



Ascend Wellness Holdings
Company Presentation
March 2023

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 administrators 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.

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OVERVIEW



Vertically integrated operator with assets in Illinois, Michigan, Ohio, Massachusetts, New Jersey, and Pennsylvania.

Owns and operates state-of-the-art cultivation facilities; grows award-winning strains and produces a curated selection of products.

Tickers	CSE: AAWH.U; OTCQX: AAWH	EV¹	\$481M
Founded	2018	Market Cap¹	\$224M
Headquarters	New York	Revenue⁽²⁾ / YoY Growth	2020 \$144M / +1100% 2021 \$332M / +131% 2022 \$406M / + 22%
Employees (as of current)	~2,200	Adj. EBITDA⁽²⁾ / Margin	2020 \$31M / 21.4% 2021 \$79M / 23.9% 2022 \$93M / 23.0%
States of Operation	Today: NJ, MI, OH, IL, MA, PA Pending Close: MD	EV / 2023E Revenue⁽²⁾	0.94x
Dispensaries (as of 3/14/23)	26 open	EV / 2023E Adj. EBITDA⁽²⁾	3.78x
Cultivation (as of 3/14/23)	6 open	Total Debt, net⁽³⁾ / Cash	\$331M / \$74M

(1) Market cap equals \$224M 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 of \$257M to this market value.

(2) 2023 estimates based on consensus as of 2/28/23.

(3) Total Debt, net is equal to Total debt less unamortized deferred financing costs.

EXPANDING FOOTPRINT

6 States → 7 States³

26 operating dispensaries⁴



ILLINOIS

8 retail
2 retail pending close²
1 cultivation / processing

NEW JERSEY

3 retail
1 cultivation / processing

MICHIGAN

8 retail⁴
1 cultivation / processing

MASSACHUSETTS

3 retail⁴
1 cultivation / processing

OHIO

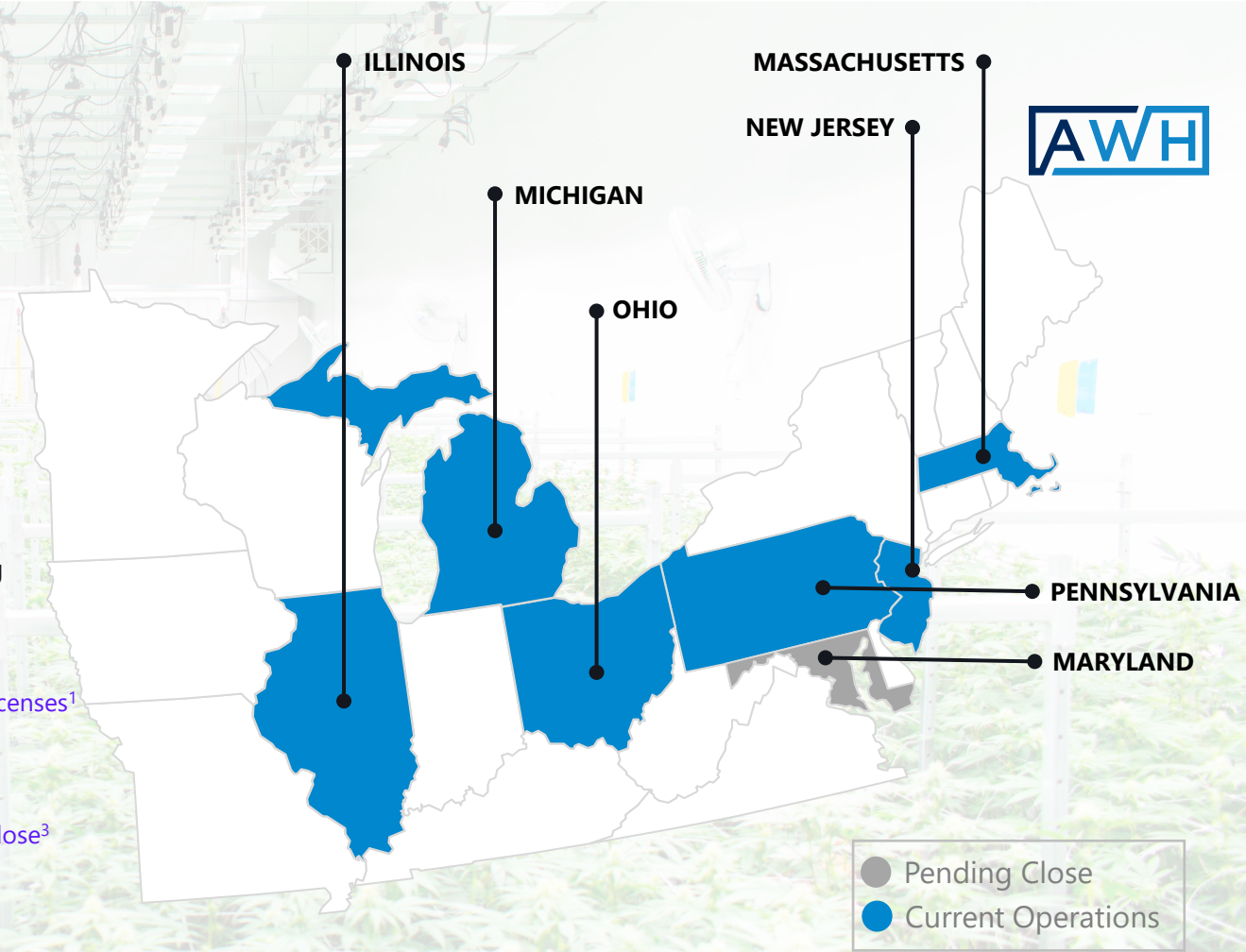
2 medical retail
3 medical retail pending close²
1 cultivation / processing

PENNSYLVANIA¹

2 retail
4 planned medical retail licenses¹
1 cultivation / processing

MARYLAND³

4 medical retail pending close³



2020 YE
12 Dispensaries
74,000 ft² Canopy

2021 YE
20 Dispensaries
175,000 ft² Canopy

CURRENT 3/14
26 Operating Dispensaries⁽⁴⁾
13 Additional Dispensary Licenses^(1,2,3)
245,000 ft² 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).

LEAPFROGGED COMPETITION IN 4 YEARS

Executed to become a top tier operator in only 4 years

#1

HIGHEST AVG REVENUE
PER DISPENSARY³

#1

HIGHEST ANNUAL
ADJ. EBITDA GROWTH²
(17% Y/Y)

#6

LARGEST BY
ADJ. EBITDA¹

#3

WHOLESALE BRAND
IN ILLINOIS⁴

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.

Franklin, NJ Cultivation



Fort Lee, NJ Dispensary



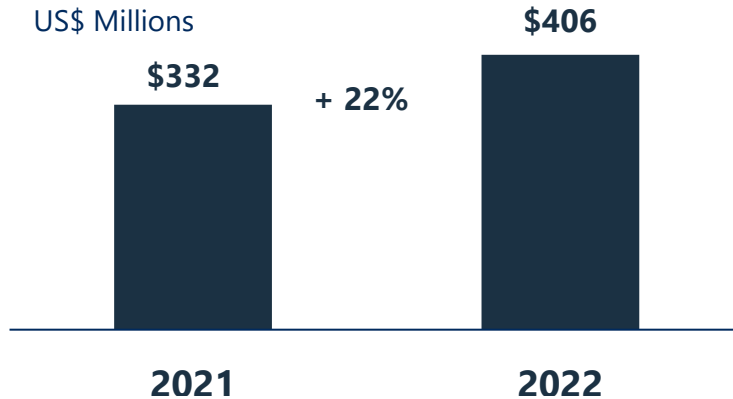
Rochelle Park, NJ Dispensary



2022 FULL YEAR FINANCIAL HIGHLIGHTS

Net Revenue¹

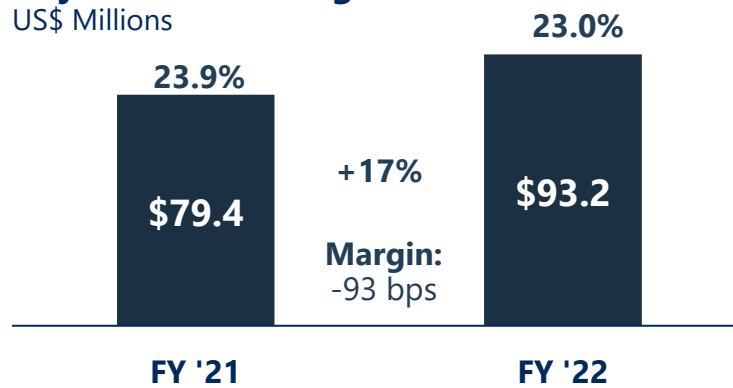
US\$ Millions



- **Retail:** Total retail increased by 32% Y/Y to \$305.9M 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 (Coshocton and Carroll)
- **Wholesale:** Gross wholesale increased 22% Y/Y to \$181.8M 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 / Margin²

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;

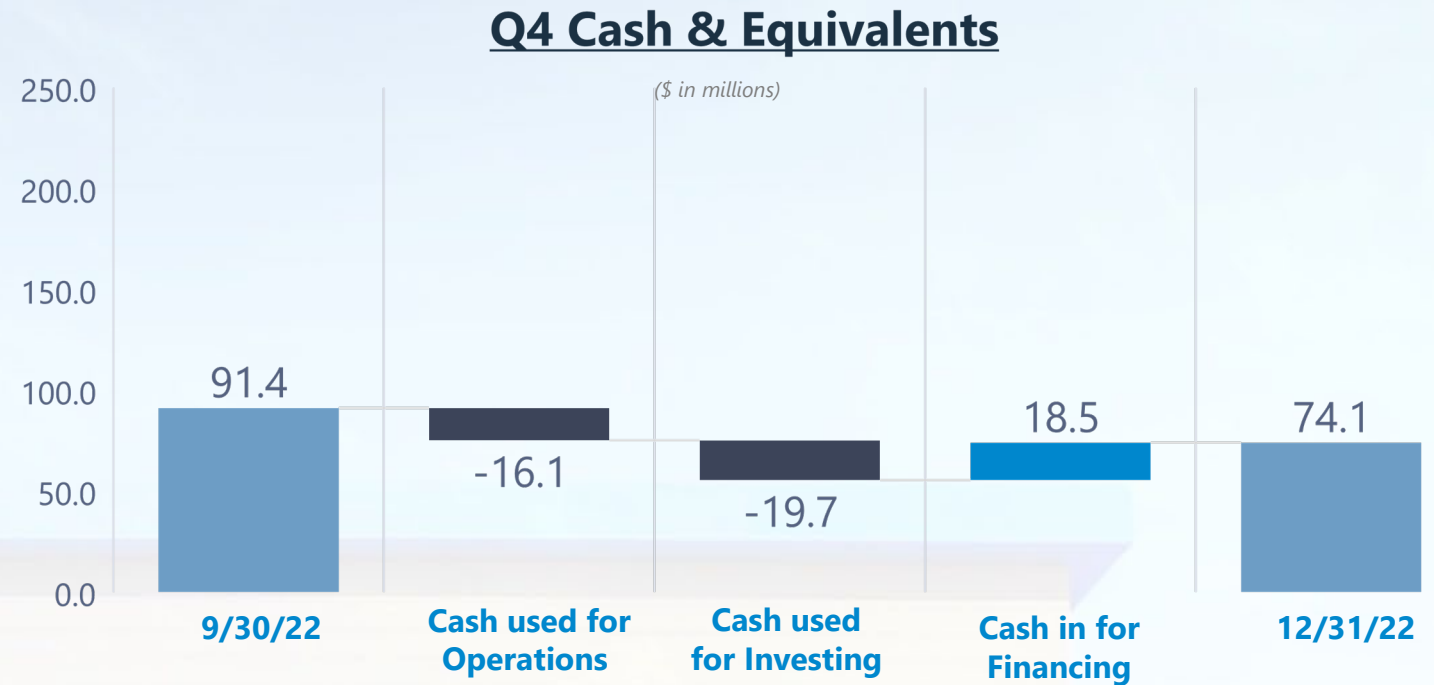
(1) Revenue net of intercompany sales.

(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 2022 BALANCE SHEET AND CASH FLOW



	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



- \$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 Employee Retention Tax Credit

(1) Includes 188.0M Class A Common Shares, 65k Class B shares, 7.1M of invested 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.

ASCEND INVESTMENT THESIS



FOCUS: ACHIEVE SCALE IN SELECT LIMITED LICENSE MARKETS

KEY FLAGSHIP LOCATIONS IN MARKETS WITH HIGH BARRIERS TO ENTRY

DISCIPLINED CAPITAL ALLOCATION; SUCCESSFUL EXECUTION OF M&A

MANAGEMENT WITH PROVEN TRACK RECORD OF EXECUTION

CONTINUED MARGIN IMPROVEMENT AS MORE ASSETS ARE "TURNED ON"

STRONG FINANCIALS AND REVENUE GROWTH

4 OF TOP 10 REC MARKETS AND 3 OF TOP 5 MEDICAL MARKETS



State	Population (2021 in Millions) ⁽¹⁾	Total Number of Dispensaries (2021) ^(2,3)	Population Per Dispensary	State Rank ⁽⁴⁾	2020E Legal plus Illicit Sales (\$U.S. Billions) ⁽⁴⁾
RECREATIONAL					
Illinois	12.7	125	102,000	4	\$3.2
Michigan	10.1	633	16,000	5	\$2.8
New Jersey	9.3	30	310,000	7	\$2.2
Massachusetts	7.0	130	54,000	9	\$1.9
MEDICAL					
Ohio	11.8	59	200,000	3	\$2.7
Pennsylvania	13.0	170	76,000	2	\$2.9
Maryland	6.2	103	60,000	5	\$1.4

1. 2021 Census. U.S. Census Bureau's Vintage 2021 national and state population estimates.

2. Grown In Cannabis fact Sheet, January 2022; medical and recreational dispensaries.

3. Pennsylvania DOH, Medical Marijuana Dispensaries in Pennsylvania, as of February 2022.

4. "Initiate on US Cannabis: Generational Wealth Opportunity, Avg. Upside >100%", Jefferies, July 7, 2021. Rank based on 2020E legal and illicit sales by the state in each respective categories (medical vs recreational).

GOOD-BETTER-BEST BRAND STRATEGY

3 in-house brands fill the good-better-best spectrum; coupled with partner brands to target additional demographics

I SIMPLY HERB



AVAILABLE IL, MA, MI, NJ

FORM FACTORS Flower, pre-rolls

POTENCY Flower THC 18-22%

CONSUMER The price conscious consumer

PRICE \$\$ \$\$\$

OZONE



AVAILABLE IL, MA, MI, NJ, OH

FORM FACTORS Edibles, vapes, flower, glass joints, pre-rolls

POTENCY Flower THC 22-25%

CONSUMER Cannabis consumer looking for a quality, trusted, everyday brand

PRICE \$\$\$\$

OZONE RESERVE



AVAILABLE IL, MA, NJ

FORM FACTORS Edibles, vape, flower, infused pre-rolls, concentrates

QUALITY Flower THC 25%+; broad terpene profiles, higher quality buds, etc

CONSUMER Provides the most exceptional cannabis experience to the 'canna-connoisseur'

PRICE \$\$\$\$

GOOD

BETTER

BEST

(1) BDSA bottom 25th percentile ARP in MA, IL, and MI Q3-Q4 2021

FLAGSHIP LOCATIONS

- Top locations in each state
- From strategically located in the retail corridor near St. Louis to minutes from the George Washington Bridge, NJ Turnpike, and NJ Rt. 46

- ✓ Prioritize high-traffic locations
- ✓ Significant parking
- ✓ Optimized retail footprint





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.

PIPELINE OF ASSETS



Significant upside from assets "turning on"


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

Q4 '22

Q1 '23

Q2 '23

Q3 '23

Q4 '23

2024

*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
<i>Gross Margin</i>	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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