronically stored records, money receptacles, equipment in which records are stored, including data or information in the statewide monitoring system, or any other document that is used for recording information. Additionally, licensees must provide the state with an audited annual financial statements every three years, or a shorter period as may be determined by the MRA. This report must be conducted by an independent certified public accountant and includes information including but not limited to: sampling of all transaction done by the organization over the course of the year; employees and employment; bank accounts; management, revenues, METRC transactions, vendors, taxes, ownership and distributions, outsourcing, licensing agreements, and independent contractors. Additionally, licensees must report any change to operations, officers, owners, members, managers, applicants; changes in processing machinery or equipment, violations or local ordinances, changes in named applicant; changes in names; conveyances of interest in a license; modifications to businesses or business plans between inspections or submissions; changes in capacities; changes to ingress or egress; adverse reactions to marihuana products; criminal convictions, charges, civil judgements, lawsuits, legal proceedings, charges, or governmental investigations; employee discipline for misconduct related to product sales or transfers; diversion; theft; and any suspected criminal activity on the premises. The above issues, depending on the type, must be reported either before the change, within 24 hours thereof or within 10 days of notice thereof.

Michigan Site-Visits and Inspections

The MRA or its agents may inspect a licensee at any time without prior notice in order to determine compliance with all applicable laws and regulations. All areas of the licensed premises, all licensee employees, agents, and activities, and all records are subject to such inspection. Licensees must immediately upon request make available to the MRA all information that may be relevant to a MRA inspection, or an investigation of any incident or complaint.

MRA agents conduct initial pre-licensure inspections, a post-licensure inspection within 30 days of operation, and then semi-annual inspections thereafter. The Michigan Bureau of Fire Services also conducts fire safety plan reviews, initial pre-licensure and semi-annual inspections of licensees.

U.S. Attorney Statements in Michigan

On November 8, 2018, United States Attorneys Matthew Schneider and Andrew Birge for the Eastern and Western Districts of Michigan, respectively, issued a joint statement regarding the legalization of adult-use cannabis in Michigan. They stated that since they had taken oaths to protect and defend the Constitution and the laws of the United States, they would not immunize the residents of Michigan from federal law enforcement. They stated that they would continue to the investigation and prosecution of cannabis crimes as they do with any other crime. They stated they would consider the federal law enforcement priorities set by the DOJ, the seriousness of the crime, the deterrent effect of prosecution, and the cumulative impact of the crime on a community, while also considering their ability to prosecute with limited resources. They stated that combating illegal drugs was just one of many priorities, and that even within the area of drugs, they were focused on combating the opioid epidemic. They stated that they have not focused on prosecution of low-level offenders, which they stated would not change (unless aggravating factors were present). They did state that certain crimes involving cannabis could pose serious risks and harm to a community, including interstate trafficking, involvement of other illegal drugs or activity, persons with criminal records, presence of firearms or violence, criminal enterprises, gangs and cartels, bypassing local laws and regulations, potential for environmental contamination, risks to minors, and cultivation on federal property. On December 21, 2021, Dawn N. Ison was appointed as United States Attorney for the Eastern District of Michigan.

To the knowledge of management, other than as disclosed in this prospectus, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Michigan. See “*Risk Factors - U.S. state regulation of cannabis is uncertain.*”

New Jersey

New Jersey Regulatory Landscape

New Jersey’s medical cannabis program was introduced in January 2010 when then Governor Corzine signed the New Jersey Compassionate Use Medical Marijuana Act into law which legalized medical cannabis for patients with certain enumerated qualifying conditions. Medical cannabis sales began in December 2012 and as of the first quarter of 2021, there were 10 licensed and operational Adult Treatment Centers (“ATCs”) dispensing medical cannabis to patients. However, the state has accepted applications for satellite dispensaries for those operators, and we expect additional locations to open by the end of calendar year 2021. According to the Cowen report, *Charting Cannabis: A U.S. State Level Deep Dive*, published February 19, 2020, there were six open medical dispensaries in New Jersey as of the end of 2019.

In March 2018, under the direction of Governor Phil Murphy, who campaigned on a platform that included cannabis legalization, the New Jersey Department of Health (“NJ DOH”) issued the Executive Order 6 Report, which immediately expanded the medical cannabis program in numerous ways including adding chronic pain and anxiety as qualifying conditions, doubling the monthly product limit, and permitting current licensees to open satellite dispensaries. In August 2018, the NJ DOH began accepting applications for the licensing of six additional ATCs, and those licenses were awarded in December 2018. In August 2019, the NJ DOH accepted applications for the licensing of 24 additional ATCs, divvied among three regions (northern, central, southern) and three forms of endorsements (cultivation, dispensary, vertically integrated).

ATC licenses are awarded by a selection committee that evaluates applicants on the following general criteria: (1) submittal of mandatory organizational information; (2) ability to meet the overall health needs of qualified patients and safety of the public; (3) history of compliance with regulations and policies governing government-regulated cannabis programs; (4) ability and experience of applicant in ensuring an adequate supply of cannabis; (5) community support and participation; (6) ability to provide appropriate research data; (7) experience in cultivating, manufacturing, or dispensing cannabis in compliance with government-regulated cannabis programs; and (8) workforce and job creation plan. Information required to be submitted is wide-ranging, and includes identification information and background checks of principals, employees, directors, and other stakeholders, and evidence of compliance with certain state and local laws and ordinances.

ATCs are subject to a detailed regulatory scheme encompassing security, staffing, point-of-sale systems, manufacturing standards, hours of operation, delivery, advertising and marketing, product labeling, records and reporting, and more. As with all jurisdictions, the full regulations (N.J.A.C. 8:64 et seq.) should be consulted for further information about any particular operational area. For example (and not by limitation), ATCs are subject to a number of regulations regarding their policies, procedures, records, and reporting. For example, ATCs must develop oversight procedures; procedures to ensure safe growing and dispensing operations; security policies; inventory protocols; disaster plans; pricing standards; and crime prevention plans and must maintain careful records, including organizational charts; facility documents; supply-and-demand projections; general business records; detailed sales records; and detailed personnel and training records. ATCs must provide substantial training for their employees and must maintain an alcohol and drug-free workplace.

Licenses are renewed annually, and applications therefore must be submitted 60-days prior to expiration of the license then in force and effect. Provided that the requisite renewal fees are paid, the renewal application is submitted in a timely manner, and there are no material violations associated with the license, license holders can expect to receive a renewal in the ordinary course of business.

On November 3, 2020, voters in New Jersey approved an amendment to the state’s constitution to legalize cannabis for adult use in New Jersey. On February 22, 2021, New Jersey Governor Phil Murphy signed into law three bills which, taken together, give effect to the amendment and decriminalize small amounts of cannabis possession in New Jersey. The Cannabis Regulatory Commission (“CRC”) was created to establish rules and regulations governing the sale and purchase of adult-use cannabis, to administer the state’s medicinal cannabis program, and to oversee licensing for all areas of the cannabis industry. On August 19, 2021, the CRC voted to adopt initial rules regulating the adult-use cannabis market, Special Adopted New Rules: N.J.A.C. 17:30. In December of 2021, license applications opened for adult-use cultivators, manufacturers, and testing laboratories. In March of 2022, license applications opened for adult-use dispensaries and the first conditional recreation business applications were approved. On April 21, 2022 the first adult-use sales began.

New Jersey Licenses

Ascend New Jersey, LLC is permitted to open three dispensaries and one cultivation under its ATC and adult use license. Ascend New Jersey, LLC is an indirect subsidiary of the Company.

The below table lists our New Jersey licenses:

Entity	License Number	City	Expiration Date / Renewal Date	Description
Ascend New Jersey, LLC	9292020	Franklin	12/31/2022	Medical Cultivation License
Ascend New Jersey, LLC	C000002	Franklin	04/17/2023	Adult Use Cultivation License
Ascend New Jersey, LLC	M000001	Franklin	04/17/2023	Adult Use Manufacturing License
Ascend New Jersey, LLC	9292020	Montclair	12/31/2022	Medical License

Ascend New Jersey, LLC	RE00015	Montclair	06/05/2023	Adult Use License
Ascend New Jersey, LLC	9292020	Rochelle Park	12/31/2022	Medical License
Ascend New Jersey, LLC	RE000012	Rochelle Park	04/20/2023	Adult Use License
Ascend New Jersey, LLC	9292020	Fort Lee	12/31/2022	Medical License
Ascend New Jersey, LLC	RE000259	Fort Lee	11/14/2023	Adult Use License

New Jersey Storage and Security Requirements

All ATCs and adult use cannabis businesses are required to provide effective controls and procedures to guard against theft and diversion of cannabis including, when appropriate, systems to protect against electronic records tampering. With respect to security and inventory protocols, ATCs and adult use cannabis businesses are required to maintain security and alarm systems in good working order; test and inspect such security systems; employ policies to limit unauthorized access to areas containing cannabis; adopt security protocols to protect personnel; minimize exterior access and ensure the exterior of the facility has adequate lighting; and notify the proper authorities of reportable losses, security breaches, alarm activations, and electrical failures.

Further, all ATCs and adult use cannabis businesses must install, maintain in good working order and operate a safety and security alarm system at its authorized physical address(es) that will provide suitable protection 24 hours a day, seven days a week against theft and diversion and that provides, at a minimum: (i) immediate automatic or electronic notification to alert state or local police agencies to an unauthorized breach of security at the ATC or adult use cannabis business; and (ii) a backup system that activates immediately and automatically upon a loss of electrical support and that immediately issues either automatically or electronic notification to state or local police agencies of the loss of electrical support. ATCs and adult use cannabis businesses must also implement appropriate security and safety measures to deter and prevent the unauthorized entrance into areas containing cannabis and the theft of cannabis and security measures that protect the premises, registered qualifying patients, registered primary caregivers and principal officers, directors, board members and employees of the ATC and adult use cannabis business. Each ATC and adult use cannabis business must establish a protocol for testing and maintenance of the security alarm system and conduct maintenance inspections and tests of the security alarm system at the ATC's and adult use cannabis business' authorized location at intervals not to exceed 30 days from the previous inspection and test, and it must promptly implement all necessary repairs to ensure the proper operation of the alarm system. In the event of a failure of the security alarm system due to a loss of electrical support or mechanical malfunction that is expected to last longer than eight hours, an ATC must notify NJ DOH and the CRC and either provide alternative security measures or close the affected facilities until service is restored. Finally, each ATC and adult use cannabis business must equip its interior and exterior premises with electronic monitoring, video cameras, and panic buttons.

New Jersey Reporting Requirements

The reporting requirements for ATCs are governed by N.J.A.C. 8:64-4.3. The State of New Jersey allows ATCs to choose their method of electronic verification and a T&T system. In the course of operations, ATCs are required to conduct detailed monthly inventories and an annual comprehensive inventory. ATCs must retain records for at least two years. The reporting requirements for adult use cannabis businesses are governed by N.J.A.C. 17:30-9.11.

New Jersey Site-Visits & Inspections

ATCs are subject to inspection by NJ DOH at any time, with or without notice. ATCs must provide immediate access to all facilities, materials, and information requested by NJ DOH. Failure to cooperate with an onsite assessment and or to provide access to the premises or information may be grounds to revoke the permit of the ATC and to refer the matter to state law enforcement agencies. If a problem is discovered, the ATC must notify NJ DOH in writing, with a postmark date that is within 20 business days of the date of the notice of violations, of the corrective actions the ATC has taken to correct the violations and the date of implementation of the corrective actions. Additionally, the NJ DOH is continually monitoring the operations of the ATC through our security and

surveillance systems. The NJ DOH has the ability to access our surveillance system at any time and therefore may conduct a visual inspection of the premises at any time.

Adult use cannabis businesses are subject to inspection by the CRC at any time, with or without notice. Adult use cannabis businesses must provide immediate access to all facilities, materials, and information requested by the CRC. Pursuant to N.J.A.C. 17:30-17.4, if the CRC identifies a violation, the CRC shall provide notice of the violation, including an official written report of the findings and the nature of the violation, to the adult use cannabis business within 7 business days following the onsite assessment or other identification of the violation. If a problem is discovered, the adult use cannabis business must notify the CRC in writing, with a postmark date that is within 20 business days of the date of the notice of violations, of the corrective actions the adult use cannabis business has taken to correct the violations and the date of implementation of the corrective actions.

New Jersey Transportation Requirements

An ATC that is authorized by permit to cultivate medical cannabis at one location and to dispense it at a second location shall transport only usable cannabis from the cultivation site to the dispensing site according to a delivery plan submitted to the NJ DOH. Each vehicle must be staffed with at least two registered ATC employees. At least one delivery team member shall remain with the vehicle at all times that the vehicle contains medical cannabis. Each delivery team member shall have access to a secure form of communication with the ATC, such as a cellular telephone, at all times that the vehicle contains medical cannabis. Each delivery team member must possess their ATC employee identification card at all times and shall produce it to NJ DOH staff or law enforcement officials upon demand.

Each transport vehicle needs to be equipped with a secure lockbox or locking cargo area, which shall be used for the sanitary and secure transport of medical cannabis. Each ATC must maintain current commercial automobile liability insurance on each vehicle used for transport of medical cannabis in the amount of \$1 million per incident. Each ATC must ensure that vehicles used to transport medical cannabis bear no markings that would either identify or indicate that the vehicle is used to transport medical cannabis, and each trip must be completed in a timely and efficient manner, without intervening stops or delays. Each ATC shall maintain a record of each transport of medical cannabis in a transport logbook, which must include dates and times of trips, names of employees on the delivery team, relevant facts about the products transported and the signatures of the delivery team.

ATCs must report any vehicle accidents, diversions, losses, or other reportable events that occur during transport to the permitting authority in accordance with New Jersey law.

Home delivery is not permitted under New Jersey law. An ATC may not deliver cannabis to the home or residence of a registered qualifying patient or primary caregiver.

An adult use cannabis business may securely transport cannabis items to another cannabis business, or it may use a licensed cannabis distributor for such transport. A license holder may transport between multiple cannabis business premises or to another cannabis business anywhere in the state using a delivery vehicle, as required under N.J.A.C. 17:30-9.15.

Each transport vehicle needs to be equipped with a GPA device identifying the geographic location of the delivery vehicle, a secure lockbox or locking cargo area, and functional heating and cooling, which shall be used for the sanitary and secure transport of cannabis. Each adult use cannabis business must maintain current commercial automobile liability insurance on each vehicle used for transport of medical cannabis in the amount of \$1 million per incident. Each adult use cannabis business must ensure that vehicles used to transport cannabis bear no markings that would either identify or indicate that the vehicle is used to transport cannabis, and each trip must be completed in a timely and efficient manner, without intervening stops or delays. Each adult use cannabis business shall maintain a record of each transport of cannabis in a transport logbook, which must include dates and times of trips, names of employees on the delivery team, relevant facts about the products transported and the signatures of the delivery team.

An adult use cannabis business shall report any vehicle accidents, diversions, losses, or other reportable events that occur during transport to the CRC in accordance with N.J.A.C. 17:30-9.11.

Pursuant to N.J.A.C. 17:30-12.8, a license holder holding a Class 6 Cannabis Delivery license may be authorized by a cannabis retailer to deliver cannabis items to consumers on behalf of that cannabis retailer. In transit, the cannabis items shall be locked and stored in a sanitary and secure lockbox. There must be real time GPA tracking of the delivery vehicle and the delivery service shall only deliver to a residence in New Jersey, to a legal customer whose age has been verified by an examination of the consumer's identification. Each ATC shall maintain a record of each transport of medical cannabis in a transport logbook, which must include dates and times of trips, names of employees on the delivery team, relevant facts about the products transported and the signatures of the delivery team. Each adult use cannabis business must maintain current commercial automobile liability insurance on each vehicle used for transport of medical cannabis in the amount of \$1 million per incident. Each adult use cannabis business must ensure that vehicles used to transport cannabis bear no markings that would either identify or indicate that the vehicle is used to transport cannabis, and each trip must be completed in a timely and efficient manner, without intervening stops or delays. Each adult use cannabis business shall maintain a record of each transport of cannabis in a transport logbook, which must include dates and times of trips, names of employees on the delivery team, relevant facts about the products transported and the signatures of the delivery team.

U.S. Attorney Statements in New Jersey

To the knowledge of management, other than as disclosed in this prospectus, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in New Jersey. See "*Risk Factors - U.S. state regulation of cannabis is uncertain.*"

Ohio

Ohio Regulatory Landscape

Effective September 8, 2016, House Bill 523 legalized the use of medical cannabis for 26 debilitating conditions as prescribed by a licensed physician. The Ohio Medical Marijuana Control Program ("OMMCP") allows people with certain medical conditions, including Alzheimer's disease, HIV/AIDS, ALS, cancer, traumatic brain injury, chronic pain, post-traumatic stress disorder and cachexia, to purchase medical cannabis. Though Ohio was required to implement a fully operational OMMCP by September 8, 2018 with a controlled system for cultivation, laboratory testing, physician/patient registration and dispensing, the timeline was delayed until November 2018. Regulatory oversight is shared between three offices; (a) the Ohio Department of Commerce with respect to overseeing cultivators, processors and testing laboratories; (b) the Ohio Board of Pharmacy with respect to overseeing retail dispensaries and the registration of patients and caregivers, and (c) the State Medical Board of Ohio with respect to certifying physicians to recommend medical cannabis. The OMMCP will permit limited product types including oils, tinctures, plant materials and edibles. Adult-use and the smoking of cannabis flower are prohibited. As of June 2022, there were approximately 278,731 registered patients allowed to purchase cannabis products from a dispensary. As of June 2022, there were 58 open dispensaries in Ohio.

Ohio Licenses

To be considered for approval of a provisional dispensary, cultivation or a processing license, the applicant must complete all mandated requirements. To obtain a certificate of operation for a medical cannabis dispensary, cultivation facility or processing facility, the prospective licensee must be capable of operating in accordance with Chapter 3796 of the Revised Code, the Medical Marijuana Control Program. Dispensary certificates of operation carry two-year terms, while certificates of operation for cultivators and processors must be renewed annually.

A certificate of operation will expire on the date identified on the certificate. A licensee will receive written or electronic notice 90 days before the expiration of its certificate of operation. The licensee must submit the renewal information at least 45 days prior to the date the existing certificate expires. The information required for the license renewal includes, but is not limited to, the following: (a) a roster that includes the dispensary's employees' names, (b) the history of compliance with regulations, and (c) the number and severity of any violations. If a licensee's renewal application is not filed prior to the expiration date of the certificate of operation, the certificate of operation will be suspended for a maximum of 30 days. After 30 days, if the dispensary has not successfully renewed the

certificate of operation, including the payment of all applicable fees, the certificate of operations will be deemed expired.

BCCO, LLC and Ohio Cannabis Clinic, LLC each operate one dispensary, and Hemma, LLC operates a cultivation facility. Marichron Pharma, LLC holds a processing license.

The below table lists the licenses held by our subsidiaries and contractual parties hold in Ohio:

Entity	License Number	City	Expiration Date / Renewal Date	Description
BCCO, LLC	MMD.0700075	Carroll	07/01/2023	Medical Dispensary
Hemma, LLC	MMCPC0014	Monroe	09/10/2023	Medical Cultivation
Hemma, LLC	MMCPP00125	Monroe	01/17/2023	Medical Cultivation - License to Package, Sell, Deliver
Ohio Cannabis Clinic, LLC	MMD.0700089	Coshocton	07/01/2023	Medical Dispensary
Marichron Pharma, LLC	MMCPP00082	Monroe	03/23/2023	Medical Processing

Ohio Storage Requirements

Ohio has selected METRC as the T&T system. Individual licensees, whether directly or through third-party APIs, are required to push data to the state to meet all reporting requirements. A holder of a processing or cultivation license must track and submit through the inventory tracking system any information the Ohio Department of Commerce determines necessary for maintaining and tracking medical cannabis extracts and products.

A holder of a cultivation license must conduct a weekly inventory of medical cannabis which includes (a) date of inventory; (b) amount of medical cannabis on hand; (c) total count of plants, whether in the flowering, vegetative, or clone phase of growth and organized by room in which the plants are being grown; (d) amount of medical cannabis sold since previous weekly inventory; (e) date, quantity, and method of disposal of medical cannabis; (f) summary of the inventory findings; and (g) name, signature, and title of the employees who conducted the inventory and oversaw the inventory. On an annual basis and as a condition for renewal of a cultivation license, a holder of a cultivation license must conduct a physical, manual inventory of the medical cannabis on hand at the cultivation facility and compare the findings to an annual inventory report generated using the inventory tracking system.

A holder of a processing license must conduct weekly inventory of medical cannabis which includes (a) the date of the inventory, (b) net weight of plant material and the net weight and volume of medical cannabis extract, (c) net weight and unit count of medical cannabis products prepared or packaged for sale to a dispensary, (d) the amount of medical cannabis and medical cannabis products sold since previous weekly inventory; (e) the date, quantity, and method of disposal of any plant material, medical cannabis extract, and medical cannabis products; (f) a summary of the inventory findings; and (g) name, signature and employees who conducted the inventory and oversaw the inventory. On an annual basis and as a condition for renewal of a processing license, a holder of a processing license shall conduct a physical, manual inventory of plant material, medical cannabis extract, and medical cannabis products on hand at the processor and compare the findings to an annual inventory report generated using the inventory tracking system. A holder of a processing license must store plant material, medical cannabis extract, and medical cannabis product inventory on the premises in a designated, enclosed, locked area and accessible only by authorized individuals.

A holder of a dispensary license must use the METRC T&T system to push data to the Ohio Board of Pharmacy on a real-time basis. The following data must be transmitted (a) each transaction and each day's beginning inventory, acquisitions, sales, disposal and ending inventory, (b) acquisitions of medical cannabis from a licensed processor or cultivator holding a plant-only processor designation, (c) name and license number of the licensed dispensary employee receiving the medical cannabis and, (d) other information deemed appropriate by the Ohio State Board of Pharmacy. A dispensary's designated representative shall conduct the inventory at least once a week.

Records of each day's beginning inventory, acquisitions, sales, disposal and ending inventory shall be kept for a period of three years.

The dispensary licensee must restrict access areas and keep stock of medical cannabis in secured area enclosed by a physical barrier with suitable locks and an alarm system capable of detecting entry at a time when licensed dispensary employees are not present. Medical cannabis must be stored at appropriate temperatures and under appropriate conditions to help ensure that its identity, strength, quality and purity are not adversely affected.

Ohio Security Requirements

All licensees must have a security system that remains operational at all times and that uses commercial grade equipment to prevent and detect diversion, theft or loss of medical cannabis, including (a) a perimeter alarm, (b) motion detectors, and (c) duress and panic alarms. All licensees must also employ a holdup alarm, which means a silent alarm signal generated by the manual activation of a device intended to signal a robbery in progress. Processing and cultivation facilities are also required to have secondary alarm systems installed and monitored by a vendor that differs from the primary alarm system.

Video cameras at a dispensary must be positioned at each point of egress and each point of sale. The cameras must capture the sale, the individuals and the computer monitors used for the sale, approved safes, approved vaults and any area where cannabis is stored, handled or destroyed. Video surveillance recording must operate 24 hours a day, seven days a week. Recording from all video cameras during hours of operation must be made available for immediate viewing by the Ohio State Board of Pharmacy upon request and must be retained for at least six months.

Video cameras at a processing or cultivation facility must be directed at all approved safes, approved vaults, and any other area where plant material, medical cannabis extract, or medical cannabis products are being processed, stored, handled or destroyed. Video surveillance must take place 24 hours a day, seven days a week. Recordings from all video cameras during hours of operation must be readily available for immediate viewing by the Ohio regulatory bodies upon request and must be retained for at least six months. Video recording must be maintained for at least a 45-day period. Video recording must be maintained beyond the 45-day period when the cultivator or processor becomes aware of a pending criminal, civil or administrative investigation or legal proceeding for which a recording may contain relevant information. The cultivator or processor must retain an unaltered copy of the recording until the investigation or proceeding is closed or the entity conducting the investigation or proceeding is closed or the entity conducting the investigation or proceeding notifies the cultivator or processor that it is no longer necessary to retain the recording.

Ohio Reporting Requirements

A holder of a processing license must maintain the following records: (a) samples sent for testing, (b) disposal of products, (c) tracking of inventory, (d) form and types of medical cannabis maintained at the processing facility on a daily basis, (e) production records, including extraction, refining, manufacturing, packaging and labeling, (f) financial records, (g) employee records and (h) purchase invoices, bills of lading, manifests, sales records, copies of bills of sale, and any supporting documents, including the items and/or services purchased, from whom the items were purchased, and the date of purchase. Records must be maintained for five years.

A holder of a cultivation license must maintain the following records: (a) forms and types of medical cannabis maintained at the cultivator on a daily basis; (b) soil amendment, fertilizers, pesticides, or other chemicals applied to the growing medium or plants or used in the process of growing medical cannabis; (c) production records, including planting, harvesting and curing, weighing, and packaging and labeling; (d) financial records; (e) employee records; and (f) purchase invoices, bills of lading, manifests, sales records, copies of bills of sale, and any supporting documents, including the items and/or services purchased, from whom the items were purchased, and the date of purchase. Records will be maintained for five years.

A holder of a dispensary license must maintain the following records (a) confidential storage and retrieval of patient information or other medical cannabis records, (b) records of all medical cannabis received, dispensed, sold, destroyed, or used, (c) dispensary operating procedures, (d) a third-party vendor list, (e) monetary transactions,

and (f) journals and ledgers. All records relating to the purchase or return, dispensing, distribution, destruction, and sale of medical cannabis must be maintained under appropriate supervision and control to restrict unauthorized access on the licensed premises for a five-year period.

Ohio Transportation Requirements

Medical cannabis entities must maintain a transportation log in METRC containing the names and addresses of the medical cannabis entities sending and receiving the shipment, names and registration numbers of the registered employees transporting the medical cannabis or the products containing medical cannabis, the license plate number and vehicle type that will transport the shipment, the time of departure and estimated time of arrival, the specific delivery route, which includes street names and distances; and the total weight of the shipment and a description of each individual package that is part of the shipment, and the total number of individual packages. Copies of the log described above must be transmitted to the recipient and to the Ohio Department of Commerce through METRC before 11:59 p.m. on the day prior to the trip.

Vehicles transporting medical cannabis or cannabis products must be insured as required by law, store the products in locked compartments, ensure that the products are not visible from outside the vehicle, be staffed with two employees registered with the department (with one remaining with the vehicle at all times) and have access to the 911 emergency system. Vehicles must not be marked with any marks or logos.

Trips must be direct, other than to refuel the vehicle. Drivers must have their employee identification cards on their person at all times and must ensure that delivery times and routes are randomized. A copy of the transportation log must be carried during the trip.

Ohio Inspections Requirements

The submission of an application that results in the issuance of a provisional license or certificate of operation for a cultivator irrevocably gives the Ohio Department of Commerce consent to conduct all inspections necessary to ensure compliance with the cultivator's application, state and local law and regulators. An inspector conducting an inspection pursuant to this rule shall be accompanied by a "type 1" key employee during the inspection. The inspector may review and make copies of records, enter any area of a facility, inspect vehicles, equipment, premises, and question employees, among other actions. Dispensaries are not permitted to deliver cannabis products to the homes of patients or their designated caregivers.

Dispensaries in Ohio are subject to random and unannounced dispensary inspections and medical cannabis testing by the Ohio Board of Pharmacy. The Ohio Board of Pharmacy and its representatives may enter facilities and vehicles where medical cannabis is held and conduct inspections in a reasonable manner each place and all pertinent equipment, containers and materials and data. The Ohio Board of Pharmacy may also obtain any medical cannabis or related products from such facility.

U.S. Attorney Statements in Ohio

To the knowledge of management, other than as disclosed in this prospectus, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Ohio. See "*Risk Factors - U.S. state regulation of cannabis is uncertain.*"

Pennsylvania

Pennsylvania Regulatory Landscape

The Pennsylvania medical marijuana program was signed into law on April 17, 2016, under Act 16 ("Act 16") and provided access to state residents with one or more of 17 qualifying conditions, including: epilepsy, chronic pain and PTSD. On March 22, 2018, it was announced that the final phase of the Pennsylvania medical marijuana program would initiate its rollout, which included 13 additional cultivation/processing licenses and 23 additional dispensary licenses. It was announced on April 17, 2018, that dry flower would be included in the regulations as an approved product form for sale and consumption (in addition to the already approved forms of concentrates, pills, and tinctures). Simultaneously, it was announced that the list of qualifying conditions would

expand from 17 to 21, including additions of cancer remission therapy and opioid-addiction therapy. On July 20, 2019, two more qualifying medical conditions were added, bringing the total to 23.

On June 30, 2021, Pennsylvania Governor Tom Wolf signed into law H.B. 1024 (“Act 44”), which made revisions to Pennsylvania’s medical marijuana program, including codification of certain practices permitted under emergency orders issued in response to the COVID-19 pandemic. The changes permit a wider range of individuals to serve as caregivers, including employees of long-term care and nursing facilities. The changes also permit dispensaries some additional operational flexibility, including providing limited, on-site outdoor order pickups, providing remote patient consultations, and providing medical dosages up to a 90 days’ supply as opposed to a 30 days’ supply.

On July 11, 2022, Pennsylvania Governor Tom Wolf signed into law H.B. 311, containing an amendment that states that a “financial institution authorized to engage in business in this Commonwealth may provide financial services to or for the benefit of a legitimate cannabis -related business.” The same protections will apply to insurers.

As of July, 2022, adult use of cannabis remains illegal.

Pennsylvania Licenses / Regulations

There are two principal license categories in Pennsylvania: (1) cultivation/processing and (2) dispensary. All cultivation/processing establishments and dispensaries must register with Pennsylvania Department of Health under the provisions of Act 16 (35 P.S. §§ 10231.101—10231.2110) and Chapters 1141, 1151 and 1161 of the Pennsylvania regulations. Registration certificates are valid for a period of one year and are subject to annual renewals after required fees are paid and the business remains in good standing. The Pennsylvania Department of Health must renew a permit unless it determines the applicant is unlikely to maintain effective control against diversion of medical cannabis and the applicant is unlikely to comply with all laws as prescribed under the Pennsylvania medical marijuana program.

Under applicable laws, the licenses permit the license holder to cultivate, manufacture, process, package, sell and purchase medical marijuana pursuant to the terms of the licenses, which are issued by the Pennsylvania Department of Health under the provisions of Act 16 and Pennsylvania regulations. The medical cultivation/processing licenses permit the licensee to acquire, possess, cultivate, manufacture/process into medical marijuana products and/or medical marijuana-infused products, deliver, transfer, have tested, transport, supply or sell marijuana and related supplies to medical marijuana dispensaries. The retail dispensary licenses permit the license holder to purchase marijuana and marijuana products from cultivation/processing facilities, as well as allow the sale of marijuana and marijuana products.

On March 5, 2021, the Department of Health proposed permanent regulations relating to medical marijuana, replacing the temporary regulations governing the program through its history. These proposed regulations are in substantially the same form as the temporary regulations, with only a few distinctions. One proposed revision identifies that a medical marijuana organization’s change in ownership without the Department of Health’s knowledge and written approval of all individuals affiliated with the medical marijuana organization would be a violation of the act and proposed rules. The proposed regulations also require dispensaries and grower/processors to supplement ongoing reports to the Department of Health with information related to the average price per unit of medical marijuana products sold, as opposed to the per-dose price. The proposed rules also increase the list of reasons for which the Department of Health may suspend or revoke a medical marijuana organization’s permit by adding falsification of information on any applications submitted to the Department of Health. The proposed regulations also address training, identifying that principals, as well as employees, who have direct contact with patients or caregivers or who physically handle medical marijuana plants, seeds and products must also complete a training.

The below table lists the licenses applied for by our subsidiaries and contractual parties hold in Pennsylvania:

Entity	Clinical Registrant Number	City	Expiration / Renewal Date	Description
Story of PA CR, LLC	CR-01-GP21-5101	Smithfield	03/01/2023	Medical Cultivation / Processor License
Story of PA CR, LLC	CR01-D21-2101	Scranton	03/01/2023	Medical License
Story of PA CR, LLC	CR01-D21-2101	Wayne	03/01/2023	Medical License

Pennsylvania Storage / Reporting / Inventory Requirements

A dispensary shall have separate and locked limited access areas for storage of medical marijuana products that are expired, damaged, deteriorated, mislabeled, contaminated, recalled, or whose containers or packaging have been opened or breached until the medical marijuana products are returned to a grower/processor, destroyed or otherwise disposed of as required under § 1151.40 (relating to management and disposal of medical marijuana waste). A dispensary shall maintain all storage areas in a clean and orderly condition and free from infestation by insects, rodents, birds and pests.

A grower/processor shall ensure that a facility has separate and locked limited access areas for storage of seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products that are expired, damaged, deteriorated, mislabeled, contaminated, recalled or whose containers or packaging have been opened or breached until the seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products are destroyed or otherwise disposed of as required under § 1151.40 (relating to management and disposal of medical marijuana waste). A grower/processor facility shall maintain all storage areas in a clean and orderly condition and free from infestation by insects, rodents, birds and pests.

A grower/processor and dispensary shall use the electronic tracking system prescribed by the Department of Health containing the requirements in section 701 of Act 16 (35 P.S. § 10231.701). Pennsylvania has elected to use MJ Freeway’s electronic tracking system.

A dispensary shall maintain the following inventory data in its electronic tracking system; (1) medical marijuana products received from a grower/processor; (2) medical marijuana products dispensed to a patient or caregiver; (3) damaged, defective, expired or contaminated medical marijuana products awaiting return to a grower/processor or awaiting disposal. A dispensary shall establish inventory controls and procedures to conduct monthly inventory reviews and annual comprehensive inventories of medical marijuana products at its facility. A written or electronic record shall be created and maintained of each inventory which includes the date of the inventory, a summary of the inventory findings, and the employee identification numbers and titles or positions of the individuals who conducted the inventory.

A grower/processor shall maintain the following inventory data in its electronic tracking system which must include an accounting of and an identifying tracking number for; (1) the number, weight and type of seeds; (2) the number of immature medical marijuana plants; (3) the number of medical marijuana plants; (4) the number of medical marijuana products ready for sale; (5) the number of damaged, defective, expired or contaminated seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products awaiting disposal. A grower/processor shall establish inventory controls and procedures to conduct inventory reviews and comprehensive inventories at its facility. The following requirements apply; (1) inventory reviews of medical marijuana plants in the process of growing, and medical marijuana and medical marijuana products that are being stored for future sale shall be conducted monthly; (2) comprehensive inventories of seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products shall be conducted at least annually. A written or electronic record shall be created and maintained of each inventory conducted under this requirement that includes the date of the inventory, a summary of the inventory findings, and the employee identification numbers and titles or positions of the individuals who conducted the inventory.

Pennsylvania Security Requirements

A grower/processor shall have security and surveillance systems, utilizing commercial-grade equipment, to prevent unauthorized entry and to prevent and detect an adverse loss. The security and surveillance systems must include, subject to additional requirements of the Department of Health, (1) a professionally monitored security alarm system that includes: (i) coverage of all facility entrances and exits, (ii) two silent security alarms, (iii) an audible security alarm, (iv) a device capable of sending a prerecorded voice message requesting dispatch to a law enforcement, public safety or emergency services agency, (v) a failure notification system that provides an alert to a designated security person within 5 minutes after the failure, (vi) smoke and fire alarms, (vii) auxiliary power sufficient to maintain operation of specified growing and processing areas for at least 48 hours following a power outage, (viii) the ability to ensure all access doors are not solely controlled by an electronic access panel to prevent locks from becoming released during a power outage, and (ix) motion detectors; (2) a professionally monitored security and surveillance system that is operational 24 hours per day, 7 days per week and records all activity in images capable of clearly revealing facial detail; (3) the ability to display the date and time clearly and accurately; (4) the ability to record and store all images captured by each surveillance camera for a minimum of 2 years in a format that may be easily accessed for investigative purposes; (5) a security alarm system separate from the facility's primary security system covering the limited access area or other room where the recordings under paragraph (4) are stored.

The Department of Health also requires certain inspection and document retention policies as well the installation of commercial-grade, nonresidential steel doors and door locks on each room where seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products are stored, and on each external door of the facility.

A dispensary shall have security and surveillance systems, utilizing commercial-grade equipment, to prevent unauthorized entry and to prevent and detect an adverse loss. The security and surveillance system must include, subject to additional requirements of the Department of Health, (1) a professionally monitored security alarm system that includes: (i) coverage of all facility entrances and exits, (ii) two silent security alarms, (iii) an audible security alarm, (iv) a device capable of sending a prerecorded voice message requesting dispatch to a law enforcement, public safety or emergency services agency, (v) a failure notification system that provides an alert to a designated security person within 5 minutes after the failure, (vi) smoke and fire alarms, (vii) auxiliary power sufficient to maintain security and surveillance systems for at least 48 hours following a power outage, (viii) the ability to ensure all access doors are not solely controlled by an electronic access panel to prevent locks from becoming released during a power outage, and (ix) motion detectors; (2) a professionally-monitored security and surveillance system that is operational 24 hours per day, 7 days per week and records all activity in images capable of clearly revealing facial detail; (3) the ability to clearly and accurately display the date and time; (4) the ability to record and store all images captured by each surveillance camera for a minimum of 2 years in a format that may be easily accessed for investigative purposes; (5) a security alarm system separate from the facility's primary security system covering the limited access area or other room where the recordings under paragraph (4) are stored. The separate security alarm system must meet the same requirements as the facility's primary security alarm system. The Department of Health also requires certain inspection and document retention policies as well as access restrictions for certain personnel to the security system and security records.

Pennsylvania Transportation Requirements

A grower/processor may transport and deliver seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products to a medical marijuana organization or an approved laboratory in Pennsylvania in accordance with certain guidelines promulgated by the Department of Health, including but not limited to, requiring (1) the use of a global positioning system to ensure safe, efficient delivery of the seeds, immature medical marijuana plants, medical marijuana plants, medical marijuana and medical marijuana products to a medical marijuana organization or approved laboratory between 7 a.m. and 9 p.m.; and (2) a transport vehicle must be staffed with at least two individuals, at least one of whom must remain with the vehicle at all times that the vehicle contains seeds, immature medical marijuana plans, medical marijuana plants, medical marijuana and medical marijuana products to ensure the security of the products.

A dispensary may transport and deliver medical marijuana products to a medical marijuana organization in Pennsylvania in accordance with certain guidelines promulgated by the Department of Health, including but not limited to, requiring (1) the use of a global positioning system to ensure safe, efficient delivery of the medical marijuana products to a medical marijuana organization between 7 a.m. and 9 p.m.; and (2) transport vehicle must be staffed with at least two individuals, at least one of whom must remain with the vehicle at all times that the vehicle contains medical marijuana products to ensure the security of the products.

Pennsylvania Inspections

The Department of Health may conduct announced or unannounced inspections or investigations to determine the medical marijuana organization's compliance with its permit, Act 16, or the regulations. An investigation or inspection may include but is not limited to; (1) inspection of a medical marijuana organization's site, facility, vehicles, books, records, papers, documents, data, and other physical or electronic information; (2) questioning of employees, principals, operators, financial backers, authorized agents of, and any other person or entity providing services to the medical marijuana organization; and (3) inspection of a grower/processor facility's equipment, instruments, tools and machinery that are used to grow, process and package medical marijuana, including containers and labels.

U.S. Attorney Statements in Pennsylvania

To the knowledge of management, other than as disclosed in this prospectus, there have not been any statements or guidance made by federal authorities or prosecutors regarding the risk of enforcement action in Pennsylvania. See "*Risk Factors - U.S. state regulation of cannabis is uncertain.*"

Recent Developments

On November 21, 2022, Emily Paxhia informed the Company that she will be resigning as a member of the Company's board of directors (the "Board") effective upon the earlier of December 1, 2022 and the appointment of a new independent director to the Board.

Effective November 23, 2022, the Company will appoint Joshua Gold as an independent director and Daniel Neville as a director to the Board. Accordingly, Ms. Paxhia's resignation will become effective on November 23, 2022, the date of Mr. Gold's appointment.

Outstanding Securities

As of September 30, 2022, the Company had approximately 195.1 million fully diluted shares outstanding, including approximately 187.9 million shares of Class A common stock, approximately 0.1 million shares of Class B common stock, and approximately 7.1 million total unvested restricted stock awards and restricted stock units. Additionally, the Company had approximately 5.9 million warrants outstanding, which are excluded from the fully diluted calculation as they are out-of-the money based on the closing stock price of the shares of Class A common stock on the CSE on September 30, 2022 of \$1.82 per share. As of September 30, 2022 there were also approximately 2.1 million stock options outstanding, of which none are exercisable and are excluded from the fully diluted calculation. These options are considered out-of-the money based on the closing stock price of the shares of Class A common stock on the CSE on September 30, 2022.

The Securities Offered

The Selling Stockholders may offer from to time up to 4,380,143 shares of Class A common stock, which consist of: (i) 3,130,143 shares of our Class A common stock that are issuable upon the exercise of the Debt Warrants and (ii) 1,250,000 shares of our Class A common stock that are issuable upon the exercise of the SAI Warrants.

Class A Common Stock

Holders of our Class A common stock are entitled to one vote for each share held. Holders of Class A common stock vote together with holders of Class B common stock, which are entitled to 1,000 votes for each share

held. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or our certificate of incorporation. Our stockholders do not have the ability to cumulate votes for the election of directors. Subject to preferences that may apply to any shares of preferred stock outstanding at the time, and any contractual limitations, the holders of our common stock will be entitled to receive dividends out of funds then legally available, if any, if our Board, in its discretion, determines to issue dividends and then only at the times and in the amounts that our Board may determine. In the event of our liquidation, dissolution or winding up, holders of our Class A common stock and Class B common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

RISK FACTORS

An investment in our securities involves a high degree of risk. Prior to making a decision about investing in our securities, you should carefully consider all of the information appearing or incorporated by reference in this prospectus. You should also consider the risks, uncertainties and assumptions discussed under “Part I—Item 1A—Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021, which is incorporated herein by reference, and as may be amended, supplemented or superseded from time to time by other reports we file with the SEC in the future. The risks and uncertainties we have described are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our operations. The occurrence of any of these known or unknown risks might cause you to lose all or part of your investment in the offered securities.

Risks Related to the Offering of Our Class A Common Stock

You may experience future dilution as a result of future equity offerings.

In order to raise additional capital, we may in the future offer additional Class A common stock or other securities convertible into or exchangeable for Class A common stock at prices that may not be the same as the price per share of stock paid by any investor in an offering in a subsequent prospectus supplement. We may sell shares or other securities in any other offering at a price per share that is less than the price per share or other security paid by any investor in an offering in a subsequent prospectus supplement, and investors purchasing shares or other securities in the future could have rights superior to you. The price per share of stock at which we sell additional Class A common stock or securities convertible or exchangeable into Class A common stock, in future transactions may be higher or lower than the price per share of stock paid by any investor in an offering under a subsequent prospectus supplement.

Future offerings of debt securities or preferred stock, which would rank senior to our Class A common stock, may adversely affect the market price of our Class A common stock.

If, in the future, we decide to issue debt securities or preferred stock that may rank senior to our Class A common stock, it is likely that such securities will be governed by an indenture or other instrument containing covenants restricting our operating flexibility. Any convertible or exchangeable securities that we issue in the future may also have rights, preferences and privileges more favorable than those of our Class A common stock and may result in dilution to owners of our Class A common stock. We and, indirectly, our shareholders, will bear the cost of issuing and servicing such securities. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing or nature of our future offerings. Thus, holders of our Class A common stock will bear the risk of our future offerings reducing the market price of our Class A common stock and diluting the value of their stock holdings in us.

Return on securities is not guaranteed.

There is no guarantee that the Class A common stock will earn any positive return in the short term or long term. A holding of Class A common stock is speculative and involves a high degree of risk and should be undertaken only by holders whose financial resources are sufficient to enable them to assume such risks and who

have no need for immediate liquidity in their investment. An investment in the Class A common stock is appropriate only for holders who have the capacity to absorb a loss of some or all of their investment.

Discretion in the use of proceeds.

Management of the Company will have broad discretion with respect to the application of net proceeds received by the Company from the exercise of the Warrants may spend such proceeds in ways that do not improve the Company's results of operations or enhance the value of the Class A common stock or its other securities issued and outstanding from time to time. As a result, an investor will be relying on the judgment of management for the application of the proceeds. Any failure by management to apply these funds effectively could result in financial losses that could have a material adverse effect on the Company's business or cause the price of the securities of the Company issued and outstanding from time to time to decline. Management will have discretion concerning the use of the proceeds received by the Company from the exercise of the Warrants as well as the timing of their expenditure.

Risks Related to Operating in the U.S. Cannabis Industry.

Cannabis remains illegal under U.S. federal law, and enforcement of cannabis laws could change.

We are currently engaged in the cannabis industry in the United States, both directly and indirectly, where local and state laws permit such activities. However, investors are cautioned that cannabis is a Schedule I controlled substance pursuant to the United States Controlled Substances Act (21 U.S.C. § 811) (the "CSA"), and is illegal under U.S. federal law. Even in those states in which the use of cannabis has been legalized, its use, cultivation, sale and distribution remains a violation of federal law. Since federal law criminalizing the use of cannabis preempts state laws that legalize its use, strict enforcement of federal law regarding cannabis would harm our business, prospects, results of operation, and financial condition.

Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of medical and adult-use cannabis, for both adult-use and medical purposes, cannabis is largely regulated at the state level in the United States. To date, the cultivation and sale of cannabis for medical uses has been legalized in 37 states, four of five permanently inhabited U.S. territories and the District of Columbia. The adult-use of cannabis has been legalized in 21 states, the Northern Mariana Islands, Guam, and the District of Columbia. Although certain U.S. states have legalized the sale of medical or adult-use cannabis, the sale, distribution, and cultivation of cannabis and cannabis-related products remains illegal under U.S. federal law pursuant to the CSA. The CSA classifies cannabis as a Schedule I controlled substance, and as such, medical and adult-use cannabis use is illegal under U.S. federal law.

Unless and until the United States Congress ("Congress") amends the CSA with respect to cannabis (and the President approves such amendment), there is a risk that federal authorities may enforce current federal law. If that occurs, we may be deemed to be producing, cultivating or dispensing cannabis and drug paraphernalia in violation of federal law. Any person connected to the cannabis industry in the United States may be at risk of federal criminal prosecution and civil liability in the United States. Any investments may be subject to civil or criminal forfeiture and total loss.

We are directly or indirectly engaged in the medical and adult-use cannabis industry in the United States where local state law permits such activities. Although our activities are believed to be compliant with applicable state and local laws, strict compliance with state and local laws with respect to cannabis may neither absolve us from liability under United States federal law, nor may it provide a defense to any federal proceeding which may be brought against us. There can be no assurances that the federal government of the United States will not seek to enforce the applicable laws against us. Enforcement of federal law regarding cannabis is a significant risk and would greatly harm our business, prospects, revenue, results of operation and financial condition.

Due to the conflicting views between state legislatures and the federal government regarding cannabis, cannabis businesses are subject to inconsistent laws and regulations. The Obama administration attempted to address the inconsistent treatment of cannabis under state and federal law in August 2013 in a memorandum which then-Deputy Attorney General James Cole sent to all U.S. District Attorneys (the "Cole Memorandum"). The Cole

Memorandum outlined certain priorities for the Department of Justice (the “DOJ”) relating to the prosecution of cannabis offenses and noted that, in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, processing, distribution, sale and possession of cannabis, conduct in compliance with such laws and regulations was not a priority for the DOJ. However, the DOJ did not provide (and has not provided since) specific guidelines for what regulatory and enforcement systems would be deemed sufficient under the Cole Memorandum.

On January 4, 2018, then-U.S. Attorney General Jeff Sessions formally issued a memorandum (the “Sessions Memorandum”) which rescinded the Cole Memorandum effective upon its issuance. The Sessions Memorandum stated, in part, that current law reflects “Congress’ determination that cannabis is a dangerous drug and cannabis activity is a serious crime,” and Mr. Sessions directed all U.S. Attorneys to enforce the laws enacted by Congress and to follow well-established principles when pursuing prosecutions related to cannabis activities.

As a result of the Sessions Memorandum, federal prosecutors are now free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities, despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors in the Sessions Memorandum as to the priority they should ascribe to such cannabis activities, and thus it is uncertain how active U.S. federal prosecutors will be in relation to such activities.

There can be no assurance that the federal government will not enforce federal laws relating to cannabis and seek to prosecute cases involving cannabis businesses that are otherwise compliant with state laws in the future. Mr. Sessions resigned as U.S. Attorney General on November 7, 2018. On February 14, 2019, William Barr was confirmed as U.S. Attorney General. On January 7, 2021, then President-elect Joe Biden announced his nomination of current Chief Judge of the United States Court of Appeals for the District of Columbia Circuit, Merrick Garland, to succeed Mr. Barr as the U.S. Attorney General. Merrick Garland was officially sworn in as Attorney General of the United States on March 11, 2021. It is unclear what impact this development will have on U.S. federal government enforcement policy.

We may be subject to action by the U.S. federal government.

Since the cultivation, processing, production, distribution and sale of cannabis for any purpose, medical, adult-use or otherwise, remain illegal under U.S. federal law, it is possible that we may be forced to cease activities. The U.S. federal government, through, among others, the DOJ, its sub-agency, the Drug Enforcement Administration (the “DEA”), and the Internal Revenue Service (“IRS”), has the right to actively investigate, audit and shut down cannabis growing facilities, processors and retailers. The U.S. federal government may also attempt to seize our property. Any action taken by the DOJ, the DEA and/or the IRS to interfere with, seize or shut down our operations will have an adverse effect on our business, prospects, revenue, results of operation and financial condition.

Because federal law criminalizing the use of cannabis preempts state laws that legalize its use, the federal government can assert criminal violations of federal law despite state laws permitting the use of cannabis. While it does not appear that federal law enforcement and regulatory agencies are focusing resources on licensed cannabis related businesses that are operating in compliance with state law, this could change at any time. Additionally, while various federal bills to legalize cannabis possession and distribution have been introduced, including but not limited to the MORE Act and the CAOA, there is no guaranty that any of these bills will become law in their current forms, if at all. Additionally, as the rescission of the Cole Memorandum and the implementation of the Sessions Memorandum demonstrate, the DOJ may at any time issue additional guidance that directs federal prosecutors to devote more resources to prosecuting cannabis related businesses. If the DOJ under the Biden administration aggressively pursues financiers or equity owners of cannabis-related businesses, and U.S. Attorneys follow the DOJ policies through pursuing prosecutions, then we could face:

- seizure of our cash and other assets used to support or derived from our cannabis subsidiaries;
- the arrest of our employees, directors, officers, managers and investors;
- ancillary criminal violations of the Controlled Substances Act for aiding and abetting, and conspiracy to violate the Controlled Substances Act by providing financial support to cannabis companies that service or

provide goods to state-licensed or permitted cultivators, processors, distributors and/or retailers of cannabis; and

- the barring of our employees, directors, officers, managers and investors who are not U.S. citizens from entry into the United States for life.

Because the Cole Memorandum was rescinded, the DOJ under the current or new administration or an aggressive federal prosecutor could allege that us and our Board, our executive officers and, potentially, our stockholders, “aided and abetted” violations of federal law by providing finances and services to our portfolio cannabis companies. Under these circumstances, federal prosecutors could seek to seize our assets, and to recover the “illicit profits” previously distributed to stockholders resulting from any of our financing or services. In these circumstances, our operations would cease, stockholders may lose their entire investments and directors, officers and/or stockholders may be left to defend any criminal charges against them at their own expense and, if convicted, be sent to federal prison.

Additionally, there can be no assurance as to the position the new administration under President Biden may take on cannabis, and the new administration could decide to enforce the federal laws strongly. Any enforcement of current federal cannabis laws could cause significant financial damage to us and our stockholders. Further, President Biden’s administrations may choose to treat cannabis differently and potentially enforce the federal laws more aggressively.

Violations of any federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. These results could have a material adverse effect on us, including our reputation and ability to conduct business, our holding (directly or indirectly) of cannabis licenses in the United States, the listing of our Class A common stock on various stock exchanges, our financial position, operating results, profitability or liquidity or the market price of our shares of Class A common stock. In addition, it is difficult to estimate the time or resources that would be needed for the investigation or final resolution of any such matters because: (i) the time and resources that may be needed depend on the nature and extent of any information requested by the authorities involved, and (ii) such time or resources could be substantial.

U.S. state regulation of cannabis is uncertain.

Our activities are, and will continue to be, subject to evolving regulation and interpretation by various governmental authorities. The medical and adult-use cannabis industries are subject to various local, state and federal laws, regulations, guidelines, and licensing requirements relating to the manufacture, sale, distribution, management, transportation, storage, and disposal of cannabis, as well as being subject to laws and regulations relating to health and safety, the conduct of operations, and the protection of the environment. There is no assurance that state laws legalizing and regulating the sale and use of cannabis will not be repealed or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Given the current regulatory environment in the United States, new risks may emerge, and management may not be able to predict all such risks. If the U.S. federal government begins to enforce U.S. federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing state laws are repealed or curtailed, our business or operations in those states or under those laws would be materially and adversely affected. Federal actions against any individual or entity engaged in the cannabis industry or a substantial repeal of cannabis related legislation could adversely affect us, our business and our assets or investments.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, the rulemaking process at the state level that applies to cannabis operators in any state will be ongoing and result in frequent changes. As a result, a compliance program is essential to manage regulatory risk. All of our implemented operating policies and procedures are compliance-based and are derived from the state regulatory structure governing ancillary cannabis businesses and their relationships to state-licensed or permitted cannabis operators, if any. Notwithstanding our efforts and diligence, regulatory compliance and the process of obtaining regulatory approvals can be costly and time-consuming. No assurance can be given that we will receive or will continue to hold the requisite licenses, permits or cards to operate our businesses as currently operated or as

proposed to be operated in the future, or that we will be able to complete business transactions, including acquisitions or transfers of licenses, permits, cards or other property.

In addition, local laws and ordinances could restrict our business activity. Although our operations are legal under the laws of the states in which we operate, local governments have the ability to limit, restrict and ban cannabis businesses from operating within their jurisdiction. Land use, zoning, local ordinances and similar laws could be adopted or changed and have a material adverse effect on our business.

Multiple states where medical and/or adult-use cannabis is legal have or are considering special taxes or fees on businesses in the cannabis industry. It is uncertain at this time whether other states are in the process of reviewing such additional taxes and fees. The implementation of special taxes or fees could have a material adverse effect upon our business, prospects, revenue, results of operation and financial condition.

We are affected by the dynamic laws and regulations of the industry.

The success of our business strategy depends on the legality of the cannabis industry. The constant evolution of laws and regulations affecting the cannabis industry could detrimentally affect us. Our current and proposed operations are subject to a variety of local, state and federal medical cannabis laws and regulations relating to the manufacture, management, transportation, storage and disposal of cannabis, as well as laws and regulations relating to consumable products health and safety, the conduct of operations and the protection of the environment. These laws and regulations are broad in scope and subject to evolving interpretations, which could require us to incur substantial costs associated with compliance or alter certain aspects of their business plans.

In addition, violations of these laws, or allegations of such violations, could disrupt certain aspects of our business plans and result in a material adverse effect on certain aspects of its planned operations. These laws and regulations are rapidly evolving and subject to change with minimal notice. Regulatory changes may adversely affect our profitability or cause us to cease operations entirely. If cannabis is legalized at the federal level, our business and operations could be negatively affected if such legalization permits cannabis to be transported or sold across state lines, which could disrupt wholesale pricing in states with high wholesale prices. The cannabis industry may come under the scrutiny or further scrutiny by the FDA, SEC, the DOJ, the Financial Industry Regulatory Authority or other federal or applicable state or nongovernmental regulatory authorities or self-regulatory organizations that supervise or regulate the production, distribution, sale or use of cannabis for medical or adult-use purposes in the United States.

It is impossible to determine the extent of the impact of any new laws, regulations or initiatives that may be proposed, or whether any proposals will become law. The medical and adult-use cannabis industries are subject to significant regulatory change at both the state and federal level. The regulatory uncertainty surrounding the industries may adversely affect our business and operations, including without limitation, the costs to remain compliant with applicable laws and the impairment of its business or the ability to raise additional capital. In addition, we will not be able to predict the nature of any future laws, regulations, interpretations or applications, and it is possible that regulations may be enacted in the future that will be directly applicable to its business. For example, see “*Risk Factors - We may be subject to heightened scrutiny by Canadian regulatory authorities*” below.

State regulatory agencies may require us to post bonds, maintain large insurance policies or post significant fees.

There is a risk that a greater number of state regulatory agencies will begin requiring entities engaged in certain aspects of the legal cannabis industry to post a bond or significant fees when applying, for example, for a dispensary license or renewal as a guarantee of payment of sales and franchise taxes. We are not able to quantify at this time the potential scope of such bonds or fees in the states in which we currently operate or may in the future operate. Any bonds or fees of material amounts could have a negative impact on the ultimate success of our business.

We may be subject to heightened scrutiny by Canadian regulatory authorities.

Our Class A common stock is traded on the CSE. Our business, operations and investments in the United States, and any future business, operations or investments, may become the subject of heightened scrutiny by

regulators, stock exchanges and other authorities in Canada and the United States. As a result, we may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on our ability to operate or invest in the United States or any other jurisdiction.

In 2017, there were concerns that the Canadian Depository for Securities Limited, through its subsidiary CDS Clearing and Depository Services Inc. (“CDS”), Canada’s central securities depository (clearing and settling trades in the Canadian equity, fixed income and money markets), would refuse to settle trades for cannabis issuers that have investments in the United States. However, CDS has not implemented this policy.

On February 8, 2018, the Canadian Securities Administrators published Staff Notice 51-352 describing the Canadian Securities Administrators’ disclosure expectations for specific risks facing issuers with cannabis-related activities in the U.S. Staff Notice 51-352 confirms that a disclosure-based approach remains appropriate for issuers with U.S. cannabis-related activities. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with U.S. cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the U.S. cannabis industry.

On February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group, which is the owner and operator of CDS, announced the signing of a Memorandum of Understanding (“MOU”) with Aequitas NEO Exchange Inc., the CSE, the Toronto Stock Exchange and the TSX Venture Exchange. The MOU outlines the parties’ understanding of Canada’s regulatory framework applicable to the rules, procedures and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The MOU confirms, with respect to the clearing of listed securities, that CDS relies on the Canadian securities exchanges to review the conduct of listed issuers.

The MOU notes that securities regulation requires that the rules of each of the exchanges must not be contrary to the public interest and that the rules of each of the exchanges have been approved by the securities regulators. Pursuant to the MOU, CDS will not ban accepting deposits of or transactions for clearing and settlement of securities of issuers with cannabis-related activities in the United States.

Although the MOU indicated that there are no plans to ban the settlement of securities through CDS, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were implemented at a time when shares of Class A common stock are listed on a Canadian stock exchange, it would have a material adverse effect on the ability of holders of shares of Class A common stock to make and settle trades. In particular, the shares of Class A common stock would become highly illiquid until an alternative (if available) was implemented, and investors would have no ability to effect a trade of shares of Class A common stock through the facilities of the applicable Canadian stock exchange.

We may face limitations on ownership of cannabis licenses.

In certain states, the cannabis laws and regulations limit not only the number of cannabis licenses and types of licenses issued, but also the number of cannabis licenses and types that one person or entity may own. We believe that, where such restrictions apply, the Company may still recognize revenue in the market through wholesale sales, exclusive marketing relations, the provision of management or support services, and joint ventures or similar contractual relationships with other operators to ensure continued compliance with the applicable regulatory guidelines. In addition, states may require that certain qualified applicants or individuals participate in the ownership of the licensed entity. Such limitations on the ownership of additional licenses within certain states may limit our ability to expand in such states.

Our ability to expand our product offerings and dispensary services may be limited.

As we introduce or expand our cannabis product offerings and dispensary services, we may incur losses or otherwise fail to enter certain markets successfully. Our expansion into new markets may place us in competitive and regulatory environments with which we are unfamiliar and involve various risks, including the need to invest significant resources and the possibility that returns on those investments will not be achieved for several years, if at

all. In attempting to establish new product offerings or dispensary services, we may incur significant expenses and face various other challenges, such as expanding our work force and management personnel to cover these markets and complying with complicated cannabis regulations that apply to these markets. In addition, we may not successfully demonstrate the value of these product offerings and dispensary services to consumers, and failure to do so would compromise our ability to successfully expand these additional revenue streams.

We face risks associated with licensing relating to supply, supply chain, and market constraints.

The cannabis laws and regulations of states in which we operate limit the granting and number of licenses granted for dispensaries and cultivation and production facilities. The number of licenses by category, and issuance of individual licenses, may be limited, delayed, denied or otherwise unissued. This separate treatment of individual licenses as well as license categories, along with limits set on the number of licenses granted in each of these operating categories, can result in market and supply chain risks including, for example, mismatch between cultivation and production facilities and dispensaries relating to availability and production of cannabis products. This can result in, among other things, market, pricing and supply risks, which may have a material effect on the Company's business, financial condition and operations.

We may become subject to FDA or Bureau of Alcohol, Tobacco, Firearms and Explosives ("ATF") regulation.

Cannabis remains a Schedule I controlled substance under U.S. federal law. If the federal government reclassifies cannabis to a Schedule II controlled substance, it is possible that the FDA would seek to regulate cannabis under the Food, Drug and Cosmetics Act of 1938. The proposed CAO also creates a regulatory oversight role for the FDA. Additionally, the FDA may issue rules and regulations, including good manufacturing practices, related to the growth, cultivation, harvesting, processing and labeling of medical cannabis. Clinical trials may be needed to verify the efficacy and safety of cannabis. It is also possible that the FDA would require facilities where medical use cannabis is grown to register with the FDA and comply with certain federally prescribed regulations. If some or all of these regulations are imposed, the impact they would have on the cannabis industry is unknown, including the costs, requirements and possible prohibitions that may be enforced. If we are unable to comply with the potential regulations or registration requirements prescribed by the FDA, it may have an adverse effect on our business, prospects, revenue, results of operation and financial condition.

It is also possible that the federal government could seek to regulate cannabis under the ATF. The ATF may issue rules and regulations related to the use, transporting, sale and advertising of cannabis or cannabis products, including smokeless cannabis products.

Cannabis businesses are subject to applicable anti-money laundering laws and regulations and have restricted access to banking and other financial services.

We are subject to a variety of laws and regulations in the United States that involve money laundering, financial record-keeping and proceeds of crime, including the U.S. Currency and Foreign Transactions Reporting Act of 1970 (the "Bank Secrecy Act") as amended by Title III of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (which we refer to as the USA Patriot Act), and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States. Since the cultivation, manufacture, distribution and sale of cannabis remains illegal under the CSA, banks and other financial institutions providing services to cannabis-related businesses risk violation of federal anti-money laundering statutes (18 U.S.C. §§ 1956 and 1957) and the Bank Secrecy Act, among other applicable federal statutes. Accordingly, pursuant to the Bank Secrecy Act, banks or other financial institutions that provide a cannabis business with a checking account, debit or credit card, small business loan or any other service could be criminally prosecuted for willful violations of money laundering statutes, in addition to being subject to other criminal, civil, and regulatory enforcement actions.

Banks often refuse to provide banking services to businesses involved in the cannabis industry due to the present state of the laws and regulations governing financial institutions in the U.S. The lack of banking and financial services presents unique and significant challenges to businesses in the cannabis industry. The potential

lack of a secure place in which to deposit and store cash, the inability to pay creditors through the issuance of checks and the inability to secure traditional forms of operational financing, such as lines of credit, are some of the many challenges presented by the unavailability of traditional banking and financial services. The above-mentioned laws and regulations can impose criminal liability for engaging in certain financial and monetary transactions with the proceeds of a “specified unlawful activity” such as distributing controlled substances, including cannabis, which are illegal under federal law, and for failing to identify or report financial transactions that involve the proceeds of cannabis-related violations of the CSA. We may also be exposed to the foregoing risks.

In February 2014, the FinCEN issued the FinCEN Memorandum providing instructions to banks seeking to provide services to cannabis-related businesses. The FinCEN Memorandum echoed the enforcement priorities of the Cole Memorandum and states that in some circumstances, it is permissible for banks to provide services to cannabis-related businesses without risking prosecution for violation of federal money laundering laws. The FinCEN Memorandum directed prosecutors to apply the enforcement priorities of the Cole Memorandum in determining whether to charge individuals or institutions with crimes related to financial transactions involving the proceeds of cannabis-related conduct.

The revocation of the Cole Memorandum has not yet affected the status of the FinCEN Memorandum, nor has FinCEN given any indication that it intends to rescind the FinCEN Memorandum itself. Shortly after the Sessions Memorandum was issued, FinCEN did state that it would review the FinCEN Memorandum, but FinCEN has not yet issued further guidance.

Although the FinCEN Memorandum remains intact, it is unclear whether the current administration will continue to follow its guidelines. The DOJ continues to have the right and power to prosecute crimes committed by banks and financial institutions, such as money laundering and violations of the Bank Secrecy Act, that occur in any state including states that have in some form legalized the sale of cannabis. Further, the conduct of the DOJ’s enforcement priorities could change for any number of reasons. A change in the DOJ’s priorities could result in the prosecution of banks and financial institutions for crimes that were not previously prosecuted.

If our operations, or proceeds thereof, dividend distributions or profits or revenues derived from our operations were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds from a crime (the sale of a Schedule I drug) under the Bank Secrecy Act’s money laundering provisions. This may restrict our ability to declare or pay dividends or effect other distributions.

The FinCEN Memorandum does not provide any safe harbors or legal defenses from examination or regulatory or criminal enforcement actions by the DOJ, FinCEN or other federal regulators. Thus, most banks and other financial institutions in the United States do not appear comfortable providing banking services to cannabis-related businesses or relying on this guidance given that it has the potential to be amended or revoked by the current administration. There are no assurances that this position will change under the Biden administration. In addition to the foregoing, banks may refuse to process debit card payments and credit card companies generally refuse to process credit card payments for cannabis-related businesses. As a result, we may have limited or no access to banking or other financial services in the United States. In addition, federal money laundering statutes and Bank Secrecy Act regulations discourage financial institutions from working with any organization that sells a controlled substance, regardless of whether the state it operates in permits cannabis sales. Our inability or limitation of our ability to open or maintain bank accounts, obtain other banking services and/or accept credit card and debit card payments may make it difficult for us to operate and conduct our business as planned or to operate efficiently.

Other potential violations of U.S. federal law resulting from cannabis-related activities include the Racketeer Influenced Corrupt Organizations Act (“RICO”). RICO is a federal statute providing criminal penalties in addition to a civil cause of action for acts performed as part of an ongoing criminal organization. Under RICO, it is unlawful for any person who has received income derived from a pattern of racketeering activity (which includes most felonious violations of the CSA), to use or invest any of that income in the acquisition of any interest, or the establishment or operation of, any enterprise which is engaged in interstate commerce. RICO also authorizes private parties whose properties or businesses are harmed by such patterns of racketeering activity to initiate a civil action against the individuals involved. Although RICO suits against the cannabis industry are rare, a few cannabis

businesses have been subject to a civil RICO action. Defending such a case has proven extremely costly, and potentially fatal to a business' operations.

On March 18, 2021, the Secure and Fair Enforcement Banking Act (the "SAFE Banking Act") was reintroduced in the House of Representatives. As written, the SAFE Banking Act would allow financial institutions to provide their services to state-legal cannabis clients and ancillary businesses serving state-legal cannabis businesses without fear of federal sanctions. On March 23, 2021, the bill was reintroduced in the Senate as well. The House previously passed the SAFE Banking Act in September 2019, but the measure stalled in the Senate. Most recently, on February 4, 2022, the House approved the America COMPETES Act of 2022, which includes the provisions of the SAFE Banking Act. The Senate's final version of the bill, which was passed on March 28, 2022, removed the provisions related to the Safe Banking Act. There is no guarantee the SAFE Banking Act will become law in its current form, if at all.

In the event that any of our operations, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such operations in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize our ability to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada, and subject us to civil and/or criminal penalties. Furthermore, in the event that a determination was made that the proceeds from our operations (or any future operations or investments in the United States) could reasonably be shown to constitute proceeds of crime, we may decide or be required to suspend declaring or paying dividends without advance notice and for an indefinite period of time. We could likewise be required to suspend or cease operations entirely.

We are subject to proceeds of crime statutes.

We will be subject to a variety of laws that concern money laundering, financial recordkeeping and proceeds of crime. These include: the Bank Secrecy Act, as amended by Title III of the USA Patriot Act, the Proceeds of Crime (Money Laundering) and Terrorist Financing Act (Canada), the rules and regulations under the Criminal Code of Canada and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In the event that any of our activities, or any proceeds thereof, in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above, or any other applicable legislation. This could have a material adverse effect on us and, among other things, could restrict or otherwise jeopardize our ability to declare or pay dividends or effect other distributions.

We face risks related to U.S. tax provisions related to controlled substances.

Limits on U.S. deductibility of certain expenses may have a material adverse effect on our financial condition, results of operations and cash flows. Section 280E ("Section 280E") of the United States Internal Revenue Code of 1986, as amended (the "Code"), prohibits businesses from deducting certain expenses associated with the trafficking of controlled substances (within the meaning of Schedule I and II of the CSA). The IRS has applied Section 280E broadly in tax audits against various cannabis businesses in the U.S. that are permitted under applicable state laws, seeking substantial sums in tax liabilities, interest and penalties resulting from the underpayment of taxes due to the lack of deductibility of otherwise ordinary business expenses the deduction of which is prohibited by Section 280E. Although the IRS issued a clarification allowing the deduction of certain expenses that can be categorized as cost of goods sold, the scope of such items is interpreted very narrowly, and the bulk of operating costs and general administrative costs are not permitted to be deducted. While there are currently several pending cases before various administrative and federal courts challenging these restrictions, there is no guarantee that these courts will issue an interpretation of Section 280E that is favorable to cannabis businesses.

If our tax filing positions were to be challenged by federal, state and local or foreign tax jurisdictions, we may not be wholly successful in defending our tax filing positions. We record reserves for unrecognized tax benefits based on our assessment of the probability of successfully sustaining tax filing positions. We, therefore, analyze and consider the appropriateness of recording reserves for unrecognized tax benefits each quarter. Management exercises

significant judgment when assessing the probability of successfully sustaining tax filing positions, and in determining whether a contingent tax liability should be recorded and, if so, estimating the amount. If our tax filing positions are successfully challenged, payments could be required that are in excess of reserved amounts or we may be required to reduce the carrying amount of our net deferred tax asset, either of which result could be significant to our financial condition or results of operations.

We operate in a highly regulated sector and may not always succeed in complying fully with applicable regulatory requirements in all jurisdictions where we conduct business.

Our business and activities are heavily regulated in all jurisdictions where we carry on business. Our operations are subject to various laws, regulations and guidelines by state and local governmental authorities relating to the manufacture, marketing, management, transportation, storage, sale, pricing and disposal of cannabis and cannabis oil, and also including laws and regulations relating to health and safety, insurance coverage, the conduct of operations and the protection of the environment. Laws and regulations, applied generally, grant government agencies and self-regulatory bodies broad administrative discretion over our activities, including the power to limit, require, or restrict business activities as well as impose additional disclosure requirements on our products and services. Achievement of our business objectives is contingent, in part, upon compliance with regulatory requirements enacted by these governmental authorities and obtaining all necessary regulatory approvals for the manufacture, production, storage, transportation, sale, import and export, as applicable, of our products, and as may be required in connection with any business transactions, including acquisition or transfer of licenses, permits, cards or other property. The commercial cannabis industry is still a new industry at the state and local level. The effect of relevant governmental authorities' administration, application and enforcement of their respective regulatory regimes and delays in obtaining, or failure to obtain, applicable regulatory approvals which may be required may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on our business, prospects, revenue, results of operation and financial condition.

While we endeavor to comply with all relevant laws, regulations and guidelines and we are in compliance or are in the process of being assessed for compliance with all such laws, regulations and guidelines, any failure to comply with the regulatory requirements applicable to our operations may lead to possible sanctions including the revocation or imposition of additional conditions on licenses to operate our business; the suspension or expulsion from a particular market or jurisdiction or of our key personnel; the imposition of additional or more stringent inspection, testing and reporting requirements; and the imposition of fines and censures. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to our operations, increase compliance costs or give rise to material liabilities and/or revocation of our licenses and other permits, which could have a material adverse effect on our business, results of operations and financial condition. Furthermore, governmental authorities may change their administration, application or enforcement procedures at any time, which may adversely impact our ongoing costs relating to regulatory compliance.

We may face difficulties in enforcing our contracts.

Because our contracts involve cannabis and other activities that are currently illegal under U.S. federal law and the laws of certain other jurisdictions, we may face difficulties in enforcing our contracts in U.S. federal courts and certain state courts.

More specifically, some courts have determined that contracts relating to state legal cultivation and sale of cannabis are unenforceable on the grounds that they are illegal under federal law and therefore void as a matter of public policy. This could substantially impact the rights of parties making or defending claims involving us and any of our lenders or members.

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Notwithstanding that cannabis related businesses operate pursuant to the laws of states in which such activity is legal under state law, judges have on a number of occasions refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate federal law, even if there is no violation of state law. There remains doubt and uncertainty that we will be able to legally enforce contracts we enter into if

necessary. As we cannot be assured that we will have a remedy for breach of contract, investors must bear the risk of the uncertainty in the law. If borrowers fail or refuse to repay loans and we are unable to legally enforce our contracts, we may suffer substantial losses for which we have no legal remedy. The potential inability of us to enforce any of our contracts could have a material adverse effect on our business, revenues, operating results, financial condition or prospects.

We have limited trademark and intellectual property protection.

As long as cannabis remains illegal under U.S. federal law as a Schedule I controlled substance pursuant to the CSA, the benefit of certain federal laws which may be available to most businesses, such as federal trademark protection, may not be available to us. Because producing, manufacturing, processing, possessing, distributing, selling and using cannabis is illegal under the CSA, the United States Patent and Trademark Office will not permit the registration of any trademark that identifies cannabis products. As a result, our intellectual property may never be adequately or sufficiently protected against use or misappropriation by third-parties. In addition, since the regulatory framework of the cannabis industry is in a constant state of flux, we can provide no assurance that we will ever obtain any protection of its intellectual property, whether on a federal, state or local level.

Any infringement or misappropriation of our intellectual property could damage its value and limit our ability to compete. We may have to engage in litigation to protect the rights to our intellectual property, which could result in significant litigation costs and require a significant amount of our time.

Competitors may also harm our sales by designing products that mirror our products or processes without infringing on our intellectual property rights. If we do not obtain sufficient protection for our intellectual property, or if we are unable to effectively enforce our intellectual property rights, our competitiveness could be impaired, which would limit our growth and future revenue.

We may also find it necessary to bring infringement or other actions against third parties to seek to protect our intellectual property rights. Litigation of this nature, even if successful, is often expensive and time-consuming to prosecute and there can be no assurance that we will have the financial or other resources to enforce our rights or be able to prevent other parties from developing similar products or processes or designing around our intellectual property.

We are and may continue to be subject to constraints on marketing our products.

We have committed and expect to continue committing significant resources and capital to develop and market existing products and new products and services. The development of our business and operating results may be adversely affected by applicable restrictions on sales and marketing activities imposed by regulatory bodies. Certain of the states in which we operate have enacted strict regulations regarding marketing and sales activities on cannabis products. There may be restrictions on sales and marketing activities imposed by government regulatory bodies that can hinder the development of our business and operating results. Restrictions may include regulations that specify what, where and to whom product information and descriptions may appear and/or be advertised. Marketing, advertising, packaging and labeling regulations also vary from state to state, potentially limiting the consistency and scale of consumer branding communication and product education efforts. The regulatory environment in the U.S. limits our ability to compete for market share in a manner similar to other industries. If we are unable to effectively market our products and compete for market share, or if the costs of compliance with government legislation and regulation cannot be absorbed through increased selling prices for our products, our sales and operating results could be adversely affected.

We lack access to U.S. bankruptcy protections.

Because cannabis is illegal under U.S. federal law, and bankruptcy is a strictly federal proceeding, many courts have denied cannabis businesses federal bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If we were to seek protection from creditors pursuant to applicable bankruptcy or insolvency laws, there is no guarantee that U.S. federal bankruptcy

protections would be available to our United States operations, which would have a material adverse effect on us, our lenders and other stakeholders. While state-level receivership options do exist in some states as an alternative to bankruptcy, the efficacy of these alternatives cannot be guaranteed.

Cannabis businesses may be subject to civil asset forfeiture.

As an entity that conducts business in the cannabis industry, we will potentially be subject to federal and state forfeiture laws (criminal and civil) that permit the government to seize the proceeds of criminal activity. Civil forfeiture laws could provide an alternative enforcement mechanism for the federal government, any state, or local police force that wants to discourage residents from conducting transactions with cannabis related businesses but believes criminal liability is too difficult to prove beyond a reasonable doubt. Individuals may be required to forfeit property considered to be from proceeds of crime even if the individual is not convicted of a criminal offense, and the standard of proof in a civil forfeiture matter is lower than the burden in a criminal matter. Depending on the applicable law, whether federal or state, rather than having to establish liability beyond a reasonable doubt, the federal government or the state, as applicable, may be required to prove that the money or property at issue is proceeds of a crime only by either clear and convincing evidence or a mere preponderance of the evidence.

Our stockholders that are located in states where cannabis remains illegal may be at risk of prosecution under federal and/or state conspiracy, aiding and abetting, and money laundering statutes, and may be at further risk of losing their investments or proceeds thereof under forfeiture statutes. Many states remain able to take action to prevent the proceeds of cannabis businesses from entering their state. Because state legalization is relatively new, it remains to be seen whether these states would take such action and whether a court would approve it. Our stockholders and prospective stockholders should be aware of these potentially relevant federal and state laws in considering whether to invest in our securities.

We may face difficulties acquiring additional or traditional financing.

Due to the present state of the laws and regulations governing financial institutions in the U.S., banks often refuse to provide banking services to businesses involved in the cannabis industry. Consequently, it may be difficult for us to obtain financing from large U.S. financial institutions.

We have historically, and continue to have, access to equity and debt financing from non-public (i.e., private placement) markets. Our business plan continues to include aggressive growth, both in the form of additional acquisitions and through facility expansion and improvements. Accordingly, we may require equity and/or debt financing to support ongoing operations, to undertake capital expenditures or to undertake acquisitions and/or other business combination transactions. There can be no assurance that additional financing will be available to us when needed or on terms which are acceptable. Our inability to raise financing through traditional banking to fund ongoing operations, capital expenditures or acquisitions could limit our growth and may have a material adverse effect upon our business, prospects, revenue, results of operation and financial condition

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, each prospectus supplement and the information incorporated by reference in this prospectus and each prospectus supplement contains both historical and forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, and forward-looking information within the meaning of applicable Canadian securities legislation, that involve risks and uncertainties (collectively, “forward-looking statements”). We make forward-looking statements related to future expectations, estimates, and projections that are uncertain and often contain words such as, but not limited to, “anticipate,” “believe,” “could,” “estimate,” “expect,” “forecast,” “intend,” “likely,” “may,” “outlook,” “plan,” “predict,” “should,” “target,” or other similar words or phrases. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties, and assumptions that are difficult to predict. Factors that might cause such differences include, but are not limited to, those discussed in the section titled “*Risk Factors*” in this prospectus and in our Annual Report on Form 10-K and we urge readers to consider these risks and uncertainties in evaluating our forward-looking statements. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated, or intended. The forward-looking statements contained herein are based

on certain key expectations and assumptions, including, but not limited to, with respect to expectations and assumptions concerning receipt and/or maintenance of required licenses and success of our operations, are based on estimates prepared by us using data from publicly available governmental sources as well as from industry analysis, and on assumptions based on data and knowledge of this industry that we believe to be reasonable. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

MARKET AND INDUSTRY DATA

This prospectus and the documents incorporated by reference herein contain statistical data and estimates regarding market and industry data. Unless otherwise indicated, information concerning our industry and the markets in which we operate, including our general expectations, market position, market opportunity and market size, are based on our management's knowledge and experience in the markets in which we operate, together with currently available information obtained from various sources, including publicly available information, industry reports and publications, surveys, our customers, trade and business organizations and other contacts in the markets in which we operate. Certain information is based on management estimates, which have been derived from third-party sources, as well as data from our internal research, and are based on certain assumptions that we believe to be reasonable. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. We have not independently verified any of the information from third-party sources nor have we ascertained the validity or accuracy of the underlying economic assumptions relied upon therein. Actual outcomes may vary materially from those forecast in the reports or publications referred to herein, and the prospect for material variation can be expected to increase as the length of the forecast period increases. Because this information involves a number of assumptions and limitations, you are cautioned not to give undue weight to these estimates. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section entitled "*Risk Factors*" in this prospectus and in our Annual Report on Form 10-K.

USE OF PROCEEDS

All of the shares of Class A common stock offered by the Selling Stockholders pursuant to this prospectus will be sold by the Selling Stockholders for their own accounts. We will not receive any of the proceeds from these sales.

We will receive up to an aggregate of approximately \$14.7 million from the exercise of the Warrants, assuming the exercise in full of all of the Warrants for cash. We expect to use the net proceeds from the exercise of the Warrants for general corporate purposes. See "*Risk Factors - Discretion in the Use of Proceeds*."

DESCRIPTION OF TRANSACTION

Debt Warrant Shares

On June 30, 2022, we signed a definitive agreement to close on \$28,500,000 of additional funding (the "Incremental Commitment") pursuant to the increase option under the Credit Agreement, dated August 27, 2021, among the us, the Selling Stockholders, as lenders, and Acquiom Agency Services LLC, as administrative agent and collateral agent, for which Seaport Global Securities LLC acted as placement agent. We previously drew an initial term loan of \$210,000,000 in August 2021 and \$36,500,000 in May 2022 (together with the Incremental Commitment, the "Debt Facility"). Upon closing of the Incremental Commitment, the total raised under the Credit Agreement was \$275,000,000.

In connection with the Incremental Commitment, the Selling Stockholders received 3,130,143 Debt Warrants. Each Debt Warrant is exercisable immediately for one share of Class A common stock at an exercise price of \$3.10 per share. Cashless exercise is permitted only if there is no effective registration statement registering the resale of the shares issued upon exercise of the Debt Warrants. We have the option to require Debt Warrant holders to exercise the Debt Warrants if, after the first anniversary of the issuance, the 30 day volume weighted average price of our Class A common stock exceeds \$6.50 per share. The exercise price of the Debt Warrants is subject to

adjustment under a customary anti-dilution provision. The issuance of the Debt Warrants was made pursuant to the exemptions from registration contained in Section 506(b) of Regulation D and Regulation S under the United States Securities Act of 1933, as amended (the “Securities Act”).

SAI Warrant Shares

On October 15, 2020, we entered into a credit and guarantee agreement with various lenders and Seventh Avenue Investments, LLC (“SAI”) as administrative agent and collateral agent for up to \$38,000,000 of senior secured credit facilities (the “SAI Credit Facility”). We borrowed an initial \$25,000,000 pursuant to term loans under the SAI Credit Facility, which term loans were subsequently prepaid in August 2021 utilizing proceeds from the Debt Facility.

In connection with the SAI Credit Facility, SAI received 1,250,000 SAI Warrants. At issuance, the SAI Warrants were immediately exercisable for one AWH historical common unit at a price of \$4.00 per unit. Following the Conversion, the warrants became exercisable for an equivalent number of shares of Class A common stock at a price of \$4.00 per share.

DESCRIPTION OF CAPITAL STOCK

General

The following is a summary of the rights of our common stock and preferred stock and certain provisions of our certificate of incorporation and bylaws. This summary does not purport to be complete and is qualified in its entirety by the provisions of our certificate of incorporation and bylaws, which documents are incorporated by reference to the registration statement of which this prospectus is a part, and the applicable provisions of the Delaware General Corporation Law (the “DGCL”). We encourage you to read our certificate of incorporation and our bylaws for additional information.

Our authorized capital stock consists of 760,100,000 shares of capital stock, of which:

- 750,000,000 shares are designated as Class A common stock, \$0.001 par value per share;
- 100,000 shares are designated as Class B common stock, \$0.001 par value per share; and
- 10,000,000 shares are designated as preferred stock, \$0.001 par value per share.

As of September 30, 2022 there were 188,498,706 shares of Class A common stock issued and outstanding, 65,000 shares of Class B common stock issued and outstanding and no shares of our preferred stock outstanding.

Common Stock

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, and any contractual limitations, the holders of our common stock will be entitled to receive dividends out of funds then legally available, if any, if our Board, in its discretion, determines to issue dividends and then only at the times and in the amounts that our Board may determine. If a dividend is paid in the form of Class A common stock or Class B common stock, then holders of Class A common stock shall receive Class A common stock and holders of Class B common stock shall receive Class B common stock.

Voting Rights

We have two classes of authorized common stock, Class A common stock and Class B common stock. Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to 1,000 votes per share. Holders of Class A common stock and Class B common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by law or our certificate of incorporation.

Delaware law could require holders of Class A common stock or Class B common stock to vote separately as a single class in the following circumstances:

- if we were to seek to amend our certificate of incorporation to increase or decrease the par value of a class of our capital stock, then that class would be required to vote separately to approve the proposed amendment; and
- if we were to seek to amend our certificate of incorporation in a manner that alters or changes the powers, preferences or special rights of a class of our capital stock in a manner that affected its holders adversely, then that class would be required to vote separately to approve the proposed amendment.

Our stockholders do not have the ability to cumulate votes for the election of directors. Except in respect of matters relating to the election of directors, or as otherwise provided in our certificate of incorporation or required by law, all matters to be voted on by our stockholders must be approved by a majority of the shares present in person or by proxy at the meeting and entitled to vote on the subject matter. In the case of the election of directors, director candidates must be approved by a plurality of the shares present in person or by proxy at the meeting and entitled to vote on the election of directors.

AGP Partners, LLC (“AGP”), which is controlled by Mr. Kurtin and Mr. Perullo, owns all of our Class B common stock. Including Class A common stock, this entity controls approximately 36% of the voting power. Mr. Kurtin is one of our founders and serves as our Executive Chairman and a Director our Board. Mr. Perullo is one of our founders, Interim Co-CEO, President, and a Director of our Board.

Conversion, Preemptive or Similar Rights

Each share of Class B common stock will automatically convert into one share of Class A common stock on the final conversion date, as defined in our certificate of incorporation. Each share of Class B common stock is also convertible at any time at the option of the holder into one share of Class A common stock. In addition, each share of Class B common stock will convert automatically into one share of Class A common stock upon any transfer, whether or not for value, except for certain transfers described in our certificate of incorporation, including, without limitation, transfers for tax and estate planning purposes, so long as the transferring holder of Class B common stock continues to hold exclusive voting and dispositive power with respect to the shares transferred.

All shares of Class B common stock will convert automatically into Class A common stock on the date on which Mr. Kurtin or Mr. Perullo cease for any reason to own cumulatively at least 51% of the voting control of AGP.

Once converted into a share of Class A common stock, a converted share of Class B common stock will not be reissued. Following the conversion of all outstanding shares of Class B common stock, no further shares of Class B common stock will be issued.

Except as described above, holders of Class A common stock and Class B common stock will have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to Class A common stock or Class B common stock. The rights, preferences and privileges of the holders of Class A common stock and Class B common stock will be subject to and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that we may designate in the future.

Right to Receive Liquidation Distributions

In the event of our liquidation, dissolution or winding up, holders of our Class A common stock and Class B common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

Identical Treatment of Common Stock in Change of Control Transaction

In the event of any change of control transaction, shares of our Class A common stock and Class B common stock shall be treated equally, ratably and identically, on a per share basis, with respect to any consideration into which such shares are converted or any consideration paid or otherwise distributed to stockholders of the Company, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and Class B Common Stock, each voting separately as a class.

Fully Paid and Non-Assessable

All of the outstanding shares of our common stock are, and any shares of our Class A common stock to be issued pursuant to this prospectus will be, fully paid and non-assessable.

Preferred Stock

No shares of our preferred stock are currently outstanding. Pursuant to our certificate of incorporation, our Board has the authority, without further action by the stockholders, to issue from time to time shares of preferred stock in one or more series. Our Board may designate the rights, preferences, privileges and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, redemption rights, liquidation preference, sinking fund terms, and the number of shares constituting any series or the designation of any series. The issuance of preferred stock could have the effect of restricting dividends on our common stock, diluting the voting power of our common stock, impairing the liquidation rights of our common stock, or delaying, deterring or preventing a change in control. Such issuance could have the effect of decreasing the market price of our common stock. Any preferred stock so issued may rank senior to our common stock with respect to the payment of dividends or amounts upon liquidation, dissolution or winding up, or both. We currently have no plans to issue any shares of preferred stock.

Warrants to Purchase Class A Common Stock

As of September 30, 2022, we had outstanding warrants to purchase Class A common stock as follows:

	Total Outstanding and Exercisable	Underlying Shares of Common Stock	Exercise Price per Share	Expiration Date
Historical Warrants ⁽¹⁾	2,422,330	2,422,330	\$ 4.00	Various from June 22, 2023 through October 15, 2025
2022 Warrants	3,130,143	3,130,143	\$ 3.10	June 30, 2026

(1) Excludes 312,500 warrants that were cancelled in November 2022.

As of September 30, 2022, a total of 2,422,330 warrants that were issued prior to the Company's IPO (the "Historical Warrants") were outstanding and exercisable (excluding 312,500 warrants that were cancelled in November 2022). In June 2022, the Company issued 3,130,143 warrants to certain lenders as part of a debt financing transaction (the "2022 Warrants").

Historical Warrants

The Historical Warrants were issued by Ascend Wellness Holdings, LLC and entitled holders to receive historical common units. In conjunction with the Conversion, the holders received warrants to acquire an equal number of Class A common stock.

Each Historical Warrant entitles the registered holder to purchase one share of our Class A common stock at a price of \$4.00 per share, subject to adjustment. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of the Class A common stock. The Historical Warrants were

issued with an exercise period ranging from three to five years and expire at various dates ranging from June 22, 2023 through October 15, 2025, or earlier upon redemption or liquidation.

2022 Warrants

Each 2022 Warrant entitles the registered holder to purchase one share of our Class A common stock at a price of \$3.10 per share, subject to adjustment under a customary anti-dilution provision. Pursuant to the warrant agreement, a warrant holder may exercise its warrants only for a whole number of shares of the Class A common stock. The Company will have the option to require warrant holders to exercise the warrants if, after the first anniversary of the issuance, the 30 day volume weighted average price of the Company's Class A common stock exceeds \$6.50 per share. The 2022 Warrants were issued with an exercise period of four years and expire on June 30, 2026, or earlier upon redemption or liquidation.

Equity Awards

As of September 30, 2022, approximately 5.9 million shares of Class A common stock remained available for issuance under the Company's 2021 stock incentive plan (the "2021 Equity Incentive Plan"). Total equity-based compensation associated with equity awards issued under the 2021 Equity Incentive Plan was approximately \$17.4 million during the nine months ended September 30, 2022 and approximately \$18.6 million during the fiscal year ended December 31, 2021.

As of September 30, 2022, approximately 0.2 million awards remained available for future issuance under the Company's previous equity incentive plan (the "2020 Equity Incentive Plan") that are no longer available for issuance following stockholder approval of the 2021 Equity Incentive Plan, which occurred in May 2022. Total equity-based compensation expense associated with equity awards issued under the 2020 Equity Incentive Plan was approximately \$0.2 million during the nine months ended September 30, 2022 and approximately \$0.4 million during the fiscal year ended December 31, 2021.

Anti-Takeover Provisions in Our Certificate of Incorporation and Bylaws

Certain provisions of our certificate of incorporation and bylaws may have the effect of delaying, deferring or discouraging another person from attempting to acquire control of us. These provisions, which are summarized below, may discourage takeovers, coercive or otherwise. These provisions are also geared, in part, towards encouraging persons seeking to acquire control of us to negotiate first with our Board. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Stockholder Action; Special Meeting of Stockholders. Pursuant to Section 228 of the DGCL, any action required to be taken at any annual or special meeting of the stockholders may be taken without a meeting, without prior notice and without a vote if a consent or consents in writing, setting forth the action so taken, is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares of our stock entitled to vote thereon were present and voted, unless our certificate of incorporation provides otherwise. Our certificate of incorporation provides that our stockholders may not take action by written consent but may only take action at annual or special meetings of our stockholders. As a result, a holder controlling a majority of our capital stock would not be able to amend our bylaws or remove directors without holding a meeting of our stockholders called in accordance with our bylaws. Our certificate of incorporation provides that special meetings of the stockholders may be called only upon a resolution approved by a majority of the total number of directors that we would have if there were no vacancies, the Chair of our Board, the Chief Executive Officer or the President. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. Our bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our bylaws specify certain

requirements regarding the form and content of a stockholder's notice. Our bylaws prohibit the conduct of any business at a special meeting other than as specified in the notice for such meeting. Our bylaws also provide that nominations of persons for election to our Board may be made at a special meeting of stockholders at which directors are to be elected pursuant to the notice of meeting (i) by or at the direction of our Board or (ii) provided that our Board has determined that directors shall be elected at such meeting, by any stockholder who (a) is a stockholder of record both at the time the notice is delivered and on the record date for the determination of stockholders entitled to vote at the special meeting, (b) is entitled to vote at the meeting and upon such election and (c) complies with the notice procedures set forth in our bylaws. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

No Cumulative Voting. The DGCL provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our certificate of incorporation does not provide for cumulative voting.

Additional Authorized Shares of Capital Stock. The additional shares of authorized common stock and preferred stock available for issuance under our certificate of incorporation, could be issued at such times, under such circumstances and with such terms and conditions as to impede a change in control.

Issuance of Undesignated Preferred Stock. Our Board has the authority, without further action by our stockholders, to designate and issue shares of preferred stock with rights and preferences, including super voting, special approval, dividend or other rights or preferences on a discriminatory basis. The existence of authorized but unissued shares of undesignated preferred stock would enable our Board to render more difficult or to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest or other means.

Business Combinations with Interested Stockholders. We have elected in our certificate of incorporation to be subject to Section 203 of the DGCL, an anti-takeover law. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a business combination, such as a merger, with an interested stockholder (i.e., a person or group owning 15% or more of the corporation's voting capital stock) for a period of three years following the date the person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. Accordingly, we are subject to any anti-takeover effects of Section 203 of the DGCL.

Dual-class Stock Structure. Our certificate of incorporation provides for a dual-class common stock structure. As a result of this structure, our founders will have significant influence over all matters requiring stockholder approval, including the election of directors, amendments to our charter documents and significant corporate transactions, such as a merger or other sale of our company or its assets. This concentrated control could discourage others from initiating any potential merger, takeover or other change of control transaction that other stockholders may view as beneficial.

Choice of Forum

Our bylaws provide that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or to our stockholders, (iii) any action asserting a claim arising pursuant to the Delaware General Corporation Law or our certificate of incorporation or bylaws, (iv) any action to interpret apply, enforce or determine the validity of our certificate of incorporation or bylaws, or (v) any action asserting a claim governed by the internal affairs doctrine.

This exclusive forum provision would not apply to suits brought to enforce any liability or duty created by the Securities Act or the Exchange Act of 1934, as amended (the "Exchange Act") or any other claim for which the federal courts have exclusive jurisdiction. Our bylaws provide that, unless we consent in writing to the selection of

an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act or the Exchange Act.

The choice of forum provisions above may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees or could result in increased costs for a stockholder to bring a claim, both of which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provision contained in our bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition.

Transfer Agent and Registrar

The transfer agent for our Class A common stock is Odyssey Trust Company.

Market Listing

Our Class A common stock is listed on the CSE under the symbol "AAWH.U" and quoted on the OTCQX under the symbol "AAWH."

SELLING STOCKHOLDERS

The shares of Class A common stock being offered by the Selling Stockholders are (i) those issuable to certain Selling Stockholders upon exercise of the Debt Warrants and (ii) those issuable to certain Selling Stockholders upon exercise of the SAI Warrants. For additional information regarding the issuances of the Debt Warrants Affiliate Shares and SAI Warrants, see "Description of Transaction" above. We are registering the shares of Class A common stock in order to permit the Selling Stockholders to offer the shares for resale from time to time.

Other than the relationships described herein, to our knowledge, the Selling Stockholders are not employees or suppliers of ours or our affiliates. Within the past three years, other than the relationships described herein, the Selling Stockholders have not held a position as an officer a director of ours, nor have the Selling Stockholders had any material relationship of any kind with us or any of our affiliates. All information with respect to share ownership has been furnished by the Selling Stockholders, unless otherwise noted. The shares being offered are being registered to permit public secondary trading of such shares and the Selling Stockholders may offer all or part of the shares it owns for resale from time to time pursuant to this prospectus. The Selling Stockholders do not have any family relationships with our officers, other directors or controlling stockholders.

To the extent any of the Selling Stockholders are affiliates of broker-dealers and any participating broker-dealers are deemed to be "underwriters" within the meaning of the Securities Act, and any commissions or discounts given to any such Selling Stockholder or broker-dealer may be regarded as underwriting commissions or discounts under the Securities Act.

The term "Selling Stockholder" also includes any transferees, pledgees, donees, or other successors in interest to such Selling Stockholder named in the table below. Unless otherwise indicated, to our knowledge, the persons named in the table below have sole voting and investment power (subject to applicable community property laws) with respect to the shares of Class A common stock set forth opposite such person's name. We will file a supplement to this prospectus (or a post-effective amendment hereto, if necessary) to name successors to any named Selling Stockholder who are able to use this prospectus to resell the shares of Class A common stock registered hereby.

Name of Selling Stockholder	Shares of Class A Common Stock Beneficially Owned Before the Offering ⁽¹⁾	Shares of Class A Common Stock Offered for Resale	Shares of Class A Common Stock Beneficially Owned After Completion of the Resale ⁽¹⁾	% of Shares of Class A Common Stock Beneficially Owned After Completion of the Resale ⁽¹⁾⁽²⁾
Seventh Avenue Investments, LLC	3,437,861	1,250,000	2,187,861	1 %
Mudrick Stressed Credit Master Fund LP	268,913	268,913	—	— %
Mercer QIF Fund PLC	247,555	247,555	—	— %
Boston Patriot Newbury St. LLC	354,810	354,810	—	— %
Contrarian Funds LLC	968,085	968,085	—	— %
Millstreet Credit Fund	8,704,848	1,290,780	7,414,068	4 %

(1) Beneficial ownership is determined in accordance with SEC rules and generally includes voting or investment power with respect to securities. Shares of Class A common stock subject to warrants currently exercisable, or exercisable within 60 days of November 21, 2022, are counted as outstanding for computing the percentage of the Selling Stockholder holding such warrants but are not counted as outstanding for computing the percentage of any other Selling Stockholder.

(2) Assumes all of the shares of Class A common stock offered are sold. Percentage ownership is based on 188,498,706 shares of Class A common stock issued and outstanding on September 30, 2022.

Material Relationships with the Selling Stockholders

Each of the Selling Stockholders have not had any material relationships with us or our affiliates within the past three years except for the ownership of the securities described herein.

PLAN OF DISTRIBUTION

Each Selling Stockholder of the securities and any of their pledgees, assignees and successors-in-interest may, from time to time, sell any or all of their securities covered hereby on the principal trading market or any other stock exchange, market or trading facility on which the securities are traded or in private transactions. These sales may be at fixed or negotiated prices. A Selling Stockholder may use any one or more of the following methods when selling securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the securities as agent but may position and resell a portion of the block as principal to facilitate the transaction;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- an exchange distribution in accordance with the rules of the applicable exchange;
- privately negotiated transactions;
- settlement of short sales;
- in transactions through broker-dealers that agree with the Selling Stockholders to sell a specified number of such securities at a stipulated price per security;
- through the writing or settlement of options or other hedging transactions, whether through an options exchange or otherwise;
- a combination of any such methods of sale; or
- any other method permitted pursuant to applicable law.

The Selling Stockholders may also sell securities under Rule 144 or any other exemption from registration under the Securities Act, if available, rather than under this prospectus.

Broker-dealers engaged by the Selling Stockholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Stockholders (or, if any broker-dealer acts as agent for the purchaser of our Class A common stock, from the purchaser) in amounts to be negotiated, but, except as set forth in a supplement to this prospectus, in the case of an agency transaction not in excess of a customary brokerage commission in compliance with Financial Industry Regulatory Authority, or FINRA, Rule 5110; and in the case of a principal transaction a markup or markdown in compliance with FINRA Rule 2121.

In connection with the sale of the securities or interests therein, the Selling Stockholders may enter into hedging transactions with broker-dealers or other financial institutions, which may in turn engage in short sales of the securities in the course of hedging the positions they assume. The Selling Stockholders may also sell securities short and deliver these securities to close out their short positions, or loan or pledge the securities to broker-dealers that in turn may sell these securities. The Selling Stockholders may also enter into option or other transactions with broker-dealers or other financial institutions or create one or more derivative securities which require the delivery to such broker-dealer or other financial institution of securities offered by this prospectus, which securities such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The Selling Stockholders and any broker-dealers or agents that are involved in selling the securities may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the securities purchased by them may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Stockholder has informed us that it does not have any written or oral agreement or understanding, directly or indirectly, with any person to distribute the securities.

LEGAL MATTERS

The validity of the securities offered by this prospectus will be passed upon by Dorsey & Whitney LLP.

EXPERTS

The consolidated balance sheet of Ascend Wellness Holdings, Inc. as of December 31, 2021, the related consolidated statement of operations, stockholders’ equity and cash flows for the year ended December 31, 2021, and the related notes incorporated by reference in this prospectus and in the registration statement of which this prospectus forms a part have been so incorporated in reliance on the report of Macias Gini & O’Connell LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

The consolidated balance sheet of Ascend Wellness Holdings, LLC as of December 31, 2020, the related consolidated statement of operations, members’ equity and cash flows for the two years in the period ended December 31, 2020, and the related notes incorporated by reference in this prospectus and in the registration statement of which this prospectus forms a part have been so incorporated in reliance on the report of Marcum LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

WHERE YOU CAN FIND MORE INFORMATION

We file annual, quarterly and other reports, proxy statements and other information with the SEC. Our SEC filings are available to the public over the Internet at the SEC’s website at <http://www.sec.gov>. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K, including any amendments to those reports, and other information that we file with or furnish to the SEC pursuant to Section 13(a) or 15(d) of the Exchange Act can also be accessed free of charge through the Internet. These filings will be available as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC.

We have filed with the SEC a registration statement under the Securities Act relating to the offering of these securities. The registration statement, including the attached exhibits, contains additional relevant information about us and our securities. This prospectus does not contain all of the information set forth in the registration statement.

You can obtain a copy of the registration statement, at prescribed rates, from the SEC at the address listed above. The registration statement and the documents referred to below under “Information Incorporated by Reference” are also available on our Internet website, www.awholdings.com. We have not incorporated by reference into this prospectus the information on our website, and you should not consider it to be a part of this prospectus.

INFORMATION INCORPORATED BY REFERENCE

The SEC allows us to incorporate by reference into this prospectus certain information we file with it, which means that we can disclose important information by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information that we file later with the SEC will automatically update and supersede information contained in this prospectus and any accompanying prospectus supplement. We incorporate by reference the documents listed below that we have previously filed with the SEC (excluding any portions of any Form 8-K that are not deemed “filed” pursuant to the General Instructions of Form 8-K):

- our [Annual Report on Form 10-K](#) for the fiscal year ended December 31, 2021, filed with the SEC on March 11, 2022;
- our [Definitive Proxy Statement on Schedule 14A](#), filed with the SEC on March 28, 2022;
- our Quarterly Reports on Form 10-Q, for the quarterly period ended [March 31, 2022](#), filed with the SEC on May 12, 2022, for the quarterly period ended [June 30, 2022](#), filed with the SEC on August 15, 2022, and for the quarterly period ended [September 30, 2022](#), filed with the SEC on November 14, 2022; and
- our Current Reports on Form 8-K filed with the SEC on [January 4, 2022](#), [January 6, 2022](#), [February 16, 2022](#), [March 8, 2022](#), [April 25, 2022](#), [May 11, 2022](#), [May 11, 2022](#), [May 11, 2022](#), [May 24, 2022](#), [July 5, 2022](#), [August 15, 2022](#), [August 16, 2022](#), [September 15, 2022](#), [September 28, 2022](#), [October 4, 2022](#), and [November 10, 2022](#).

We also incorporate by reference any future filings (other than Current Reports furnished under Items 2.02 or 7.01 of Form 8-K and exhibits filed on such form that are related to such items unless such Form 8-K expressly provides to the contrary) made with the SEC pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act after the date of the initial registration statement of which this prospectus forms a part until we sell all of the securities we are offering or the termination of the offering, excluding, in each case, information deemed furnished and not filed.

Any statement contained in this prospectus, or in a document incorporated or deemed to be incorporated by reference herein, shall be deemed to be modified or superseded to the extent that a statement contained herein, or in any subsequently filed document that also is incorporated or deemed to be incorporated by reference herein, modifies or supersedes such statement. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this prospectus.

We will provide to each person, including any beneficial owner, to whom this prospectus is delivered, upon written or oral request, at no cost to the requester, a copy of any and all of the information that is incorporated by reference in this prospectus.

Requests for such documents should be directed to:

Ascend Wellness Holdings, Inc.
1411 Broadway, 16th Floor
New York, NY 10018
(646) 661-7600
Attention: Daniel Neville

You may also access the documents incorporated by reference in this prospectus through our website at www.awholdings.com. Except for the specific incorporated documents listed above, no information available on or through our website shall be deemed to be incorporated in this prospectus or the registration statement of which it forms a part.

4,380,143 Shares of Class A Common Stock



Ascend Wellness Holdings, Inc.

PROSPECTUS

, 2022

Part II

Information Not Required in Prospectus

Item 14. Other Expenses of Issuance and Distribution

The following table sets forth the estimated costs and expenses (other than the actual registration fee), other than underwriting discounts and commissions, payable by the Registrant in connection with the sale of the securities being registered

Securities and Exchange Commission registration fee	\$12,068
Accounting fees and expenses	*
Legal fees and expenses	*
Transfer agent fees and expenses	*
Printing and miscellaneous expenses	*
Total	\$*

* These fees are calculated based on the number of issuances and amount of securities offered and accordingly cannot be estimated at this time. An estimate of the aggregate amount of these expenses will be reflected in the applicable prospectus supplement.

Item 15. Indemnification of Directors and Officers

Section 102 of the General Corporation Law of the State of Delaware permits a corporation to eliminate the personal liability of directors of a corporation to the corporation or its stockholders for monetary damages for a breach of fiduciary duty as a director, except where the director breached his or her duty of loyalty, failed to act in good faith, engaged in intentional misconduct or knowingly violated a law, authorized the payment of a dividend or approved a stock repurchase in violation of Delaware corporate law or obtained an improper personal benefit. Our certificate of incorporation provides that none of our directors shall be personally liable to us or to our stockholders for monetary damages for any breach of fiduciary duty as a director, notwithstanding any provision of law imposing such liability, except to the extent that the General Corporation Law of the State of Delaware prohibits the elimination or limitation of liability of directors for breaches of fiduciary duty.

Section 145 of the General Corporation Law of the State of Delaware provides that a corporation has the power to indemnify a director, officer, employee or agent of the corporation, or a person serving at the request of the corporation for another corporation, partnership, joint venture, trust or other enterprise in related capacities, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with an action, suit or proceeding to which he or she was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding by reason of such position, if such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the corporation, and, in any criminal action or proceeding, had no reasonable cause to believe his or her conduct was unlawful, except that, in the case of actions brought by or in the right of the corporation, no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery or other adjudicating court determines that, despite the adjudication of liability but in view of all of the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Our certificate of incorporation and bylaws provide indemnification for our directors and officers to the fullest extent permitted by the General Corporation Law of the State of Delaware, subject to certain limited exceptions. We will indemnify each person who was or is a party or threatened to be made a party to any threatened, pending or completed action, suit or proceeding (other than an action by or in the right of us) by reason of the fact that he or she is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise (all such persons being referred to as an "Indemnitee"), or by

reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding and any appeal therefrom, if such Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, and, with respect to any criminal action or proceeding, he or she had no reasonable cause to believe his or her conduct was unlawful. Our certificate of incorporation and bylaws provide that we will indemnify any Indemnitee who was or is a party to an action or suit by or in the right of us to procure a judgment in our favor by reason of the fact that the Indemnitee is or was, or has agreed to become, a director or officer, or is or was serving, or has agreed to serve, at our request as a director, officer, partner, employee or trustee of, or in a similar capacity with, another corporation, partnership, joint venture, trust or other enterprise, or by reason of any action alleged to have been taken or omitted in such capacity, against all expenses (including attorneys' fees) and, to the extent permitted by law, amounts paid in settlement actually and reasonably incurred in connection with such action, suit or proceeding, and any appeal therefrom, if the Indemnitee acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, our best interests, except that no indemnification shall be made with respect to any claim, issue or matter as to which such person shall have been adjudged to be liable to us, unless a court determines that, despite such adjudication but in view of all of the circumstances, he or she is entitled to indemnification of such expenses. Notwithstanding the foregoing, to the extent that any Indemnitee has been successful, on the merits or otherwise, he or she will be indemnified by us against all expenses (including attorneys' fees) actually and reasonably incurred in connection therewith. Expenses must be advanced to an Indemnitee under certain circumstances.

We have entered into indemnification agreements with each of our executive officers and directors. The indemnification agreements provide the executive officers and directors with contractual rights to indemnification, and expense advancement and reimbursement, to the fullest extent permitted under the laws of the State of Delaware in effect from time to time, subject to certain exceptions contained in those agreements.

We maintain a general liability insurance policy that covers certain liabilities of directors and officers of our corporation arising out of claims based on acts or omissions in their capacities as directors or officers.

Item 16. Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference			
		Form	File No.	Exhibit	Filing Date
1.1**	Form of Underwriting Agreement				
4.1†	Ascend Wellness Holdings, Inc. 2021 Stock Incentive Plan	S-8	333-257780	4.2	July 9, 2021
4.2†	Ascend Wellness Holdings, Inc. 2021 Employee Stock Purchase Plan	S-8	333-257780	4.3	July 9, 2021
4.3	Specimen Stock Certificate evidencing the shares of common stock	S-1	333-254800	4.1	April 15, 2021
4.4	Form of Registration Rights Agreement	S-1	333-254800	4.2	April 23, 2021
4.5*	Form of Indenture				
4.6**	Form of Debt Security				
4.7**	Form of Warrant				
4.8**	Form of Warrant Agreement				
4.9**	Form of Subscription Agreement				
4.10**	Form of Subscription Right Agreement				
4.11**	Form of Unit				
4.12	Form of Warrant Agreement between Ascend Wellness Holdings Inc. and each of the several lenders, dated June 30, 2022	10-Q	333-254800	4.5	August 15, 2022
5.1*	Opinion of Dorsey & Whitney LLP				
23.1*	Consent of Independent Registered Accounting Firm (Macias Gini & O'Connell LLP)				
23.2*	Consent of Independent Registered Accounting Firm (Marcum LLP)				
23.3*	Consent of Dorsey & Whitney LLP (included in Exhibit 5.1)				
24.1*	Power of Attorney (included on the signature page to this registration statement on Form S-3)				
25.1**	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended				
99.1*	Base Shelf Prospectus used in connection with the offering of securities in Canada pursuant to the multi-jurisdictional disclosure system				
107*	Filing Fee Table				

* Filed herewith.

** To be filed by amendment or incorporated by reference in connection with the offering of the securities.

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

Item 17. Undertakings

(a) The undersigned Registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(i) To include any prospectus required by Section 10(a)(3) of the Securities Act of 1933;

(ii) To reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) which, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement. Notwithstanding the foregoing, any increase or decrease in volume of securities offered (if the total dollar value of securities offered would not exceed that which was registered) and any deviation from the low or high end of the estimated maximum offering range may be reflected in the form of prospectus filed with the Commission pursuant to Rule 424(b) if, in the aggregate, the changes in volume and price represent no more than 20 percent change in the maximum aggregate offering price set forth in the "Calculation of Registration Fee" table in the effective registration statement; and

(iii) To include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

provided, however, that paragraphs (a)(1)(i), (ii), and (iii) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the SEC by the Registrant pursuant to Section 13 or Section 15(d) of the Securities Exchange Act of 1934 that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act of 1933, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act of 1933 to any purchaser:

(i) Each prospectus filed by the Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and

(ii) Each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5) or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by Section 10(a) of the Securities Act of 1933 shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document

incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to the effective date; or

- (5) That, for the purpose of determining liability of the Registrant under the Securities Act of 1933 to any purchaser in the initial distribution of the securities, the undersigned Registrant undertakes that in a primary offering of securities of the undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer and sell such securities to such purchaser:
- (i) Any preliminary prospectus or prospectus of the undersigned Registrant relating to the offering required to be filed pursuant to Rule 424;
 - (ii) Any free writing prospectus relating to the offering prepared by or on behalf of the undersigned Registrant or used or referred to by the undersigned Registrant;
 - (iii) The portion of any other free writing prospectus relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and
 - (iv) Any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.
- (b) The undersigned Registrant hereby undertakes that, for purposes of determining any liability under the Securities Act of 1933, each filing of the Registrant's annual report pursuant to Section 13(a) or Section 15(d) of the Securities Exchange Act of 1934 (and, where applicable, each filing of an employee benefit plan's annual report pursuant to Section 15(d) of the Securities Exchange Act of 1934) that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.
- (c) Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act of 1933 and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding), is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act of 1933 and will be governed by the final adjudication of such issue.
- (d) The undersigned Registrant hereby undertakes to file an application for the purpose of determining the eligibility of the trustee to act under subsection (a) of Section 310 of the Trust Indenture Act in accordance with the rules and regulations prescribed by the SEC under Section 305(b)(2) of the Trust Indenture Act.
- (e) The undersigned Registrant hereby undertakes that:
- (i) for purposes of determining any liability under the Securities Act of 1933, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or

497(h) under the Securities Act of 1933 shall be deemed to be part of this registration statement as of the time it was declared effective.

- (ii) For the purpose of determining any liability under the Securities Act of 1933, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, the Registrant certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the city of New York, New York on November 22, 2022.

By:	<u>/s/ Daniel Neville</u>
Name:	Daniel Neville
Title:	Interim Co-Chief Executive Officer and Chief Financial Officer

Power of Attorney

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Abner Kurtin and Daniel Neville, and each of them singly, as such person's true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for such person and in such person's name, place and stead, in any and all capacities, to sign any or all amendments (including, without limitation, post-effective amendments) to this registration statement (or any registration statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission, granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that any said attorney-in-fact and agent, or any substitute or substitutes of any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
<u>/s/ Abner Kurtin</u> Abner Kurtin	Executive Chairman and Director	November 22, 2022
<u>/s/ Daniel Neville</u> Daniel Neville	Interim Co-Chief Executive Officer (<i>Co-Principal Executive Officer</i>) and Chief Financial Officer (<i>Principal Financial Officer</i>)	November 22, 2022
<u>/s/ Francis Perullo</u> Francis Perullo	Interim Co-Chief Executive Officer (<i>Co-Principal Executive Officer</i>), President, and Director	November 22, 2022
<u>/s/ Roman Nemchenko</u> Roman Nemchenko	Executive Vice President, Chief Accounting Officer (<i>Principal Accounting Officer</i>)	November 22, 2022
<u>/s/ Scott Swid</u> Scott Swid	Director	November 22, 2022
<u>/s/ Emily Paxhia</u> Emily Paxhia	Director	November 22, 2022

Calculation of Filing Fee Tables

FORM S-3

(Form Type)

ASCEND WELLNESS HOLDINGS, INC.

(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered and Carry Forward Securities

Security Type	Security Class Title ⁽¹⁾	Fee Calculation or Carry Forward Rule	Amount Registered	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Fee Rate	Amount of Registration Fee	
Newly Registered Securities								
Fees to be Paid	Equity	Class A Common Stock, \$0.001 par value	457(o)	(1)	(2)	(1)(2)	\$0.0001102	(1)(2)
Fees to be Paid	Other	Preferred Stock, \$0.001 par value	457(o)	(1)	(2)	(1)(2)	\$0.0001102	(1)(2)
Fees to be Paid	Other	Warrants	457(o)	(1)	(2)	(1)(2)	\$0.0001102	(1)(2)
Fees to be Paid	Other	Debt Securities	457(o)	(1)	(2)	(1)(2)	\$0.0001102	(1)(2)
Fees to be Paid	Other	Subscription Rights	457(o)	(1)	(2)	(1)(2)	\$0.0001102	(1)(2)
Fees to be Paid	Other	Units	457(o)	(1)	(2)	(1)(2)	\$0.0001102	(1)(2)
Fees to be Paid	Unallocated (Universal) Shelf	Unallocated (Universal) Shelf	457(o)	(1)	(2)	\$100,000,000 ⁽¹⁾⁽²⁾	\$0.0001102	\$11,020 ⁽¹⁾⁽²⁾
Fees to be Paid	Equity	Class A Common Stock, \$0.001 par value, underlying previously issued warrants and registered for resale	457(c)	4,380,143 ⁽³⁾	\$2.17 ⁽⁴⁾	\$9,504,911 ⁽³⁾⁽⁴⁾	\$0.0001102	\$1,048 ⁽³⁾⁽⁴⁾
		Total Offering Amounts				\$109,504,911		\$12,068
		Total Fees Previously Paid						\$0
		Total Fee Offsets						\$0
		Net Fee Due						\$12,068

(1) There are being registered under this Registration Statement such indeterminate number of Class A common stock ("Common Shares"), shares of preferred stock, warrants, debt securities, subscription rights and units of the Registrant, and a combination of such securities, separately or as units, as may be sold by the Registrant from time to time, which collectively shall have an aggregate initial offering price not to exceed US\$100,000,000. The securities registered hereunder also include such indeterminate number of each class of identified securities as may be issued upon conversion, exercise or exchange of any other securities that provide for such conversion into, exercise for or exchange into such securities. Separate consideration may or may not be received for securities that are issuable on exercise, conversion or exchange of other securities. In addition, pursuant to Rule 416 under the Securities Act of 1933 (the "Securities Act"), as amended, the common shares being registered hereunder include such indeterminate number of common shares as may be issuable with respect to the shares being registered hereunder as a result of stock splits, stock dividends, or similar transactions. The proposed maximum initial offering price per security will be determined, from time to time, by the Registrant in connection with the sale of the securities under this Registration Statement.

(2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(o) of the Securities Act.

(3) Represents 4,380,143 Common Shares, consisting of Common Shares issuable on exercise of warrants of the Company to be offered by certain selling stockholders named herein.

(4) Estimated in accordance with Rule 457(c) under the Securities Act solely for the purpose of calculating the registration fee, based on the average of the bid and ask prices of shares of the Common Shares, as reported on the OTCQX® Best Market operated by OTC Markets Group, Inc. under the symbol "AAWH" on November 17, 2022, a date within five business days prior to the initial filing of this registration statement.

ASCEND WELLNESS HOLDINGS, INC.
as Issuer

and

[]
as U.S. Trustee

and

[]
as Canadian Trustee

Indenture

Dated as of []

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CROSS-REFERENCE TABLE

<u>TIA Section</u>	<u>Indenture Section</u>
310 (a)	6.08(1)
(b)	6.09
(c)	Not Applicable
311 (a)	6.05
(b)	6.05
(c)	Not Applicable
312 (a)	7.05
(b)	7.03
(c)	7.03
313 (a)	7.04
(b)	7.04
(c)	7.04
(d)	7.05
314 (a)	7.05
(a)(4)	10.04
(b)	Not Applicable
(c)(1)	1.01
(c)(2)	1.01
(d)	Not Applicable
(e)	1.01
(f)	Not Applicable
315 (a)	6.02
(b)	6.01
(c)	6.02
(d)	6.02
(e)	5.15
316 (a)(last sentence)	1.02 (“Outstanding”)
(a)(1)(A)	5.12
(a)(1)(B)	5.02, 5.13
(a)(2)	Not Applicable
(b)	5.08
(c)	1.04(e)
317 (a)(1)	5.03
(a)(2)	5.04
(b)	10.03
318 (a)	1.16

Note: This Cross-Reference Table shall not, for any purpose, be deemed to be part of this Indenture.

INDENTURE, dated as of _____, among Ascend Wellness Holdings, Inc., a corporation duly continued and existing under the laws of Delaware, United States (herein called the “**Company**”), having its principal office at 1411 Broadway, 16th Floor, New York, New York 10018, and _____, a _____, organized under the laws of _____, as U.S. trustee (herein called the “**U.S. Trustee**”), and _____, a _____, organized under the laws of _____, as Canadian trustee (the “**Canadian Trustee**” and, together with the U.S. Trustee, the “**Trustees**”).

RECITALS

The Company has duly authorized the execution and delivery of this Indenture to provide for the issuance from time to time of its debentures, notes, bonds or other evidences of indebtedness (herein called the “**Securities**”), which may be convertible into or exchangeable for any securities of any Person (including the Company), to be issued in one or more series as in this Indenture provided.

This Indenture is subject to the provisions of Trust Indenture Legislation that are required to be part of this Indenture and shall, to the extent applicable, be governed by such provisions.

All things necessary to make this Indenture a valid agreement of the Company, in accordance with its terms, have been done.

NOW, THEREFORE, THIS INDENTURE WITNESSETH:

For and in consideration of the premises and the purchase of the Securities by the Holders thereof, it is mutually covenanted and agreed, for the equal and proportionate benefit of all Holders of the Securities or of series thereof, as follows:

ARTICLE ONE DEFINITIONS AND OTHER PROVISIONS OF GENERAL APPLICATION

SECTION 1.01 Definitions.

“**Act**,” when used with respect to any Holder, has the meaning specified in Section 1.04.

“**Affiliate**” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any specified Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

“**Authenticating Agent**” means any Person authorized by the applicable Trustee pursuant to Section 6.12 to act on behalf of such Trustee to authenticate Securities.

“**Base Currency**” has the meaning specified in Section 1.14.

“**Board of Directors**” means the board of directors of the Company or any duly authorized committee thereof.

“**Board Resolution**” means a copy of a resolution certified by the Corporate Secretary or an Assistant Secretary of the Company to have been duly adopted by the Board of Directors and to be in full force and effect on the date of such certification, and delivered to the Trustees.

“**Business Day**,” when used with respect to any Place of Payment or any other particular location referred to in this Indenture or in the Securities, means, unless otherwise specified with respect to any Securities pursuant to Section 3.01, any day other than Saturday, Sunday or any other day on which commercial banking institutions in that Place of Payment or other location are permitted or required by any applicable law, regulation or executive order to close.

“**calculation period**” has the meaning specified in Section 3.11.

“**Canadian Trustee**” means the Person named as the “Canadian Trustee” in the first paragraph of this Indenture until a successor Canadian Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Canadian Trustee” shall mean or include each Person who is then a Canadian Trustee hereunder; *provided, however*, that if at any time there is more than one such Person, “Canadian Trustee” as used with respect to the Securities of any series shall mean only the Canadian Trustee with respect to Securities of that series.

“**Commission**” means the U.S. Securities and Exchange Commission, as from time to time constituted, created under the Exchange Act, or, if at any time after the execution of this Indenture such Commission is not existing and performing the duties now assigned to it under the Trust Indenture Act, then the body performing such duties at such time.

“**Company**” means the Person named as the “Company” in the first paragraph of this Indenture until a successor Person shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “Company” shall mean such successor Person.

“**Company Request**” or “**Company Order**” means a written request or order signed in the name of the Company by an Officer and delivered to the Trustees.

“**Component Currency**” has the meaning specified in Section 3.12(h).

“**Conversion Date**” has the meaning specified in Section 3.12(d).

“**Conversion Event**” means the cessation of use of (i) a Foreign Currency (other than the Euro or other Currency unit) both by the government of the country which issued such Currency and by a central bank or other public institution of or within the international banking community for the settlement of transactions, (ii) the Euro or (iii) any currency unit (or composite currency) other than the Euro for the purposes for which it was established.

“**Corporate Trust Office**” means the principal corporate trust office of the U.S. Trustee or the Canadian Trustee, as applicable, at which at any particular time its corporate trust business may be administered, such an office on the date of execution of this Indenture of the U.S. Trustee is located at _____, Attention: _____, and of the Canadian Trustee is located at _____, Attention: _____, except that with respect to presentation of Securities for payment or for registration of transfer or exchange, such term shall mean the office or agency of the U.S. Trustee or the Canadian Trustee, as applicable, designated in writing to the Company at which, at any particular time, its corporate agency business shall be conducted.

“**covenant defeasance**” has the meaning specified in Section 14.03.

“**Currency**” means any currency or currencies, composite currency or currency unit or currency units, including, without limitation, the Euro, issued by the government of one or more countries or by any recognized confederation or association of such governments.

“**Default**” means any event which is, or after notice or passage of time or both would be, an Event of Default.

“**Defaulted Interest**” has the meaning specified in Section 3.07.

“**defeasance**” has the meaning specified in Section 14.02.

“**Depository**” means, with respect to the Securities of any series issuable or issued in global form, the Person designated as Depository by the Company pursuant to Section 3.05 until a successor Depository shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “**Depository**” shall mean or include each Person who is then a Depository hereunder, and, if at any time there is more than one such Person, “**Depository**” as used with respect to the Securities of any such series shall mean the Depository with respect to the Securities of that series.

“**Dollar**” or “**\$**” means a dollar or other equivalent unit in such coin or currency of the United States of America as at the time shall be legal tender for the payment of public and private debts.

“**Dollar Equivalent of the Currency Unit**” has the meaning specified in Section 3.12(g).

“**Dollar Equivalent of the Foreign Currency**” has the meaning specified in Section 3.12(f).

“**Election Date**” has the meaning specified in Section 3.12(h).

“**Euro**” means the single currency of the participating member states from time to time of the European Union described in legislation of the European Council for the operation of a single unified European currency (whether known as the Euro or otherwise).

“**Event of Default**” has the meaning specified in Section 5.01.

“**Exchange Act**” means the United States Securities Exchange Act of 1934, as amended.

“**Exchange Date**” has the meaning specified in Section 3.04.

“**Exchange Rate Agent**” means, with respect to Securities of or within any series, unless otherwise specified with respect to any Securities pursuant to Section 3.01, a New York clearing house bank, designated pursuant to Section 3.01 or Section 3.13.

“**Exchange Rate Officer’s Certificate**” means a tested telex or a certificate setting forth (i) the applicable Market Exchange Rate and (ii) the Dollar or Foreign Currency amounts of principal, premium (if any) and interest (if any) (on an aggregate basis and on the basis of a Security having the lowest denomination principal amount determined in accordance with Section 3.02 in the relevant Currency), payable with respect to a Security of any series on the basis of such Market Exchange Rate, sent (in the case of a telex) or signed (in the case of a certificate) by the Chief Executive Officer, President or Chief Financial Officer of the Company.

“**Extension Notice**” has the meaning specified in Section 3.08.

“**Extension Period**” has the meaning specified in Section 3.08.

“**Final Maturity**” has the meaning specified in Section 3.08.

“**First Currency**” has the meaning specified in Section 1.15.

“**Foreign Currency**” means any Currency other than Currency of the United States.

“**GAAP**” means generally accepted accounting principles in Canada in effect from time to time, unless the Person’s most recent audited or quarterly financial statements are not prepared in accordance with generally accepted accounting principles in Canada, in which case “GAAP” shall mean generally accepted accounting principles in the United States in effect from time to time.

“**Government Obligations**” means, unless otherwise specified with respect to any series of Securities pursuant to Section 3.01, securities which are (i) direct obligations of the government which issued the Currency in which the Securities of a particular series are payable or (ii) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the government which issued the Currency in which the Securities of such series are payable, the payment of which is unconditionally guaranteed by such government, which, in either case, are full faith and credit obligations of such government payable in such Currency and are not callable or redeemable at the option of the issuer thereof and shall also include a depository receipt issued by a bank or trust company as custodian with respect to any such Government Obligation or a specific payment of interest on or principal of any such Government Obligation held by such custodian for the account of the holder of a depository receipt; *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depository receipt from any amount received by the custodian in respect of the Government Obligation or the specific payment of interest or principal of the Government Obligation evidenced by such depository receipt.

“**Holder**” means the Person in whose name a Security is registered in the Security Register.

“**Indenture**” means this instrument as originally executed and as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof, and shall include the terms of particular series of Securities established as contemplated by Section 3.01; *provided, however*, that, if at any time more than one Person is acting as Trustee under this instrument, “Indenture” shall mean, with respect to any one or more series of Securities for which such Person is Trustee, this instrument as originally executed or as it may from time to time be supplemented or amended by one or more indentures supplemental hereto entered into pursuant to the applicable provisions hereof and shall include the terms of the particular series of Securities for which such Person is Trustee established as contemplated by Section 3.01, exclusive, however, of any provisions or terms which relate solely to other series of Securities for which such Person is not Trustee, regardless of when such terms or provisions were adopted, and exclusive of any provisions or terms adopted by means of one or more indentures supplemental hereto executed and delivered after such Person had become such Trustee but to which such Person, as such Trustee, was not a party.

“**Indexed Security**” means a Security the terms of which provide that the principal amount thereof payable at Stated Maturity may be more or less than the principal face amount thereof at original issuance.

“**interest**,” when used with respect to an Original Issue Discount Security which by its terms bears interest only after Maturity, means interest payable after Maturity at the rate prescribed in such Original Issue Discount Security.

“**Interest Payment Date**,” when used with respect to any Security, means the Stated Maturity of an installment of interest on such Security.

“**Judgment Currency**” has the meaning specified in Section 1.14.

“**Lien**” means any mortgage, pledge, hypothecation, charge, assignment, deposit arrangement, encumbrance, security interest, lien (statutory or other), or preference, priority or other security or similar agreement or preferential arrangement of any kind or nature whatsoever (including, without limitation, any agreement to give or grant a Lien or any lease, conditional sale or other title retention agreement having substantially the same economic effect as any of the foregoing).

“**mandatory sinking fund payment**” has the meaning specified in Section 12.01.

“**Market Exchange Rate**” means, unless otherwise specified with respect to any Securities pursuant to Section 3.01, (i) for any conversion involving a Currency unit on the one hand and Dollars or any Foreign Currency on the other, the exchange rate between the relevant Currency unit and Dollars or such Foreign Currency calculated by the method specified pursuant to Section 3.01 for the Securities of the relevant series, (ii) for any conversion of Dollars into any Foreign Currency, the noon (New York City time) buying rate for such Foreign Currency for cable transfers quoted in New York City as certified for customs purposes by the Federal Reserve Bank of New York and (iii) for any conversion of one Foreign Currency into Dollars or another Foreign Currency, the spot rate at noon local time in the relevant market at which, in accordance with normal banking procedures, the Dollars or Foreign Currency into which conversion is being made could be purchased with the Foreign Currency from which conversion is being made from major banks located in New York City, Toronto, London or any other principal market for Dollars or such purchased Foreign Currency, in each case determined by the Exchange Rate Agent. Unless otherwise specified with respect to any Securities pursuant to Section 3.01, in the event of the unavailability of any of the exchange rates provided for in the foregoing clauses (i), (ii) and (iii), the Exchange Rate Agent shall use, in its sole discretion and without liability on its part, such quotation of the Federal Reserve Bank of New York as of the most recent available date, or quotations from one or more major banks in New York City, Toronto, London or another principal market for the Currency in question, or such other quotations as the Exchange Rate Agent shall deem appropriate. Unless otherwise specified by the Exchange Rate Agent, if there is more than one market for dealing in any Currency by reason of foreign exchange regulations or otherwise, the market to be used in respect of such Currency shall be that upon which a non-resident issuer of securities designated in such Currency would purchase such Currency in order to make payments in respect of such securities.

“**Maturity**,” when used with respect to any Security, means the date on which the principal of such Security or an installment of principal becomes due and payable as therein or herein provided, whether at the Stated Maturity or by declaration of acceleration, notice of redemption, notice of option to elect repayment or otherwise.

“**Notice of Default**” has the meaning specified in Section 6.01.

“**Officer**” means the Chair of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, the Chief Operating Officer, any Executive Vice President, any Vice President, the Treasurer or the Corporate Secretary of the Company or, in the event that the Company is a partnership or a limited liability company that has no such officers, a person duly authorized under applicable law by the general partner, managers, members or a similar body to act on behalf of the Company.

“**Officer’s Certificate**” means a certificate, which shall comply with this Indenture, signed by an Officer and delivered to the Trustees.

“**Opinion of Counsel**” means a written opinion of counsel, who may be counsel for the Company, including an employee of the Company, who shall be acceptable to the Trustees, which opinion may contain customary exceptions and qualifications as to the matters set forth therein.

“**Optional Reset Date**” has the meaning specified in Section 3.07.

“**optional sinking fund payment**” has the meaning specified in Section 12.01.

“**Original Issue Discount Security**” means any Security which provides for an amount less than the principal amount thereof to be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.02.

“**Original Stated Maturity**” has the meaning specified in Section 3.08.

“**Outstanding**,” when used with respect to Securities, means, as of the date of determination, all Securities theretofore authenticated and delivered under this Indenture, except:

- (i) Securities theretofore cancelled by either Trustee or delivered to either Trustee for cancellation;
- (ii) Securities, or portions thereof, for whose payment or redemption or repayment at the option of the Holder, money in the necessary amount has been theretofore deposited with either Trustee or any Paying Agent (other than the Company) in trust or set aside and segregated in trust by the Company (if the Company shall act as its own Paying Agent) for the Holders of such Securities; *provided* that, if such Securities are to be redeemed, notice of such redemption has been duly given pursuant to this Indenture or provision therefor satisfactory to the Trustees has been made;
- (iii) Securities, except to the extent provided in Section 14.02 and Section 14.03, with respect to which the Company has effected defeasance and/or covenant defeasance as provided in Article Fourteen; and
- (iv) Securities which have been paid pursuant to Section 3.06 or in exchange for or in lieu of which other Securities have been authenticated and delivered pursuant to this Indenture, other than any such Securities in respect of which there shall have been presented to the Trustees proof satisfactory to them that such Securities are held by a bona fide purchaser in whose hands such Securities are valid obligations of the Company;

provided, however, that in determining whether the Holders of the requisite principal amount of the Outstanding Securities have given any request, demand, authorization, direction, notice, consent or waiver hereunder, and for the purpose of making the calculations required by TIA Section 313, (i) the principal amount of an Original Issue Discount Security that may be counted in making such determination or calculation and that shall be deemed to be Outstanding for such purpose shall be equal to the amount of principal thereof that would be (or shall have been declared to be) due and payable, at the time of such determination, upon a declaration of acceleration of the maturity thereof pursuant to Section 5.02, (ii) the principal amount of any Security denominated in a Foreign Currency that may be counted in making such determination or calculation and that shall be deemed Outstanding for such purpose shall be equal to the Dollar equivalent, determined as of the date such Security is originally issued by the Company as set forth in an Exchange Rate Officer’s Certificate delivered to the Trustees, of the principal amount (or, in the case of an Original Issue Discount Security, the Dollar equivalent as of such date of original issuance of the amount determined as provided in clause (i) above) of such Security, (iii) the principal amount of any Indexed Security that may be counted in making such determination or calculation and that shall be deemed outstanding for such purpose shall be equal to the principal face amount of such Indexed Security at original issuance, unless otherwise provided with respect to such Security pursuant to Section 3.01, and (iv) Securities owned by the Company or any other obligor upon the Securities or any Affiliate of the Company or of such other obligor shall be disregarded and deemed

not to be Outstanding, except that, in determining whether the Trustees shall be protected in making such calculation or in relying upon any such request, demand, authorization, direction, notice, consent or waiver, only Securities which the Trustees know to be so owned shall be so disregarded. Securities so owned which have been pledged in good faith may be regarded as Outstanding if the pledgee establishes to the satisfaction of the Trustees the pledgee's right so to act with respect to such Securities and that the pledgee is not the Company or any other obligor upon the Securities or any Affiliate of the Company or such other obligor.

“**Paying Agent**” means any Person (including the Company acting as Paying Agent) authorized by the Company to pay the principal of, premium (if any) or interest (if any) on any Securities on behalf of the Company. Such Person must be capable of making payment in the Currency of the issued Security.

“**Person**” means any individual, corporation, body corporate, partnership, limited partnership, limited liability partnership, joint venture, limited liability company, unlimited liability company, association, joint-stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

“**Place of Payment**” means, when used with respect to the Securities of or within any series, each place where the principal of, premium (if any) and interest (if any) on such Securities are payable as specified as contemplated by Sections 3.01 and 10.02.

“**Predecessor Security**” of any particular Security means every previous Security evidencing all or a portion of the same debt as that evidenced by such particular Security; and, for the purposes of this definition, any Security authenticated and delivered under Section 3.06 in exchange for or in lieu of a mutilated, destroyed, lost or stolen Security shall be deemed to evidence the same debt as the mutilated, destroyed, lost or stolen Security.

“**Privacy Laws**” has the meaning specified in Section 6.14.

“**rate(s) of exchange**” has the meaning specified in Section 1.14.

“**Redemption Date**,” when used with respect to any Security to be redeemed, in whole or in part, means the date fixed for such redemption by or pursuant to this Indenture.

“**Redemption Price**,” when used with respect to any Security to be redeemed, in whole or in part, means the price at which it is to be redeemed pursuant to this Indenture, plus accrued and unpaid interest thereon to the Redemption Date.

“**Regular Record Date**” for the interest payable on any Interest Payment Date on the Securities of or within any series means the date specified for that purpose as contemplated by Section 3.01.

“**Repayment Date**” means, when used with respect to any Security to be repaid at the option of the Holder, the date fixed for such repayment pursuant to this Indenture.

“**Reset Notice**” has the meaning specified in Section 3.07.

“**Responsible Officer**,” when used with respect to a Trustee, means any vice president, secretary, any assistant secretary, treasurer, any assistant treasurer, any senior trust officer, any trust officer, the controller within the corporate trust administration division of a Trustee or any other officer of a Trustee customarily performing functions similar to those performed by any of the above-designated officers, and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“**Securities**” has the meaning stated in the first recital of this Indenture and more particularly means any Securities authenticated and delivered under this Indenture; *provided, however*, that if at any time there is more than one Person acting as Trustee under this Indenture, “Securities” with respect to the Indenture as to which such Person is Trustee shall have the meaning stated in the first recital of this Indenture and shall more particularly mean Securities authenticated and delivered under this Indenture, exclusive, however, of Securities of any series as to which such Person is not Trustee.

“**Security Register**” and “**Security Registrar**” have the respective meanings specified in Section 3.05.

“**Special Record Date**” for the payment of any Defaulted Interest on the Securities of or within any series means a date fixed by the Trustees pursuant to Section 3.07.

“**Specified Amount**” has the meaning specified in Section 3.12(h).

“**Stated Maturity**,” when used with respect to any Security or any installment of principal thereof or interest thereon, means the date specified in such Security as the fixed date on which the principal of such Security or such installment of principal or interest is due and payable, as such date may be extended pursuant to the provisions of Section 3.08 (if applicable).

“**Subsequent Interest Period**” has the meaning specified in Section 3.07.

“**Trust Indenture Act**” or “**TIA**” means the United States Trust Indenture Act of 1939, as amended, as in force at the date as of which this Indenture was executed, except as provided in Section 9.05.

“**Trust Indenture Legislation**” means, at any time, the provisions of (i) any applicable statute of Canada or any province or territory thereof and the regulations thereunder as amended or re-enacted from time to time, but only to the extent applicable, or (iii) the Trust Indenture Act and regulations thereunder, but only to the extent applicable, in each case relating to trust indentures and to the rights, duties and obligations of trustees under trust indentures and of corporations issuing debt obligations under trust indentures, to the extent that such provisions are at such time in force and applicable to this Indenture or the Company or the Trustees.

“**Trustee**” or “**Trustees**” means the U.S. Trustee and the Canadian Trustee. If a Canadian Trustee is not appointed under this Indenture, or resigns or is removed and, pursuant to Section 6.09, the Company is not required to appoint a successor Trustee to the Canadian Trustee, “Trustee,” “Trustees” and any reference to “either Trustee,” “both of the Trustees” or such similar references shall mean the Person named as the U.S. Trustee or any successor thereto appointed pursuant to the applicable provisions of this Indenture. Except to the extent otherwise indicated, “Trustees” shall refer to the Canadian Trustee (if appointed and still serving) and the U.S. Trustee, both jointly and individually.

“**U.S. Federal Bankruptcy Code**” means the Bankruptcy Act of Title 11 of the United States Code, as amended from time to time.

“**U.S. Trustee**” means the Person named as the “U.S. Trustee” in the first paragraph of this Indenture until a successor U.S. Trustee shall have become such pursuant to the applicable provisions of this Indenture, and thereafter “U.S. Trustee” shall mean or include each Person who is then a U.S. Trustee hereunder; *provided, however*, that if at any time there is more than one such Person, “U.S. Trustee” as used with respect to the Securities of any series shall mean only the U.S. Trustee with respect to Securities of that series.

“**United States**” means, unless otherwise specified with respect to any Securities pursuant to Section 3.01, the United States of America (including the states and the District of Columbia), its territories, its possessions and other areas subject to its jurisdiction.

“**United States person**” means, unless otherwise specified with respect to any Securities pursuant to Section 3.01, an individual who is a citizen or resident of the United States, a corporation, partnership (including any entity treated as a corporation or as a partnership for United States federal income tax purposes) or other entity created or organized in or under the laws of the United States, any state thereof or the District of Columbia, an estate the income of which is subject to United States federal income taxation regardless of its source, or a trust if (A) it is subject to the primary supervision of a court within the United States and one or more United States persons have the authority to control all substantial decisions of the trust or (B) it has a valid election in effect under applicable United States Treasury Regulations to be treated as a United States person.

“**Valuation Date**” has the meaning specified in Section 3.12(c).

“**Writing**” has the meaning specified in Section 6.13.

“**Yield to Maturity**” means the yield to maturity, computed at the time of issuance of a Security (or, if applicable, at the most recent redetermination of interest on such Security) and as set forth in such Security in accordance with generally accepted United States bond yield computation principles.

SECTION 1.02 Rules of Construction.

For all purposes of this Indenture, except as otherwise expressly provided or unless the context otherwise requires:

- (1) the terms defined in this Indenture have the meanings assigned to them herein and include the plural as well as the singular;
- (2) all terms used herein which are defined in the Trust Indenture Act, either directly or by reference therein, have the meanings assigned to them therein, and the terms “cash transaction” and “self-liquidating paper,” as used in TIA Section 319, shall have the meanings assigned to them in the rules of the Commission adopted under the Trust Indenture Act;
- (3) the words “herein,” “hereof” and “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or other subdivision;
- (4) “or” is not exclusive;
- (5) words implying any gender shall apply to all genders;
- (6) the words Subsection, Section and Article refer to the Subsections, Sections and Articles, respectively, of this Indenture unless otherwise noted; and
- (7) “include,” “includes” or “including” means include, includes or including, in each case, without limitation.

SECTION 1.03 Compliance Certificates and Opinions.

Upon any application or request by the Company to the Trustees to take any action under any provision of this Indenture, the Company shall furnish to the Trustees an Officer’s Certificate stating that all conditions precedent, if any, provided for in this Indenture (including any covenant compliance with

which constitutes a condition precedent) relating to the proposed action have been complied with and an Opinion of Counsel stating that in the opinion of such counsel all such conditions precedent, if any, have been complied with, except that in the case of any such application or request as to which the furnishing of such documents is specifically required by any provision of this Indenture relating to such particular application or request, no additional certificate or opinion need be furnished.

Every certificate or opinion with respect to compliance with a covenant or condition provided for in this Indenture (other than pursuant to Section 10.04) shall include:

- (1) a statement that each individual signing such certificate or opinion has read such covenant or condition and the definitions herein relating thereto;
- (2) a brief statement as to the nature and scope of the examination or investigation upon which the statements or opinions contained in such certificate or opinion are based;
- (3) a statement that, in the opinion of each such individual, he has made such examination or investigation as is necessary to enable him to express an informed opinion as to whether or not such covenant or condition has been complied with; and
- (4) a statement as to whether, in the opinion of each such individual, such covenant or condition has been complied with.

SECTION 1.04 Form of Documents Delivered to Trustees.

In any case where several matters are required to be certified by, or covered by an opinion of, any specified Person, it is not necessary that all such matters be certified by, or covered by the opinion of, only one such Person, or that they be so certified or covered by only one document, but one such Person may certify or give an opinion with respect to some matters and one or more other such Persons may certify or give an opinion with respect to other matters, and any such Person may certify or give an opinion as to such matters in one or several documents.

Any certificate or opinion of an officer of the Company may be based, insofar as it relates to legal matters, upon an Opinion of Counsel, a certificate of, or representations by, counsel, unless such officer knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the matters upon which his certificate or opinion is based are erroneous. Any such certificate or Opinion of Counsel may be based, insofar as it relates to factual matters, upon a certificate or opinion of, or representations by, an officer or officers of the Company stating that the information with respect to such factual matters is in the possession of the Company, unless such counsel knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to such matters are erroneous.

Any certificate or opinion of an officer of the Company or counsel may be based, insofar as it relates to accounting matters, upon a certificate or opinion of, or representations by, an accountant or firm of accountants in the employ of the Company, unless such officer or counsel, as the case may be, knows, or in the exercise of reasonable care should know, that the certificate or opinion or representations with respect to the accounting matters upon which such certificate or opinion may be based are erroneous. Any certificate or opinion of any independent firm of public accountants filed with the Trustees shall contain a statement that such firm is independent.

Where any Person is required to make, give or execute two or more applications, requests, consents, certificates, statements, opinions or other instruments under this Indenture, they may, but need not, be consolidated and form one instrument.

SECTION 1.05 Acts of Holders.

(a) Any request, demand, authorization, direction, notice, consent, waiver or other action provided by this Indenture to be given or taken by Holders of the Outstanding Securities of all series or one or more series, as the case may be, may be embodied in and evidenced by one or more instruments of substantially similar tenor signed by such Holders in person or by agents duly appointed in writing. Except as herein otherwise expressly provided, such action shall become effective when such instrument or instruments or record or both are delivered to the Trustees and, where it is hereby expressly required, to the Company. Such instrument or instruments and any such record (and the action embodied therein and evidenced thereby) are herein sometimes referred to as the “Act” of the Holders signing such instrument or instruments or so voting at any such meeting. Proof of execution of any such instrument or of a writing appointing any such agent, or of the holding by any Person of a Security, shall be sufficient for any purpose of this Indenture and conclusive in favor of the Trustees and the Company, if made in the manner provided in this Section 1.05. The Trustees may make reasonable rules for action by or at a meeting of Holders.

(b) The fact and date of the execution by any Person of any such instrument or writing may be proved by the affidavit of a witness of such execution or by a certificate of a notary public or other officer authorized by law to take acknowledgments of deeds, certifying that the individual signing such instrument or writing acknowledged to him the execution thereof. Where such execution is by a signer acting in a capacity other than his individual capacity, such certificate or affidavit shall also constitute sufficient proof of authority. The fact and date of the execution of any such instrument or writing, or the authority of the Person executing the same, may also be proved in any other manner which the Trustees deem sufficient.

(c) The ownership of the Securities, including the principal amount and serial numbers, and the date of holding the same, shall be proved by the Security Register.

(d) If the Company shall solicit from the Holders of Securities any request, demand, authorization, direction, notice, consent, waiver or other Act, the Company may, at its option, by or pursuant to a Board Resolution, fix in advance a record date for the determination of Holders entitled to give such request, demand, authorization, direction, notice, consent, waiver or other Act, but the Company shall have no obligation to do so. Notwithstanding Trust Indenture Legislation, including TIA Section 316(c), such record date shall be the record date specified in or pursuant to such Board Resolution, which shall be a date not earlier than the date 30 days prior to the first solicitation of Holders generally in connection therewith and not later than the date such solicitation is completed. If such a record date is fixed, such request, demand, authorization, direction, notice, consent, waiver or other Act may be given before or after such record date, but only the Holders of record at the close of business on such record date shall be deemed to be Holders for the purposes of determining whether Holders of the requisite proportion of Outstanding Securities have authorized or agreed or consented to such request, demand, authorization, direction, notice, consent, waiver or other Act, and for that purpose the Outstanding Securities shall be computed as of such record date; *provided* that no such authorization, agreement or consent by the Holders on such record date shall be deemed effective unless it shall become effective pursuant to the provisions of this Indenture not later than eleven months after the record date.

(e) Any request, demand, authorization, direction, notice, consent, waiver or other Act of the Holder of any Security shall bind every future Holder of the same Security and the Holder of every Security issued upon the registration of transfer thereof or in exchange therefor or in lieu thereof in respect of anything done, omitted or suffered to be done by the Trustees or the Company in reliance thereon, whether or not notation of such action is made upon such Security.

SECTION 1.06 Notices, Etc. to Trustees and Company.

Any request, demand, authorization, direction, notice, consent, waiver or Act of Holders or other documents provided or permitted by this Indenture to be made upon, given or furnished to, or filed with:

- (1) the U.S. Trustee, by the Canadian Trustee, any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the U.S. Trustee at its Corporate Trust Office, Attention: _____, or
- (2) the Canadian Trustee, by the U.S. Trustee, any Holder or by the Company shall be sufficient for every purpose hereunder if made, given, furnished or filed in writing to or with the Canadian Trustee at its Corporate Trust Office, Attention: _____, or
- (3) the Company by either Trustee or any Holder shall be sufficient for every purpose hereunder (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, or sent by overnight courier, to the Company at 1411 Broadway, 16th Floor, New York, New York, United States, Attention: General Counsel and Chief Legal Officer or such other address and/or officer as the Company may designate on written notice to the Trustees.

SECTION 1.07 Notice to Holders; Waiver.

Where this Indenture provides for notice of any event to Holders of Securities by the Company or the Trustees, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each such Holder affected by such event, at his address as it appears in the Security Register. In any case where notice to Holders of Securities is given by mail, neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder shall affect the sufficiency of such notice with respect to other Holders of Securities. Any notice mailed to a Holder in the manner herein prescribed shall be conclusively deemed to have been received by such Holder, whether or not such Holder actually receives such notice.

In case, by reason of the suspension of or irregularities in regular mail service or by reason of any other cause, it shall be impractical to mail notice of any event to Holders of Securities when such notice is required to be given pursuant to any provision of this Indenture, then any manner of giving such notice as shall be satisfactory to the Trustees shall be deemed to be sufficient giving of such notice for every purpose hereunder.

Any request, demand, authorization, direction, notice, consent or waiver required or permitted under this Indenture shall be in the English language, except that any published notice may be in an official language of the country of publication.

Where this Indenture provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Trustees, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 1.08 Effect of Headings and Table of Contents.

The Article and Section headings herein and the Table of Contents are for convenience only and shall not affect the construction hereof.

SECTION 1.09 Successors and Assigns.

All covenants and agreements in this Indenture by the Company and the Trustees shall bind their successors and assigns, whether so expressed or not.

SECTION 1.10 Severability Clause.

In case any provision in this Indenture or in any Security shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

SECTION 1.11 Benefits of Indenture.

Nothing in this Indenture or in the Securities, express or implied, shall give to any Person, other than the parties hereto, any Authenticating Agent, any Paying Agent, any Securities Registrar and their successors hereunder and the Holders of Securities, any benefit or any legal or equitable right, remedy or claim under this Indenture. Subject to Section 1.16, at all times in relation to this Indenture and any action to be taken hereunder, the Company and the Trustees each shall observe and comply with Trust Indenture Legislation and the Company, the Trustees and each Holder of a Security shall be entitled to the benefits of Trust Indenture Legislation.

SECTION 1.12 Governing Law.

This Indenture and the Securities shall be governed by and construed in accordance with the law of the State of New York, but without giving effect to applicable principles of conflicts of law to the extent that the application of the law of another jurisdiction would be required thereby. Notwithstanding the preceding sentence, the exercise, performance or discharge by the Canadian Trustee of any of its rights, powers, duties or responsibilities hereunder shall be construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable thereto. This Indenture is subject to the provisions of Trust Indenture Legislation that are required to be part of this Indenture and shall, to the extent applicable, be governed by such provisions. Each Trustee and the Company agrees to comply with all provisions of Trust Indenture Legislation applicable to or binding upon it in connection with this Indenture and any action to be taken hereunder.

SECTION 1.13 Legal Holidays.

In any case where any Interest Payment Date, Redemption Date, sinking fund payment date or Stated Maturity or Maturity of any Security shall not be a Business Day at any Place of Payment or other location contemplated hereunder, then (notwithstanding any other provision of this Indenture or of any Security other than a provision in the Securities of any series which specifically states that such provision shall apply in lieu of this Section 1.13), payment of principal, premium (if any) or interest (if any), need not be made at such Place of Payment or other location contemplated hereunder on such date, but may be made on the next succeeding Business Day at such Place of Payment or other location contemplated hereunder with the same force and effect as if made on the Interest Payment Date or Redemption Date or sinking fund payment date, or at the Stated Maturity or Maturity; *provided* that no interest shall accrue for the period from and after such Interest Payment Date, Redemption Date, sinking fund payment date, Stated Maturity or Maturity, as the case may be.

SECTION 1.14 Agent for Service; Submission to Jurisdiction; Waiver of Immunities.

By the execution and delivery of this Indenture, the Company (i) acknowledges that it has irrevocably designated and appointed _____ as its authorized agent upon which

process may be served in any suit, action or proceeding arising out of or relating to the Securities or this Indenture that may be instituted in any United States federal or New York state court located in The Borough of Manhattan, The City of New York, or brought by the Trustees (whether in their individual capacity or in their capacity as Trustees hereunder), (ii) irrevocably submits to the non-exclusive jurisdiction of any such court in any such suit or proceeding, and (iii) agrees that service of process upon _____ and written notice of said service to the Company (mailed or delivered to the Company at 1411 Broadway, 16th Floor, New York, New York 10018, Attention: Corporate Secretary or such other address and/or officer as the Company may designate on written notice to the Trustees), shall be deemed in every respect effective service of process upon the Company in any such suit or proceeding. The Company further agrees to take any and all action, including the execution and filing of any and all such documents and instruments, as may be necessary to continue such designation and appointment of _____ in full force and effect so long as this Indenture shall be in full force and effect.

To the extent that the Company has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process (whether through service of notice, attachment prior to judgment, attachment in aid of execution, execution or otherwise) with respect to itself or its property, the Company hereby irrevocably waives such immunity in respect of its obligations under this Indenture and the Securities, to the extent permitted by law.

The Company irrevocably and unconditionally waives, to the fullest extent permitted by law, any objection that it may now or hereafter have to the laying of venue of any such action, suit or proceeding in any such court or any appellate court with respect thereto. The Company irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of any such action, suit or proceeding in any such court.

SECTION 1.15 Conversion of Judgment Currency.

(a) The Company covenants and agrees that the following provisions shall apply to conversion of Currency in the case of the Securities and this Indenture, to the fullest extent permitted by applicable law:

(i) If for the purposes of obtaining judgment in, or enforcing the judgment of, any court in any country, it becomes necessary to convert into a Currency (the “**Judgment Currency**”) an amount due or contingently due in any other Currency under the Securities of any series and this Indenture (the “**Base Currency**”), then the conversion shall be made at the rate of exchange prevailing on the Business Day before the day on which the final judgment is given or the order of enforcement is made, as the case may be (unless a court shall otherwise determine).

(ii) If there is a change in the rate of exchange prevailing between the Business Day before the day on which the judgment referred to in (i) above is given or an order of enforcement is made, as the case may be (or such other date as a court shall determine), and the date of receipt of the amount due, the Company shall pay such additional (or, as the case may be, such lesser) amount, if any, as may be necessary so that the amount paid in the Judgment Currency when converted at the rate of exchange prevailing on the date of receipt will produce the amount in the Base Currency originally due.

(b) In the event of the winding-up of the Company at any time while any amount or damages owing under the Securities and this Indenture, or any judgment or order rendered in respect thereof, shall remain outstanding, the Company shall indemnify and hold the Holders and the Trustees harmless against any deficiency arising or resulting from any variation in rates of exchange between (1) the date as of which the equivalent of the amount in the Base Currency due or contingently due under the Securities and

this Indenture (other than under this Subsection (b)) is calculated for the purposes of such winding-up and (2) the final date for the filing of proofs of claim in such winding-up. For the purpose of this Subsection (b) the final date for the filing of proofs of claim in the winding-up of the Company shall be the date fixed by the liquidator or otherwise in accordance with the relevant provisions of applicable law as being the latest practicable date as at which liabilities of the Company may be ascertained for such winding-up prior to payment by the liquidator or otherwise in respect thereto.

(c) The obligations contained in Subsections (a)(ii) and (b) of this Section 1.15 shall constitute separate and independent obligations of the Company from its other obligations under the Securities and this Indenture, shall give rise to separate and independent causes of action against the Company, shall apply irrespective of any waiver or extension granted by any Holder or the Trustees from time to time and shall continue in full force and effect notwithstanding any judgment or order or the filing of any proof of claim in the winding up of the Company for a liquidated sum in respect of amounts due hereunder (other than under Subsection (b) above) or under any such judgment or order. Any such deficiency as aforesaid shall be deemed to constitute a loss suffered by the Holders or the Trustees, as the case may be, and no proof or evidence of any actual loss shall be required by the Company or its liquidator. In the case of Subsection (b) above, the amount of such deficiency shall not be deemed to be increased or reduced by any variation in rates of exchange occurring between the said final date and the date of any liquidating distribution.

The term “**rate(s) of exchange**” shall mean the rate of exchange quoted by a Canadian chartered bank as may be designated in writing by the Company to the Trustees from time to time, at its central foreign exchange desk in its main office in Vancouver at 12:00 noon (Vancouver time) on the relevant date for purchases of the Base Currency with the Judgment Currency and includes any premiums and costs of exchange payable. The Trustees shall have no duty or liability with respect to monitoring or enforcing this Section 1.15.

SECTION 1.16 Currency Equivalent.

Except as otherwise provided in this Indenture, for purposes of the construction of the terms of this Indenture or of the Securities, in the event that any amount is stated herein in the Currency of one nation (the “**First Currency**”), as of any date such amount shall also be deemed to represent the amount in the Currency of any other relevant nation which is required to purchase such amount in the First Currency at the Bank of Canada noon rate as reported by Telerate on screen 3194 (or such other means of reporting the Bank of Canada noon rate as may be agreed upon by each of the parties to this Indenture) on the date of determination.

SECTION 1.17 Conflict with Trust Indenture Legislation.

If and to the extent that any provision of this Indenture limits, qualifies or conflicts with any mandatory requirement of Trust Indenture Legislation, such mandatory requirement shall control. If and to the extent that any provision hereof modifies or excludes any provision of Trust Indenture Legislation that may be so modified or excluded, the latter provision shall be deemed to apply hereof as so modified or to be excluded, as the case may be.

SECTION 1.18 Incorporators, Shareholders, Officers and Directors of the Company Exempt from Individual Liability.

No recourse under or upon any obligation, covenant or agreement contained in this Indenture, or in any Security, or because of any indebtedness evidenced thereby, shall be had against any incorporator, as such, or against any past, present or future shareholder, officer or director, as such, of the Company or

of any successor, either directly or through the Company or any successor, under any rule of law, statute or constitutional provision or by the enforcement of any assessment or by any legal or equitable proceeding or otherwise, all such liability being expressly waived and released by the acceptance of the Securities by the Holders and as part of the consideration for the issue of the Securities.

SECTION 1.19 Waiver of Jury Trial.

Each of the Company and the Trustees hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Indenture, the Securities or the transactions contemplated hereby.

SECTION 1.20 Counterparts.

This Indenture may be executed in any number of counterparts (either by facsimile or by original manual signature), each of which so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same Indenture.

SECTION 1.21 Force Majeure.

Except for the payment obligations of the Company contained herein, neither the Company nor the Trustees shall be liable to each other, or held in breach of this Indenture, if prevented, hindered, or delayed in the performance or observance of any provision contained herein by reason of act of God, riots, terrorism, acts of war, epidemics, governmental action or judicial order, earthquakes, or any other similar causes (including, but not limited to, mechanical, electronic or communication interruptions, disruptions or failures). Performance times under this Indenture shall be extended for a period of time equivalent to the time lost because of any delay that is excusable under this Section 1.21.

**ARTICLE TWO
SECURITIES FORMS**

SECTION 2.01 Forms Generally.

The Securities of each series shall be in substantially the forms as shall be established by or pursuant to a Board Resolution or in one or more indentures supplemental hereto, in each case with such appropriate insertions, omissions, substitutions and other variations as are required or permitted by this Indenture, and may have such letters, numbers or other marks of identification and such legends or endorsements placed thereon as may be required to comply with the rules of any securities exchange or as may, consistently herewith, be determined by the Officer executing such Securities, as evidenced by the execution of such Securities by such Officer. If the forms of Securities of any series are established by action taken pursuant to a Board Resolution, a copy of an appropriate record of such action shall be certified by the Corporate Secretary or an Assistant Secretary of the Company and delivered to the Trustees at or prior to the delivery of the Company Order contemplated by Section 3.03 for the authentication and delivery of such Securities. Any portion of the text of any Security may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Security.

Either Trustee's certificate of authentication shall be in substantially the form set forth in this Article Two.

SECTION 2.02 Form of Trustee's Certificate of Authentication.

Subject to Section 6.12, either Trustee's certificate of authentication shall be in substantially the following form:

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

(Certificate of Authentication may be executed by either Trustee)

Dated: _____

_____, as U.S. Trustee, certifies that this is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

,
as U.S. Trustee

By:
Authorized Officer

OR

Dated: _____

_____, as Canadian Trustee, certifies that this is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

,
as Canadian Trustee

By:
Authorized Officer

SECTION 2.03 Securities Issuable in Global Form.

If Securities of or within a series are issuable in global form, as specified and contemplated by Section 3.01, then any such Security shall represent such of the Outstanding Securities of such series as shall be specified therein and may provide that it shall represent the aggregate amount of Outstanding Securities of such series from time to time endorsed thereon and that the aggregate amount of Outstanding Securities of such series represented thereby may from time to time be increased or decreased to reflect exchanges. Any endorsement of a Security in global form to reflect the amount, or any increase or decrease in the amount, of Outstanding Securities represented thereby shall be made by the Trustees in such manner and upon instructions given by the Holder or its nominee as shall be specified therein or in the Company Order to be delivered to the Trustees pursuant to Section 3.03 or 3.04. Subject to the provisions of Sections 3.03 and 3.04 (if applicable), the Trustees shall deliver and redeliver any Security in global form in the manner and upon instructions given by the Holder or its nominee as shall be specified therein or in the applicable Company Order. If a Company Order pursuant to Section 3.03 or Section 3.04 has been, or simultaneously is, delivered, any instructions by the Company with respect to endorsement or delivery or redelivery of a Security in global form shall be in writing but need not comply with Section 1.03 and need not be accompanied by an Opinion of Counsel.

Notwithstanding the provisions of Section 3.07, unless otherwise specified as contemplated by Section 3.01, payment of principal of, premium (if any) and interest (if any) on any Security in permanent global form shall be made to the Holder or its nominee specified therein.

Notwithstanding Section 3.09 and except as provided in the preceding paragraph, the Company, the Trustees and any agent of the Company and the Trustees shall treat as the Holder of such principal

amount of Outstanding Securities represented by a permanent global Security, the Holder of such permanent global Security.

ARTICLE THREE THE SECURITIES

SECTION 3.01 Issuable in Series.

The aggregate principal amount of Securities which may be authenticated and delivered under this Indenture is unlimited.

The Securities may be issued in one or more series and may be denominated and payable in Dollars or any Foreign Currency. There shall be established in one or more Board Resolutions or pursuant to authority granted by one or more Board Resolutions and set forth in, or determined in the manner provided in, an Officer's Certificate, or established in one or more indentures supplemental hereto, prior to the issuance of Securities of any series, any or all of the following, as applicable:

- (1) the title of the Securities of the series (which shall distinguish the Securities of such series from the Securities of all other series);
- (2) the aggregate principal amount of the Securities of the series and any limit upon the aggregate principal amount of the Securities of the series that may be authenticated and delivered under this Indenture (except for Securities authenticated and delivered upon registration of transfer (including any restriction or condition on the transferability of the Securities of such series) of, or in exchange for, or in lieu of, other Securities of the series pursuant to Section 3.04, 3.05, 3.06, 9.06, 11.07 or 13.05) and, in the event that no limit upon the aggregate principal amount of the Securities of that series is specified, the Company shall have the right, subject to any terms, conditions or other provisions specified pursuant to this Section 3.01 with respect to the Securities of such series, to re-open such series for the issuance of additional Securities of such series from time to time;
- (3) the extent and manner, if any, to which payment on or in respect of the Securities of the series will be senior or will be subordinated to the prior payment of other liabilities and obligations of the Company, and whether the payment of principal, premium (if any) and interest (if any) will be guaranteed by any other Person;
- (4) the percentage or percentages of principal amount at which the Securities of the series will be issued;
- (5) the date or dates, or the method by which such date or dates will be determined or extended, on which the Securities of the series may be issued and the date or dates, or the method by which such date or dates will be determined or extended, on which the principal of and premium (if any) on the Securities of the series is payable;
- (6) the rate or rates at which the Securities of the series shall bear interest, whether fixed or variable (if any), or the method by which such rate or rates shall be determined, whether such interest shall be payable in cash or additional Securities of the same series or shall accrue and increase the aggregate principal amount outstanding of such series, the date or dates from which such interest shall accrue, or the method by which such date or dates shall be determined, the Interest Payment Dates on which such interest shall be payable and the Regular Record Date, if any, for the interest payable on any Security on any Interest Payment Date, or the method by which such date or dates shall be determined,

and the basis upon which interest shall be calculated if other than on the basis of a 360-day year of twelve 30-day months;

- (7) the place or places, if any, other than or in addition to the Borough of Manhattan, The City of New York, where the principal of, premium (if any) and interest (if any) on Securities of the series shall be payable, where any Securities of the series may be surrendered for registration of transfer, where Securities of the series may be surrendered for exchange, where Securities of the series that are convertible or exchangeable may be surrendered for conversion or exchange, as applicable and, if different than the location specified in Section 1.06, the place or places where notices or demands to or upon the Company in respect of the Securities of the series and this Indenture may be served;
- (8) the period or periods within which, the date or dates on which, the price or prices at which, the Currency in which, and other terms and conditions upon which Securities of the series may be redeemed, in whole or in part, at the option of the Company, if the Company is to have that option;
- (9) the obligation, if any, of the Company to redeem, repay or purchase Securities of the series pursuant to any sinking fund, amortization or analogous provisions or at the option of a Holder thereof, and the period or periods within which, the price or prices at which, the Currency in which, and other terms and conditions upon which Securities of the series shall be redeemed, repaid or purchased, in whole or in part, pursuant to such obligation;
- (10) if other than denominations of \$1,000 and any integral multiple thereof, the denomination or denominations in which any Securities of the series shall be issuable;
- (11) the identity of each Security Registrar and/or Paying Agent;
- (12) if other than the principal amount thereof, the portion of the principal amount of Securities of the series that shall be payable upon declaration of acceleration of the Maturity thereof pursuant to Section 5.02 or the method by which such portion shall be determined;
- (13) if other than Dollars, the Foreign Currency in which payment of the principal of, premium (if any) or interest (if any) on the Securities of the series shall be payable or in which the Securities of the series shall be denominated and the particular provisions applicable thereto in accordance with, in addition to or in lieu of any of the provisions of Section 3.12;
- (14) whether the amount of payments of principal of, premium (if any) or interest (if any) on the Securities of the series may be determined with reference to an index, formula or other method (which index, formula or method may be based, without limitation, on one or more Currencies, commodities, equity indices or other indices), and the manner in which such amounts shall be determined;
- (15) whether the principal of, premium (if any) or interest (if any) on the Securities of the series are to be payable, at the election of the Company or a Holder thereof, in a Currency other than that in which such Securities are denominated or stated to be payable, the period or periods within which (including the Election Date), and the terms and conditions upon which, such election may be made, and the time and manner of determining the exchange rate between the Currency in which such Securities are denominated or stated to be payable and the Currency in which such Securities are to be

so payable, in each case in accordance with, in addition to or in lieu of any of the provisions of Section 3.12;

- (16) the designation of the initial Exchange Rate Agent, if any;
- (17) the applicability, if any, of Sections 14.02 and/or 14.03 to the Securities of the series and any provisions in modification of, in addition to or in lieu of any of the provisions of Article Fourteen that shall be applicable to the Securities of the series;
- (18) provisions, if any, granting special rights to the Holders of Securities of the series upon the occurrence of such events as may be specified;
- (19) any deletions from, modifications of or additions to the Events of Default or covenants (including any deletions from, modifications of or additions to Section 10.09) of the Company with respect to Securities of the series, whether or not such Events of Default or covenants are consistent with the Events of Default or covenants set forth herein;
- (20) any restrictions applicable to the offer, sale or delivery of Securities of the series, whether any Securities of the series are to be issuable initially in temporary global form and whether any Securities of the series are to be issuable in permanent global form and, if so, whether beneficial owners of interests in any such permanent global Security may exchange such interests for Securities of such series and of like tenor of any authorized form and denomination and the circumstances under which any such exchanges may occur, if other than in the manner provided in Section 3.05, and the circumstances under which and the place or places where any such exchanges may be made and, if Securities of the series are to be issuable in global form, the designation of any Depository therefor;
- (21) the date as of which any temporary global Security of the series shall be dated if other than the date of original issuance of the first Security of the series to be issued;
- (22) the Person to whom any interest on any Security of the series shall be payable, if other than the Person in whose name that Security (or one or more Predecessor Securities) is registered at the close of business on the Regular Record Date for such interest, and the extent to which, or the manner in which, any interest payable on a temporary global Security on an Interest Payment Date will be paid if other than in the manner provided in Section 3.04;
- (23) if Securities of the series are to be issuable in definitive form (whether upon original issue or upon exchange of a temporary Security of such series) only upon receipt of certain certificates or other documents or satisfaction of other conditions, the form and/or terms of such certificates, documents or conditions;
- (24) if the Securities of the series are to be issued upon the exercise of warrants or subscription receipts, the time, manner and place for such Securities to be authenticated and delivered;
- (25) if the Securities of the series are to be convertible into or exchangeable for any securities or property of any Person (including the Company), the terms and conditions upon which such Securities will be so convertible or exchangeable, and any additions or changes to permit or facilitate such conversion or exchange;

- (26) provisions as to modification, amendment or variation of any rights or terms attaching to the Securities;
- (27) whether the Securities will be secured or unsecured and the nature and priority of any security; and
- (28) any other terms, conditions, rights and preferences (or limitations on such rights and preferences) relating to the series (which terms shall not be inconsistent with the requirements of Trust Indenture Legislation or the provisions of this Indenture).

All Securities of any one series shall be substantially identical except as to denomination and except as may otherwise be provided in or pursuant to such Board Resolution (subject to Section 3.03) and set forth in such Officer's Certificate or in any such indenture supplemental hereto. Not all Securities of any one series need be issued at the same time, and, unless otherwise provided, a series may be reopened for issuances of additional Securities of such series.

If any of the terms of the series are established by action taken pursuant to one or more Board Resolutions, such Board Resolutions shall be delivered to the Trustees at or prior to the delivery of the Officer's Certificate setting forth the terms of the series.

SECTION 3.02 Denominations.

The Securities of each series shall be issuable in such denominations as shall be specified as contemplated by Section 3.01. With respect to Securities of any series denominated in Dollars, in the absence of any such provisions, the Securities of such series, other than Securities issued in global form (which may be of any denomination), shall be issuable in denominations of \$1,000 and any integral multiple thereof.

SECTION 3.03 Execution, Authentication, Delivery and Dating.

The Securities shall be executed on behalf of the Company by an Officer. The signature of an Officer on the Securities may be the manual or facsimile signatures of the present or any future such authorized officer and may be imprinted or otherwise reproduced on the Securities.

Securities bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Company shall bind the Company, notwithstanding that such individuals or any of them have ceased to hold such offices prior to the authentication and delivery of such Securities or did not hold such offices at the date of such Securities.

At any time and from time to time after the execution and delivery of this Indenture, the Company may deliver Securities of any series, executed by the Company to the applicable Trustee for authentication, together with a Company Order for the authentication and delivery of such Securities, and the applicable Trustee in accordance with such Company Order shall authenticate and deliver such Securities. If not all the Securities of any series are to be issued at one time and if the Board Resolution or supplemental indenture establishing such series shall so permit, such Company Order may set forth procedures acceptable to the Trustees for the issuance of such Securities and determining terms of particular Securities of such series such as interest rate, Stated Maturity, date of issuance and date from which interest shall accrue.

In authenticating such Securities, and accepting the additional responsibilities under this Indenture in relation to such Securities, the Trustees shall be entitled to receive, and (subject to Trust

Indenture Legislation, including TIA Sections 315(a) through 315(d)) shall be fully protected in relying upon, an Opinion of Counsel stating:

- (a) that the form or forms of such Securities have been established in conformity with the provisions of this Indenture;
- (b) that the terms of such Securities have been established in conformity with the provisions of this Indenture;
- (c) that such Securities, when completed by appropriate insertions and executed and delivered by the Company to the applicable Trustee for authentication in accordance with this Indenture, authenticated and delivered by the applicable Trustee in accordance with this Indenture and issued by the Company in the manner and subject to any conditions specified in such Opinion of Counsel, will constitute the legal, valid and binding obligations of the Company, enforceable in accordance with their terms;
- (d) the execution and delivery by the Company of such Securities and any supplemental indenture will not contravene the articles of incorporation or continuance, or such other constating documents then in effect, if any, or the by-laws of the Company, or violate applicable laws; and
- (e) that the Company has the corporate power to issue such Securities, and has duly taken all necessary corporate action with respect to such issuance.

Notwithstanding the provisions of Section 3.01 and of the preceding two paragraphs, if not all the Securities of any series are to be issued at one time, it shall not be necessary to deliver the Officer's Certificate otherwise required pursuant to Section 3.01 or the Company Order and Opinion of Counsel otherwise required pursuant to the preceding two paragraphs prior to or at the time of issuance of each Security, if such documents are delivered prior to or at the time of issuance of the first Security of such series and with respect to all Securities of such series.

The Trustees shall not be required to authenticate and deliver any such Securities if the issue of such Securities pursuant to this Indenture will affect the Trustees' own rights, duties or immunities under the Securities and this Indenture or otherwise in a manner which is not reasonably acceptable to the Trustees.

Each Security shall be dated the date of its authentication.

No Security shall entitle a Holder to any benefit under this Indenture or be valid or obligatory for any purpose unless there appears on such Security a certificate of authentication substantially in the form provided for herein duly executed by the applicable Trustee by manual signature of an authorized officer thereof, and such certificate upon any Security shall be conclusive evidence, and the only evidence, that such Security has been duly authenticated and delivered hereunder and is entitled to the benefits of this Indenture. Notwithstanding the foregoing, if any Security shall have been authenticated and delivered hereunder but never issued and sold by the Company, and the Company shall deliver such Security to the Trustees for cancellation as provided in Section 3.10 together with a written statement (which need not comply with Section 1.03 and need not be accompanied by an Opinion of Counsel) stating that such Security has never been issued and sold by the Company, for all purposes of this Indenture such Security shall be deemed never to have been authenticated and delivered hereunder and shall never entitle a Holder to the benefits of this Indenture.

SECTION 3.04 Temporary Securities.

Pending the preparation of definitive Securities of any series, the Company may execute, and upon Company Order the applicable Trustee shall authenticate and deliver, temporary Securities which are printed, lithographed, typewritten, mimeographed or otherwise produced, in any authorized denomination, substantially of the tenor of the definitive Securities in lieu of which they are issued, in registered form, and with such appropriate insertions, omissions, substitutions and other variations as the Officer executing such Securities may determine, as conclusively evidenced by their execution of such Securities. Such temporary Securities may be in global form.

Except in the case of temporary Securities in global form (which shall be exchanged in accordance with the provisions of the following paragraphs), if temporary Securities of any series are issued, the Company will cause definitive Securities of that series to be prepared without unreasonable delay. After the preparation of definitive Securities of such series, the temporary Securities of such series shall be exchangeable for definitive Securities of such series upon surrender of the temporary Securities of such series at the office or agency of the Company in a Place of Payment for that series, without charge to the Holder. Upon surrender for cancellation of any one or more temporary Securities of any series, the Company shall execute and the applicable Trustee shall authenticate and deliver in exchange therefor a like principal amount of definitive Securities of the same series of authorized denominations and of like tenor and evidencing the same indebtedness. Until so exchanged the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of such series.

If temporary Securities of any series are issued in global form, any such temporary global Security shall, unless otherwise provided therein, be delivered to the office of the Depository for credit to the respective accounts of the beneficial owners of such Securities (or to such other accounts as they may direct).

Without unnecessary delay, but in any event not later than the date specified in, or determined pursuant to the terms of, any such temporary global Security (the “**Exchange Date**”), the Company shall deliver to the Trustees definitive Securities, in aggregate principal amount equal to the principal amount of such temporary global Security and of like tenor and evidencing the same indebtedness, executed by the Company. On or after the Exchange Date, such temporary global Security shall be surrendered by the Depository to the Trustees, as the Company’s agent for such purpose, to be exchanged, in whole or from time to time in part, for definitive Securities without charge and the applicable Trustee shall authenticate and deliver, in exchange for each portion of such temporary global Security, an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and of like tenor and evidencing the same indebtedness as the portion of such temporary global Security to be exchanged. The definitive Securities to be delivered in exchange for any such temporary global Security shall be in registered form or permanent global registered form, or any combination thereof, as specified as contemplated by Section 3.01, and, if any combination thereof is so specified, as requested by the beneficial owner thereof; *provided, however*, that, unless otherwise specified in such temporary global Security, upon such presentation by the Depository, such temporary global Security is accompanied by a certificate dated the Exchange Date or a subsequent date and signed by the Depository as to the portion of such temporary global Security held for its account then to be exchanged and a certificate dated the Exchange Date or a subsequent date, each in the form set forth in Exhibit A-2 to this Indenture (or in such other form as may be established pursuant to Section 3.01).

Unless otherwise specified in such temporary global Security, the interest of a beneficial owner of Securities of a series in a temporary global Security shall be exchanged for definitive Securities of the same series and of like tenor and evidencing the same indebtedness following the Exchange Date when the account holder instructs the Depository to request such exchange on his behalf and delivers to the

Depository a certificate in the form set forth in Exhibit A-1 to this Indenture (or in such other form as may be established pursuant to Section 3.01), dated no earlier than 15 days prior to the Exchange Date, copies of which certificate shall be available from the offices of the Depository, the Trustees, any Authenticating Agent appointed for such series of Securities and each Paying Agent. Unless otherwise specified in such temporary global Security, any such exchange shall be made free of charge to the beneficial owners of such temporary global Security, except that a Person receiving definitive Securities must bear the cost of insurance, postage, transportation and the like in the event that such Person does not take delivery of such definitive Securities in person at the offices of the Depository.

Until exchanged in full as hereinabove provided, the temporary Securities of any series shall in all respects be entitled to the same benefits under this Indenture as definitive Securities of the same series and of like tenor and evidencing the same indebtedness authenticated and delivered hereunder, except that, unless otherwise specified as contemplated by Section 3.01, interest payable on a temporary global Security on an Interest Payment Date for Securities of such series occurring prior to the applicable Exchange Date shall be payable to the Depository on such Interest Payment Date upon delivery by the Depository to the Trustees of a certificate or certificates in the form set forth in Exhibit A-2 to this Indenture (or in such other form as may be established pursuant to Section 3.01), for credit without further interest thereon on or after such Interest Payment Date to the respective accounts of the Persons who are the beneficial owners of such temporary global Security on such Interest Payment Date and who have each delivered to the Depository a certificate dated no earlier than 15 days prior to the Interest Payment Date occurring prior to such Exchange Date in the form set forth in Exhibit A-1 to this Indenture (or in such other form as may be established pursuant to Section 3.01). Notwithstanding anything to the contrary herein contained, the certifications made pursuant to this paragraph shall satisfy the certification requirements of the preceding two paragraphs of this Section 3.04 and of the third paragraph of Section 3.03 and the interests of the Persons who are the beneficial owners of the temporary global Security with respect to which such certification was made will be exchanged for definitive Securities of the same series and of like tenor and evidencing the same indebtedness on the Exchange Date or the date of certification if such date occurs after the Exchange Date, without further act or deed by such beneficial owners. Except as otherwise provided in this paragraph, no payments of principal of, premium (if any) or interest (if any) owing with respect to a beneficial interest in a temporary global Security will be made unless and until such interest in such temporary global Security shall have been exchanged for an interest in a definitive Security. Any interest so received by the Depository and not paid as herein provided shall be returned to the Trustees immediately prior to the expiration of two years after such Interest Payment Date in order to be repaid to the Company in accordance with Section 10.03.

SECTION 3.05 Registration, Registration of Transfer and Exchange.

So long as required by Trust Indenture Legislation, the Company shall cause to be kept at the Corporate Trust Offices of the applicable Trustee a register for each series of Securities (the registers maintained in the Corporate Trust Offices of the Trustees and in any other office or agency of the Company in a Place of Payment being herein sometimes collectively referred to as the “**Security Register**”) in which, subject to such reasonable regulations as it may prescribe, the Company shall provide for the registration of the Holders of Securities and of transfers of Securities. The Security Register shall be in written form or any other form capable of being converted into written form within a reasonable time. At all reasonable times, the Security Register shall be open to inspection by the Trustees. The Trustees are hereby initially appointed as security registrar (the “**Security Registrar**”) for the purpose of registering Securities and transfers of Securities as herein provided. The Company shall have the right to remove and replace from time to time the Security Registrar for any series of Securities; provided, however, that, no such removal or replacement shall be effective until a successor Security Registrar with respect to such series of Securities shall have been appointed by the Company and shall

have accepted such appointment by the Company. In the event that the Trustees shall not be or shall cease to be the Securities Registrar with respect to a series of Securities, they shall have the right to examine the Security Register for such series at all reasonable times. There shall be only one Securities Register for such series of Securities.

Upon surrender for registration of transfer of any Security of any series at the office or agency in a Place of Payment for that series, the Company shall execute, and the applicable Trustee shall authenticate and deliver, in the name of the designated transferee, one or more new Securities of the same series, of any authorized denominations and of a like aggregate principal amount and tenor and evidencing the same indebtedness.

For Canadian Securities, the Security must be duly endorsed for transfer or in a duly endorsed transferable form as applicable and must comply with the current industry practice in accordance with the Securities Transfer Association of Canada.

At the option of the Holder, Securities of any series may be exchanged for other Securities of the same series, of any authorized denomination and of a like aggregate principal amount and tenor and evidencing the same indebtedness, upon surrender of the Securities to be exchanged at such office or agency. Whenever any Securities are so surrendered for exchange, the Company shall execute, and the applicable Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

Whenever any Securities are so surrendered for exchange, the Company shall execute, and the applicable Trustee shall authenticate and deliver, the Securities which the Holder making the exchange is entitled to receive.

Notwithstanding the foregoing, except as otherwise specified as contemplated by Section 3.01, any permanent global Security shall be exchangeable only as provided in this Section. If any beneficial owner of an interest in a permanent global Security is entitled to exchange such interest for Securities of such series and of like tenor and principal amount of another authorized form and denomination, as contemplated by Section 3.01 and provided that any applicable notice provided in the permanent global Security shall have been given to the Company, the Trustees and the Depositary, then without unnecessary delay but in any event not later than the earliest date on which such interest may be so exchanged, the Company shall deliver to the applicable Trustee definitive Securities in aggregate principal amount equal to the principal amount of such beneficial owner's interest in such permanent global Security, executed by the Company. On or after the earliest date on which such interests may be so exchanged, such permanent global Security shall be surrendered by the Depositary or such other depositary as shall be specified in the Company Order with respect thereto to the applicable Trustee, as the Company's agent for such purpose, to be exchanged in whole or from time to time in part, for definitive Securities without charge, and the applicable Trustee shall authenticate and deliver, in exchange for each portion of such permanent global Security, an equal aggregate principal amount of definitive Securities of the same series of authorized denominations and of like tenor as the portion of such permanent global Security to be exchanged. If a Security is issued in exchange for any portion of a permanent global Security after the close of business at the office or agency where such exchange occurs on (i) any Regular Record Date and before the opening of business at such office or agency on the relevant Interest Payment Date, or (ii) any Special Record Date and before the opening of business at such office or agency on the related proposed date for payment of Defaulted Interest, interest or Defaulted Interest, as the case may be, will not be payable on such Interest Payment Date or proposed date for payment, as the case may be, in respect of such Security, but will be payable on such Interest Payment Date or proposed date for payment, as the case may be, only to the Person to whom interest in respect of

such portion of such permanent global Security is payable in accordance with the provisions of this Indenture.

Transfers of global Securities shall be limited to transfers in whole, but not in part, to the Depositary, its successors or their respective nominees. If at any time the Depositary for Securities of a series notifies the Company that it is unwilling, unable or no longer qualifies to continue as Depositary for Securities of such series or if at any time the Depositary for such series shall no longer be registered or in good standing under the Exchange Act, or other applicable statute or regulation, the Company shall appoint a successor Depositary for the Securities of such series. If a successor to the Depositary for Securities of such series is not appointed by the Company within 90 days after the Company receives such notice or becomes aware of such condition, as the case may be, the Company's election pursuant to Section 3.01 shall no longer be effective with respect to the Securities for such series and the Company will execute, and the applicable Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver Securities of such series in definitive form, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the global Security or Securities representing such series and evidencing the same indebtedness in exchange for such global Security or Securities.

The Company may at any time and in its sole discretion determine that the Securities of any series issued in the form of one or more global Securities shall no longer be represented by such global Security or Securities. In such event the Company will execute, and the applicable Trustee, upon receipt of a Company Order for the authentication and delivery of definitive Securities of such series, will authenticate and deliver Securities of such series in definitive form, in authorized denominations, and in an aggregate principal amount equal to the principal amount of the global Security or Securities representing such series and evidencing the same indebtedness in exchange for such global Security or Securities.

Upon the exchange of a global Security for Securities in definitive form, such global Security shall be cancelled by the applicable Trustee. Securities issued in exchange for a global Security pursuant to this Section 3.05 shall be registered in such names and in such authorized denominations as the Depositary for such global Security, pursuant to instructions from its direct or indirect participants or otherwise, shall instruct the applicable Trustee in writing. The applicable Trustee shall deliver such Securities to the Persons in whose names such Securities are so registered.

All Securities issued upon any registration of transfer or exchange of Securities shall be the valid obligations of the Company, evidencing the same debt, and entitled to the same benefits under this Indenture, as the Securities surrendered upon such registration of transfer or exchange.

Every Security presented or surrendered for registration of transfer or for exchange shall (if so required by the Company or the Security Registrar or applicable securities transfer industry practices) be duly endorsed, or be accompanied by a written instrument of transfer, in form satisfactory to the Company and the Security Registrar, duly executed by the Holder thereof or his attorney duly authorized in writing.

Any registration of transfer or exchange of Securities may be subject to service charges by the Securities Registrar and the Company may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any registration of transfer or exchange of Securities, other than exchanges pursuant to Section 3.04, 9.06, 11.07 or 13.05 not involving any transfer.

The Company shall not be required (i) to issue, register the transfer of or exchange Securities of any series in definitive form during a period beginning at the opening of business 15 days before the day

of the selection for redemption of Securities of that series under Section 11.03 or 12.03 and ending at the close of business on the day of the mailing of the relevant notice of redemption or (ii) to register the transfer of or exchange any Security in definitive form so selected for redemption in whole or in part, except the unredeemed portion of any Security being redeemed in part, or (iii) to issue, register the transfer of or exchange any Security in definitive form which has been surrendered for repayment at the option of the Holder, except the portion, if any, of such Security not to be so repaid.

SECTION 3.06 Mutilated, Destroyed, Lost and Stolen Securities.

If any mutilated Security is surrendered to the applicable Trustee, the Company shall execute and the applicable Trustee shall authenticate and deliver in exchange therefor a new Security of the same series and of like tenor and principal amount and evidencing the same indebtedness and bearing a number not contemporaneously outstanding, or, in case any such mutilated Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security, , pay such Security. If there shall be delivered to the Company and to the Trustees (i) evidence to their satisfaction of the destruction, loss or theft of any Security and (ii) such security (or surety in the case of the Canadian Trustee) or indemnity as may be required by them to save each of them and any agent of either of them harmless, then, in the absence of notice to the Company or the Trustees that such Security has been acquired by a bona fide purchaser , the Company shall execute and upon Company Order the applicable Trustee shall authenticate and deliver, in lieu of any such destroyed, lost or stolen Security, a new Security of the same series and of like tenor and principal amount and evidencing the same indebtedness and bearing a number not contemporaneously outstanding.

Notwithstanding the provisions of the previous two paragraphs, in case any such mutilated, destroyed, lost or stolen Security has become or is about to become due and payable, the Company in its discretion may, instead of issuing a new Security appertaining to such mutilated, destroyed, lost or stolen Security, pay such Security.

Upon the issuance of any new Security under this Section 3.06, the Company may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the fees and expenses of the Trustees) connected therewith.

Every new Security of any series issued pursuant to this Section 3.06 in lieu of any mutilated, destroyed, lost or stolen Security, shall constitute an original additional contractual obligation of the Company, whether or not the mutilated, destroyed, lost or stolen Security shall be at any time enforceable by anyone, and the Holders of such Security shall be entitled to all the benefits of this Indenture equally and proportionately with the Holders of any and all other Securities of that series duly issued hereunder.

The provisions of this Section 3.06 as amended or supplemented pursuant to this Indenture with respect to a particular series of Securities or generally are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities.

SECTION 3.07 Payment of Principal, Premium and Interest; Interest Rights Preserved; Optional Interest Reset.

(a) Unless otherwise provided as contemplated by Section 3.01 with respect to any series of Securities, interest (if any) on any Security which is payable, and is punctually paid or duly provided for, on any Interest Payment Date shall be paid by the Paying Agent to the Person in whose name such Security (or one or more Predecessor Securities) is registered at the close of business on the

Regular Record Date for such interest at the office or agency of the Company maintained for such purpose pursuant to Section 10.02; *provided, however,* that each installment of interest (if any) on any Security may at the Company's option be paid by (i) mailing a check for such interest, payable to or upon the written order of the Person entitled thereto pursuant to Section 3.09, to the address of such Person as it appears on the Security Register, (ii) wire transfer to an account located in the United States maintained by the Person entitled to such payment as specified in the Security Register, or (iii) as otherwise specified pursuant to Section 3.01 for the Securities of such series. Unless otherwise provided as contemplated by Section 3.01 with respect to any series of Securities, principal and premium (if any) paid in relation to any Security shall be paid to the Holder of such Security only upon presentation and surrender of such Security at the office or agency of the Company maintained for such purpose pursuant to Section 10.02.

Unless otherwise provided as contemplated by Section 3.01, every permanent global Security will provide that interest (if any) payable on any Interest Payment Date will be paid to the Depository with respect to that portion of such permanent global Security held for its account by the Depository, for the purpose of permitting the Depository to credit the interest (if any) received by it in respect of such permanent global Security to the accounts of the beneficial owners thereof.

Any interest on any Security of any series which is payable, but is not punctually paid or duly provided for, on any Interest Payment Date shall forthwith cease to be payable to the Holder on the relevant Regular Record Date by virtue of having been such Holder, and such defaulted interest and, if applicable, interest on such defaulted interest (to the extent lawful) at the rate specified in the Securities of such series (such defaulted interest and, if applicable, interest thereon herein collectively called "**Defaulted Interest**") must be paid by the Company as provided for in either clause (1) or (2), at the Company's election:

- (1) The Company may elect to make payment of any Defaulted Interest to the Persons in whose names the Securities of such series (or their respective Predecessor Securities) are registered at the close of business on a Special Record Date for the payment of such Defaulted Interest, which shall be fixed in the following manner. The Company shall notify the Trustees in writing of the amount of Defaulted Interest proposed to be paid on each Security of such series and the date of the proposed payment, and at the same time the Company shall deposit with the applicable Trustee an amount of money in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) equal to the aggregate amount proposed to be paid in respect of such Defaulted Interest or shall make arrangements satisfactory to the Trustees for such deposit on or prior to the date of the proposed payment, such money when deposited to be held in trust for the benefit of the Persons entitled to such Defaulted Interest as in this clause provided. Thereupon the Trustees shall fix a Special Record Date for the payment of such Defaulted Interest which shall be not more than 15 days and not less than 10 days prior to the date of the proposed payment and not less than 10 days after the receipt by the Trustees of the notice of the proposed payment. The Trustees shall promptly notify the Company of such Special Record Date and, in the name and at the expense of the Company, shall cause notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor to be given in the manner provided in Section 1.07, not less than 10 days prior to such Special Record Date. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been so given, such Defaulted Interest shall be paid to the Persons in whose name the Securities of such series (or their

respective Predecessor Securities) are registered at the close of business on such Special Record Date and shall no longer be payable pursuant to the following clause (2).

- (2) The Company may make payment of any Defaulted Interest on the Securities of any series in any other lawful manner not inconsistent with the requirements of any securities exchange on which such Securities may be listed, and, upon such notice as may be required by such exchange, if, after notice given by the Company to the Trustees of the proposed payment pursuant to this clause, such manner of payment shall be deemed practicable by the Trustees.

(b) The provisions of this Section 307(b) may be made applicable to any series of Securities pursuant to Section 3.01 (with such modifications, additions or substitutions as may be specified pursuant to such Section 3.01). The interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) on any Security of such series may be reset by the Company on the date or dates specified on the face of such Security (each an “**Optional Reset Date**”). The Company may exercise such option with respect to such Security by notifying the Trustees of such exercise at least 50 but not more than 60 days prior to an Optional Reset Date for such Security. Not later than 40 days prior to each Optional Reset Date, the Trustees shall transmit, in the manner provided for in Section 1.07, to the Holder of any such Security a notice (the “**Reset Notice**”) indicating whether the Company has elected to reset the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable), and if so (i) such new interest rate (or such new spread or spread multiplier, if applicable) and (ii) the provisions, if any, for redemption during the period from such Optional Reset Date to the next Optional Reset Date or if there is no such next Optional Reset Date, to the Stated Maturity of such Security (each such period a “**Subsequent Interest Period**”), including the date or dates on which or the period or periods during which and the price or prices at which such redemption may occur during the Subsequent Interest Period.

Notwithstanding the foregoing, not later than 20 days prior to the Optional Reset Date, the Company may, at its option, revoke the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) provided for in the Reset Notice and establish an interest rate (or the spread or spread multiplier, if applicable) that is higher than the interest rate (or the spread or spread multiplier, if applicable) provided for in the Reset Notice, for the Subsequent Interest Period by causing the Trustees to transmit, in the manner provided for in Section 1.07, notice of such higher interest rate (or such higher spread or spread multiplier, if applicable) to the Holder of such Security. Such notice shall be irrevocable. All Securities with respect to which the interest rate (or the spread or spread multiplier used to calculate such interest rate, if applicable) is reset on an Optional Reset Date, and with respect to which the Holders of such Securities have not tendered such Securities for repayment (or have validly revoked any such tender) pursuant to the next succeeding paragraph, will bear such higher interest rate (or such higher spread or spread multiplier, if applicable).

The Holder of any such Security will have the option to elect repayment by the Company of the principal of such Security on each Optional Reset Date at a price equal to the principal amount thereof plus interest accrued to such Optional Reset Date. In order to obtain repayment on an Optional Reset Date, the Holder must follow the procedures set forth in Article Thirteen for repayment at the option of Holders except that the period for delivery or notification to the Trustees shall be at least 25 but not more than 35 days prior to such Optional Reset Date and except that, if the Holder has tendered any Security for repayment pursuant to the Reset Notice, the Holder may, by written notice to the Trustees, revoke such tender or repayment until the close of business on the tenth day before such Optional Reset Date.

Subject to the foregoing provisions of this Section 3.07 and Section 3.05, each Security delivered under this Indenture upon registration of transfer of or in exchange for or in lieu of any other Security shall carry the rights to interest accrued and unpaid, and to accrue, which were carried by such other Security.

SECTION 3.08 Optional Extension of Stated Maturity.

The provisions of this Section 3.08 may be made applicable to any series of Securities pursuant to Section 3.01 (with such modifications, additions or substitutions as may be specified pursuant to such Section 3.01). The Stated Maturity of any Security of such series may be extended at the option of the Company for the period or periods specified on the face of such Security (each an “**Extension Period**”) up to but not beyond the date (the “**Final Maturity**”) set forth on the face of such Security. The Company may exercise such option with respect to any Security by notifying the Trustees of such exercise at least 50 but not more than 60 days prior to the Stated Maturity of such Security in effect prior to the exercise of such option (the “**Original Stated Maturity**”). If the Company exercises such option, the Trustees shall transmit, in the manner provided for in Section 1.07, to the Holder of such Security not later than 40 days prior to the Original Stated Maturity a notice (the “**Extension Notice**”) indicating (i) the election of the Company to extend the Stated Maturity, (ii) the new Stated Maturity, (iii) the interest rate (if any) applicable to the Extension Period and (iv) the provisions, if any, for redemption during such Extension Period. Upon the Trustees’ transmittal of the Extension Notice, the Stated Maturity of such Security shall be extended automatically and, except as modified by the Extension Notice and as described in the next paragraph, such Security will have the same terms as prior to the transmittal of such Extension Notice.

Notwithstanding the foregoing, not later than 20 days before the Original Stated Maturity of such Security, the Company may, at its option, revoke the interest rate provided for in the Extension Notice and establish a higher interest rate for the Extension Period by causing the Trustees to transmit, in the manner provided for in Section 1.07, notice of such higher interest rate to the Holder of such Security. Such notice shall be irrevocable. All Securities with respect to which the Stated Maturity is extended will bear such higher interest rate.

If the Company extends the Maturity of any Security, the Holder will have the option to elect repayment of such Security by the Company on the Original Stated Maturity at a price equal to the principal amount thereof, plus interest accrued to such date. In order to obtain repayment on the Original Stated Maturity once the Company has extended the Maturity thereof, the Holder must follow the procedures set forth in Article Thirteen for repayment at the option of Holders, except that the period for delivery or notification to the Trustees shall be at least 25 but not more than 35 days prior to the Original Stated Maturity and except that, if the Holder has tendered any Security for repayment pursuant to an Extension Notice, the Holder may by written notice to the Trustees revoke such tender for repayment until the close of business on the tenth day before the Original Stated Maturity.

SECTION 3.09 Persons Deemed Owners.

Prior to due presentment of a Security for registration of transfer, the Company, the Trustees and any agent of the Company or the Trustees may treat the Person in whose name such Security is registered as the owner of such Security for the purpose of receiving payment of principal of, premium (if any) and (subject to Sections 3.05 and 3.07) interest (if any) on such Security and for all other purposes whatsoever, whether or not such Security be overdue, and none of the Company, the Trustees or any agent of the Company or the Trustees shall be affected by notice to the contrary.

The Depositary for Securities may be treated by the Company, the Trustees, and any agent of the Company or the Trustees as the owner of such global Security for all purposes whatsoever. None of the Company, the Trustees, any Paying Agent or the Security Registrar will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests of a Security in global form or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

Notwithstanding the foregoing, with respect to any global Security, nothing herein shall prevent the Company, the Trustees, or any agent of the Company or the Trustees, from giving effect to any written certification, proxy or other authorization furnished by any Depositary, as a Holder, with respect to such global Security or impair, as between such Depositary and owners of beneficial interests in such global Security, the operation of customary practices governing the exercise of the rights of such Depositary (or its nominee) as Holder of such global Security.

SECTION 3.10 Cancellation.

All Securities surrendered for payment, redemption, repayment at the option of the Holder, registration of transfer or exchange or for credit against any current or future sinking fund payment shall, if surrendered to any Person other than a Trustee, be delivered to either Trustee. All Securities so delivered to either Trustee shall be promptly cancelled by such Trustee. The Company may at any time deliver to a Trustee for cancellation any Securities previously authenticated and delivered hereunder which the Company may have acquired in any manner whatsoever, and may deliver to either Trustee (or to any other Person for delivery to such Trustee) for cancellation any Securities previously authenticated hereunder which the Company has not issued and sold, and all Securities so delivered shall be promptly cancelled by such Trustee. If the Company shall so acquire any of the Securities, however, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Securities unless and until the same are surrendered to either Trustee for cancellation. No Securities shall be authenticated in lieu of or in exchange for any Securities cancelled as provided in this Section 3.10, except as expressly permitted by this Indenture. All cancelled Securities held by either Trustee shall be disposed of by such Trustee in accordance with its customary procedures and certification of their disposal delivered to the Company unless by Company Order the Company shall direct that cancelled Securities be returned to it.

SECTION 3.11 Computation of Interest.

Except as otherwise specified as contemplated by Section 3.01 with respect to any Securities, interest (if any) on the Securities of each series shall be computed on the basis of a 360-day year of twelve 30-day months. For the purposes of disclosure under the Interest Act (Canada), the yearly rate of interest to which interest calculated under a Security for any period in any calendar year (the “**calculation period**”) is equivalent, is the rate payable under a Security in respect of the calculation period multiplied by a fraction the numerator of which is the actual number of days in such calendar year and the denominator of which is the actual number of days in the calculation period.

SECTION 3.12 Currency and Manner of Payments in Respect of Securities.

- (a) With respect to Securities of any series not permitting the election provided for in paragraph (b) below or the Holders of which have not made the election provided for in paragraph (b) below, payment of the principal of, premium (if any) and interest (if any) on such Security of such series will be made in the Currency in which such Security is payable. The provisions of this Section 3.12 may be modified or superseded with respect to any Securities pursuant to Section 3.01.

- (b) It may be provided pursuant to Section 3.01 with respect to Securities of any series that Holders shall have the option, subject to paragraphs (d) and (e) below, to receive payments of principal of, premium (if any) or interest (if any) on such Securities in any of the Currencies which may be designated for such election by delivering to the Trustees a written election with signature guarantees and in the applicable form established pursuant to Section 3.01, not later than the close of business on the Election Date immediately preceding the applicable payment date. If a Holder so elects to receive such payments in any such Currency, such election will remain in effect for such Holder or any transferee of such Holder until changed by such Holder or such transferee by written notice to the Trustees (but any such change must be made not later than the close of business on the Election Date immediately preceding the next payment date to be effective for the payment to be made on such payment date and no such change of election may be made with respect to payments to be made on any Security of such series with respect to which an Event of Default has occurred or with respect to which the Company has deposited funds pursuant to Article Four or Fourteen or with respect to which a notice of redemption has been given by the Company or a notice of option to elect repayment has been sent by such Holder or such transferee). Any Holder of any such Security who shall not have delivered any such election to the Trustees not later than the close of business on the applicable Election Date will be paid the amount due on the applicable payment date in the relevant Currency as provided in Section 3.12(a). The Trustees shall notify the Exchange Rate Agent as soon as practicable after the Election Date of the aggregate principal amount of Securities for which Holders have made such written election.
- (c) Unless otherwise specified pursuant to Section 3.01, if the election referred to in paragraph (b) above has been provided for pursuant to Section 3.01, then, unless otherwise specified pursuant to Section 3.01, not later than the fourth Business Day after the Election Date for each payment date for Securities of any series, the Exchange Rate Agent will deliver to the Company a written notice specifying, in the Currency in which Securities of such series are payable, the respective aggregate amounts of principal of, premium (if any) and interest (if any) on the Securities to be paid on such payment date, specifying the amounts in such Currency so payable in respect of the Securities as to which the Holders of Securities of such series shall have elected to be paid in another Currency as provided in paragraph (b) above. If the election referred to in paragraph (b) above has been provided for pursuant to Section 3.01 and if at least one Holder has made such election, then, unless otherwise specified pursuant to Section 3.01, on the second Business Day preceding such payment date the Company will deliver to the Trustees for such series of Securities an Exchange Rate Officer's Certificate in respect of the Dollar or Foreign Currency payments to be made on such payment date. Unless otherwise specified pursuant to Section 3.01, the Dollar or Foreign Currency amount receivable by Holders of Securities who have elected payment in a Currency as provided in paragraph (b) above shall be determined by the Company on the basis of the applicable Market Exchange Rate in effect on the third Business Day (the "**Valuation Date**") immediately preceding each payment date, and such determination shall be conclusive and binding for all purposes, absent manifest error.
- (d) If a Conversion Event occurs with respect to a Foreign Currency in which any of the Securities are denominated or payable other than pursuant to an election provided for pursuant to paragraph (b) above, then, with respect to each date for the payment of principal of, premium (if any) and interest (if any) on the applicable Securities

denominated or payable in such Foreign Currency occurring after the last date on which such Foreign Currency was used (the “**Conversion Date**”), the Dollar shall be the Currency of payment for use on each such payment date. Unless otherwise specified pursuant to Section 3.01, the Dollar amount to be paid by the Company to the Trustees and by the Trustees or any Paying Agent to the Holders of such Securities with respect to such payment date shall be, in the case of a Foreign Currency other than a currency unit, the Dollar Equivalent of the Foreign Currency or, in the case of a currency unit, the Dollar Equivalent of the Currency Unit, in each case as determined by the Exchange Rate Agent in the manner provided in paragraph (f) or (g) below.

- (e) Unless otherwise specified pursuant to Section 3.01, if the Holder of a Security denominated in any Currency shall have elected to be paid in another Currency as provided in paragraph (b) above, and a Conversion Event occurs with respect to such elected Currency, such Holder shall receive payment in the Currency in which payment would have been made in the absence of such election; and if a Conversion Event occurs with respect to the Currency in which payment would have been made in the absence of such election, such Holder shall receive payment in Dollars as provided in paragraph (d) above.
- (f) The “**Dollar Equivalent of the Foreign Currency**” shall be determined by the Exchange Rate Agent and shall be obtained for each subsequent payment date by converting the specified Foreign Currency into Dollars at the Market Exchange Rate on the Conversion Date.
- (g) The “**Dollar Equivalent of the Currency Unit**” shall be determined by the Exchange Rate Agent and subject to the provisions of paragraph (h) below shall be the sum of each amount obtained by converting the Specified Amount of each Component Currency into Dollars at the Market Exchange Rate for such Component Currency on the Valuation Date with respect to each payment.
- (h) For purposes of this Section 3.12 the following terms shall have the following meanings:

A “**Component Currency**” shall mean any Currency which, on the Conversion Date, was a component currency of the relevant currency unit, including, but not limited to, the Euro.

A “**Specified Amount**” of a Component Currency shall mean the number of units of such Component Currency or fractions thereof which were represented in the relevant currency unit, including, but not limited to, the Euro, on the Conversion Date. If after the Conversion Date the official unit of any Component Currency is altered by way of combination or subdivision, the Specified Amount of such Component Currency shall be divided or multiplied in the same proportion. If after the Conversion Date two or more Component Currencies are consolidated into a single currency, the respective Specified Amounts of such Component Currencies shall be replaced by an amount in such single Currency equal to the sum of the respective Specified Amounts of such consolidated Component Currencies expressed in such single Currency, and such amount shall thereafter be a Specified Amount and such single Currency shall thereafter be a Component Currency. If after the Conversion Date any Component Currency shall be divided into two or more currencies, the Specified Amount of such Component Currency shall be replaced by amounts of such two or more currencies, having an aggregate Dollar Equivalent value at the Market Exchange Rate on the date of such replacement equal to the Dollar Equivalent value of the Specified Amount of such former Component Currency at the Market Exchange Rate immediately before such division and such amounts shall thereafter be Specified Amounts and such currencies shall thereafter be Component Currencies. If, after the Conversion Date of the relevant currency unit, including, but not

limited to, the Euro, a Conversion Event (other than any event referred to above in this definition of “**Specified Amount**”) occurs with respect to any Component Currency of such currency unit and is continuing on the applicable Valuation Date, the Specified Amount of such Component Currency shall, for purposes of calculating the Dollar Equivalent of the Currency Unit, be converted into Dollars at the Market Exchange Rate in effect on the Conversion Date of such Component Currency.

“**Election Date**” shall mean the date for any series of Securities as specified pursuant to clause (15) of Section 3.01 by which the written election referred to in paragraph (b) above may be made.

All decisions and determinations of the Exchange Rate Agent regarding the Dollar Equivalent of the Foreign Currency, the Dollar Equivalent of the Currency Unit, the Market Exchange Rate and changes in the Specified Amounts as specified above shall be in its sole discretion and shall, in the absence of manifest error, be conclusive for all purposes and irrevocably binding upon the Company, the Trustees and all Holders of such Securities denominated or payable in the relevant Currency. The Exchange Rate Agent shall promptly give written notice to the Company and the Trustees of any such decision or determination.

In the event that the Company determines in good faith that a Conversion Event has occurred with respect to a Foreign Currency, the Company will immediately give written notice thereof to the Trustees and to the Exchange Rate Agent (and the Trustees will promptly thereafter give notice in the manner provided for in Section 1.07 to the affected Holders) specifying the Conversion Date. In the event the Company so determines that a Conversion Event has occurred with respect to the Euro or any other currency unit in which Securities are denominated or payable, the Company will immediately give written notice thereof to the Trustees and to the Exchange Rate Agent (and the Trustees will promptly thereafter give notice in the manner provided for in Section 1.07 to the affected Holders) specifying the Conversion Date and the Specified Amount of each Component Currency on the Conversion Date. In the event the Company determines in good faith that any subsequent change in any Component Currency as set forth in the definition of Specified Amount above has occurred, the Company will similarly give written notice to the Trustees and the Exchange Rate Agent.

The Trustees shall be fully justified and protected in relying and acting upon information received by it from the Company and the Exchange Rate Agent and shall not otherwise have any duty or obligation to determine the accuracy or validity of such information independent of the Company or the Exchange Rate Agent.

SECTION 3.13 Appointment and Resignation of Successor Exchange Rate Agent.

(a) Unless otherwise specified pursuant to Section 3.01, if and so long as the Securities of any series (i) are denominated in a Currency other than Dollars or (ii) may be payable in a Currency other than Dollars, or so long as it is required under any other provision of this Indenture, then the Company will maintain with respect to each such series of Securities, or as so required, at least one Exchange Rate Agent. The Company will cause the Exchange Rate Agent to make the necessary foreign exchange determinations at the time and in the manner specified pursuant to Section 3.01 for the purpose of determining the applicable rate of exchange and, if applicable, for the purpose of converting the issued Currency into the applicable payment Currency for the payment of principal, premium (if any) and interest (if any) pursuant to Section 3.12.

(b) The Company shall have the right to remove and replace from time to time the Exchange Rate Agent for any series of Securities. No resignation of the Exchange Rate Agent and no appointment of a successor Exchange Rate Agent pursuant to this Section 3.13 shall become effective until the

acceptance of appointment by the successor Exchange Rate Agent as evidenced by a written instrument delivered to the Company and the Trustees.

(c) If the Exchange Rate Agent shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the Exchange Rate Agent for any cause with respect to the Securities of one or more series, the Company, by or pursuant to a Board Resolution, shall promptly appoint a successor Exchange Rate Agent or Exchange Rate Agents with respect to the Securities of that or those series (it being understood that any such successor Exchange Rate Agent may be appointed with respect to the Securities of one or more or all of such series and that, unless otherwise specified pursuant to Section 3.01, at any time there shall only be one Exchange Rate Agent with respect to the Securities of any particular series that are originally issued by the Company on the same date and that are initially denominated and/or payable in the same Currency).

SATISFACTION AND DISCHARGE

SECTION 4.01 Satisfaction and Discharge of Indenture.

This Indenture shall upon Company Request cease to be of further effect with respect to any series of Securities specified in such Company Request (except as to any surviving rights of registration of transfer or exchange of Securities of such series expressly provided for herein or pursuant hereto and the rights of Holders of such series of Securities to receive, solely from the trust fund described in subclause (b) of clause (1) of this Section 4.01, payments in respect of the principal of, premium (if any) and interest (if any) on such Securities when such payments are due and except as provided in the last paragraph of this Section 4.01) and the Trustees, at the expense of the Company, shall execute proper instruments acknowledging satisfaction and discharge of this Indenture as to such series when

(1) either

(a) all Securities of such series theretofore authenticated and delivered (other than Securities of such series for whose payment money has theretofore been deposited in trust with either Trustee or any Paying Agent or segregated and held in trust by the Company and thereafter repaid to the Company, as provided in Section 10.03) have been delivered to either Trustee for cancellation; or

(b) all Securities of such series not theretofore delivered to either Trustee for cancellation

(i) have become due and payable, or

(ii) will become due and payable at their Stated Maturity within one year, or

(iii) if redeemable at the option of the Company, are to be called for redemption within one year under arrangements satisfactory to the Trustees for the giving of notice of redemption by the Trustees in the name, and at the expense, of the Company,

and the Company, in the case of (i), (ii) or (iii) above, has irrevocably deposited or caused to be deposited with either Trustee as trust funds in trust for such purpose an amount in the Currency in which the Securities of such series are payable, sufficient to pay and discharge the entire indebtedness on such Securities not theretofore delivered to such Trustee for cancellation, for principal, premium (if any) and interest (if any) to the date of such deposit (in the case of Securities which have become due and payable) or to the Stated Maturity or Redemption Date, as the case may be;

(2) the Company has paid or caused to be paid all other sums payable hereunder by the Company; and

- (3) the Company has delivered to the Trustees an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent herein provided for relating to the satisfaction and discharge of this Indenture as to such series have been complied with.

Notwithstanding the satisfaction and discharge of this Indenture, the obligations of the Company to the Trustees under Section 6.07, the obligations of the Trustees to any Authenticating Agent under Section 6.12 and, if money shall have been deposited with the Trustees pursuant to subclause (b) of clause (1) of this Section 4.01, the obligations of the Trustees under Section 4.02, Section 6.07(3) and the last paragraph of Section 10.03 shall survive.

SECTION 4.02 Application of Trust Money.

Subject to the provisions of the last paragraph of Section 10.03, all money deposited with the Trustees pursuant to Section 4.01 shall be held in trust and applied by it, in accordance with the provisions of the Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent) as the Trustees may determine, to the Persons entitled thereto, of the principal, premium (if any) and interest (if any) for whose payment such money has been deposited with the Trustees; but such money need not be segregated from other funds except to the extent required by law.

ARTICLE FIVE REMEDIES

SECTION 5.01 Events of Default.

“**Event of Default**,” wherever used herein with respect to Securities of any series, means any one of the following events (whatever the reason for such Event of Default and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any administrative or governmental body), unless such event is specifically deleted or modified in or pursuant to a supplemental indenture, Board Resolution or Officer's Certificate establishing the terms of such series pursuant to Section 3.01 of this Indenture:

- (1) default in the payment of any interest due on any Security of that series, when such interest becomes due and payable, and continuance of such default for a period of 30 days; or
- (2) default in the payment of the principal or premium (if any) in respect of any Security of that series at its Maturity; or
- (3) default in the deposit of any sinking fund, amortization or analogous payment when due by the terms of any Security of that series and Article Twelve; or
- (4) default in the performance, or breach, of any covenant or agreement of the Company in this Indenture which affects or is applicable to the Securities of that series (other than a covenant or agreement, a default in whose performance or whose breach is elsewhere in this Section 5.01 specifically dealt with), and continuance of such default or breach for a period of 60 days after there has been given (and 120 days with respect to a default or breach under Section 7.05), by registered or certified mail, to the Company by the Trustees or to the Company and the Trustees by the Holders of at least 25% in principal amount of all Outstanding Securities of that series a written notice specifying such

default or breach and requiring it to be remedied and stating that such notice is a “Notice of Default” hereunder; or

- (5) the entry of a decree or order by a court having jurisdiction in the premises adjudging the Company bankrupt or insolvent, or approving as properly filed a petition seeking reorganization, arrangement, adjustment or composition of or in respect of the Company under or subject to the Bankruptcy and Insolvency Act (Canada), the Companies’ Creditors Arrangement Act (Canada), the U.S. Federal Bankruptcy Code or any other federal, provincial, state or foreign bankruptcy, insolvency or analogous laws, or the issuance of a sequestration order or the (appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or in receipt of any substantial part of the property of the Company, and any such decree, order or appointment continues unstayed and in effect for a period of 90 consecutive days; or
- (6) the institution by the Company of proceedings to be adjudicated bankrupt or insolvent, or the consent by it to the institution of bankruptcy or insolvency proceedings against it, or the filing by it of a petition or answer or consent seeking reorganization or relief under or subject to the Bankruptcy and Insolvency Act (Canada), the Companies’ Creditors Arrangement Act (Canada), the U.S. Federal Bankruptcy Code or any other federal, provincial, state or foreign bankruptcy, insolvency or analogous laws or the consent by it to the filing of any such petition or to the appointment of a receiver, liquidator, assignee, trustee, sequestrator (or other similar official) of the Company or of any substantial part of its property, or the making by it of a general assignment for the benefit of creditors, or the admission by it in writing of its inability to pay its debts generally as they become due or the taking by it of corporate action in furtherance of any of the aforesaid purposes; or
- (7) any other Event of Default provided with respect to Securities of that series.

SECTION 5.02 Acceleration of Maturity; Rescission and Annulment.

If an Event of Default described in clause (1), (2), (3), (4) or (7) of Section 5.01 with respect to Securities of any series at the time Outstanding occurs and is continuing, then in every such case, either Trustee or the Holders of not less than 25% in principal amount of the Outstanding Securities of that series, may declare the principal amount (or, if the Securities of that series are Original Issue Discount Securities or Indexed Securities, such portion of the principal amount as may be specified in the terms of that series) of all of the Securities of that series and all interest thereon to be due and payable immediately, by a notice in writing to the Company (and to the Trustees if given by Holders), and upon any such declaration such principal amount (or specified portion thereof) shall become immediately due and payable. If an Event of Default specified in clause (5) or (6) of Section 5.01 occurs and is continuing, then the principal amount of all the Securities shall ipso facto become and be immediately due and payable without any declaration or other act on the part of the Trustees or any Holder.

At any time after such a declaration of acceleration with respect to Securities of any series (or of all series, as the case may be) has been made and before a judgment or decree for payment of the money due has been obtained by either Trustee as hereinafter provided in this Article Five, the Holders of a majority in principal amount of the Outstanding Securities of that series (or of all series, as the case may be), by written notice to the Company and the Trustees, may rescind and annul such declaration and its consequences if:

- (1) the Company has paid or deposited with either Trustee a sum sufficient to pay in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)),
 - (a) all overdue interest (if any) on all Outstanding Securities of that series (or of all series, as the case may be),
 - (b) all unpaid principal of and premium (if any) on any Outstanding Securities of that series (or of all series, as the case may be) which has become due otherwise than by such declaration of acceleration, and interest on such unpaid principal and premium (if any) at the rate or rates prescribed therefor in such Securities,
 - (c) to the extent that payment of such interest is legally enforceable, interest on overdue interest at the rate or rates prescribed therefor in such Securities, and
 - (d) all sums paid or advanced by the Trustees hereunder and the reasonable compensation, expenses, disbursements and advances of the Trustees, their agents and counsel; and
- (2) all Events of Default with respect to Securities of that series (or of all series, as the case may be), other than the non-payment of amounts of principal of, premium (if any) or interest (if any) on Securities of that series (or of all series, as the case may be) which have become due solely by such declaration of acceleration, have been cured or waived as provided in Section 5.13.

No such rescission shall affect any subsequent default or impair any right consequent thereon.

SECTION 5.03 Collection of Debt and Suits for Enforcement by Trustees.

The Company covenants that if

- (1) default is made in the payment of any installment of interest on any Security when such interest becomes due and payable and such default continues for a period of 30 days, or
- (2) default is made in the payment of the principal of or premium (if any) any Security at the Maturity thereof,

then the Company will, upon demand of the Trustees, pay to the applicable Trustee for the benefit of the Holders of such Securities, the whole amount then due and payable on such Securities for principal of, premium (if any) and interest (if any) and interest on any overdue principal, overdue premium (if any) and, to the extent lawful, overdue interest (if any), at the rate or rates prescribed therefor in such Securities, and, in addition thereto, such further amount as shall be sufficient to cover the costs and expenses of collection, including the reasonable compensation, expenses, disbursements and advances of the Trustees, their agents and counsel.

If the Company fails to pay such amounts forthwith upon such demand, the Trustees, in their own names as trustees of an express trust, may institute a judicial proceeding for the collection of the sums so due and unpaid, may prosecute such proceeding to judgment or final decree and may enforce the same against the Company or any other obligor upon such Securities and collect the moneys adjudged or decreed to be payable in the manner provided by law out of the property of the Company or any other obligor upon such Securities, wherever situated.

If an Event of Default with respect to Securities of any series (or of all series, as the case may be) occurs and is continuing, either Trustee may in its discretion proceed to protect and enforce its rights and the rights of the Holders of Securities of such series (or of all series, as the case may be) by such appropriate judicial proceedings as such Trustee shall deem most effectual to protect and enforce any such rights, whether for the specific enforcement of any covenant or agreement in this Indenture or in aid of the exercise of any power granted herein, or to enforce any other proper remedy.

SECTION 5.04 Trustees May File Proofs of Claim.

In case of the pendency of any receivership, insolvency, liquidation, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceeding relative to the Company or any other obligor upon the Securities or the property of the Company or of such other obligor or their creditors, each Trustee (irrespective of whether the principal of the Securities shall then be due and payable as therein expressed or by declaration or otherwise and irrespective of whether either Trustee shall have made any demand on the Company for the payment of overdue principal, premium (if any) or interest) shall be entitled and empowered, by intervention in such proceeding or otherwise,

(i) to file and prove a claim for the whole amount of principal and premium (if any), or such portion of the principal amount of any series of Original Issue Discount Securities or Indexed Securities as may be specified in the terms of such series, and interest (if any) owing and unpaid in respect of the Securities and to file such other papers or documents as may be necessary or advisable in order to have the claims of such Trustee (including any claim for the reasonable compensation, expenses, disbursements and advances of such Trustee, its agents and counsel) and of the Holders allowed in such judicial proceeding, and

(ii) to collect and receive any moneys or other property payable or deliverable on any such claims and to distribute the same;

and any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Holder to make such payments to such Trustee and, in the event that such Trustee shall consent to the making of such payments directly to the Holders, to pay to such Trustee any amount due to it for the reasonable compensation, expenses, disbursements and advances of each Trustee, its agents and counsel, and any other amounts due to such Trustee under Section 6.07.

Nothing herein contained shall be deemed to authorize the Trustees to authorize or consent to or accept or adopt on behalf of any Holder any plan of reorganization, arrangement, adjustment or composition affecting the Securities or the rights of any Holder thereof or to authorize the Trustees to vote in respect of the claim of any Holder in any such proceeding.

SECTION 5.05 Trustees May Enforce Claims Without Possession of Securities.

All rights of action and claims under this Indenture, the Securities may be prosecuted and enforced by the Trustees without the possession of any of the Securities or the production thereof in any proceeding relating thereto, and any such proceeding instituted by either Trustee shall be brought in its own name as trustee of an express trust, and any recovery of judgment shall, after provision for the payment of the reasonable compensation, expenses, disbursements and advances of such Trustee, its agents and counsel, be for the ratable benefit of the Holders of the Securities in respect of which such judgment has been recovered.

SECTION 5.06 Application of Money Collected.

Any money collected by either Trustee pursuant to this Article Five shall be applied in the following order, at the date or dates fixed by the Trustees and, in case of the distribution of such money on account of principal of, premium (if any) or interest (if any) upon presentation of the Securities, and the notation thereon of the payment if only partially paid and upon surrender thereof if fully paid:

First: to the payment of all amounts due the Trustees under Section 6.07;

Second: to the payment of the amounts then due and unpaid for principal of, premium (if any) and interest (if any), on the Securities in respect of which or for the benefit of which such money has been collected, ratably, without preference or priority of any kind, according to the amounts due and payable on such Securities for principal, premium (if any) and interest (if any), respectively; and

Third: the balance, if any, to the Person or Persons entitled thereto.

SECTION 5.07 Limitation on Suits.

No Holder of any Security of any series shall have any right to institute any proceeding, judicial or otherwise, with respect to this Indenture or the Securities, or for the appointment of a receiver or trustee, or for any other remedy hereunder, unless

- (1) such Holder has previously given written notice to the Trustees of a continuing Event of Default with respect to the Securities of that series;
- (2) the Holders of not less than 25% in principal amount of the Outstanding Securities of that series in the case of any Event of Default described in clause (1), (2), (3), (4) or (7) of Section 5.01, or, in the case of any Event of Default described in clause (5) or (6) of Section 5.01, the Holders of not less than 25% in principal amount of all Outstanding Securities, shall have made written request to the Trustees to institute proceedings in respect of such Event of Default in their own names as Trustees hereunder;
- (3) such Holder or Holders have offered to the Trustees reasonable indemnity against the costs, expenses and liabilities to be incurred in compliance with such request;
- (4) the Trustees for 60 days after their receipt of such notice, request and offer of indemnity have failed to institute any such proceeding; and
- (5) no direction inconsistent with such written request has been given to the Trustees during such 60-day period by the Holders of a majority or more in principal amount of the Outstanding Securities of that series in the case of any Event of Default described in clause (1), (2), (3), (4) or (7) of Section 5.01, or in the case of any Event of Default described in clause (5) or (6) of Section 5.01, by the Holders of a majority or more in principal amount of all Outstanding Securities;

it being understood and intended that no one or more of such Holders shall have any right in any manner whatever by virtue of, or by availing of, any provision of this Indenture to affect, disturb or prejudice the rights of any other Holders of Securities of the same series, in the case of any Event of Default described in clause (1), (2), (3), (4) or (7) of Section 5.01, or of Holders of all Securities in the case of any Event of Default described in clause (5) or (6) of Section 5.01, or to obtain or to seek to obtain priority or preference over any other of such Holders or to enforce any right under this Indenture, except in the manner herein provided and for the equal and ratable benefit of all Holders of Securities of the same

series, in the case of any Event of Default described in clause (1), (2), (3), (4) or (7) of Section 5.01, or of Holders of all Securities in the case of any Event of Default described in clause (5) or (6) of Section 5.01.

SECTION 5.08 Unconditional Right of Holders to Receive Principal, Premium and Interest.

Notwithstanding any other provision in this Indenture, the Holder of any Security shall have the right, which is absolute and unconditional, to receive payment, as provided herein (including, if applicable, Article Fourteen) and in such Security, of the principal of and premium (if any) and (subject to Section 3.07) interest (if any) on, such Security on the respective Stated Maturities expressed in such Security (or, in the case of redemption, on the Redemption Date or, in the case of repayment at the option of the Holder as contemplated by Article Twelve, on the Repayment Date) and subject to the limitations on a Holder's ability to institute suit contained Section 5.07, to institute suit for the enforcement of any such payment, and such rights shall not be impaired without the consent of such Holder.

SECTION 5.09 Restoration of Rights and Remedies.

If either Trustee or any Holder has instituted any proceeding to enforce any right or remedy under this Indenture and such proceeding has been discontinued or abandoned for any reason, or has been determined adversely to such Trustee or to such Holder, then and in every such case, subject to any determination in such proceeding, the Company, the Trustees and the Holders of Securities shall be restored severally and respectively to their former positions hereunder and thereafter all rights and remedies of the Trustees and the Holders shall continue as though no such proceeding had been instituted.

SECTION 5.10 Rights and Remedies Cumulative.

Except as otherwise provided with respect to the replacement or payment of mutilated, destroyed, lost or stolen Securities in the last paragraph of Section 3.06, no right or remedy herein conferred upon or reserved to the Trustees or to the Holders of Securities is intended to be exclusive of any other right or remedy, and every right and remedy shall, to the extent permitted by law, be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not, to the extent permitted by law, prevent the concurrent assertion or employment of any other appropriate right or remedy.

SECTION 5.11 Delay or Omission Not Waiver.

No delay or omission of the Trustees or of any Holder of any Security to exercise any right or remedy accruing upon any Event of Default shall impair any such right or remedy or constitute a waiver of any such Event of Default or an acquiescence therein. Every right and remedy given by this Article Five or by law to the Trustees or to the Holders may be exercised from time to time, and as often as may be deemed expedient, by the Trustees or by the Holders, as the case may be.

SECTION 5.12 Control by Holders.

With respect to the Securities of any series, the Holders of not less than a majority in principal amount of the Outstanding Securities of such series shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustees, or exercising any trust or power conferred on the Trustees, relating to or arising under clause (1), (2), (3), (4) or (7) of Section 5.01, and, with respect to all Securities, the Holders of not less than a majority in principal amount of all Outstanding Securities shall have the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustees, or exercising any trust or power conferred on the

Trustees, not relating to or arising under clause (1), (2), (3), (4) or (7) of Section 5.01, *provided* that in each case

- (1) such direction shall not be in conflict with any rule of law or with this Indenture,
- (2) the Trustees may take any other action deemed proper by the Trustees which is not inconsistent with such direction, and
- (3) the Trustees need not take any action which might involve them in personal liability or be unjustly prejudicial to the Holders of Securities of such series not consenting.

SECTION 5.13 Waiver of Past Defaults.

Subject to Section 5.02, the Holders of not less than a majority in principal amount of the Outstanding Securities of any series may on behalf of the Holders of all the Securities of such series waive any past Default described in clause (1), (2), (3), (4) or (7) of Section 5.01 (or, in the case of a Default described in clause (5) or (6) of Section 5.01, the Holders of not less than a majority in principal amount of all Outstanding Securities may waive any such past Default), and its consequences, except a default

- (1) in respect of the payment of the principal of, premium (if any) or interest (if any) on any Security, or
- (2) in respect of a covenant or provision herein which under Article Nine cannot be modified or amended without the consent of the Holder of each outstanding Security of such series affected.

Upon any such waiver, any such Default shall cease to exist, and any Event of Default arising therefrom shall be deemed to have been cured, for every purpose of this Indenture; but no such waiver shall extend to any subsequent or other Default or Event of Default or impair any right consequent thereon.

SECTION 5.14 Waiver of Stay or Extension Laws.

The Company covenants (to the extent that it may lawfully do so) that it will not at any time insist upon, or plead, or in any manner whatsoever claim or take the benefit or advantage of, any stay or extension law wherever enacted, now or at any time hereafter in force, which may affect the covenants or the performance of this Indenture; and the Company (to the extent that it may lawfully do so) hereby expressly waives all benefit or advantage of any such law and covenants that it will not hinder, delay or impede the execution of any power herein granted to the Trustees, but will suffer and permit the execution of every such power as though no such law had been enacted.

SECTION 5.15 Undertaking for Costs.

In any suit for the enforcement of any right or remedy under this Indenture, or in any suit against either Trustee for any action taken, suffered or omitted by it as Trustee, a court may require any party litigant in such suit to file an undertaking to pay the costs of such suit, and may assess costs against any such party litigant, in the manner and to the extent provided in Trust Indenture Legislation; *provided, however*, that neither this Section 5.15 nor the provisions of TIA Section 315(e) shall apply to any suit instituted by either Trustee or by any Holder or group of Holders holding more than 10% in principal amount of all Outstanding Securities or by any Holder of any Security on any suit for the enforcement of the right to receive the principal of and interest on any such Securities.

**ARTICLE SIX
THE TRUSTEES**

SECTION 6.01 Notice of Defaults.

Each Trustee shall promptly give the other Trustee notice of any Default or Event of Default known to it. Within a reasonable time, but no more than 30 days after either Trustee has knowledge of any Default hereunder with respect to the Securities of any series, one or both of the Trustees shall transmit in the manner and to the extent provided in Trust Indenture Legislation, including TIA Section 313(c), notice to the Holders of such Default hereunder known to either Trustee, unless such Default shall have been cured or waived (and, in the case where such Default shall have been cured, the Trustees shall notify the Holders in writing of such cure in writing within a reasonable time, but not exceeding 30 days, after the Trustees have become aware that the Default has been cured); *provided, however*, that, except in the case of a Default in the payment of the principal of, premium (if any) or interest (if any) on any Security of such series or in the payment of any sinking fund installment with respect to Securities of such series, the Trustees shall be protected in withholding such notice if and so long as the board of directors, the executive committee or a trust committee of directors and/or Responsible Officers of each Trustee in good faith determine that the withholding of such notice is in the interest of the Holders of Securities of such series; *provided further* that in the case of any Default of the character specified in clause (4) of Section 5.01 with respect to Securities of such series, no such notice to Holders shall be given until at least 30 days after the occurrence thereof.

SECTION 6.02 Certain Duties and Responsibilities of Trustees.

(a) The Trustees, prior to the occurrence of an Event of Default and after the curing of all Events of Default that may have occurred, shall undertake to perform with respect to the Securities of any series such duties and only such duties as are specifically set forth in this Indenture, and no implied covenants shall be read into this Indenture against the Trustees.

(b) In all instances, in the exercise of the powers, rights, duties and discharge of obligations prescribed or conferred by the terms of this Indenture, each Trustee shall act honestly and in good faith with a view to the best interests of the Holders and exercise that degree of care, diligence and skill that a reasonably prudent trustee in respect of indentures for the purpose of issuing corporate debt obligations would exercise in comparable circumstances.

(c) No provision of this Indenture shall be construed to relieve each Trustee from liability for its own actions or failure to act in accordance with Subsection 6.02(b), except that:

- (i) prior to the occurrence of an Event of Default and after the curing or waiving of all such Events of Default that may have occurred:
 - (A) the duties and obligations of each Trustee with respect to the Securities of any series shall be determined solely by the express provisions of this Indenture, and the Trustees shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Indenture, and no implied covenants or obligations shall be read into this Indenture against the Trustees; and
 - (B) in the absence of bad faith on the part of either Trustee, such Trustee may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to the Trustees and conforming to the requirements of this

Indenture and Trust Indenture Legislation; but in the case of any such certificates or opinions that by any provision hereof are specifically required to be furnished to the Trustees, the Trustees shall be under a duty to examine the same to determine whether or not they conform to the requirements of this Indenture; *provided, however,* the Canadian Trustee shall not be required to determine whether the certificates or opinions presented to it conform to the Trust Indenture Act and the U.S. Trustee shall not be required to determine whether the certificates or opinions presented to it conform to Canadian Trust Indenture Legislation.

- (ii) the Trustees shall not be liable with respect to any action taken or omitted to be taken by them in good faith in accordance with the direction of the Holders of not less than a majority in principal amount of the Securities of any series at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustees, or exercising any trust or power conferred upon the Trustees under this Indenture;
- (iii) none of the provisions contained in this Indenture shall require either Trustee to expend or risk their own funds or otherwise incur personal or any financial liability in the performance of any of their duties or in the exercise of any of their rights or powers; and
- (iv) whether or not therein expressly so provided, except to the extent expressly provided herein to the contrary, every provision of this Indenture relating to the conduct or effecting the liability or affording protection to the Trustees shall be subject to the provisions of this Section 6.02.

(d) Notwithstanding the provisions of this Section 6.02 or any provision in this Indenture or in the Securities, the Trustees will not be charged with knowledge of the existence of any Event of Default or any other fact that would prohibit the making of any payment of monies to or by the Trustees, or the taking of any other action by the Trustees, unless and until the Trustees have received written notice thereof from the Company or any Holder.

SECTION 6.03 Certain Rights of Trustees.

Subject to the provisions of TIA Sections 315(a) through 315(d):

- (1) the Trustees may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document believed by them to be genuine and to have been signed or presented by the proper party or parties;
- (2) any request or direction of the Company mentioned herein shall be sufficiently evidenced by a Company Request or Company Order and any resolution of the Board of Directors may be sufficiently evidenced by a Board Resolution;
- (3) whenever in the administration of this Indenture the Trustees shall deem it desirable that a matter be proved or established prior to taking, suffering or omitting any action hereunder, each Trustee (unless other evidence be herein specifically prescribed) may, in the absence of bad faith on its part, rely upon an Officer's Certificate;

- (4) the Trustees may consult with counsel and the written advice of such counsel or any opinion of Counsel shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by them hereunder in good faith and in reliance thereon;
- (5) the Trustees shall be under no obligation to exercise any of the rights or powers vested in it by this Indenture at the request or direction of any of the Holders of Securities of any series pursuant to this Indenture, unless such Holders shall have offered to the Trustees reasonable security or indemnity against the costs, expenses and liabilities which might be incurred by them in compliance with such request or direction;
- (6) the Trustees shall not be bound to make any investigation into the facts or matters stated in any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, debenture, note, other evidence of indebtedness or other paper or document, but the Trustees, in their discretion, may make such further inquiry or investigation into such facts or matters as they may see fit, and, if the Trustees shall determine to make such further inquiry or investigation, they shall be entitled to examine the books, records and premises of the Company, personally or by agent or attorney;
- (7) in an Event of Default, the Trustees' powers shall not be infringed upon so long as they act in accordance with Section 6.02(b);
- (8) the Trustees may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents or attorneys and the Trustees shall not be responsible for any misconduct or negligence on the part of any agent or attorney appointed with due care by them hereunder; and
- (9) the Trustees shall not be liable for any action taken, suffered or omitted by them in good faith and believed by them to be authorized or within the discretion or rights or powers conferred upon them by this Indenture, so long as they act in accordance with this Section 6.02(b).

SECTION 6.04 Trustees Not Responsible for Recitals or Issuance of Securities.

The recitals contained herein and in the Securities, except for a Trustee's certificate of authentication, shall be taken as the statements of the Company, and neither Trustee nor any Authenticating Agent assumes any responsibility for their correctness. The Trustees make no representations as to the validity or sufficiency of this Indenture or of the Securities, except that the Trustees represent that they are duly authorized to execute and deliver this Indenture, authenticate the Securities and perform their obligations hereunder and that the statements made by the U.S. Trustee in a Statement of Eligibility on Form T-1 supplied to the Company are true and accurate, subject to the qualifications set forth therein. Neither Trustee nor any Authenticating Agent shall be accountable for the use or application by the Company of Securities or the proceeds thereof. Nothing herein contained will impose on either Trustee any obligation to see to, or to require evidence of, the registration or filing (or renewal thereof) of this Indenture or any supplemental indenture. The Trustees shall not be bound to give notice to any person of the execution hereof.

SECTION 6.05 May Hold Securities.

The Trustees, any Authenticating Agent, any Paying Agent, any Security Registrar or any other agent of the Company or of the Trustees, in their individual or any other capacity, may become the owner or pledgee of Securities and, subject to TIA Sections 310(b) and 311, may otherwise deal with the

Company, including, without limitation, as a creditor of the Company, with the same rights they would have if they were not Trustees, Authenticating Agent, Paying Agent, Security Registrar or such other agent. A Trustee that has resigned or is removed shall remain subject to TIA Section 311(a) to the extent provided therein.

SECTION 6.06 Money Held in Trust.

Money held by the Trustees in trust hereunder need not be segregated from other funds except to the extent required by law. The Trustees shall be under no liability for interest on any money received by them hereunder except as otherwise agreed with the Company.

SECTION 6.07 Compensation and Reimbursement.

The Company agrees:

- (1) to pay to the Trustees from time to time reasonable compensation for all services rendered by them hereunder (which compensation shall not be limited by any provision of law in regard to the compensation of a trustee of an express trust);
- (2) except as otherwise expressly provided herein, to reimburse the Trustees upon their request for all reasonable expenses, disbursements and advances incurred or made by the Trustees in accordance with any provision of this Indenture (including the reasonable compensation and the expenses and disbursements of their agents and counsel), except any such expense, disbursement or advance as may be attributable to the U.S. Trustee's gross negligence or bad faith or the Canadian Trustee's gross negligence or willful misconduct, respectively; and
- (3) to indemnify the Trustees for, and to hold them and their directors, officers, agents, representatives, successors, assigns and employees harmless against, any loss, liability or expense incurred without gross negligence or bad faith on the part of the U.S. Trustee, or gross negligence or willful misconduct on the part of the Canadian Trustee, respectively, arising out of or in connection with the acceptance or administration of the trust or trusts hereunder, including reasonable attorneys' fees and other reasonable costs and expenses of defending themselves against any claim or liability in connection with the exercise or performance of any of their powers or duties hereunder.

The obligations of the Company under this Section 6.07 to compensate the Trustees, to pay or reimburse the Trustees for expenses, disbursements and advances and to indemnify and hold harmless the Trustees shall constitute additional indebtedness hereunder and shall survive the satisfaction and discharge of this Indenture and the resignation or removal of the Trustee. As security for the performance of such obligations of the Company, the Trustees shall have a claim prior to the Securities upon all property and funds held or collected by the Trustees as such, except funds held in trust for the payment of principal of, premium (if any) or interest (if any) on particular Securities.

When the Trustees incur expenses or render services in connection with an Event of Default specified in clause (5) or (6) of Section 5.01, the expenses (including reasonable charges and expense of its counsel) of and the compensation for such services are intended to constitute expenses of administration under any applicable United States or Canadian federal, state or provincial bankruptcy, insolvency or other similar law.

The provisions of this Section 6.07 shall survive the termination of this Indenture.

SECTION 6.08 Corporate Trustees Required; Eligibility.

- (1) There shall be at all times a U.S. Trustee hereunder which shall be eligible to act as Trustee under TIA Section 310(a)(1) and, together with its immediate parent, shall have a combined capital and surplus of at least \$50,000,000. If the U.S. Trustee publishes reports of condition at least annually, pursuant to law or to the requirements of United States federal, state, territorial or District of Columbia supervising or examining authority, then for the purposes of this Section 6.08, the combined capital and surplus of U.S. Trustee shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any time the U.S. Trustee shall cease to be eligible in accordance with the provisions of this Section 6.08, it shall resign immediately in the manner and with the effect hereinafter specified in this Article Six.
- (2) For so long as required by Trust Indenture Legislation, there shall be a Canadian Trustee under this Indenture. The Canadian Trustee shall at all times be a resident or authorized to do business in the Province of British Columbia and any other province in Canada where Holders may be resident from time to time. The Canadian Trustee represents and warrants that no material conflict of interest exists in the Canadian Trustee's role as a fiduciary hereunder and agrees that in the event of a material conflict of interest arising hereafter it will, within 30 days after ascertaining that it has such material conflict of interest, either eliminate the same or resign its trust hereunder. If any such material conflict of interests exists or hereafter shall exist, the validity and enforceability of this Indenture shall not be affected in any manner whatsoever by reason thereof.
- (3) The Trustees will not be required to give any bond or security in respect of the execution of the trusts and powers set out in this Indenture or otherwise in respect of the premises.
- (4) Neither Trustee nor any Affiliate of either Trustee shall be appointed a receiver or receiver and manager or liquidator of all or any part of the assets or undertaking of the Company.

SECTION 6.09 Resignation and Removal; Appointment of Successor.

- (1) No resignation or removal of either Trustee and no appointment of a successor Trustee pursuant to this Article Six shall become effective until the acceptance of appointment by the successor Trustee in accordance with the applicable requirements of Section 6.10.
- (2) Either Trustee may resign at any time with respect to the Securities of one or more series by giving written notice thereof to the Company. If the instrument of acceptance by a successor Trustee required by Section 6.10 shall not have been delivered to such Trustee within 30 days after the giving of such notice of resignation, the resigning Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.
- (3) Either Trustee may be removed following 30 days' notice at any time with respect to the Securities of any series by Act of the Holders of not less than a majority in principal amount of the Outstanding Securities of such series, delivered to such Trustee and to the Company.

- (4) If at any time:
- (i) either Trustee shall acquire any conflicting interest as defined in TIA Section 310(b) and fail to comply with the provisions of TIA Section 310(b)(i), or
 - (ii) either Trustee shall fail to comply with the provisions of TIA Section 310(b) after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or
 - (iii) either Trustee shall cease to be eligible under Section 6.08 and shall fail to resign after written request therefor by the Company or by any Holder who has been a bona fide Holder of a Security for at least six months, or
 - (iv) either Trustee shall become incapable of acting or shall be adjudged a bankrupt or insolvent or a receiver of such Trustee or of its property shall be appointed or any public officer shall take charge or control of such Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation,

then, in any such case, (i) the Company, by a Board Resolution, may remove such Trustee with respect to all Securities, or (ii) subject to TIA Section 315(e), any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the removal of such Trustee with respect to all Securities of such series and the appointment of a successor Trustee or Trustees.

- (5) If either Trustee shall resign, be removed or become incapable of acting, or if a vacancy shall occur in the office of the U.S. Trustee or the Canadian Trustee for any cause, with respect to the Securities of one or more series, the Company, by a Board Resolution, shall promptly appoint a successor Trustee or Trustees with respect to the Securities of that or those series (it being understood that any such successor Trustee may be appointed with respect to the Securities of one or more or all of such series) *provided, however*, that the Company shall not be required to appoint a successor Trustee to the Canadian Trustee if the Canadian Trustee resigns or is removed and a Canadian Trustee under this Indenture is no longer required under Trust Indenture Legislation. If, within one year after such resignation, removal or incapability, or the occurrence of such vacancy, a successor Trustee with respect to the Securities of any series shall be appointed by Act of the Holders of a majority in principal amount of the Outstanding Securities of such series delivered to the Company and the retiring Trustee, the successor Trustee so appointed shall, forthwith upon its acceptance of such appointment, become the successor Trustee with respect to the Securities of such series and to that extent supersede the successor Trustee appointed by the Company. If no successor Trustee with respect to the Securities of any series shall have been so appointed by the Company or the Holders and accepted appointment in the manner hereinafter provided, any Holder who has been a bona fide Holder of a Security of such series for at least six months may, on behalf of himself and all others similarly situated, petition any court of competent jurisdiction for the appointment of a successor Trustee with respect to the Securities of such series.
- (6) The Company shall give notice of each resignation and each removal of a Trustee with respect to the Securities of any series and each appointment of a successor Trustee with respect to the Securities of any series to the Holders of Securities of such series in the manner provided for in Section 1.07. Each notice shall include the name of the successor

Trustee with respect to the Securities of such series and the address of its Corporate Trust Office.

- (7) If a Canadian Trustee under this Indenture is no longer required by Trust Indenture Legislation, then the Company by a Board Resolution may remove the Canadian Trustee.

SECTION 6.10 Acceptance of Appointment by Successor.

- (1) In case of the appointment hereunder of a successor Trustee with respect to all Securities, every such successor Trustee so appointed shall execute, acknowledge and deliver to the Company and to the retiring Trustee an instrument accepting such appointment, and thereupon the resignation or removal of the retiring Trustee shall become effective and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee; but, on the request of the Company or the successor Trustee, such retiring Trustee shall, upon payment of its charges, execute and deliver an instrument transferring to such successor Trustee all the rights, powers and trusts of the retiring Trustee and shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder.
- (2) In case of the appointment hereunder of a successor Trustee with respect to the Securities of one or more (but not all) series, the Company, the retiring Trustee and each successor Trustee with respect to the Securities of one or more series shall execute and deliver an indenture supplemental hereto wherein each successor Trustee shall accept such appointment and which (1) shall contain such provisions as shall be necessary or desirable to transfer and confirm to, and to vest in, each successor Trustee all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates, (2) if the retiring Trustee is not retiring with respect to all Securities, shall contain such provisions as shall be deemed necessary or desirable to confirm that all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series as to which the retiring Trustee is not retiring shall continue to be vested in the retiring Trustee, and (3) shall add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, it being understood that nothing herein or in such supplemental indenture shall constitute such Trustees co-trustees of the same trust and that each such Trustee shall be trustee of a trust or trusts hereunder separate and apart from any trust or trusts hereunder administered by any other such Trustee; and upon the execution and delivery of such supplemental indenture the resignation or removal of the retiring Trustee shall become effective to the extent provided therein and each such successor Trustee, without any further act, deed or conveyance, shall become vested with all the rights, powers, trusts and duties of the retiring Trustee with respect to the Securities of that or those series to which the appointment of such successor Trustee relates; but, on request of the Company or any successor Trustee, such retiring Trustee shall duly assign, transfer and deliver to such successor Trustee all property and money held by such retiring Trustee hereunder with respect to the Securities of that or those series to which the appointment of such successor Trustee relates. Whenever there is a successor Trustee with respect to one or more (but less than all) series of Securities issued pursuant to this Indenture, the terms "Indenture" and "Securities" shall have the meanings specified in the provisos to the respective definitions of those terms in Section 1.01 which contemplate such situation.

- (3) Upon reasonable request of any such successor Trustee, the Company shall execute any and all instruments for more fully and certainly vesting in and confirming to such successor Trustee all rights, powers and trusts referred to in paragraph (1) or (2) of this Section 6.10, as the case may be.
- (4) No successor Trustee shall accept its appointment unless at the time of such acceptance such successor Trustee shall be qualified and eligible under this Article Six.

SECTION 6.11 Merger, Conversion, Consolidation or Succession to Business.

Any corporation into which either Trustee or its corporate trust business may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which either Trustee shall be a party, or any corporation succeeding to all or substantially all the corporate trust business of either Trustee, shall be the successor of such Trustee hereunder, *provided* such corporation shall be otherwise qualified and eligible under this Article Six, without the execution or filing of any paper or any further act on the part of any of the parties hereto. In case any Securities shall have been authenticated, but not delivered, by a Trustee then in office, any successor by merger, conversion or consolidation to such authenticating Trustee may adopt such authentication and deliver the Securities so authenticated with the same effect as if such successor Trustee had itself authenticated such Securities. In case any of the Securities shall not have been authenticated by such predecessor Trustee, any successor Trustee may authenticate such Securities either in the name of any predecessor hereunder or in the name of the successor Trustee. In all such cases such certificates shall have the full force and effect which this Indenture provides for the certificate of authentication of such Trustee; *provided, however*, that the right to adopt the certificate of authentication of any predecessor Trustee or to authenticate Securities in the name of any predecessor Trustee shall apply only to its successor or successors by merger, conversion or consolidation.

SECTION 6.12 Appointment of Authenticating Agent.

At any time when any of the Securities remain outstanding, the Trustees may appoint an Authenticating Agent or Agents, with respect to one or more series of Securities which shall be authorized to act on behalf of the Trustees to authenticate Securities of such series and the Trustees shall give written notice of such appointment to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, in the manner provided for in Section 1.07. Securities so authenticated shall be entitled to the benefits of this Indenture and shall be valid and obligatory for all purposes as if authenticated by the applicable Trustee hereunder. Any such appointment shall be evidenced by an instrument in writing signed by a Responsible Officer of the Trustees, and a copy of such instrument shall be promptly furnished to the Company. Wherever reference is made in this Indenture to the authentication and delivery of Securities by the Trustees or either Trustee's certificate of authentication, such reference shall be deemed to include authentication and delivery on behalf of the Trustees by an Authenticating Agent and a certificate of authentication executed on behalf of the Trustees by an Authenticating Agent. Each Authenticating Agent shall be acceptable to the Company and shall at all times be a corporation organized and doing business under the laws of the United States of America, any state thereof or the District of Columbia or the laws of Canada or any province thereof, authorized under such laws to act as Authenticating Agent, having a combined capital and surplus of not less than \$50,000,000 and subject to supervision or examination by United States federal or state or Canadian federal or provincial authority. If such corporation publishes reports of condition at least annually, pursuant to law or to the requirements of said supervising or examining authority, then for the purposes of this Section 6.12, the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. If at any

time an Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.12, it shall resign immediately in the manner and with the effect specified in this Section 6.12.

Any corporation into which an Authenticating Agent may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which such Authenticating Agent shall be a party, or any corporation succeeding to the corporate agency or corporate trust business of an Authenticating Agent, shall continue to be an Authenticating Agent, *provided* such corporation shall be otherwise eligible under this Section 6.12, without the execution or filing of any paper or any further act on the part of the Trustees or the Authenticating Agent.

An Authenticating Agent may resign at any time by giving written notice thereof to the Trustees and to the Company. The Trustees may at any time terminate the agency of an Authenticating Agent by giving written notice thereof to such Authenticating Agent and to the Company. Upon receiving such a notice of resignation or upon such a termination, or in case at any time such Authenticating Agent shall cease to be eligible in accordance with the provisions of this Section 6.12, the Trustees may appoint a successor Authenticating Agent which shall be acceptable to the Company and shall give written notice of such appointment to all Holders of Securities of the series with respect to which such Authenticating Agent will serve, in the manner provided for in Section 1.07. Any successor Authenticating Agent upon acceptance of its appointment hereunder shall become vested with all the rights, powers and duties of its predecessor hereunder, with like effect as if originally named as an Authenticating Agent. No successor Authenticating Agent shall be appointed unless eligible under the provisions of this Section 6.12.

The Trustees agree to pay to each Authenticating Agent from time to time reasonable compensation for its services under this Section 6.12, and the Trustees shall be entitled to be reimbursed for such payments, subject to the provisions of Section 6.07.

If an appointment with respect to one or more series is made pursuant to this Section 6.12, the Securities of such series may have endorsed thereon, in addition to either Trustee's certificate of authentication, an alternate certificate of authentication in the following form:

(Certificate of Authentication may be executed by either Trustee)

_____, as U.S. Trustee, certifies that this is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: _____

,
as U.S. Trustee

By: ,
As Authenticating Agent

By: ,
Authorized Officer

_____, as Canadian Trustee, certifies that this is one of the Securities of the series designated therein referred to in the within-mentioned Indenture.

Dated: _____

,
as Canadian Trustee

By: ,
As Authenticating Agent

By: ,
Authorized Officer

SECTION 6.13 Joint Trustees.

The rights, powers, duties and obligations conferred and imposed upon the Trustees are conferred and imposed upon and shall be exercised and performed by the U.S. Trustee and the Canadian Trustee individually, except to the extent the Trustees are required under Trust Indenture Legislation to perform such acts jointly, and neither Trustee shall be liable or responsible for the acts or omissions of the other Trustee. If the U.S. Trustee and Canadian Trustee are unable to agree jointly to act or refrain from acting, the applicable Trustee shall make the decision in accordance with its applicable legislation. Unless the context implies or requires otherwise, any written notice, request, direction, certificate, instruction, opinion or other document (each such document, a “**Writing**”) delivered pursuant to any provision of this Indenture to any of the U.S. Trustee or the Canadian Trustee shall be deemed for all purposes of this Indenture as delivery of such Writing to the Trustee. Each such Trustee in receipt of such Writing shall notify such other Trustee of its receipt of such Writing within two Business Days of such receipt *provided, however*, that any failure of such trustee in receipt of such Writing to so notify such other Trustee shall not be deemed as a deficiency in the delivery of such Writing to the Trustee.

SECTION 6.14 Other Rights of Trustees.

Each Trustee shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, either Trustee, in its sole judgment, determines that such act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should either Trustee, in its sole judgment, determine at any time that its acting under this Indenture has resulted in its being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on 10 days written notice to all parties provided (i) that such Trustee’s written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to such Trustee’s satisfaction within such 10 day period, then such resignation shall not be effective.

The parties hereto acknowledge that Canadian federal and provincial legislation addressing the protection of individuals’ personal information (collectively, “**Privacy Laws**”) applies to obligations and activities under this Indenture. Despite any other provision of this Indenture, neither party shall take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Company, prior to transferring, or causing to be transferred, personal information to the Canadian Trustee, shall obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or shall have determined that such consents either have been previously given and can be relied on or are not required under Privacy Laws. The Canadian Trustee shall use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws. Specifically, the Trustee agrees to (i) have designated a chief privacy officer; (ii) maintain policies and procedures to protect personal information and to receive and respond to any privacy complaint or inquiry; (iii) use personal information solely for the purposes of providing its services under or ancillary to this Indenture and not to use it for any other purpose except with the consent and direction of the Company; (iv) not sell or otherwise improperly disclose personal information to any third party; and (v) use employee administrative, physical and technological safeguards to reasonably secure and protect personal information against loss, theft or unauthorized access, use or modification.

It is expressly acknowledged and agreed that the Canadian Trustee may, in the course of providing services hereunder, collect or receive, use and disclose financial and other personal information about such parties and/or their representatives, as individuals, or about other individuals related to the subject matter hereof, and use such information for the following purposes:

- (i) to provide the services required under this Indenture and other services that may be requested from time to time;
- (ii) to help the Canadian Trustee manage its servicing relationships with such individuals;
- (iii) to meet the Canadian Trustee's legal and regulatory requirements; and
- (iv) if social insurance numbers are collected by the Canadian Trustee, to perform tax reporting and to assist in verification of an individual's identity for security purposes.

Further, each party agrees that it shall not provide or cause to be provided to the Canadian Trustee any personal information relating to an individual who is not a party to this Indenture unless that party has assured itself that such individual understands and has consented to the aforementioned uses and disclosures. Notwithstanding anything to the contrary herein, the Company and the Trustees may, without liability, disclose information about the Holders and beneficial owners or potential Holders or potential beneficial owners of the Securities pursuant to subpoena or other order issued by a court of competent jurisdiction or when otherwise required by applicable law.

Each Trustee hereby accepts the trusts in this Indenture declared and provided for and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall from time to time be holders, subject to all the terms and conditions herein set forth.

ARTICLE SEVEN HOLDERS' LISTS AND REPORTS BY TRUSTEE AND COMPANY

SECTION 7.01 Company to Furnish Trustees Names and Addresses of Holders.

The Company will furnish or cause to be furnished to the Trustees (1) not more than 15 days after each Regular Record Date, or such lesser time as required by the Trustees, a list, in such form as the Trustees may reasonably require, of the names and addresses of Holders as of such Regular Record Date; *provided, however*, that the Company shall not be obligated to furnish or cause to be furnished such list at any time that the list shall not differ in any respect from the most recent list furnished to the Trustees by the Company or at such times as either Trustee is acting as Security Registrar for the applicable series of Securities and (2) at such other times as the Trustees may request in writing within 30 days after the receipt by the Company of any such request, a list of similar form and content as of a date not more than 15 days prior to the time such list is furnished.

SECTION 7.02 Preservation of List of Names and Addresses of Holders.

The Trustees shall preserve, in as current a form as is reasonably practicable, all information as to the names and addresses of the Holders contained in the most recent list furnished to them as provided in Section 7.01 and as to the names and addresses of Holders received by either Trustee in its capacity as Security Registrar for the applicable series of Securities (if acting in such capacity).

The Trustees may destroy any list furnished as provided in Section 7.01 upon receipt of a new list so furnished.

Holder may communicate as provided in TIA Section 312(b) with other Holders with respect to their rights under this Indenture or under the Securities.

SECTION 7.03 Disclosure of Names and Addresses of Holders.

Every Holder of Securities, by receiving and holding the same, agrees with the Company and the Trustees that none of the Company or the Trustees or any agent of either of them shall be held accountable by reason of the disclosure of any such information as to the names and addresses of the Holders in accordance with TIA Section 312, regardless of the source from which such information was derived, and that the Trustees shall not be held accountable by reason of mailing any material pursuant to a request made under TIA Section 312(b).

SECTION 7.04 Reports by Trustees.

- (1) Within 60 days after May 15 of each year commencing with the first year after the first issuance of Securities pursuant to this Indenture, the U.S. Trustee shall transmit to the Holders of Securities, in the manner and to the extent provided in TIA Section 313(c), a brief report dated as of such reporting date, if required by TIA Section 313(a).
- (2) The U.S. Trustee shall comply with TIA Sections 313(b) and 313(c).
- (3) A copy of such report shall, at the time of such transmission to the Holders, be filed by the U.S. Trustee with the Company, with each securities exchange upon which any of the Securities are listed (if so listed) and also with the Commission. The Company agrees to notify the Trustees when the Securities become listed on any securities exchange.

SECTION 7.05 Reports by the Company.

- (1) The Company will file with the Trustees, within 20 days after filing with or furnishing to the Commission, copies of its annual reports and of the information, documents and other reports (or copies of such portions of any of the foregoing as the Commission may by rules and regulations prescribe) which the Company is required to file or furnish with the Commission pursuant to Section 13 or 15(d) of the Exchange Act or, if the Company is not required to file information, documents or reports pursuant to either of such sections, then to file with the Trustees and the Commission, in accordance with rules and regulations prescribed by the Commission, such of the supplementary and periodic information, documents and reports which may be required pursuant to Section 13 of the Exchange Act in respect of a security listed and registered on a national securities exchange as may be prescribed in such rules and regulations; *provided* that any such reports, information or documents filed with the Commission pursuant to its Electronic Data Gathering, Analysis and Retrieval (EDGAR) system shall be deemed filed with the Trustees.
- (2) The Company will transmit to all Holders, in the manner and to the extent provided in TIA Section 313(c), within 30 days after the filing thereof with the Trustees, such summaries of any information, documents and reports required to be filed by the Company pursuant to paragraph (1) of this Section 7.05 as may be required by rules and regulations prescribed from time to time by the Commission.

- (3) If at any time the Securities are guaranteed by a direct or indirect parent of the Company, and such parent has furnished the reports required by this Section 7.05 with respect to parent as required by this Section 7.05 as if parent were the Company (including any financial information required hereby), the Company shall be deemed to be in compliance with this Section 7.05.

**ARTICLE EIGHT
CONSOLIDATION, MERGER, CONVEYANCE, TRANSFER OR LEASE**

SECTION 8.01 Company May Consolidate, etc., only on Certain Terms.

The Company shall not amalgamate or consolidate with or merge into or enter into any statutory arrangement with any other Person, or, directly or indirectly, convey, transfer or lease all or substantially all of its properties and assets to any Person, unless:

- (1) the Person formed by or continuing from such amalgamation or consolidation or into which the Company is merged or with which it enters into such statutory arrangement or the Person which acquires by operation of law or by conveyance or transfer, or which leases, all or substantially all of the properties and assets of the Company shall be a corporation, partnership or trust organized and validly existing under the laws of Canada or any province or territory thereof, the United States of America or any state thereof or the District of Columbia or, if such amalgamation, consolidation, merger, statutory arrangement or other transaction would not impair the rights of Holders, any other country, and, unless the Company is the continuing corporation, shall expressly assume, by an indenture supplemental hereto, executed and delivered to the Trustees, in form satisfactory to the Trustees, the Company's obligation for the due and punctual payment of the principal of, premium (if any) and interest (if any) on all the Securities and the performance and observance of every covenant of this Indenture on the part of the Company to be performed or observed;
- (2) immediately after giving effect to such transaction, no Default or Event of Default shall have happened and be continuing; and
- (3) the Company or such Person shall have delivered to the Trustees an Officer's Certificate and an Opinion of Counsel, each stating that such amalgamation, consolidation, merger, statutory arrangement or other transaction and such supplemental indenture comply with this Article Eight and that all conditions precedent herein provided for relating to such transaction have been complied with.

Notwithstanding the above, the Company may consolidate with, amalgamate with, undergo an arrangement with, merge with or into an Affiliate of the Company solely for the purpose of reincorporating the Company in a state of the United States or the District of Columbia or in another province or territory of Canada.

This Section 8.01 shall only apply to a merger, consolidation or amalgamation in which the Company is not the surviving Person and to conveyances, leases and transfers by the Company as transferor or lessor.

SECTION 8.02 Successor Person Substituted.

Upon any amalgamation or consolidation by the Company with or merger by the Company into any other corporation or a statutory arrangement or any conveyance, transfer or lease of all or

substantially all of the properties and assets of the Company to any Person in accordance with Section 8.01, the successor Person formed by such amalgamation or consolidation or into which the Company is merged or statutory arrangement, or to which such conveyance, transfer or lease is made shall succeed to, and be substituted for, and may exercise every right and power of, the Company under this Indenture with the same effect as if such successor Person had been named as the Company herein, and in the event of any such conveyance or transfer, the Company (which term shall for this purpose mean the Person named as the “Company” in the first paragraph of this Indenture or any successor Person which shall theretofore become such in the manner described in Section 8.01), except in the case of a lease, shall be discharged of all obligations and covenants under this Indenture and the Securities and may be dissolved and liquidated.

**ARTICLE NINE
SUPPLEMENTAL INDENTURES**

SECTION 9.01 Supplemental Indentures Without Consent of Holders.

Notwithstanding Section 9.02, without the consent of any Holders, the Company, when authorized by or pursuant to a Board Resolution, and the Trustees, at any time and from time to time, may enter into one or more indentures supplemental hereto, in form satisfactory to the Trustees, for any of the following purposes:

- (1) to evidence the succession of another Person to the Company and the assumption by any such successor of the covenants of the Company contained herein and in the Securities; or
- (2) to add to the covenants of the Company for the benefit of the Holders of all or any series of Securities (and if such covenants are to be for the benefit of less than all series of Securities, stating that such covenants are being included solely for the benefit of such series) or to surrender any right or power herein conferred upon the Company; or
- (3) to add any additional Events of Default (and if such Events of Default are to be for the benefit of less than all series of Securities, stating that such Events of Default are being included solely for the benefit of such series); or
- (4) to delete or modify any Events of Default with respect to a series of the Securities, the form and terms of which are being established pursuant to such supplemental indenture as permitted in Section 3.01; or
- (5) to change or eliminate any of the provisions of this Indenture; *provided* that any such change or elimination shall become effective only when there is no Security Outstanding of any series created prior to the execution of such supplemental indenture which is entitled to the benefit of such provision; or
- (6) to establish the form or terms of Securities of any series as permitted by Sections 2.01 and 3.01; or
- (7) to evidence and provide for the acceptance of appointment hereunder by a successor Trustee with respect to the Securities of one or more series and to add to or change any of the provisions of this Indenture as shall be necessary to provide for or facilitate the administration of the trusts hereunder by more than one Trustee, pursuant to the requirements of Section 6.10; or

- (8) to close this Indenture with respect to the authentication and delivery of additional series of Securities; or
- (9) to cure any ambiguity or to correct or supplement any provision contained herein or in any indenture supplemental hereto which may be defective or inconsistent with any other provision contained herein or in any supplemental indenture or to conform the terms hereof, as amended and supplemented, that are applicable to the Securities of any series to the description of the terms of such Securities in the offering memorandum, prospectus supplement or other offering document applicable to such Securities at the time of initial sale thereof; or
- (10) to make any change in any series of Securities that does not adversely affect in any material respect the rights of the Holders of such Securities; or
- (11) to add to or change or eliminate any provision of this Indenture as shall be necessary or desirable in accordance with any amendments to the Trust Indenture Act; or
- (12) to supplement any of the provisions of this Indenture to such extent as shall be necessary to permit or facilitate the defeasance and discharge of any series of Securities pursuant to Sections 4.01, 14.02 and 14.03; *provided* that any such action shall not adversely affect the interests of the Holders of Securities of such series or any other series of Securities in any material respect; or
- (13) to modify, eliminate or add to the provisions of this Indenture to such extent as shall be necessary to effect the qualifications of this Indenture under any applicable law of the United States and Canada or of any province or territory thereof to the extent they do not conflict with the applicable law of the United States heretofore or hereafter enacted.

SECTION 9.02 Supplemental Indentures with Consent of Holders.

Except as provided in Section 9.01 and this Section 9.02, with the consent of the Holders of not less than a majority in principal amount of all Outstanding Securities affected by such supplemental indenture, by Act of said Holders delivered to the Company and the Trustees, the Company, when authorized by or pursuant to a Board Resolution, and the Trustees may enter into an indenture or indentures supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture which affect such series of Securities or of modifying in any manner the rights of the Holders of Securities of such series under this Indenture; *provided, however*, that no such supplemental indenture shall, without the consent of the Holder of each Outstanding Security of such series,

- (1) change the Stated Maturity of the principal of, premium (if any) or any installment of interest (if any) on any Security of such series, or reduce the principal amount thereof, premium (if any) or the rate of interest (if any) thereon, or reduce the amount of the principal of an Original Issue Discount Security of such series that would be due and payable upon a declaration of acceleration of the Maturity thereof pursuant to Section 5.02 or the amount thereof provable in bankruptcy pursuant to Section 5.04, or adversely affect any right of repayment at the option of any Holder of any Security of such series, or change any Place of Payment where, or the Currency in which, any Security of such series or any premium or interest thereon is payable, or impair the right to institute suit for the enforcement of any such payment on or after the Stated Maturity thereof (or, in the case of redemption or repayment at the option of the Holder, on or after the

Redemption Date or Repayment Date, as the case may be), or adversely affect any right to convert or exchange any Security as may be provided pursuant to Section 3.01 herein, or

- (2) reduce the percentage in principal amount of the Outstanding Securities of such series required for any such supplemental indenture, or the consent of whose Holders is required for any waiver of compliance with certain provisions of this Indenture which affect such series or certain defaults applicable to such series hereunder and their consequences provided for in this Indenture, or
- (3) modify any of the provisions of this 9.02 Section, Section 5.13 or Section 10.09, except to increase any such percentage or to provide that certain other provisions of this Indenture which affect such series cannot be modified or waived without the consent of the Holder of each Outstanding Security of such series.

A supplemental indenture which changes or eliminates any covenant or other provision of this Indenture which has expressly been included solely for the benefit of one or more particular series of Securities, or which modifies the rights of the Holders of Securities of such series with respect to such covenant or other provision, shall be deemed not to affect the rights under this Indenture of the Holders of Securities of any other series. Any such supplemental indenture adding any provisions to or changing in any manner or eliminating any of the provisions of this Indenture, or modifying in any manner the rights of the Holders of Securities of such series, shall not affect the rights under this Indenture of the Holders of Securities of any other series.

It shall not be necessary for any Act of Holders under this 9.02 Section to approve the particular form of any proposed supplemental indenture, but it shall be sufficient if such Act shall approve the substance thereof.

SECTION 9.03 Execution of Supplemental Indentures.

In executing, or accepting the additional trusts created by, any supplemental indenture permitted by this Article Nine or the modifications thereby of the trusts created by this Indenture, the Trustees shall be entitled to receive, and shall be fully protected in relying upon, an Opinion of Counsel stating that the execution of such supplemental indenture is authorized or permitted by this Indenture. Each Trustee may, but shall not be obligated to, enter into any such supplemental indenture which affects such Trustee's own rights, duties or immunities under this Indenture or otherwise.

SECTION 9.04 Effect of Supplemental Indentures.

Upon the execution of any supplemental indenture under this Article Nine, this Indenture shall be modified in accordance therewith, and such supplemental indenture shall form a part of this Indenture for all purposes; and every Holder of Securities theretofore or thereafter authenticated and delivered hereunder shall be bound thereby.

SECTION 9.05 Conformity with Trust Indenture Legislation.

Every supplemental indenture executed pursuant to this Article Nine shall conform to the requirements of Trust Indenture Legislation as then in effect.

SECTION 9.06 Reference in Securities to Supplemental Indentures.

Securities of any series authenticated and delivered after the execution of any supplemental indenture pursuant to this Article Nine may, and shall if required by the Trustees, bear a notation in form

approved by the Trustees as to any matter provided for in such supplemental indenture. If the Company shall so determine, new Securities of any series so modified as to conform, in the opinion of the Trustees and the Company, to any such supplemental indenture may be prepared and executed by the Company and authenticated and delivered by the Trustees in exchange for outstanding Securities of such series.

SECTION 9.07 Notice of Supplemental Indentures

Promptly after the execution by the Company and the Trustees of any supplemental indenture pursuant to the provisions of Section 9.02, the Company shall give notice thereof to the Holders of each outstanding Security affected, in the manner provided for in Section 1.07, setting forth in general terms the substance of such supplemental indenture.

ARTICLE TEN COVENANTS

SECTION 10.01 Payment of Principal, Premium and Interest.

The Company covenants and agrees for the benefit of the Holders of each series of Securities that it will duly and punctually pay the principal of, premium (if any) and interest (if any), on the Securities of that series in accordance with the terms of the Securities and this Indenture.

SECTION 10.02 Maintenance of Office or Agency.

- (1) The Company will maintain in each Place of Payment for any series of Securities an office or agency where Securities of that series may be presented or surrendered for payment, where Securities of that series may be surrendered for registration of transfer or exchange, where Securities of that series that are convertible or exchangeable may be surrendered for conversion or exchange, as applicable, and where notices and demands to or upon the Company in respect of the Securities of that series and this Indenture may be served.
- (2) The Company will give prompt written notice to the Trustees of the location, and any change in the location, of such office or agency. If at any time the Company shall fail to maintain any such required office or agency or shall fail to furnish the Trustees with the address thereof, such presentations, surrenders, notices and demands may be made or served at the Corporate Trust Offices of the Trustees.
- (3) The Company may also from time to time designate one or more other offices or agencies where the Securities of one or more series may be presented or surrendered for any or all such purposes and may from time to time rescind any such designation; *provided, however*, that no such designation or rescission shall in any manner relieve the Company of its obligation to maintain an office or agency in accordance with the requirements set forth above for Securities of any series for such purposes. The Company will give prompt written notice to the Trustees of any such designation or rescission and of any change in the location of any such other office or agency. Unless otherwise specified with respect to any Securities as contemplated by Section 3.01 with respect to a series of Securities, the Company hereby initially appoints the U.S. Trustee at its Corporate Trust Office as Paying Agent in such city and as its agent to receive all such presentations, surrenders, notices and demands.
- (4) Unless otherwise specified with respect to any Securities pursuant to Section 3.01, if and so long as the Securities of any series (i) are denominated in a Currency other than

Dollars or (ii) may be payable in a Currency other than Dollars, or so long as it is required under any other provision of the Indenture, then the Company will maintain with respect to each such series of Securities, or as so required, at least one Exchange Rate Agent.

SECTION 10.03 Money for Securities Payments to Be Held in Trust.

If the Company shall at any time act as its own Paying Agent with respect to any series of Securities, it will, on or before each due date of the principal of, premium (if any) or interest (if any) on any of the Securities of that series, segregate and hold in trust for the benefit of the Persons entitled thereto a sum in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) sufficient to pay the principal of, premium (if any) or interest (if any) on Securities of such series so becoming due until such sums shall be paid to such Persons or otherwise disposed of as herein provided and will promptly notify the Trustees of its action or failure so to act.

Whenever the Company shall have one or more Paying Agents for any series of Securities, it will, prior to or on each due date of the principal of, premium (if any) or interest (if any) on any Securities of that series, deposit with a Paying Agent a sum (in the Currency described in the preceding paragraph) sufficient to pay the principal, premium (if any) or interest (if any) so becoming due, such sum to be held in trust for the benefit of the Persons entitled to such principal, premium or interest, and (unless such Paying Agent is a Trustee) the Company will promptly notify the Trustees of its action or failure so to act.

The Company will cause each Paying Agent (other than the Trustees) for any series of Securities to execute and deliver to the Trustees an instrument in which such Paying Agent shall agree with the Trustees, subject to the provisions of this 10.03 Section, that such Paying Agent will:

- (1) hold all sums held by it for the payment of the principal of, premium (if any) and interest (if any) on Securities of such series in trust for the benefit of the Persons entitled thereto until such sums shall be paid to such Persons or otherwise disposed of as herein provided;
- (2) give the Trustees notice of any default by the Company (or any other obligor upon the Securities of such series) in the making of any payment of principal of, premium (if any) or interest (if any) on the Securities of such series; and
- (3) at any time during the continuance of any such default, upon the written request of the Trustees, forthwith pay to the Trustees all sums so held in trust by such Paying Agent.

The Company may at any time, for the purpose of obtaining the satisfaction and discharge of this Indenture or for any other purpose, pay, or by Company Order direct any Paying Agent to pay, to the Trustees all sums held in trust by the Company or such Paying Agent, such sums to be held by the Trustees upon the same trusts as those upon which sums were held by the Company or such Paying Agent; and, upon such payment by any Paying Agent to the Trustees, such Paying Agent shall be released from all further liability with respect to such sums.

Except as provided in the Securities of any series, any money deposited with the Trustees or any Paying Agent, or then held by the Company, in trust for the payment of the principal of, premium (if any) or interest (if any) on any Security of any series, and remaining unclaimed for two years after such principal, premium or interest has become due and payable shall be paid to the Company on Company Request, or (if then held by the Company) shall be discharged from such trust; and the Holder of such Security shall thereafter, as an unsecured general creditor, look only to the Company for payment thereof,

and all liability of the Trustees or such Paying Agent with respect to such trust money, and all liability of the Company as trustee thereof, shall thereupon cease.

SECTION 10.04 Statement as to Compliance.

The Company shall deliver to the Trustees, on or before 120 days after the end of the Company's fiscal year, an Officer's Certificate stating that a review of the activities of the Company during such fiscal year has been made under the supervision of the signing Officer with a view to determining whether the Company has kept, observed, performed and fulfilled its obligations under this Indenture, and further stating, as to such Officer, that the Company has kept, observed, performed and fulfilled each and every covenant contained in this Indenture and is not in default in the performance or observance of any of the terms, provisions and conditions hereof (or, if a Default or Event of Default shall have occurred and is continuing, describing all such Defaults or Events of Default of which he or she may have knowledge and what action the Company is taking or propose to take with respect thereto). The Company shall deliver to the Trustees upon demand evidence in such form as the Trustees may require as to compliance by the Company with any condition or covenant of the Company set out herein relating to any action required or permitted to be taken by the Company under this Indenture or as a result of any obligation imposed by this Indenture. For purposes of this Section 10.04, such compliance shall be determined without regard to any period of grace or requirement of notice under this Indenture.

SECTION 10.05 Payment of Taxes and Other Claims.

The Company will pay or discharge or cause to be paid or discharged, before the same shall become delinquent, (1) all material taxes, assessments and governmental charges levied or imposed upon the Company or upon the income, profits or property of the Company, and (2) all material lawful claims for labor, materials and supplies which, if unpaid, might by law become a Lien upon any property or assets of the Company; *provided, however*, that the Company shall not be required to pay or discharge or cause to be paid or discharged any such tax, assessment, charge or claim whose amount, applicability or validity is being contested in good faith by appropriate proceedings.

SECTION 10.06 Corporate Existence.

Subject to Article Eight, the Company will do or cause to be done all things necessary to preserve and keep in full force and effect its corporate existence and the rights (charter and statutory) and franchises of the Company; *provided, however*, that the Company shall not be required to preserve any such right or franchise if the Company shall determine that the preservation thereof is no longer desirable in the conduct of the business of the Company.

SECTION 10.07 Waiver of Certain Covenants.

The Company may, with respect to any series of Securities, omit in any particular instance to comply with any term, provision or condition which affects such series set forth in Sections 10.06 and 10.07, or, as specified pursuant to Section 3.01(19) for Securities of such series, in any covenants of the Company added to this Article Ten pursuant to Section 3.01(19) in connection with Securities of such series, if before the time for such compliance the Holders of at least a majority in principal amount of all Outstanding Securities of any series, by Act of such Holders, waive such compliance in such instance with such term, provision or condition, but no such waiver shall extend to or affect such term, provision or condition except to the extent so expressly waived, and, until such waiver shall become effective, the obligations of the Company and the duties of the Trustees to Holders of Securities of such series in respect of any such term, provision or condition shall remain in full force and effect.

**ARTICLE ELEVEN
REDEMPTION OF SECURITIES**

SECTION 11.01 Applicability of Article.

Securities of any series which are redeemable before their Stated Maturity shall be redeemable in accordance with the terms of such Securities and (except as otherwise specified as contemplated by Section 3.01 for Securities of any series) in accordance with this Article Eleven.

SECTION 11.02 Election to Redeem; Notice to Trustees.

The election of the Company to redeem any Securities shall be evidenced by or pursuant to a Board Resolution. In case of any redemption at the election of the Company, the Company shall, at least 60 days prior to the Redemption Date fixed by the Company (unless a shorter notice shall be satisfactory to the Trustees), notify the Trustees of such Redemption Date and of the principal amount of Securities of such series to be redeemed and, in the case of certificated Securities, shall deliver to the Trustees such documentation and records as shall enable the Trustees to select the Securities to be redeemed pursuant to Section 11.03. In the case of any redemption of Securities prior to the expiration of any restriction on such redemption provided in the terms of such Securities or elsewhere in this Indenture, the Company shall furnish to the Trustees an Officer's Certificate evidencing compliance with such restriction.

SECTION 11.03 Selection by Trustees of Securities to Be Redeemed.

If less than all the Securities of any series are to be redeemed, the particular Securities to be redeemed shall be selected not more than 60 days prior to the Redemption Date by the Trustees, from the Outstanding Securities of such series not previously called for redemption, in the case of certificated Securities, by such method as the Trustees shall deem fair and appropriate and which may provide for the selection for redemption of portions of the principal of Securities of such series, or in the case of Securities in global form in accordance with the policies and procedures of the applicable Depository; *provided, however*, that no such partial redemption shall reduce the portion of the principal amount of a Security not redeemed to less than the minimum authorized denomination for Securities of such series established pursuant to Section 3.01.

The Trustees shall promptly notify the Company in writing of the Securities selected for redemption and, in the case of any Securities selected for partial redemption, the principal amount thereof to be redeemed.

For all purposes of this Indenture, unless the context otherwise requires, all provisions relating to the redemption of Securities shall relate, in the case of any Security redeemed or to be redeemed only in part, to the portion of the principal amount of such Security which has been or is to be redeemed.

SECTION 11.04 Notice of Redemption.

Except as otherwise specified as contemplated by Section 3.01, notice of redemption shall be given in the manner provided for in Section 1.07 not less than 30 nor more than 60 days prior to the Redemption Date, to each Holder of Securities to be redeemed. Failure to give notice in the manner provided in Section 1.07 to the Holder of any Securities designated for redemption as a whole or in part, or any defect in the notice to any such Holder, shall not affect the validity of the proceedings for the redemption of any other Securities or portion thereof.

All notices of redemption shall state:

- (1) the Redemption Date,

- (2) the Redemption Price and the amount of accrued interest to the Redemption Date payable as provided in Section 11.06, if any,
- (3) if less than all the Outstanding Securities of any series are to be redeemed, the identification (and, in the case of partial redemption, the principal amounts) of the particular Securities to be redeemed,
- (4) in case any Security is to be redeemed in part only, the notice which relates to such Security shall state that on and after the Redemption Date, upon surrender of such Security, the Holder will receive, without charge, a new Security or Securities of authorized denominations for the principal amount thereof remaining unredeemed,
- (5) that on the Redemption Date, the Redemption Price and accrued interest (if any) to the Redemption Date payable as provided in Section 11.06 will become due and payable upon each such Security, or the portion thereof, to be redeemed and, if applicable, that interest thereon will cease to accrue on and after said date,
- (6) the Place or Places of Payment where such Securities are to be surrendered for payment of the Redemption Price and accrued interest (if any),
- (7) that the redemption is for a sinking fund, if such is the case, and
- (8) if applicable, any condition to such redemption.

Notice of redemption of Securities to be redeemed at the election of the Company shall be given by the Company or, at the Company's request, by the Trustees in the name and at the expense of the Company.

SECTION 11.05 Deposit of Redemption Price.

Prior to any Redemption Date, the Company shall deposit with a Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 10.03) an amount of money in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) sufficient to pay the Redemption Price of, and accrued interest (if any) on, all the Securities which are to be redeemed on that date.

SECTION 11.06 Securities Payable on Redemption Date.

Notice of redemption having been given as aforesaid, the Securities so to be redeemed shall, on the Redemption Date, become due and payable at the Redemption Price therein specified in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) (together with accrued interest (if any) to the Redemption Date), and from and after such date (unless the Company shall default in the payment of the Redemption Price and accrued interest (if any)) such Securities shall, if the same were interest-bearing, cease to bear interest. Upon surrender of any such Security for redemption in accordance with said notice, such Security shall be paid by the Company at the Redemption Price, together with accrued interest (if any), to the Redemption Date; *provided, however*, that installments of interest on Securities whose Stated Maturity is on or prior to the Redemption Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant record dates according to their terms and the provisions of Section 3.07.

If any Security called for redemption shall not be so paid upon surrender thereof for redemption, the principal and premium (if any) shall, until paid, bear interest from the Redemption Date at the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) set forth in such Security.

SECTION 11.07 Securities Redeemed in Part.

Any Security which is to be redeemed only in part (pursuant to the provisions of this Article Eleven or of Article Twelve) shall be surrendered at a Place of Payment therefor (with, if the Company or the Trustees so requires, due endorsement by, or a written instrument of transfer in form satisfactory to the Company and the Trustees duly executed by, the Holder thereof or such Holder's attorney duly authorized in writing), and the Company shall execute, and the applicable Trustee shall authenticate and deliver to the Holder of such Security without service charge, a new Security or Securities of the same series, of any authorized denomination as requested by such Holder, in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Security so surrendered.

**ARTICLE TWELVE
SINKING FUNDS**

SECTION 12.01 Applicability of Article.

Retirements of Securities of any series pursuant to any sinking fund shall be made in accordance with the terms of such Securities and (except as otherwise specified as contemplated by Section 3.01 for Securities of any series) in accordance with this Article Twelve.

The minimum amount of any sinking fund payment provided for by the terms of Securities of any series is herein referred to as a “**mandatory sinking fund payment**,” and any payment in excess of such minimum amount provided for by the terms of Securities of any series is herein referred to as an “**optional sinking fund payment**”. If provided for by the terms of Securities of any series, the cash amount of any mandatory sinking fund payment may be subject to reduction as provided in Section 12.02. Each sinking fund payment shall be applied to the redemption of Securities of any series as provided for by the terms of Securities of such series.

SECTION 12.02 Satisfaction of Sinking Fund Payments with Securities.

Subject to Section 12.03, in lieu of making all or any part of any mandatory sinking fund payment with respect to any Securities of a series in cash, the Company may at its option (1) deliver to the Trustees Outstanding Securities of a such series (other than any previously called for redemption) theretofore purchased or otherwise acquired by the Company, and/or (2) receive credit for the principal amount of Securities of such series which have been previously delivered to the Trustees by the Company or redeemed either at the election of the Company pursuant to the terms of such Securities or through the application of permitted optional sinking fund payments pursuant to the terms of such Securities, in each case in satisfaction of all or any part of any mandatory sinking fund payment with respect to the Securities of the same series required to be made pursuant to the terms of such Securities as provided for by the terms of such series; *provided, however*, that such Securities have not been previously so credited. Such Securities shall be received and credited for such purpose by the Trustees at the Redemption Price specified in such Securities for redemption through operation of the sinking fund and the amount of such mandatory sinking fund payment shall be reduced accordingly.

SECTION 12.03 Redemption of Securities for Sinking Fund.

Not less than 60 days prior to each sinking fund payment date for any series of Securities, the Company will deliver to the Trustees an Officer's Certificate specifying the amount of the next ensuing sinking fund payment for that series pursuant to the terms of that series, the portion thereof, if any, which is to be satisfied by payment of cash in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) and the portion thereof, if any, which is to be satisfied by delivering or crediting Securities of that series pursuant to Section 12.02 (which Securities will, if not previously delivered, accompany such certificate) and whether the Company intends to exercise its right to make a permitted optional sinking fund payment with respect to such series.

Such certificate shall be irrevocable and upon its delivery the Company shall be obligated to make the cash payment or payments therein referred to, if any, on or before the next succeeding sinking fund payment date. In the case of the failure of the Company to deliver such certificate, the sinking fund payment due on the next succeeding sinking fund payment date for that series shall be paid entirely in cash and shall be sufficient to redeem the principal amount of such Securities subject to a mandatory sinking fund payment without the option to deliver or credit Securities as provided in Section 12.02 and without the right to make any optional sinking fund payment, if any, with respect to such series.

Not more than 60 days before each such sinking fund payment date the Trustees shall select the Securities to be redeemed upon such sinking fund payment date in the manner specified in Section 11.03 and cause notice of the redemption thereof to be given in the name of and at the expense of the Company in the manner provided in Section 11.04. Such notice having been duly given, the redemption of such Securities shall be made upon the terms and in the manner stated in Sections 11.06 and 11.07.

Prior to any sinking fund payment date, the Company shall pay to the Trustees or a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 10.03) in cash a sum equal to any interest that will accrue to the date fixed for redemption of Securities or portions thereof to be redeemed on such sinking fund payment date pursuant to this 12.03 Section.

Notwithstanding the foregoing, with respect to a sinking fund for any series of Securities, if at any time the amount of cash to be paid into such sinking fund on the next succeeding sinking fund payment date, together with any unused balance of any preceding sinking fund payment or payments for such series, does not exceed in the aggregate \$100,000, the Trustees, unless requested by the Company, shall not give the next succeeding notice of the redemption of Securities of such series through the operation of the sinking fund. Any such unused balance of moneys deposited in such sinking fund shall be added to the sinking fund payment for such series to be made in cash on the next succeeding sinking fund payment date or, at the request of the Company, shall be applied at any time or from time to time to the purchase of Securities of such series, by public or private purchase, in the open market or otherwise, at a purchase price for such Securities (excluding accrued interest and brokerage commissions, for which the Trustees or any Paying Agent will be reimbursed by the Company) not in excess of the principal amount thereof.

**ARTICLE THIRTEEN
REPAYMENT AT OPTION OF HOLDERS**

SECTION 13.01 Applicability of Article.

Repayment of Securities of any series before their Stated Maturity at the option of Holders thereof shall be made in accordance with the terms of such Securities and (except as otherwise specified as contemplated by Section 3.01 for Securities of any series) in accordance with this Article Thirteen.

SECTION 13.02 Repayment of Securities.

Securities of any series subject to repayment in whole or in part at the option of the Holders thereof will, unless otherwise provided in the terms of such Securities, be repaid at a price equal to the principal amount thereof, together with interest (if any) thereon accrued to the Repayment Date specified in or pursuant to the terms of such Securities. The Company covenants that, with respect to such Securities, on or before the Repayment Date it will deposit with a Trustee or with a Paying Agent (or, if the Company is acting as its own Paying Agent, segregate and hold in trust as provided in Section 10.03) an amount of money in the Currency in which the Securities of such series are payable (except as otherwise specified pursuant to Section 3.01 for the Securities of such series and except, if applicable, as provided in Sections 3.12(b), 3.12(d) and 3.12(e)) sufficient to pay the principal (or, if so provided by the terms of the Securities of any series, a percentage of the principal) of and (except if the Repayment Date shall be an Interest Payment Date) accrued interest (if any) on, all the Securities or portions thereof, as the case may be, to be repaid on such date.

SECTION 13.03 Exercise of Option.

Securities of any series subject to repayment at the option of the Holders thereof will contain an "Option to Elect Repayment" form on the reverse of such Securities. To be repaid at the option of the Holder, any Security so providing for such repayment, with the "Option to Elect Repayment" form on the reverse of such Security duly completed by the Holder (or by the Holder's attorney duly authorized in writing), must be received by the Company at the Place of Payment therefor specified in the terms of such Security (or at such other place or places which the Company shall from time to time notify the Holders of such Securities) not earlier than 45 days nor later than 30 days prior to the Repayment Date. If less than the entire principal amount of such Security is to be repaid in accordance with the terms of such Security, the principal amount of such Security to be repaid, in increments of the minimum denomination for Securities of such series, and the denomination or denominations of the Security or Securities to be issued to the Holder for the portion of the principal amount of such Security surrendered that is not to be repaid, must be specified. The principal amount of any Security providing for repayment at the option of the Holder thereof may not be repaid in part if, following such repayment, the unpaid principal amount of such Security would be less than the minimum authorized denomination of Securities of the series of which such Security to be repaid is a part. Except as otherwise may be provided by the terms of any Security providing for repayment at the option of the Holder thereof, exercise of the repayment option by the Holder shall be irrevocable unless waived by the Company.

SECTION 13.04 When Securities Presented for Repayment Become Due and Payable.

If Securities of any series providing for repayment at the option of the Holders thereof shall have been surrendered as provided in this Article Thirteen and as provided by or pursuant to the terms of such Securities, such Securities or the portions thereof, as the case may be, to be repaid shall become due and payable and shall be paid by the Company on the Repayment Date therein specified, and on and after such Repayment Date (unless the Company shall default in the payment of such Securities on such

Repayment Date) such Securities shall, if the same were interest-bearing, cease to bear interest. Upon surrender of any such Security for repayment in accordance with such provisions, the principal amount of such Security so to be repaid shall be paid by the Company, together with accrued interest (if any) to the Repayment Date; *provided, however*, that, in the case of Securities, installments of interest (if any) whose Stated Maturity is on or prior to the Repayment Date shall be payable to the Holders of such Securities, or one or more Predecessor Securities, registered as such at the close of business on the relevant Record Dates according to their terms and the provisions of Section 3.07.

If any Security surrendered for repayment shall not be so repaid upon surrender thereof for repayment, the principal amount and premium (if any) shall, until paid, bear interest from the Repayment Date at the rate of interest or Yield to Maturity (in the case of Original Issue Discount Securities) set forth in such Security.

SECTION 13.05 Securities Repaid in Part.

Upon surrender of any Security which is to be repaid in part only, the Company shall execute and the applicable Trustee shall authenticate and deliver to the Holder of such Security, without service charge and at the expense of the Company, a new Security or Securities of the same series, of any authorized denomination specified by the Holder, in an aggregate principal amount equal to and in exchange for the portion of the principal of such Security so surrendered which is not to be repaid.

ARTICLE FOURTEEN DEFEASANCE AND COVENANT DEFEASANCE

SECTION 14.01 Company's Option to Effect Defeasance or Covenant Defeasance.

Except as otherwise specified as contemplated by Section 3.01 for Securities of any series, the provisions of this Article Fourteen shall apply to each series of Securities, and the Company may, at its option, effect defeasance of the Securities of or within a series under Section 14.02, or covenant defeasance of or within a series under Section 14.03 in accordance with the terms of such Securities and in accordance with this Article Fourteen.

SECTION 14.02 Defeasance and Discharge.

Upon the Company's exercise of the above option applicable to this Section 14.02 with respect to any Securities of or within a series, the Company shall be deemed to have been discharged from its obligations with respect to such Securities on the date the conditions set forth in Section 14.04 are satisfied (hereinafter, "**defeasance**"). For this purpose, such defeasance means that the Company shall be deemed to have paid and discharged the entire indebtedness represented by such Securities, which shall thereafter be deemed to be "Outstanding" only for the purposes of Section 14.05 and the other Sections of this Indenture referred to in (A) and (B) below, and to have satisfied all of its other obligations under such Securities and this Indenture insofar as such Securities are concerned (and the Trustees, at the expense of the Company, shall execute proper instruments acknowledging the same), except for the following which shall survive until otherwise terminated or discharged hereunder: (A) the rights of Holders of such Securities to receive, solely from the trust fund described in Section 14.04 and as more fully set forth in such Section, payments in respect of the principal of, premium (if any) and interest (if any) on such Securities when such payments are due, (B) the Company's obligations with respect to such Securities under Sections 3.05, 3.06, 10.02 and 10.03, (C) the rights, powers, trusts, duties and immunities of the Trustees hereunder and (D) this Article Fourteen. Subject to compliance with this Article Fourteen, the Company may exercise its option under this Section 14.02 notwithstanding the prior exercise of its option under Section 14.03 with respect to such Securities.

SECTION 14.03 Covenant Defeasance.

Upon the Company's exercise of the above option applicable to this Section 14.03 with respect to any Securities of or within a series, the Company shall be released from its obligations under Sections 10.05 and 10.06, and, if specified pursuant to Section 3.01, its obligations under any other covenant, with respect to such Securities on and after the date the conditions set forth in Section 14.04 are satisfied (hereinafter, "**covenant defeasance**"), and such Securities shall thereafter be deemed not to be "Outstanding" for the purposes of any direction, waiver, consent or declaration or Act of Holders (and the consequences of any thereof) in connection with such covenants, but shall continue to be deemed "Outstanding" for all other purposes hereunder. For this purpose, such covenant defeasance means that, with respect to such Securities, the Company may omit to comply with and shall have no liability in respect of any term, condition or limitation set forth in any such covenant, whether directly or indirectly, by reason of any reference elsewhere herein to any such covenant or by reason of reference in any such covenant to any other provision herein or in any other document and such omission to comply shall not constitute a Default or an Event of Default under clauses (4) or (7) of Section 5.01 or otherwise but, except as specified above, the remainder of this Indenture and such Securities shall be unaffected thereby.

SECTION 14.04 Conditions to Defeasance or Covenant Defeasance.

The following shall be the conditions to application of either Section 14.02 or Section 14.03 to any Securities of or within a series:

- (1) The Company shall irrevocably have deposited or caused to be deposited with either Trustee (or another trustee satisfying the requirements of Section 6.08 who shall agree to comply with the provisions of this Article Fourteen applicable to it) as trust funds in trust for the purpose of making the following payments, specifically pledged as security for, and dedicated solely to, the benefit of the Holders of such Securities, (A) an amount (in such Currency in which such Securities are then specified as payable at Stated Maturity), or (B) Government Obligations applicable to such Securities (determined on the basis of the Currency in which such Securities are then specified as payable at Stated Maturity) which through the scheduled payment of principal and interest in respect thereof in accordance with their terms will provide, not later than one day before the due date of any payment of principal of and premium (if any) and interest (if any) under such Securities, money in an amount, or (C) a combination thereof, sufficient, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to the Trustees, to pay and discharge, and which shall be applied by the Trustees (or another trustee satisfying the requirements of Section 6.08 who shall agree to comply with the provisions of this Article Fourteen) to pay and discharge, (i) the principal of, premium (if any) and interest (if any) on such Securities on the Stated Maturity (or Redemption Date, if applicable) of such principal of, premium (if any) or installment of interest (if any), (ii) any mandatory sinking fund payments or analogous payments applicable to such Securities on the day on which such payments are due and payable in accordance with the terms of this Indenture and of such Securities, and (iii) all amounts due the Trustees under Section 6.07; *provided* that the Trustees shall have been irrevocably instructed to apply such money or the proceeds of such Government Obligations to said payments with respect to such Securities. Before such a deposit, the Company may give to the Trustees, in accordance with Section 11.02, a notice of its election to redeem all or any portion of such Securities at a future date in accordance with the terms of such Securities and Article Eleven hereof, which notice

shall be irrevocable. Such irrevocable redemption notice, if given, shall be given effect in applying the foregoing.

- (2) No Default or Event of Default with respect to such Securities shall have occurred and be continuing on the date of such deposit or, insofar as clauses (5) and (6) of Section 5.01 are concerned, at any time during the period ending on the 91st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period).
- (3) Such defeasance or covenant defeasance shall not result in a breach or violation of, or constitute a Default or an Event of Default under, this Indenture or any default under any material agreement or instrument to which the Company is a party or by which it is bound.
- (4) In the case of an election under Section 14.02, the Company shall have delivered to the Trustees an Opinion of Counsel in the United States stating that (x) the Company has received from, or there has been published by, the Internal Revenue Service a ruling, or (y) since the date of execution of this Indenture, there has been a change in the applicable United States federal income tax law, in either case to the effect that, and based thereon such opinion shall confirm that, the Holders of such Securities will not recognize income, gain or loss for United States federal income tax purposes as a result of such defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such defeasance had not occurred.
- (5) In the case of an election under Section 14.03, the Company shall have delivered to the Trustees an Opinion of Counsel in the United States to the effect that the Holders of such Securities will not recognize income, gain or loss for United States federal income tax purposes as a result of such covenant defeasance and will be subject to United States federal income tax on the same amounts, in the same manner and at the same times as would have been the case if such covenant defeasance had not occurred.
- (6) The Company shall have delivered to the Trustees an Opinion of Counsel in Canada or a ruling from the Canada Revenue Agency to the effect that the Holders of such Securities will not recognize income, gain or loss for Canadian federal, provincial or territorial income tax or other tax purposes as a result of such defeasance or covenant defeasance, as applicable, and will be subject to Canadian federal, provincial or territorial income tax and other tax on the same amounts, in the same manner and at the same times as would have been the case had such defeasance or covenant defeasance, as applicable, not occurred (and for the purposes of such opinion, such Canadian counsel shall assume that Holders of such Securities include Holders who are not resident in Canada).
- (7) The Company is not an “insolvent person” within the meaning of the Bankruptcy and Insolvency Act (Canada) on the date of such deposit or at any time during the period ending on the 91st day after the date of such deposit (it being understood that this condition shall not be deemed satisfied until the expiration of such period).
- (8) Notwithstanding any other provisions of this Section 14.04, such defeasance or covenant defeasance shall be effected in compliance with any additional or substitute terms, conditions or limitations in connection therewith pursuant to Section 3.01.

- (9) The Company shall have delivered to the Trustees an Officer's Certificate and an Opinion of Counsel, each stating that all conditions precedent provided for, relating to either the defeasance under Section 14.02 or the covenant defeasance under Section 14.03 (as the case may be), have been complied with.

SECTION 14.05 Deposited Money and Government Obligations to Be Held in Trust; Other Miscellaneous Provisions.

Subject to the provisions of the last paragraph of Section 10.03, all money and Government Obligations (or other property as may be provided pursuant to Section 3.01) (including the proceeds thereof) deposited with a Trustee (or another trustee satisfying the requirements of Section 6.08 who shall agree to comply with the provisions of this Article Fourteen) pursuant to Section 14.04 in respect of such Securities shall be held in trust and applied by such Trustee, in accordance with the provisions of such Securities and this Indenture, to the payment, either directly or through any Paying Agent (including the Company acting as its own Paying Agent), to the Holders of such Securities of all sums due and to become due thereon in respect of principal, premium (if any) and interest (if any) on such Securities but such money need not be segregated from other funds except to the extent required by law.

Unless otherwise specified with respect to any Security pursuant to Section 3.01, if, after a deposit referred to in Section 14.04(1) has been made, (a) the Holder of a Security in respect of which such deposit was made is entitled to, and does, elect pursuant to Section 3.12(b) or the terms of such Security to receive payment in a Currency other than that in which the deposit pursuant to Section 14.04(1) has been made in respect of such Security, or (b) a Conversion Event occurs as contemplated in Section 3.12(d) or 3.12(e) or by the terms of any Security in respect of which the deposit pursuant to Section 14.04(1) has been made, the indebtedness represented by such Security shall be deemed to have been, and will be, fully discharged and satisfied through the payment of the principal of, premium (if any) and interest (if any) on such Security as they become due out of the proceeds yielded by converting (from time to time as specified below in the case of any such election) the amount or other property deposited in respect of such Security into the Currency in which such Security becomes payable as a result of such election or Conversion Event based on the applicable Market Exchange Rate for such Currency in effect on the third Business Day prior to each payment date, except, with respect to a Conversion Event, for such Currency in effect (as nearly as feasible) at the time of the Conversion Event.

The Company shall pay and indemnify such Trustee against any tax, fee or other charge imposed on or assessed against the Government Obligations deposited pursuant to Section 14.04 or the principal and interest received in respect thereof other than any such tax, fee or other charge which by law is for the account of the Holders of such Securities.

Anything in this Article Fourteen to the contrary notwithstanding, such Trustee shall deliver or pay to the Company from time to time upon Company Request any money or Government Obligations (or other property and any proceeds therefrom) held by it as provided in Section 14.04 which, in the opinion of a nationally recognized firm of independent public accountants expressed in a written certification thereof delivered to such Trustee, are in excess of the amount thereof which would then be required to be deposited to effect an equivalent defeasance or covenant defeasance, as applicable, in accordance with this Article Fourteen.

SECTION 14.06 Reinstatement.

If a Trustee or any Paying Agent is unable to apply any money in accordance with Section 14.05 by reason of any order or judgment of any court or governmental authority enjoining, restraining or otherwise prohibiting such application, then the Company's obligations under this Indenture and such

Securities shall be revived and reinstated as though no deposit had occurred pursuant to Section 14.02 or 14.03, as the case may be, until such time as such Trustee or Paying Agent is permitted to apply all such money in accordance with Section 14.05; *provided, however*, that if the Company makes any payment of principal of, premium (if any) or interest (if any) on any such Security following the reinstatement of its obligations, the Company shall be subrogated to the rights of the Holders of such Securities to receive such payment from the money held by such Trustee or Paying Agent.

IN WITNESS WHEREOF, the parties hereto have caused this Indenture to be duly executed, all as of the day and year first above written.

ASCEND WELLNESS HOLDINGS, INC.

By: Name:
Title:

,
as U.S. Trustee

By: Name:
Title:

By: Name:
Title:

,
as Canadian Trustee

By: Name:
Title: Authorized Signing Officer

By: Name:
Title: Authorized Signing Officer

FORM OF CERTIFICATE TO BE GIVEN BY
PERSON ENTITLED TO OBTAIN INTEREST PAYABLE PRIOR
TO THE EXCHANGE DATE

CERTIFICATE

ASCEND WELLNESS HOLDINGS, INC.

_____ % Notes due _____

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (i) are owned by any person(s) that is not a citizen or resident of the United States; a corporation or partnership (including any entity treated as a corporation or partnership for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia unless, in the case of a partnership, United States Treasury Regulations provide otherwise; any estate whose income is subject to United States federal income tax regardless of its source; or a trust if (A) a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust or (B) it was in existence on August 20, 1996 and has a valid election in effect under applicable United States Treasury Regulations to be treated as a United States person ("United States persons(s)"), (ii) are owned by United States person(s) that are (a) foreign branches of United States financial institutions (financial institutions, as defined in United States Treasury Regulation Section 1.165-12(c)(1)(iv) are herein referred to as "financial institutions") purchasing for their own account or for resale, or (b) United States person(s) who acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise Ascend Wellness Holdings, Inc. or its agent that such financial institution will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the United States Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(7)), and, in addition, if the owner is a United States or foreign financial institution described in clause (iii) above (whether or not also described in clause (i) or (ii)), this is to further certify that such financial institution has not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

As used herein, "United States" means the United States of America (including the states and the District of Columbia); and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly in writing on or prior to the date on which you intend to submit your certification relating to the above-captioned Securities held by you for our account in accordance with your operating procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certificate excepts and does not relate to U.S. \$_____ of such interest in the above-captioned Securities in respect of which we are not able to certify and as to which we understand an exchange for an interest in a permanent global security or an exchange for and delivery of definitive Securities (or, if relevant, collection of any interest) cannot be made until we do so certify.

We understand that this certificate may be required in connection with certain tax legislation in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certificate or a copy thereof to any interested party in such proceedings.

Dated: _____
[To be dated no earlier than the 15th day prior to
(i) the Exchange Date or (ii) the relevant Interest
Payment Date occurring prior to the Exchange
Date, as applicable]

[Name of Person Making Certification]

By: Name:
Title:

FORM OF CERTIFICATE TO BE GIVEN BY THE DEPOSITARY
IN CONNECTION WITH THE EXCHANGE OF A PORTION
OF A TEMPORARY GLOBAL SECURITY OR TO OBTAIN INTEREST
PAYABLE PRIOR TO THE EXCHANGE DATE

CERTIFICATE

ASCEND WELLNESS HOLDINGS, INC.

_____ % Notes due _____

This is to certify that based solely on written certifications that we have received in writing or by electronic transmission from each of the persons appearing in our records as persons entitled to a portion of the principal amount set forth below (our "Member Organizations") substantially in the form attached hereto, as of the date hereof, U.S. \$_____ principal amount of the above-captioned Securities (i) is owned by any person(s) that is not a citizen or resident of the United States; a corporation or partnership (including any entity treated as a corporation or partnership for United States federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia unless, in the case of a partnership, United States Treasury Regulations provide otherwise; any estate whose income is subject to United States federal income tax regardless of its source; or a trust if (A) a United States court can exercise primary supervision over the trust's administration and one or more United States persons are authorized to control all substantial decisions of the trust or (B) it was in existence on August 20, 1996 and has a valid election in effect under applicable United States Treasury Regulations to be treated as a United States person ("United States person(s)"), (ii) is owned by United States person(s) that are (a) foreign branches of United States financial institutions (financial institutions, as defined in United States Treasury Regulation Section 1.165-12(c)(1)(iv) are herein referred to as "financial institutions") purchasing for their own account or for resale, or (b) United States person(s) who acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such financial institution has agreed, on its own behalf or through its agent, that we may advise Ascend Wellness Holdings, Inc. or its agent that such financial institution will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) is owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in United States Treasury Regulation Section 1.163-5(c)(2)(i)(D)(7)) and, to the further effect, that financial institutions described in clause (iii) above (whether or not also described in clause (i) or (ii)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

As used herein, "United States" means the United States of America (including the states and the District of Columbia); and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We further certify that (i) we are not making available herewith for exchange (or, if relevant, collection of any interest) any portion of the temporary global Security representing the above-captioned Securities excepted in the above-referenced certificates of Member Organizations and (ii) as of the date hereof we have not received any notification from any of our Member Organizations to the effect that the statements made by such Member Organizations with respect to any portion of the part submitted herewith for exchange (or, if relevant, collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain tax legislation in the United States. If administrative or legal proceedings are commenced or threatened in connection with which this certificate is or would be relevant, we irrevocably authorize you to produce this certificate or a copy thereof to any interested party in such proceedings.

Dated: _____
[To be dated as of (i) the Exchange Date or
(ii) the relevant Interest Payment Date occurring
prior to the Exchange Date, as applicable]

[INSERT NAME OF DEPOSITARY]

By: Name:
Title:

November 22, 2022

Ascend Wellness Holdings, Inc.
1411 Broadway, 16th Floor
New York, NY 10018

Re: Registration Statement on Form S-3

Ladies and Gentlemen:

We have acted as counsel to Ascend Wellness Holdings, Inc., a Delaware corporation (the "Company"), in connection with a Registration Statement on Form S-3 (the "Registration Statement") filed by the Company with the United States Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended (the "Securities Act"), relating to the offer and sale by the Company from time to time of up to \$100,000,000 aggregate offering price of (i) shares of its Class A common stock, par value \$0.001 per share (the "Common Shares"), (ii) shares of its preferred stock (the "Preferred Shares"), (iii) its debt securities (the "Debt Securities"), which may be senior debt securities or subordinated debt securities, (iv) subscription rights to purchase Common Shares, Preferred Shares, Debt Securities or Warrants (as defined below) (the "Subscription Rights"), (v) warrants to purchase Common Shares, Preferred Shares or Debt Securities (the "Warrants"), (vi) units consisting of any combination of Common Shares, Preferred Shares, Debt Securities, Subscription Rights and/or Warrants (the "Units" and, together with the Common Shares, Preferred Shares, Debt Securities, Subscription Rights and Warrants, the "Securities"), including any Securities issuable upon conversion, exchange or exercise of the Securities and (vii) the resale by certain selling security holders up to an aggregate of 4,380,143 Common Shares issuable upon exercise of outstanding warrants of the Company to be offered by certain selling stockholders named in the Registration Statement (the "Resale Shares"). The Debt Securities will be issued under an indenture (as it may be supplemented or amended from time to time, the "Indenture") to be entered into between the Company and the trustee named therein, as trustee (the "Trustee"), the form of which is attached to the Registration Statement as Exhibit 4.5.

We have examined such documents and have reviewed such questions of law as we have considered necessary or appropriate for the purposes of our opinions set forth below. In rendering our opinions set forth below, we have assumed the authenticity of all documents submitted to us as originals, the genuineness of all signatures and the conformity to authentic originals of all documents submitted to us as copies. We have also assumed the legal capacity for all purposes relevant hereto of all natural persons and, with respect to all parties to agreements or instruments relevant hereto other than the Company, that such parties had the requisite power and authority (corporate or otherwise) to execute, deliver and perform such agreements and instruments, that such agreements and instruments have been duly authorized by all requisite action (corporate or otherwise), executed and delivered by such parties and that such agreements and instruments are the valid, binding and enforceable obligations of such parties. As to questions of fact material to our opinions, we have relied upon certificates or comparable documents of officers and other representatives of the Company and of public officials.

Based on the foregoing, and assuming that (i) the Registration Statement and all amendments thereto (including post-effective amendments) will have become effective under the Securities Act and will continue to be so effective, (ii) a prospectus supplement to the prospectus contained in the Registration Statement, describing the Securities offered thereby, will have been prepared and filed with the Commission under the Securities Act, (iii) all Securities will be issued and sold in compliance with applicable federal and state securities laws and in the manner stated in the Registration Statement and the applicable prospectus supplement, (iv) with respect to any newly-issued Common Shares or Preferred Shares to be offered by the Company pursuant to the Registration Statement, there will be sufficient Common Shares or Preferred Shares, as applicable, authorized under the organizational documents of the Company and not otherwise reserved for issuance, (v) the organizational documents of the Company, each as amended as of the date hereof, will not have been amended from the date hereof in a manner that would affect the validity of our opinions set forth below, (vi) none of the terms of any Security to be established subsequent to the date hereof, nor the issuance, sale or delivery of such Security, nor the compliance by the Company with the terms of such Security, (a) will violate (1) any applicable law or (2) the organizational documents of the Company or (b) will result in a violation or breach of (1) any provision of any instrument or agreement then binding upon the Company or any of its assets or (2) any restriction imposed by any court or governmental body having jurisdiction over the Company or any of its assets, (vii) any applicable purchase, underwriting or similar agreement, and any other applicable agreement with respect to any Securities offered or sold, will have been duly authorized and validly executed and delivered by the Company and (viii) any Securities issuable upon conversion, exchange or exercise of any Security being offered or sold will be duly authorized, created and, if appropriate, reserved for issuance upon such conversion, exchange or exercise, we are of the opinion that:

1. With respect to any Common Shares to be offered by the Company pursuant to the Registration Statement (the "Offered Common Shares"), when (a) the board of directors of the Company, a duly constituted and acting committee thereof or any officers of the Company delegated such authority (such board of directors, committee or officers being referred to herein as the "Board") have taken all necessary corporate action to authorize and approve the terms of the issuance and sale of the Offered Common Shares in conformity with the organizational documents of the Company and (b) certificates in the form required by the Delaware General Corporation Law representing the Offered Common Shares have been duly executed, countersigned, registered and delivered either (i) in accordance with the applicable purchase, underwriting or similar agreement approved by the Board upon payment of the consideration therefor (which consideration is not less than the par value of the Common Shares) provided for therein or (ii) upon conversion, exchange or exercise of any other Security, in accordance with the terms of such Security or the instrument governing such Security providing for such conversion, exchange or exercise as approved by the Board, for the consideration approved by the Board (which consideration is not less than the par value of the Common Shares), then the Offered Common Shares will be validly issued, fully paid and non-assessable.

2. With respect to any shares of any class or series of Preferred Shares to be offered by the Company pursuant to the Registration Statement (the "Offered Preferred Shares"), when (a) the Board has taken all necessary corporate action to establish the

applicable class or series of Preferred Shares in accordance with the Delaware General Corporation Law (including, without limitation, by the Company properly filing a certificate of designation with respect to such class or series of Preferred Shares with the Secretary of State of the State of Delaware), (b) the Board has taken all necessary corporate action to authorize and approve the terms of the Offered Preferred Shares and their issuance and sale in conformity with the terms of the applicable class or series of Preferred Shares as established by the Board and (c) certificates in the form required by the Delaware General Corporation Law representing the Offered Preferred Shares have been duly executed, countersigned, registered and delivered either (i) in accordance with the applicable purchase, underwriting or similar agreement approved by the Board upon payment of the consideration therefor (which consideration is not less than the par value of the Preferred Shares) provided for therein or (ii) upon conversion, exchange or exercise of any other Security, in accordance with the terms of such Security or the instrument governing such Security providing for such conversion, exchange or exercise as approved by the Board, for the consideration approved by the Board (which consideration is not less than the par value of the Preferred Shares), then the Offered Preferred Shares will be validly issued, fully paid and non-assessable.

3. With respect to any Debt Securities to be offered by the Company pursuant to the Registration Statement (the "Offered Debt Securities"), when (a) the applicable Trustee has been qualified to act as trustee under the Indenture relating to the Offered Debt Securities (the "Applicable Indenture"), (b) the Applicable Indenture has been duly authorized, executed and delivered by the Company, (c) the Applicable Indenture has been duly qualified under the Trust Indenture Act of 1939, as amended, (d) the Board has taken all necessary corporate action to authorize and approve the terms of the Offered Debt Securities and their issuance and sale in conformity with the Applicable Indenture and (e) the Offered Debt Securities have been issued, executed and authenticated by the applicable Trustee in accordance with the terms of the Applicable Indenture and delivered either (i) in accordance with the applicable purchase, underwriting or similar agreement approved by the Board upon payment of the consideration therefor provided for therein or (ii) upon conversion, exchange or exercise of any other Security, in accordance with the terms of such Security or the instrument governing such Security providing for such conversion, exchange or exercise as approved by the Board, for the consideration approved by the Board, then the Offered Debt Securities will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

4. With respect to any Subscription Rights to be offered by the Company pursuant to the Registration Statement (the "Offered Subscription Rights"), when (a) a rights agreement relating to the Offered Subscription Rights (the "Subscription Rights Agreement"), to be entered into between the Company and the subscription rights agent named therein (the "Subscription Rights Agent"), has been duly authorized, executed and delivered by the Company, (b) the Board has taken all necessary corporate action to authorize and approve the terms of the Offered Subscription Rights and their issuance and sale in conformity with the Subscription Rights Agreement and (c) the Offered Subscription Rights have been issued, executed and countersigned by the Subscription Rights Agent in accordance with the terms of the Subscription Rights Agreement and delivered either (i) in accordance with the applicable purchase, underwriting or similar agreement approved by the Board upon payment of the consideration

therefor provided for therein or (ii) upon conversion or exchange of any other Security, in accordance with the terms of such Security or the instrument governing such Security providing for such conversion or exchange as approved by the Board, for the consideration approved by the Board, then the Offered Subscription Rights will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

5. With respect to any Warrants to be offered by the Company pursuant to the Registration Statement (the “Offered Warrants”), when (a) a warrant agreement relating to the Offered Warrants (the “Warrant Agreement”), to be entered into between the Company and the warrant agent named therein (the “Warrant Agent”), has been duly authorized, executed and delivered by the Company, (b) the Board has taken all necessary corporate action to authorize and approve the terms of the Offered Warrants and their issuance and sale in conformity with the Warrant Agreement and (c) the Offered Warrants have been issued, executed and countersigned by the Warrant Agent in accordance with the terms of the Warrant Agreement and delivered either (i) in accordance with the applicable purchase, underwriting or similar agreement approved by the Board upon payment of the consideration therefor provided for therein or (ii) upon conversion or exchange of any other Security, in accordance with the terms of such Security or the instrument governing such Security providing for such conversion or exchange as approved by the Board, for the consideration approved by the Board, then the Offered Warrants will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

6. With respect to any Units to be offered by the Company pursuant to the Registration Statement (the “Offered Units”), when (a) a unit agreement relating to the Offered Units (the “Unit Agreement”), to be entered into between the Company and the unit agent named therein (the “Unit Agent”), has been duly authorized, executed and delivered by the Company, (b) the Board has taken all necessary corporate action to authorize and approve the terms of the Offered Units and their issuance and sale in conformity with the Unit Agreement and (c) the Offered Units have been issued, executed and countersigned by the Unit Agent in accordance with the terms of the Unit Agreement and delivered either (i) in accordance with the applicable purchase, underwriting or similar agreement approved by the Board upon payment of the consideration therefor provided for therein or (ii) upon conversion or exchange of any other Security, in accordance with the terms of such Security or the instrument governing such Security providing for such conversion or exchange as approved by the Board, for the consideration approved by the Board, then the Offered Units will constitute valid and binding obligations of the Company, enforceable against the Company in accordance with their terms.

7. With respect to the Resale Shares being offered by certain selling stockholders named in the Registration Statement, when the certificates in the form required by the Delaware General Corporation Law representing the Resale Shares have been duly executed, countersigned, registered and delivered upon exercise of the applicable warrant certificate, in accordance with the terms of such warrant certificate, and receipt by the Company of the consideration in connection with such exercise, then the Resale Shares will be validly issued, fully paid and non-assessable.

Our opinions set forth above are subject to the following qualifications and exceptions:

(a) Our opinions set forth above are subject to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting creditors' rights generally (including, without limitation, fraudulent conveyance laws).

(b) Our opinions set forth above are subject to the effect of general principles of equity, including, without limitation, concepts of materiality, reasonableness, good faith and fair dealing and the possible unavailability of specific performance or injunctive relief, regardless of whether considered in a proceeding in equity or at law.

(c) Our opinions set forth above are subject to limitations regarding the availability of indemnification and contribution where such indemnification or contribution may be limited by applicable law or the application of principles of public policy.

(d) We express no opinion as to the enforceability of (i) provisions that relate to choice of law, forum selection or submission to jurisdiction (including, without limitation, any express or implied waiver of any objection to venue in any court or of any objection that a court is an inconvenient forum), (ii) waivers by the Company of any statutory or constitutional rights or remedies, (iii) terms which excuse any person or entity from liability for, or require the Company to indemnify such person or entity against, such person's or entity's negligence or willful misconduct or (iv) obligations to pay any prepayment premium, default interest rate, early termination fee or other form of liquidated damages, if the payment of such premium, interest rate, fee or damages may be construed as unreasonable in relation to actual damages or disproportionate to actual damages suffered as a result of such prepayment, default or termination.

(e) We draw your attention to the fact that, under certain circumstances, the enforceability of terms to the effect that provisions may not be waived or modified except in writing may be limited. We note that, as of the date of this opinion, a judgment for money in an action based on a Security denominated in a foreign currency or currency unit in a federal or state court in the United States ordinarily would be enforced in the United States only in United States dollars. The date used to determine the rate of conversion of the foreign currency or currency unit in which a particular Security is denominated into United States dollars will depend upon various factors, including which court renders the judgment. Under Section 27 of the New York Judiciary Law, a state court in the State of New York rendering a judgment on a Security would be required to render that judgment in the foreign currency or currency unit in which the Security is denominated, and the judgment would be converted into United States dollars at the exchange rate prevailing on the date of entry of the judgment. We express no opinion as to the enforceability of provisions to the extent they require a claim with respect to a Security (or a judgment in respect of such claim) be converted into United States dollars at a particular rate of exchange and/or on a particular date, to the extent applicable law provides otherwise.

Our opinions expressed above are limited to the laws of the State of New York, the Delaware General Corporation Law and the federal laws of the United States of America.

We hereby consent to the filing of this opinion as Exhibit 5.1 to the Registration Statement, and to the reference to our firm under the heading "Legal Matters" in the prospectuses constituting part of the Registration Statement. In giving this consent, we do not admit that we are within the category of persons whose consent is required under Section 7 of the Securities Act or the rules and regulations of the Commission thereunder.

Very truly yours,
/s/ Dorsey & Whitney

JBG/EM/RBR

Consent of Independent Registered Public Accounting Firm

We hereby consent to the incorporation by reference in this Registration Statement on Form S-3 of Ascend Wellness Holdings, Inc. and subsidiaries (the “Company”) of our report dated March 10, 2022, relating to the consolidated financial statements of the Company as of December 31, 2021 and for the year ended December 31, 2021, which report appears in the Annual Report on Form 10-K of the Company for the year ended December 31, 2021.

We also consent to the reference to us under the caption “Experts” in such Registration Statement.

/s/ Macias Gini & O’Connell LLP

San Francisco, California
November 22, 2022

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in this Registration Statement of Ascend Wellness Holdings, Inc. on Form S-3 of our report dated February 25, 2021, except for the second paragraph of Note 1 and the ninth and tenth paragraphs of Note 15, as to which the date is April 22, 2021, with respect to our audit of the consolidated financial statements of Ascend Wellness Holdings, LLC as of December 31, 2020 and for the years ended December 31, 2020 and 2019 appearing in the Annual Report on Form 10-K of Ascend Wellness Holdings, Inc. for the year ended December 31, 2021. We also consent to the reference to our firm under the heading "Experts" in the Prospectus, which is part of this Registration Statement.

/s/ Marcum LLP

Marcum LLP
New York, NY
November 22, 2022

This preliminary MJDS prospectus relating to the securities described in it has been filed in each of the provinces of Canada, excluding Québec, but has not yet become final for the purpose of a distribution. Information contained in this preliminary MJDS prospectus may not be complete and may have to be amended. The securities may not be distributed until a receipt is obtained for the MJDS prospectus.

This MJDS prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and in those jurisdictions only by persons permitted to sell such securities. No securities commission or similar authority in Canada or the United States of America has in any way passed upon the merits of the securities offered by this preliminary MJDS prospectus and any representation to the contrary is an offence.

SUBJECT TO COMPLETION, DATED NOVEMBER 22, 2022

PRELIMINARY MJDS PROSPECTUS



Ascend Wellness Holdings, Inc.

\$100,000,000

Class A Common Stock

Preferred Stock

Warrants

Debt Securities

Subscription Rights

Units

This MJDS prospectus (the “**MJDS prospectus**”) is being filed in Canada under National Instrument 71-101 — *The Multijurisdictional Disclosure System* (“**NI 71-101**”). This MJDS prospectus relates to the offer and sale from time to time by Ascend Wellness Holdings, Inc. (the “**Company**”) of Class A common stock, preferred stock, warrants, debt securities, subscription rights and units. Included in and forming part of this MJDS prospectus is the U.S. base shelf prospectus (the “**U.S. prospectus**”) which is part of a registration statement on Form S-3 (the “**Registration Statement**”) filed on November 22, 2022 by the Company with the United States Securities and Exchange Commission (the “**SEC**”) using a “shelf” registration process under the *United States Securities Act of 1933*, as amended.

This MJDS prospectus describes some of the general terms that may apply to the securities offered. Any time that securities are offered or sold by the Company using this MJDS prospectus, the Company will provide a prospectus supplement to this MJDS prospectus (each individually, a “**Prospectus Supplement**”) that contains specific information about the offering. The prospectus supplement may also add, update or change information contained in this MJDS prospectus. You should read this MJDS prospectus and any Prospectus Supplement carefully before you invest. This MJDS prospectus may not be used to offer or sell securities without the Prospectus Supplement which includes a description of the method and terms of that offering. **This MJDS prospectus may not be used to offer or sell securities without the Prospectus Supplement which includes a description of the method and terms of that offering.**

The securities offered by this MJDS Prospectus may be offered directly, through agents designated from time to time by the Company, or through underwriters or dealers. If any agents or underwriters are involved in the sale of any securities offered by the Company in this MJDS prospectus, their names and any applicable purchase price, fee, commission or discount arrangement between or among them, will be set forth in the applicable Prospectus Supplement.

Investing in these securities involves certain risks. See “Risk Factors” on page 35 of the U.S. prospectus, as well as risk factors disclosed in other documents incorporated by reference herein.

Neither the SEC nor any state securities commission has approved or disapproved these securities, or determined if this MJDS prospectus is truthful or complete. Any representation to the contrary is a criminal offence.

All of the directors and officers of the Company and the experts named in this MJDS prospectus reside outside of Canada. All/ all of the assets of these persons and of the Company may be located outside Canada. The Company has appointed DLA Piper (Canada) LLP, Suite 6000, 1 First Canadian Place, PO Box 367, 100 King Street West, Toronto, Ontario M5X 1E2, as its agent for service of process in Canada, but it may not be possible for investors to effect service of process within Canada upon the directors, officers and experts referred to above. It may also not be possible to enforce against the Company, its directors and officers and the experts named in this MJDS prospectus, judgments obtained in Canadian courts predicated upon the civil liability provisions of applicable securities laws in Canada.

This offering is being made by a U.S. issuer using disclosure documents prepared in accordance with U.S. securities laws. Purchasers should be aware that the requirements of U.S. securities laws may differ from those of the provinces of Canada. The financial statements included or incorporated by reference in this MJDS prospectus have not been prepared in accordance with Canadian generally accepted accounting principles and may not be comparable to financial statements of Canadian issuers. The Company has applied for exemptive relief from the provisions contained in NI 71-101 that would require the Company to include a reconciliation of the financial statements included or incorporated by reference in this MJDS prospectus, which have been prepared in accordance with U.S. generally accepted accounting principles, to Canadian generally accepted accounting principles. The granting of the exemption will be evidenced by the issuance of a (final) receipt for this MJDS prospectus.

All dollar amounts in this MJDS prospectus are in United States dollars, unless otherwise indicated. Reference to “C\$” are to Canadian dollars.

Information contained on the Company’s website shall not be deemed to be a part of this MJDS prospectus or incorporated by reference herein, or any Prospectus Supplement, and may not be relied upon by prospective investors for the purpose of determining whether to invest in the securities qualified for distribution under this MJDS prospectus or any Prospectus Supplement.

THE DATE OF THIS MJDS PROSPECTUS IS NOVEMBER 22, 2022.

This MJDS prospectus is being filed in relation to the distribution of securities of an entity that currently derives substantially all of its consolidated revenues from the cannabis industry in certain states of the United States, which industry is illegal under United States federal law and enforcement of relevant laws is a significant risk. The Company is directly involved (through its subsidiaries) in the cannabis industry in the United States where local state laws permit such activities. Currently, its subsidiaries and managed entities are engaged, whether directly, indirectly or through ancillary activities, in the manufacture, possession, use, sale, distribution or branding of cannabis and/or hold licenses in the adult use and/or medicinal cannabis marketplace in the states of Illinois, Massachusetts, Michigan, New Jersey, Ohio, and Pennsylvania. In addition, the Company, as a result of various consulting agreements with third parties and pending acquisitions, has ancillary involvement in the manufacture, possession, use, sale, distribution or branding of cannabis in the states of Ohio and Illinois.

The United States federal government regulates drugs through the *Controlled Substances Act* (21 U.S.C. § 811) (the “CSA”), which schedules controlled substances, including cannabis, based on their approved medical use and potential for abuse. Cannabis, except hemp with a tetrahydrocannabinol (“THC”) concentration of less than 0.3%, is classified as a Schedule I drug. Under United States federal law, a Schedule I drug or substance has a high potential for abuse, no accepted medical use in the United States, and a lack of accepted safety for the use of the drug under medical supervision. The United States Food and Drug Administration (the “FDA”) has not approved cannabis as a safe and effective drug for any indication. The FDA has, however, approved one cannabis derived drug product, Epidiolex, which contains a purified form of cannabidiol, a non-psychoactive cannabinoid in the cannabis plant, for the treatment of seizures associated with two epilepsy conditions. Despite the current state of the United States federal law and the CSA, medical cannabis is currently legal in 37 states, the District of Columbia, and the territories of Guam, Puerto Rico, the U.S. Virgin Islands, and the Northern Mariana Islands. Recreational, adult-use cannabis is legal in 21 states, two territories and the District of Columbia, although not all of those jurisdictions have fully implemented their legalization programs. Eleven states have also enacted low-THC/high-CBD only laws for medical cannabis patients. State laws that permit and regulate the production, distribution and use of cannabis for adult-use or medical purposes are in direct conflict with the CSA. Although certain states authorize medical or adult-use cannabis production and distribution by licensed or registered entities, under United States federal law, the possession, use, cultivation, and transfer of cannabis and any related drug paraphernalia is illegal and any such acts are criminal acts. The Supremacy Clause of the United States Constitution establishes that the United States Constitution and federal laws made pursuant to it are paramount and in case of conflict between federal and state law, federal law shall apply.

On January 4, 2018, former United States Attorney General Jeff Sessions issued a memorandum to United States district attorneys which rescinded previous guidance from the United States Department of Justice specific to cannabis enforcement in the United States, including the Cole Memorandum (as defined herein). With the Cole Memorandum rescinded, United States federal prosecutors have been given discretion in determining whether to prosecute cannabis related violations of United States federal law.

Mr. Sessions resigned on November 7, 2018. The former Attorneys General who succeeded former Attorney General Sessions following his resignation did not provide a clear policy directive for the United States as it pertains to state-legal cannabis related activities. President Joseph R. Biden was sworn in as the 46th United States President on January 20, 2021. President Biden nominated Merrick Garland to serve as Attorney General in his administration. It is not yet known whether the Department of Justice under President Biden and Attorney General Garland, confirmed on March 10, 2021, will readopt the Cole Memorandum or announce a substantive cannabis enforcement policy. At Mr. Garland’s confirmation hearing, he stated, “It does not seem to me a useful use of limited resources that we have, to be pursuing prosecutions in states that have legalized and that are regulating the use of marijuana, either medically or otherwise.” He has not, however, reissued the Cole Memorandum or otherwise provided guidance. If the Department of Justice policy under Attorney General Garland were to aggressively pursue financiers or owners of cannabis-related businesses, and United States Attorneys followed such Department of Justice policies through pursuing prosecutions, then the Company could face (i) seizure of its cash and other assets used to support or derived from its cannabis operations, (ii) the arrest of its employees, directors, officers, managers and investors, and charges of ancillary criminal violations of the CSA for aiding and abetting and

conspiring to violate the CSA by virtue of providing financial support to cannabis companies that service or provide goods to state-licensed or permitted cultivators, processors, distributors, and/or retailers of cannabis, and/or (iii) the barring of its employees, directors, officers, managers and investors who are not United States citizens from entry into the United States for life. Unless and until the United States Congress amends the CSA with respect to cannabis (and as to the timing or scope of any such potential amendments there can be no assurance), there is a risk that federal authorities may enforce current U.S. federal law criminalizing cannabis.

While federal prosecutors appear to continue to use the Cole Memorandum's priorities as an enforcement guide, the prosecutorial effects resulting from the rescission of the Cole Memorandum and the implementation of the Sessions Memorandum remain uncertain. The sheer size of the cannabis industry, in addition to participation by state and local governments and investors, suggests that a large-scale federal enforcement operation may create unwanted political backlash for the United States Department of Justice (the "DOJ"). It is also possible that the revocation of the Cole Memorandum could motivate Congress to reconcile federal and state laws. While Congress is considering and has considered legislation that may address these issues, there can be no assurance that such legislation passes. Regardless, at this time, cannabis remains a Schedule I controlled substance at the federal level. The U.S. federal government has always reserved the right to enforce federal law in regard to the sale and disbursement of medical or adult-use cannabis, even if state law authorizes such sale and disbursement. It is unclear whether the risk of enforcement has been altered.

One legislative safeguard for the medical cannabis industry, appended to the federal budget bill, remains in place following the rescission of the Cole Memorandum. For fiscal years 2015, 2016, 2017, 2018, 2019, 2020, 2021 and 2022, Congress has included a rider to the *Consolidated Appropriations Acts* (currently referred to as the "Rohrabacher/Blumenauer Amendment") to prevent the federal government from using congressionally appropriated funds to enforce federal cannabis laws against regulated medical cannabis actors operating in compliance with state and local law. The Rohrabacher/Blumenauer Amendment was included in the Consolidated Appropriations Act, 2021 signed into legislation by President Trump in December 2020 that remained in effect until September 30, 2021. On September 30, 2021 and December 3, 2021, President Biden signed short-term continuing resolutions to extend current appropriations, most recently through February 18, 2022. On February 8, 2022, the House passed a third continuing resolution to extend current appropriations through March 11, 2022. On March 15, 2022, the amendment was renewed through the signing of the FY 2022 omnibus spending bill, effective through September 30, 2022. As of September 30, 2022, the amendment is effective through December 16, 2022. There is no guarantee that the Rohrabacher/Blumenauer Amendment will be included in the omnibus appropriations package or a continuing budget resolution once the current Consolidated Appropriations Act, 2021 expires. See "*Overview of Government Regulation*" in the U.S. prospectus.

On October 6, 2022, President Biden announced that he directed the Secretary of the United States Department of Health and Human Services and Attorney General Merrick Garland to initiate a review of marijuana's classification as a Schedule I controlled substance under the CSA. The timing and outcome of this review is uncertain and there is no certainty that marijuana will be placed under a different schedule or de-scheduled, and there is also no certainty as to the impacts such actions would have on our business or the marijuana industry as a whole, particularly when considering potential implications for federal regulation and interstate commerce.

There is no guarantee that state laws legalizing and regulating the sale and use of cannabis will not be repealed, amended or overturned, or that local governmental authorities will not limit the applicability of state laws within their respective jurisdictions. Unless and until the United States Congress amends or repeals the CSA with respect to medical and/or adult-use cannabis (and as to the timing or scope of any such potential amendment or repeal there can be no assurance), there is a significant risk that federal authorities may enforce current federal law. If the federal government begins to enforce federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Company's business, results of operations, financial condition and prospects would be materially adversely affected.

Cannabis, except hemp, remains a Schedule I controlled substance under the CSA, and neither the Cole Memorandum nor its rescission nor the continued passage of the Rohrabacher/Blumenauer Amendment has altered that fact. The federal government of the United States has always reserved the right to enforce federal law in regard to the sale and disbursement of medical or adult-use cannabis, even if state law sanctions such sale and disbursement. If the United States federal government begins to enforce United States federal laws relating to cannabis in states where the sale and use of cannabis is currently legal, or if existing applicable state laws are repealed or curtailed, the Company's business, results of operations, financial condition and prospects would be materially adversely affected.

In light of the political and regulatory uncertainty surrounding the treatment of United States cannabis related activities, on February 8, 2018, the Canadian Securities Administrators published CSA Staff Notice 51-352 – (Revised) *Issuers with U.S. Marijuana-Related Activities* (“Staff Notice 51-352”) setting out the Canadian Securities Administrator's disclosure expectations for specific risks facing issuers with cannabis related activities in the United States. Staff Notice 51-352 includes additional disclosure expectations that apply to all issuers with United States cannabis-related activities, including those with direct and indirect involvement in the cultivation and distribution of cannabis, as well as issuers that provide goods and services to third parties involved in the United States cannabis industry.

For these reasons, the Company's operations in the United States cannabis market may subject the Company to heightened scrutiny by regulators, stock exchanges, clearing agencies and other United States and Canadian authorities. There are a number of risks associated with the business of the Company. See sections entitled “*Risk Factors*” and “*Overview of Government Regulation*” in the *U.S. prospectus* and “*Issuers with U.S. Cannabis Related Assets*” in this MJDS prospectus.

ABOUT THIS MJDS PROSPECTUS

This MJDS prospectus has been filed with securities regulatory authorities in each of the provinces of Canada, excluding Québec, under the multijurisdictional disclosure system (“**MJDS**”) in conjunction with the filing of the U.S. prospectus that was filed with the SEC utilizing a “shelf” registration process. Under this shelf process, the Company may sell any combination of the securities described in this MJDS prospectus in one or more offerings.

This MJDS prospectus incorporates by reference the U.S. prospectus contained in the associated Registration Statement which was filed on November 22, 2022 under the *United States Securities Act of 1933*, as amended. The U.S. prospectus was filed in the U.S. using a “shelf” registration or continuous offering process. Under this shelf process, the Company’s securities described in this MJDS prospectus may, from time to time, be offered and sold in one or more offerings up to a total dollar amount of \$100,000,000.

The U.S. prospectus and Registration Statement, including the exhibits to the Registration Statement and other related documents, provide information about the Company and the securities offered under this MJDS prospectus. This MJDS prospectus includes the U.S. prospectus and does not include all of the information included in the Registration Statement. Each time the Company offers and sells any of the securities described in this MJDS prospectus, the Company will provide a Prospectus Supplement along with this MJDS prospectus. The accompanying Prospectus Supplement may also add, update or change information contained in this MJDS prospectus. If the information varies between this MJDS prospectus and the accompanying Prospectus Supplement, you should rely on the information in the accompanying Prospectus Supplement. You should read both this MJDS prospectus and the accompanying Prospectus Supplement together with the additional information described under “*Documents Incorporated By Reference*” in this MJDS prospectus.

The Company’s Class A common stock is listed on the Canadian Securities Exchange (the “**CSE**”) under the symbol “AAWH.U” and quoted on the OTCQX® Best Market operated by OTC Markets Group, Inc. (the “**OTCQX**”) under the symbol “AAWH”. On November 21, 2022, the last reported sale price for the Company’s Class A common stock on the CSE was \$2.14 per share and on the OTCQX was \$2.13 per share.

The U.S. prospectus incorporated by reference into this MJDS prospectus and the Registration Statement, including the exhibits to the Registration Statement and other related documents, provide information about the Company and the securities offered under this MJDS prospectus. The Registration Statement and the U.S. prospectus, including the exhibits, can be read at the SEC website at www.sec.gov, the website maintained by the Canadian Securities Administrators at www.sedar.com, or the SEC public reference room mentioned under the heading “*Where To Find Additional Information*”.

You should rely only on the information provided in this MJDS prospectus or incorporated by reference into this MJDS prospectus. We have not authorized anyone to provide you with different information. We are not making an offer or soliciting a purchase of the securities offered under this MJDS prospectus in any jurisdiction in which the offer or solicitation is not authorized or in which the person making the offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make the offer or solicitation. You should not assume that the information in this MJDS prospectus is accurate as of any date other than the date on the front of the document.

Neither the Company, nor any underwriter, nor any agent, nor any dealer has authorized anyone to provide any information other than that contained or incorporated by reference in this MJDS prospectus or in any permitted marketing materials prepared by the Company or on the Company’s behalf or to which the Company has referred you. The Company takes no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. The information contained in this MJDS prospectus, in any Prospectus Supplement or in any document incorporated by reference is accurate only as of its date, regardless of the time of delivery of this MJDS prospectus or any Prospectus Supplement or any sale of securities. This MJDS prospectus is not an offer to sell or a solicitation of an offer to buy these securities in any circumstances under which or in any jurisdiction where the offer or solicitation is not permitted.

RISK FACTORS

An investment in the securities of the Company involves a number of risks. Before investing in any of the securities of the Company, prospective purchasers should carefully read and consider the risks described in “*Risk Factors*” section of the U.S. prospectus, forming part of this MJDS prospectus, in addition to those risk factors set out in the Company’s annual, quarterly and current reports filed with the SEC, each of which may be amended, supplemented or superseded from time to time by other reports the Company files with the SEC in the future. Additional risks, including those that relate to any particular securities that will be offered, will be included in the applicable Prospectus Supplement. The Company’s business, financial condition and/or results of operations could be materially adversely affected by any of these risk factors. The market or trading price of the Company’s securities could decline due to any of these risks. In addition, any prospective investor should carefully read and consider the “*Cautionary Note Regarding Forward-Looking Statements*” section of the U.S. prospectus, forming part of this MJDS prospectus, which describes additional uncertainties associated with the business of the Company and the forward-looking statements incorporated by reference in this MJDS prospectus. Please note that additional risks not presently known to the Company or that it currently deems immaterial may also impair the Company’s business and operations.

DOCUMENTS INCORPORATED BY REFERENCE

Rules of the Canadian securities regulators provide that documents incorporated or deemed to be incorporated by reference into the U.S. prospectus under U.S. federal securities law shall be, and are deemed to be, incorporated by reference into this MJDS prospectus. The information incorporated by reference is considered to be a part of this MJDS prospectus and later information that the Company files with the SEC will update and supersede this information. The documents incorporated by reference in the U.S. prospectus are set out under the heading “*Information Incorporated by Reference*” beginning on page 61 of the U.S. prospectus.

The following documents of the Company, and any future such documents that will be, filed with the securities commissions or similar authorities in each of the provinces of Canada, excluding Québec, are specifically incorporated by reference in and form an integral part of this MJDS prospectus:

- the Company’s annual report on Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on March 11, 2022, being the Company’s annual information form;
- the Company’s quarterly report on Form 10-Q for the quarterly period ended March 31, 2022, filed with the SEC on May 12, 2022;
- the Company’s quarterly report on Form 10-Q for the quarterly period ended June 30, 2022, filed with the SEC on August 15, 2022;
- the Company’s quarterly report on Form 10-Q for the quarterly period ended September 30, 2022, filed with the SEC on November 14, 2022;
- the Company’s proxy statement on Schedule 14A filed with the SEC on March 28, 2022, relating to the Company’s annual meeting of shareholders held on May 6, 2022; and
- the Company’s Current Reports on Form 8-K filed with the SEC on January 4, 2022, January 6, 2022, February 16, 2022, March 8, 2022, April 25, 2022, May 11, 2022, May 11, 2022, May 11, 2022, May 24, 2022, July 5, 2022, August 15, 2022, August 16, 2022, September 15, 2022, September 28, 2022, October 4, 2022, and November 10, 2022.

Any documents of the type required to be incorporated into a MJDS prospectus by applicable Canadian securities laws which are filed by the Company with the securities regulatory authorities in Canada after the date of this MJDS prospectus shall be deemed to be incorporated by reference into this MJDS prospectus, as prescribed by applicable securities laws.

Any statement contained in this MJDS prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this MJDS prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such

statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this MJDS prospectus, except as so modified or superseded.

You may request copies of the documents incorporated by reference at no cost, by writing or telephoning the Company at 1411 Broadway, 16th Floor, New York, NY 10018, telephone (646) 661-7600, Attention: Daniel Neville. Copies of the documented incorporation by reference may also be obtained from the website maintained by Canadian Securities Authorities, under the Company's profile at www.sedar.com.

Copies of these reports and documents are also available on the Company's website at www.awholdings.com. The Company's website is not a part of this MJDS prospectus. Readers should rely only on the information provided or incorporated by reference in this MJDS prospectus or in any applicable supplement to this MJDS prospectus. Readers should not assume that the information in this MJDS prospectus, the U.S. prospectus which forms part of this MJDS prospectus, and any applicable supplement is accurate as of any date other than the date of such documents.

ISSUERS WITH U.S. CANNABIS-RELATED ASSETS

On February 8, 2018, the Canadian Securities Administrators revised their previously released Staff Notice 51-352 Issuers with U.S. Marijuana-Related Activities ("**Staff Notice 51-352**") which provides specific disclosure expectations for issuers that currently have, or are in the process of developing, cannabis-related activities in the U.S. as permitted within a particular state's regulatory framework. All issuers with U.S. cannabis-related activities are expected to clearly and prominently disclose certain prescribed information in prospectus filings and other required disclosure documents.

In accordance with Staff Notice 51-352, this MJDS prospectus and the U.S. prospectus include a discussion of the federal and state-level U.S. regulatory regimes in those jurisdictions where the Company has direct, indirect and ancillary involvement, either itself or through its subsidiaries. In accordance with Staff Notice 51-352, the Company will evaluate, monitor and reassess this disclosure, and any related risks, on an ongoing basis and the same will be supplemented and amended and made available to investors in public filings, including in the event of government policy changes or the introduction of new or amended guidance, laws or regulations regarding cannabis regulation. Any non-compliance, citations or notices of violation which may have an impact on the Company's licensing, business activities or operations will be promptly disclosed by the Company.

As a result of the Company's involvement in cannabis-related activities in the U.S. (as described herein), the Company is properly subject to Staff Notice 51-352. The following table is intended to assist readers in identifying those parts of this prospectus and the U.S. prospectus that address the disclosure expectations outlined in Staff Notice 51-352 for issuers that currently have cannabis-related activities in U.S. states where such activity has been authorized within a state regulatory framework:

Industry Involvement	Specific Disclosure Necessary to Fairly Present all Material Facts, Risks and Uncertainties	U.S. Prospectus Cross-Reference⁽¹⁾
All Issuers with U.S. Marijuana-Related Activities	Describe the nature of the issuer’s involvement in the U.S. marijuana industry and include the disclosures indicated for at least one of the direct, indirect and ancillary industry involvement types noted in this table.	<i>Bold boxed cover page disclosure in this MJDS prospectus</i> <i>Description of the Business- Page 5</i>
	Prominently state that marijuana is illegal under U.S. federal law and that enforcement of relevant laws is a significant risk.	<i>Bold boxed cover page disclosure in this prospectus</i> <i>Risk Factors - Risks Related to Operating in the U.S. Cannabis Industry - Page 35</i> <i>Overview of Government Regulation - Page 6</i>
	Discuss any statements and other available guidance made by federal authorities or prosecutors regarding the risk of enforcement action in any jurisdiction where the issuer conducts U.S. marijuana-related activities.	<i>Risk Factors - Risks Related to Operating in the U.S. Cannabis Industry - Page 35</i> <i>Overview of Government Regulation - Page 6</i> <i>Overview of Government Regulation - State Regulation of Cannabis - Illinois - Page 12</i> <i>Overview of Government Regulation - State Regulation of Cannabis - Massachusetts - Page 14</i> <i>Overview of Government Regulation - State Regulation of Cannabis - Michigan - Page 19</i> <i>Overview of Government Regulation - State Regulation of Cannabis - New Jersey - Page 22</i> <i>Overview of Government Regulation - State Regulation of Cannabis - Ohio - Page 26</i> <i>Overview of Government Regulation - State Regulation of Cannabis - Pennsylvania - Page 29</i>
	Outline related risks including, among others, the risk that third party service providers could suspend or withdraw services and the risk that regulatory bodies could impose certain restrictions on the issuer’s ability to operate in the U.S.	<i>Risk Factors - Risks Related to Operating in the U.S. Cannabis Industry - Page 35</i> <i>Overview of Government Regulation - Page 6</i>

	Given the illegality of marijuana under U.S. federal law, discuss the issuer's ability to access both public and private capital and indicate what financing options are / are not available in order to support continuing operations.	<i>Overview of Government Regulation - Page 6 Risk Factors - Risks Related to Operating in the U.S. Cannabis Industry - Page 35</i>
	Quantify the issuer's balance sheet and operating statement exposure to U.S. marijuana related activities.	<i>At the date of this MJDS prospectus, 100% of the Company's operations are in the United States.</i>
	Disclose if legal advice has not been obtained, either in the form of a legal opinion or otherwise, regarding (a) compliance with applicable state regulatory frameworks and (b) potential exposure and implications arising from U.S. federal law.	<i>The Company has received and continues to receive legal input regarding (a) compliance with applicable state regulatory frameworks in the states of Illinois, Massachusetts, Michigan, New Jersey, Ohio, and Pennsylvania, and (b) potential exposure and implications arising from U.S. federal law. The Company receives such advice on an ongoing basis but has not received a formal legal opinion on such matters.</i>
U.S. Marijuana Issuers with direct involvement in cultivation or distribution	Outline the regulations for U.S. states in which the issuer operates and confirm how the issuer complies with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.	<i>Overview of Government Regulation - State Regulation of Cannabis - Illinois - Page 12 Overview of Government Regulation - State Regulation of Cannabis - Massachusetts - Page 14 Overview of Government Regulation - State Regulation of Cannabis - Michigan - Page 19 Overview of Government Regulation - State Regulation of Cannabis - New Jersey - Page 22 Overview of Government Regulation - State Regulation of Cannabis - Ohio - Page 26 Overview of Government Regulation - State Regulation of Cannabis - Pennsylvania - Page 29</i>
	Discuss the issuer's program for monitoring compliance with U.S. state law on an ongoing basis, outline internal compliance procedures and provide a positive statement indicating that the issuer is in compliance with U.S. state law and the related licensing framework. Promptly disclose any non-compliance, citations or notices of violation which may have an impact on the issuer's licence, business activities or operations.	<i>Overview of Government Regulation - Page 6</i>

<p>U.S. Marijuana Issuers with indirect involvement in cultivation or distribution</p>	<p>Outline the regulations for U.S. states in which the issuer's investee(s) operate.</p>	<p><i>Overview of Government Regulation - State Regulation of Cannabis - Illinois - Page 12</i></p> <p><i>Overview of Government Regulation - State Regulation of Cannabis - Massachusetts - Page 14</i></p> <p><i>Overview of Government Regulation - State Regulation of Cannabis - Michigan - Page 19</i></p> <p><i>Overview of Government Regulation - State Regulation of Cannabis - New Jersey - Page 22</i></p> <p><i>Overview of Government Regulation - State Regulation of Cannabis - Ohio - Page 26</i></p> <p><i>Overview of Government Regulation - State Regulation of Cannabis - Pennsylvania - Page 29</i></p>
	<p>Provide reasonable assurance, through either positive or negative statements, that the investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state. Promptly disclose any noncompliance, citations or notices of violation, of which the issuer is aware, that may have an impact on the investee's licence, business activities or operations.</p>	<p><i>Overview of Government Regulation - Compliance with Applicable State Laws in the United States - Page 10</i></p> <p><i>Overview of Government Regulation - State Regulation of Cannabis - Page 11</i></p>
<p>U.S. Marijuana Issuers with material ancillary involvement</p>	<p>Provide reasonable assurance, through either positive or negative statements, that the applicable customer's or investee's business is in compliance with applicable licensing requirements and the regulatory framework enacted by the applicable U.S. state.</p>	<p><i>Overview of Government Regulation - Compliance with Applicable State Laws in the United States - Page 10</i></p> <p><i>Overview of Government Regulation - State Regulation of Cannabis - Ohio - Page 26</i></p> <p><i>Overview of Government Regulation - State Regulation of Cannabis - Illinois - Page 12</i></p>

Note:

(1) Unless otherwise specified, page number references are in respect of the U.S. Prospectus.

WHERE TO FIND ADDITIONAL INFORMATION

The Company files annual, quarterly and current reports, proxy statements and other information with the SEC and the Canadian Securities Authorities. You may read and copy any document that the Company files at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. The SEC also maintains a website at www.sec.gov, from which interested persons can electronically access the Company's SEC filings, including the Registration Statement and the exhibits and schedules thereto. In addition, the Canadian Securities Administrators maintains the System for Electronic Document Analysis and Retrieval, or "SEDAR," website at www.sedar.com, from which you can obtain reports, proxy and information statements and other information relating to the Company, including this MJDS prospectus.

LEGAL MATTERS

Certain Canadian legal matters relating to the securities that may be offered under this MJDS prospectus will be passed upon for the Company by DLA Piper (Canada) LLP.

REGULATORY RELIEF

As noted on the cover page of this MJDS prospectus, the Company has applied for exemptive relief from the provisions contained in NI 71-101 that would require the Company to include a reconciliation of the financial statements included or incorporated by reference in this MJDS prospectus, which have been prepared in accordance with U.S. generally accepted accounting principles, to Canadian generally accepted accounting principles. The granting of the exemption will be evidenced by the issuance of a receipt for the (final) MJDS prospectus.

The Company has also applied for exemptive relief from the prospectus requirements of applicable Canadian securities laws to allow investment dealers acting as underwriters or selling group members of the Company or a selling securityholder of the Company to, among other things, provide investors in Canada with standard term sheets and marketing materials (each as defined in National Instrument 41-101 - *General Prospectus Requirements* ("NI 41-101")), and conduct road shows (as defined in NI 41-101), in connection with offerings in Canada under this MJDS prospectus, conditional upon compliance with the conditions and requirements of Part 9A of National Instrument 44-102 - *Shelf Distributions* ("NI 44-102") in the manner in which those conditions and requirements would apply if this MJDS prospectus were a final base shelf prospectus under NI 44-102.

PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS

Unless provided otherwise in a Prospectus Supplement, the following is a description of a Canadian purchaser's statutory and contractual rights.

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment thereto. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, damages if the MJDS prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser. Rights and remedies also may be available to purchasers under U.S. law; purchasers may wish to consult with a U.S. legal adviser for particulars of these rights.

Original Canadian purchasers of warrants, subscription rights or receipts, purchase contracts or convertible or exchangeable debt securities (or units comprised partly thereof) will have a contractual right of rescission against the Company following the issuance of underlying securities of the Company to such original purchasers upon the conversion, exchange or exercise of the warrant, the subscription right or receipt, the purchase contract or the convertible or exchangeable debt security. The contractual right of rescission will entitle such original purchasers to receive the amount paid for the applicable convertible, exchangeable or exercisable security upon surrender of the

underlying securities of the Company issued upon the conversion, exchange or exercise of the applicable convertible, exchangeable or exercisable security, in the event that this MJDS prospectus, the relevant Prospectus Supplement or an amendment contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase under this MJDS prospectus of the applicable convertible, exchangeable or exercisable security; and (ii) the right of rescission is exercised within 180 days of the date of the purchase under this MJDS prospectus of the applicable convertible, exchangeable or exercisable security. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act*(Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law. Original purchasers are further advised that the statutory right of action for damages for a misrepresentation contained in a prospectus is limited, in certain provincial securities legislation, to the price at which convertible, exchangeable or exercisable securities are offered to the public under a prospectus. This means that, under the securities legislation of certain provinces of Canada, if the purchaser pays additional amounts upon conversion, exchange or exercise of such securities, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces.

CERTIFICATE OF THE COMPANY

Dated: November 22, 2022

This MJDS prospectus, together with the documents incorporated in this MJDS prospectus by reference, will, as of the date of each supplement to this MJDS prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by this MJDS prospectus and the supplement as required by the securities legislation of each of the provinces of Canada, excluding Québec, and will not contain any misrepresentation likely to affect the value or the market price of the securities to be distributed.

/s/ Francis Perullo
Interim Co-Chief Executive Officer
and President

/s/ Daniel Neville
Interim Co-Chief Executive Officer
and Chief Financial Officer

On behalf of the Board of Directors

/s/ Abner Kurtin
Director and Executive Chairman

/s/ Scott Swid
Director