Ascend Wellness Holdings

Q4 & FY 2022 Earnings Presentation

CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS

This presentation includes forward-looking information and statements (together, “forward-looking statements”), which may include, but are not limited to, the plans, intentions, expectations, estimates, and beliefs of Ascend Wellness Holdings, Inc (“AWH” or the “Company”). Words such as “expects”, “continue”, “will”, “anticipates” and “intends” or similar expressions are intended to identify forward-looking statements. Without limiting the generality of the preceding statement, all statements in this presentation relating to estimated and projected revenue, expectations regarding production capacity, anticipated capital expenditures, expansion, profit, product demand, margins, costs, cash flows, sources of capital, growth rates, potential acquisitions, closing dates for transactions, regulatory approvals, future facility openings, and future financial and operating results are forward-looking statements. We caution investors that any such forward-looking statements are based on the Company’s current projections, run rates, or expectations about future events and financial trends, the receipt of all required regulatory approvals, and on certain assumptions and analysis made by the Company in light of the experience of the Company and perception of historical trends, current conditions and expected future developments and other factors management believes are appropriate. Forward-looking statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking statements herein. Such factors include, among other, the risks and uncertainties identified in the Company’s Annual Report on Form 10-K for the year ended December 31, 2022, and in the Company’s other reports and filings with the applicable Canadian securities administators on its profile on SEDAR at www.sedar.com and United States Securities and Exchange Commission (“SEC”) on its profile on EDGAR at www.sec.gov. Although the Company believes that any forward-looking statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such statements, there can be no assurance that any such forward-looking statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking statements. Any forward-looking statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws. No securities regulator nor the Canadian Securities Exchange have reviewed, approved or disapproved the content of this presentation.

To the extent any forward-looking statement in this presentation constitutes “future-oriented financial information” or “financial outlooks” within the meaning of applicable securities laws, such information is being provided for the purpose of providing information about management’s current expectations and goals relating to the future of the Company and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking statements, generally are, without limitation, based on the assumptions and subject to the risks set out above, among others. The Company’s actual financial position and results of operations may differ materially from management’s current expectations and, as a result, the Company’s financial position may differ materially from what is provided in this presentation. Such information is presented for illustrative purposes only and may not be an indication of the Company’s actual financial position or results of operations. Any financial outlook or future-oriented financial information, as defined by applicable securities laws, has been approved by management of the Company as of the date hereof and the Company disclaims any obligation to update such outlooks or information, execpt as required by applicable securities laws.

Certain information in this presentation, including industry information and estimates, is obtained from third party sources, including public sources, and there can be no assurance as to the accuracy or completeness of such information. Although believed to be reliable, management of the Company has not independently verified any of the data from third party sources unless otherwise stated.

ABNER KURTIN
EXECUTIVE CHAIRMAN

AWH

3

LEAPFROGGED COMPETITION IN 4 YEARS

Executed to become a top tier operator in only 4 years

#1

HIGHEST AVG REVENUE PER DISPENSARY[3]

#1

HIGHEST ANNUAL ADJ. EBITDA GROWTH[2] (17% Y/Y)

#6

LARGEST BY ADJ. EBITDA[1]

#3

WHOLESALE BRAND IN ILLINOIS[4]

1. 6th largest US Multi-State Operator (MSO) based on 2022 Adj. EBITDA consensus estimates on Factset as of 3/4/23; behind Trulieve, Curaleaf, Verano, Green Thumb, and Cresco.
2. Highest Y/Y Adj. EBITDA growth among US MSOs based on 2021 actual and 2022 Adj. EBITDA consensus estimates as of 3/4/23. 17% is AWH actual Y/Y Adj. EBITDA growth '22/'23.
3. Highest average revenue per dispensary among US MSOs based on publicly available data.
4. Ozone Brand was #3 largest by sales in 2022, according to BDSA Research.

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Fort Lee, NJ Grand AU Opening

FRANK PERULLO

PRESIDENT AND INTERIM CO-CEO

EAST COAST UPDATE

New Jersey

- Commenced adult use sales at Fort Lee dispensary in mid 4Q22
- Doubled canopy; 42,000 sq. ft now online
- Launched key brand partnerships
    - Miss Grass, mini pre-rolls in 4Q22
    - 1906, effects-based fast-acting dosing in 1Q23

Pennsylvania

- Planted 6,000 sq. ft of cultivation in Smithfield in 4Q22
- Opened 2 dispensaries in 4Q22, including the first cannabis outlet in the US

Massachusetts

- Opened New Bedford dispensary as an outlet store in 1Q23
- Expect to complete kitchen by 3Q23

Maryland

- Signed definitive agreement to acquire 4 dispensaries

Scranton, PA Grand Opening

New Bedford, MA Grand Opening

MIDWEST UPDATE

Illinois
- 20 social equity licenses expected to be online in the state by 2Q23; focused on wholesale sales and supply partnerships
- 9th dispensary[1] in Tinley Park, IL expected to open by end of 2Q23

Michigan
- Moderate sequential wholesale sales increases
- Opened 8th MI dispensary in Grand Rapids

Ohio
- Brought vapes and edibles to market in 4Q22
- Sandusky, Piqua, and Cincinnati dispensary[1] expected to open toward the end of 3Q23

Launched Ozone Vapes in OH

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1. Signed definitive agreement for IL dispensary license and three medical dispensaries in Ohio.

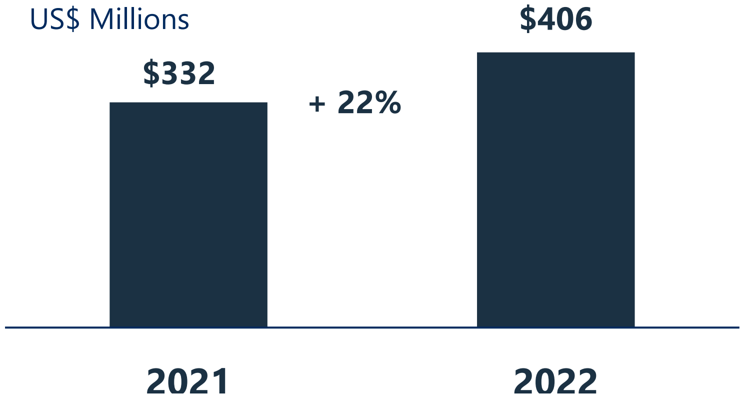
DANIEL NEVILLE

CHIEF FINANCIAL OFFICER AND INTERIM CO-CEO

1906 Packaging in Franklin, NJ

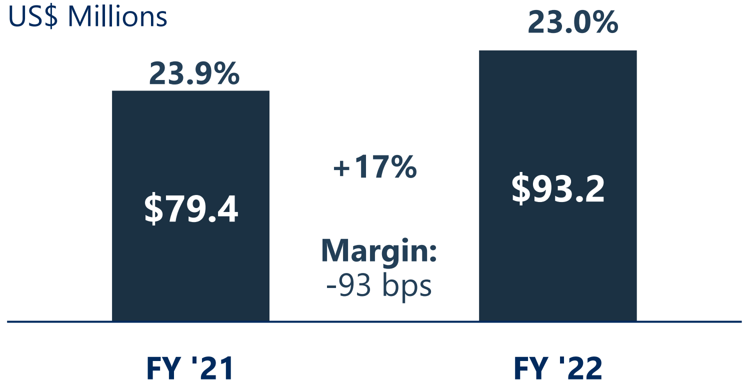
2022 FULL YEAR FINANCIAL HIGHLIGHTS

Net Revenue[1]
US$ Millions



- **Retail:** Total retail increased by 32% Y/Y to $306M driven by opening of 4 dispensaries (East Lansing, MI; Fort Lee, NJ; Scranton, PA; and Wayne, PA), conversion of 3 NJ dispensaries to adult-use, and full year benefit from the consolidation of 2 OH dispensaries.
- **Wholesale:** Gross wholesale increased 22% Y/Y to $182M as intercompany revenue was up across the board in NJ, IL, MA, MI, and OH. Net wholesale declined 0.5% Y/Y to $100M as third-party revenue declines in IL were partially offset by increases in NJ, MA, and MI.

Adj. EBITDA / Margin[2]
US$ Millions



- **Adj. EBITDA:** Up 17% Y/Y driven by revenue increase described above
- **Adj. EBITDA Margin:** Margin of 23%, down 93 bps Y/Y; majority of decline driven by gross profit margin declines in IL, combined with increases in rent and compensation expenses to support expansion of operations, which were partially offset by increases in MA, MI and NJ.

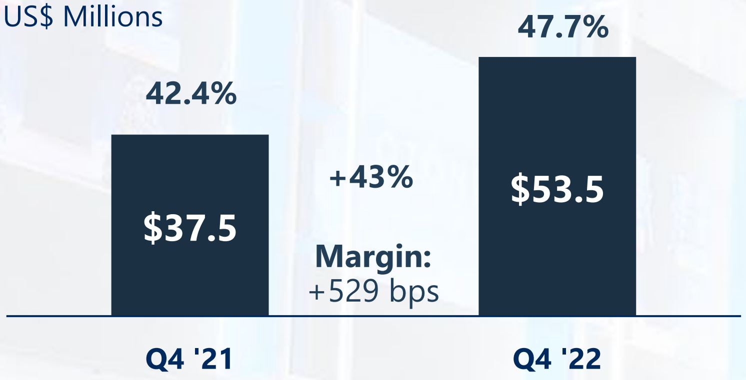
(1) Revenue net of intercompany sales.
(2) Adjusted EBITDA / Margin are non-GAAP financial measures. Please see the "GAAP Reconciliations" at the end of this presentation for a reconciliation of non-GAAP to GAAP measures.

Q4 FINANCIAL HIGHLIGHTS

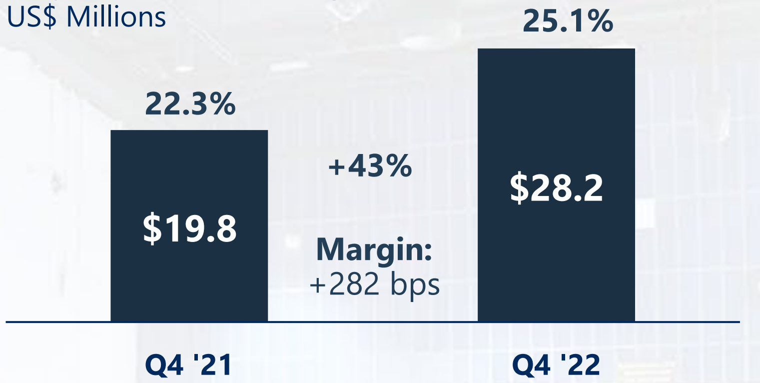
Y/Y: Q4’21 VS. Q4’22

Net Revenue[1]
US$ Millions

Adj. Gross Profit / Margin[2]
US$ Millions



Adj. EBITDA / Margin[2]
US$ Millions

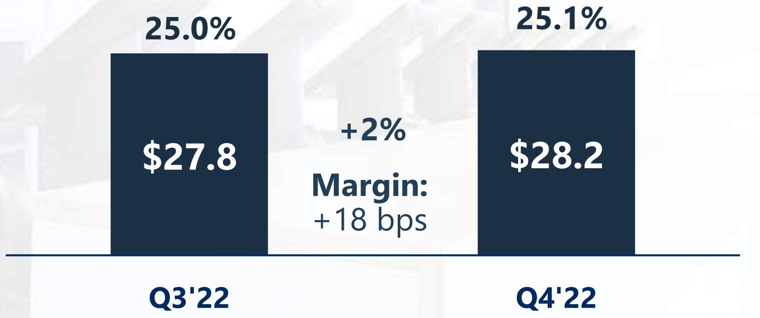


Q/Q: Q3’22 VS. Q4’22

Net Revenue[1]
US$ Millions

Adj. Gross Profit / Margin[2]
US$ Millions

Adj. EBITDA / Margin[2]
US$ Millions



(1) Net revenue excludes revenue from intercompany sales.
(2) Adjusted Gross Profit / Margin and Adjusted EBITDA / Margin are non-GAAP financial measures. Please see the “GAAP Reconciliations” at the end of this presentation for a reconciliation of non-GAAP to GAAP measures.

Q4 2022 BALANCE SHEET AND CASH FLOW

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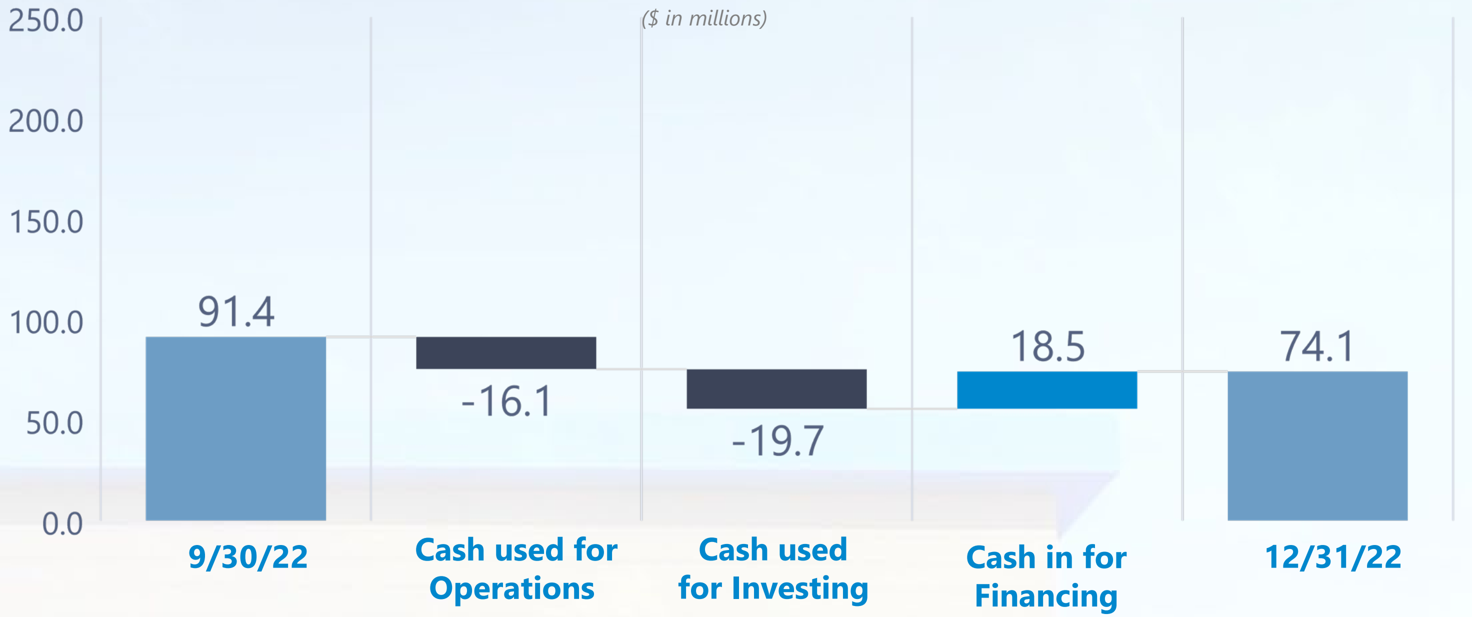
($ in millions)

	12/31/22
Cash & Equivalents	74.1
Fully Diluted Shares Outstanding Basic & Diluted (1)	195.1
Total Debt, net (2)	330.6
Net Debt (3)	256.5
Enterprise Value (4)	480.9

Q4 Cash & Equivalents



- $16.1M net cash used for operations, driven by $33M in cash tax payments in the quarter
- $19.7M net cash used for investing, driven by CapEx to support NJ and PA cultivation builds and Scranton and Wayne store openings
- $18.5M net cash inflow for financing, driven by financing the expected tax credit

(1) Includes 188.0M Class A Common Shares, 65k Class B shares, 7.1M of unvested Restricted Stock Units and/or Restricted Stock Awards. There are 5.7M warrants outstanding, none of which were in the money at quarter-end; 2.4M have an exercise price of $4.00/sh; 3.1M have an exercise price of $3.10/sh; and 0.2M have an exercise price of $2.64/sh. Dilution was calculated using the treasury stock method and a 12/31/22 share price of US$1.15 on the CSE.
(2) Total Debt, net is equal to Total debt less unamortized deferred financing costs.
(3) Net debt is equal to Total Debt net less Cash & Equivalents.
(4) Market cap equals $224.4M or 195.1 million FDSO times 12/31/22 share price of US$1.15 on the CSE. Enterprise value is calculated by adding net debt to this market value.
Note: waterfall may not foot due to rounding.

APPENDIX

USE OF NON-GAAP FINANCIAL METRICS AND ADDITIONAL INFORMATION

This presentation includes certain non-GAAP financial measures as defined by the SEC including Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, and Adjusted EBITDA Margin. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are included in this appendix. This information should be considered as supplemental in nature and not as a substitute for, or superior to, any measure of performance prepared in accordance with GAAP.

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

Investors should be cautioned that Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA and Adjusted EBITDA Margin should not be construed as alternatives to earnings, cash flow from operating activities or other measures of financial results determined in accordance with GAAP as an indicator of the Company's performance and may not be comparable to issuers with similar calculations.

EXPANDING FOOTPRINT

6 States → 7 States[3]

26 operating dispensaries[4]

ILLINOIS
8 retail
2 retail pending close[2]
1 cultivation / processing

NEW JERSEY
3 retail
1 cultivation / processing

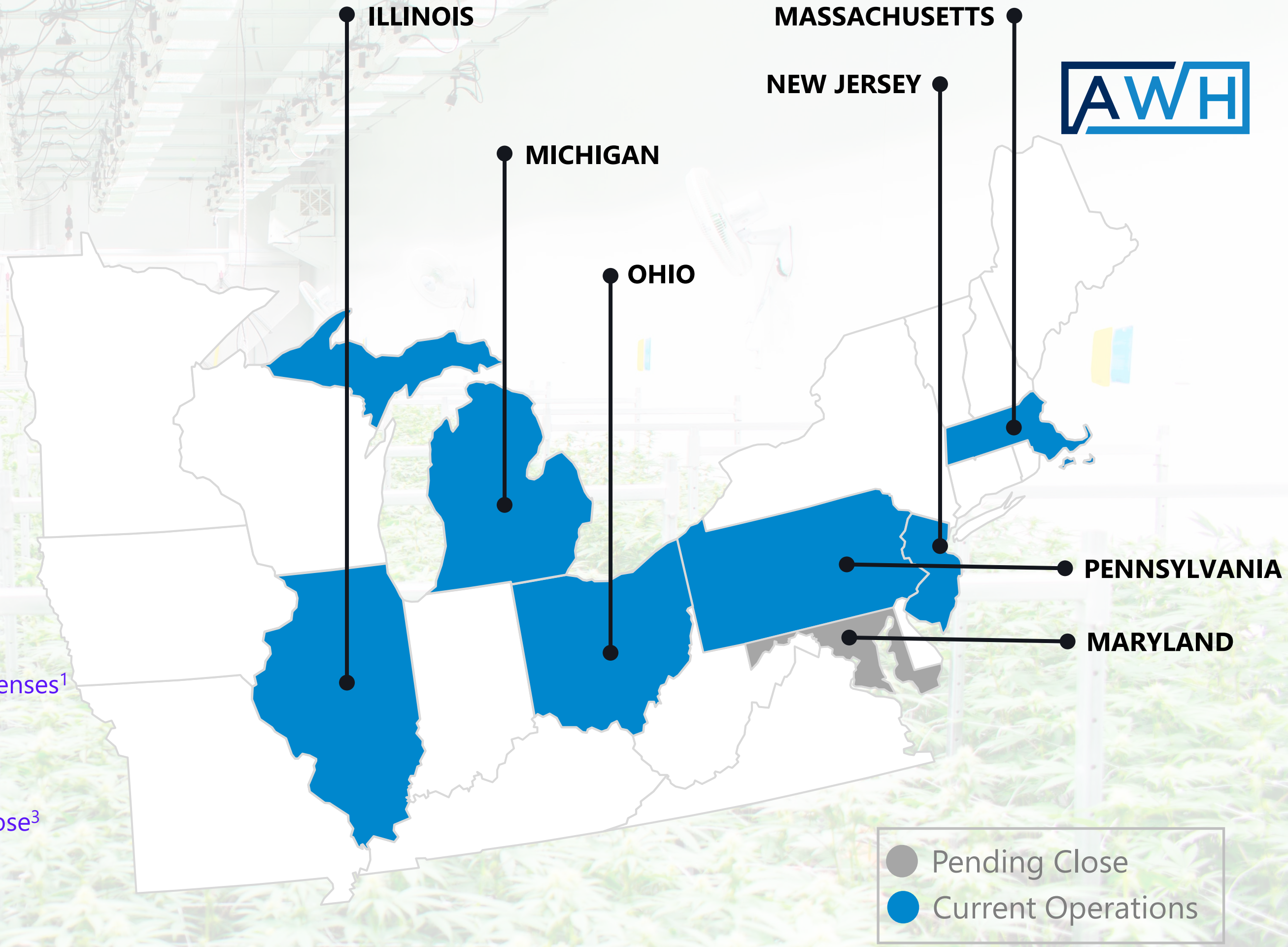
MICHIGAN
8 retail[4]
1 cultivation / processing

MASSACHUSETTS
3 retail[4]
1 cultivation / processing

OHIO
2 medical retail
3 medical retail pending close[2]
1 cultivation / processing

PENNSYLVANIA[1]
2 retail
4 planned medical retail licenses[1]
1 cultivation / processing

MARYLAND[3]
4 medical retail pending close[3]



2020 YE
12 Dispensaries
74,000 ft^2 Canopy

2021 YE
20 Dispensaries
175,000 ft^2 Canopy

CURRENT 3/14
26 Operating Dispensaries[4]
13 Additional Dispensary Licenses[1,2,3]
245,000 ft^2 Canopy

2023 EXPECTED MID-2024
7 States[3]
39 Operating Dispensaries[1,2,3]

1. License is owned by AWH, but the site is not yet operational and/or under construction. Includes 4 Pennsylvania dispensaries.
2. Includes pending acquisition of Ohio Patient Access LLC (3 OH dispensaries), Homecoming paper IL dispensary license (to be sited in Tinley Park, IL), and InLabs IL dispensary license (to be sited in Lansing, IL).
3. Includes pending acquisition of Devi Holdings Inc (4 dispensaries in MD) which remains subject to regulatory approval.
4. Subsequent to year-end, AWH opened two additional dispensaries, in New Bedford, Massachusetts and Grand Rapids, Michigan, bringing the current total to 26.

Note: Timeline illustrative; does not necessarily reflect scale. Canopy includes total canopy (vegetation, flower, and propagation).

PIPELINE OF ASSETS

AWH

Significant upside from assets “turning on”

Q4 ‘22	Q1 ‘23	Q2 ‘23	Q3 ‘23	Q4 ‘23	2024
Smithfield, PA Cultivation Phase 1	New Bedford, MA Dispensary	Tinley Park, IL Dispensary*	Athol, MA Kitchen	Pittsburgh, PA Dispensary	Philadelphia, PA Dispensary
Franklin, NJ Cultivation Phase 2	Grand Rapids*, MI Dispensary		Cincinnati, OH Dispensary*		5th PA Dispensary - location TBD
Scranton, PA Dispensary			Sandusky, OH Dispensary*		6th PA Dispensary - location TBD
Wayne, PA Dispensary			Piqua, OH Dispensary*		10th IL Dispensary- location TBD

*Towards the end of the quarter so do not anticipate revenue throughout the entire quarter.

GAAP RECONCILIATIONS ($000S)

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY2022
Adjusted Gross Profit										
Gross Profit	**$ 29,667**	**$ 34,516**	**$ 40,954**	**$ 30,835**	**$ 135,972**	**$ 23,447**	**$ 32,968**	**$ 36,636**	**$ 41,512**	**$ 134,563**
Gross Margin	*44.9%*	*41.4%*	*43.4%*	*34.8%*	*40.9%*	*27.6%*	*33.8%*	*32.9%*	*37.0%*	*33.1%*
Depreciation and amortization included in cost of goods sold	2,162	2,387	2,063	3,000	9,612	2,943	3,953	4,722	3,742	15,360
Equity-based compensation included in cost of goods sold			349	2,580	2,929	3,995	3,167	2,629	1,836	11,627
Start-up costs included in cost of goods sold(1)						3,923	4,248	2,610	2,263	13,044
Non-cash inventory adjustments(2)	750	2,714	335	1,115	4,914	2,204	112	4,049	4,113	10,478
Adjusted Gross Profit	**$ 32,579**	**$ 39,617**	**$ 43,701**	**$ 37,530**	**$ 153,427**	**$ 36,513**	**$ 44,448**	**$ 50,646**	**$ 53,466**	**$ 185,072**
Adjusted Gross Margin	***49.3%***	***47.5%***	***46.3%***	***42.4%***	***46.2%***	***42.9%***	***45.6%***	***45.5%***	***47.7%***	***45.6%***

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY2022
Adjusted EBITDA										
Net Income / (Loss)	**$ (48,223)**	**$ (44,897)**	**$ (13,026)**	**$ (16,511)**	**$ (122,657)**	**$ (27,815)**	**$ (21,172)**	**$ (16,862)**	**$ (15,050)**	**$ (80,899)**
Income tax expense	8,976	11,995	12,307	8,442	41,720	7,107	11,472	11,178	11,936	41,693
Other income, net	(80)	(82)	(44)	(50)	(256)	(103)	(151)	(273)	(229)	(756)
Interest expense	7,337	36,888	12,376	7,388	63,989	6,031	9,246	8,434	8,725	32,436
Depreciation and amortization	4,581	4,857	4,583	5,628	19,649	5,675	7,010	7,994	8,776	29,455
Non-cash inventory adjustments (2)	750	2,714	335	1,115	4,914	2,204	112	4,049	4,113	10,478
Equity-based compensation	2,487	1,711	2,936	11,145	18,279	6,499	7,055	6,382	3,059	22,995
Start-up costs(3)	1,311	1,716	1,227	1,211	5,465	4,760	5,364	6,563	6,903	23,590
Transaction-related and other non-recurring expenses(4)	2,178	5,406	2,191	1,434	11,209	6,194	2,027	601	63	8,885
(Gain) / Loss on sale of assets			649	(44)	605	818	(72)	(296)	(105)	345
Litigation settlement	36,511				36,511	5,000				5,000
Adjusted EBITDA	**$ 15,828**	**$ 20,308**	**$ 23,534**	**$ 19,758**	**$ 79,428**	**$ 16,370**	**$ 20,891**	**$ 27,770**	**$ 28,191**	**$ 93,222**
Adjusted EBITDA Margin	***23.9%***	***24.4%***	***24.9%***	***22.3%***	***23.9%***	***19.2%***	***21.4%***	***25.0%***	***25.1%***	***23.0%***

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

(2) Consists of write-offs of expired products and obsolete packaging. Additionally, during the year ended December 31, 2022, we recognized a loss of $7,306, which includes $3,257 recognized during the fourth quarter, resulting from net realizable value adjustments related to certain inventory items in Michigan.

(3) One-time costs associated with acquiring real estate, obtaining licenses and permits, and other costs incurred before commencement of operations at certain locations, as well as incremental expenses associated with the expansion of activities at our cultivation facilities that are not yet operating at scale, including excess overhead expenses resulting from delays in regulatory approvals at certain cultivation facilities. The 2022 amount includes an expense related to the write-off of certain previously capitalized costs and an estimated reserve related to certain amounts associated with the New York transaction that the Company is actively pursuing collecting. The 2022 amount also includes a fair value adjustment related to an earn-out that was recognized during the fourth quarter.

(4) Legal and professional fees associated with litigation matters, potential acquisitions, and other regulatory matters and other non-recurring expenses. The prior year includes expenses related to the Company's Initial Public Offering.

ASCEND WELLNESS HOLDINGS

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