Ascend Wellness Holdings

Q2 2023 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 administrators on its profile on SEDAR at www.sedarplus.ca 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 has 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, except 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

CONTINUED PROGRESS AND FOCUS ON CASH GENERATION

KEY HIGHLIGHTS

Impressive Financial Results

- Record revenue quarter, up 8% Q/Q and 26% Y/Y
- Remain on track to generate Cash from Operations for FY 2023
- **Second quarter of positive Cash from Operations**, generating approximately $8M[(1)]

Capital Markets Update

- MSO valuations remain significantly discounted with AWH at additional discount to many peers
- Multiple pathways remain in play across all branches of government: 1- SAFE remains in House and Senate, 2-rescheduling review, 3- DOJ lawsuit
- Monitoring capital markets and strategic listing opportunities in the space

Adult Use Updates

- Successful Maryland integration and Adult-Use conversion of four dispensaries
- Expect Ohio adult-use to be on the ballot in November 2023

(1) Excluding $17.5M ERC tax credit inflow.

JOHN HARTMANN
CHIEF EXECUTIVE OFFICER

Laurel, MD

Tour de AWH

First months at AWH touring facilities, learning operations, and getting to know the team

2 months on the road	Over 6,200 miles	31 dispensaries visited	6 cultivation sites toured	7 states traveled	Hundreds of employees met

KEY OBSERVATIONS

- Incredibly dedicated and strong team members
- Impressive array of diverse market assets and particularly strong retail organization

NEAR-TERM PRIORITIES

- Significant opportunity to improve the customer experience
- Complete and align the executive leadership team

RETAIL UPDATE

- Retail business grew 9% Q/Q and 19% Y/Y to $90M; 73% of total revenue
- Third quarter in a row above 1M transactions
- 48% of retail revenue generated from products AWH produces
- Successful start of adult-use in Maryland; integrated, re-branded, and flipped 4 dispensaries to adult use in a matter of weeks
- Opened 9th dispensary[1] in IL in Tinley Park on 4/17; first outlet store in the state

AWH

1. Signed definitive agreement for two Illinois dispensary licenses and three medical dispensaries in Ohio.

WHOLESALE UPDATE

- Gross wholesale revenue grew 5% Q/Q and 45% Y/Y to $61M; net wholesale revenue grew 5% Q/Q and 51% Y/Y to $33M
- Sales into 29 of the 30 social equity licenses in Illinois; launched several Simply Herb products in the quarter
- Meaningful revenue growth in Massachusetts driven by intercompany demand and continued growth in Simply Herb value brand
- Meaningful revenue growth in New Jersey fueled by intercompany demand and sales into 40 third party clients; Progress made on production front but full quarter impact of increased costs per pound produced continues to negatively impact margins

DANIEL NEVILLE

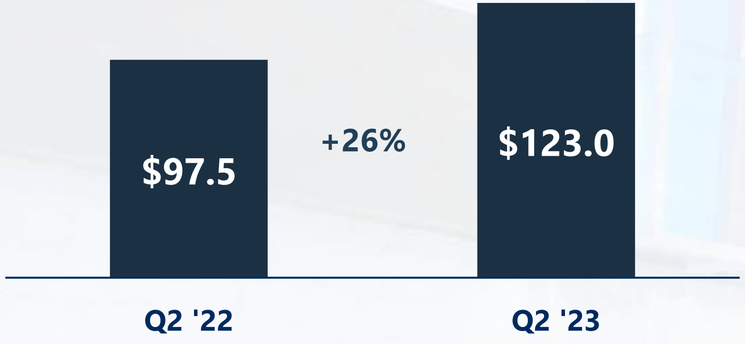
CHIEF FINANCIAL OFFICER

Ellicott City, MD Grand Opening

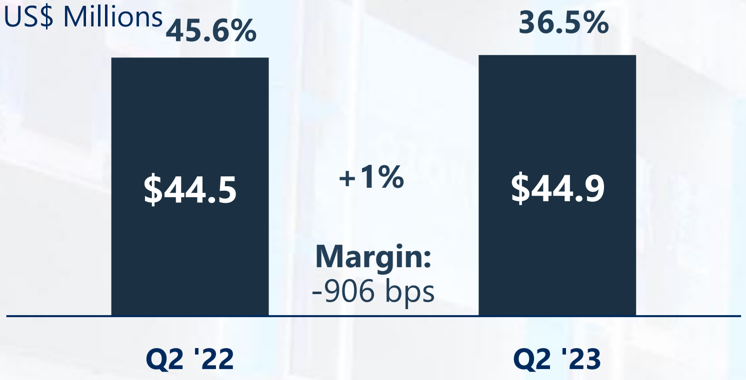
Q2 FINANCIAL HIGHLIGHTS

Y/Y: Q2’22 VS. Q2’23

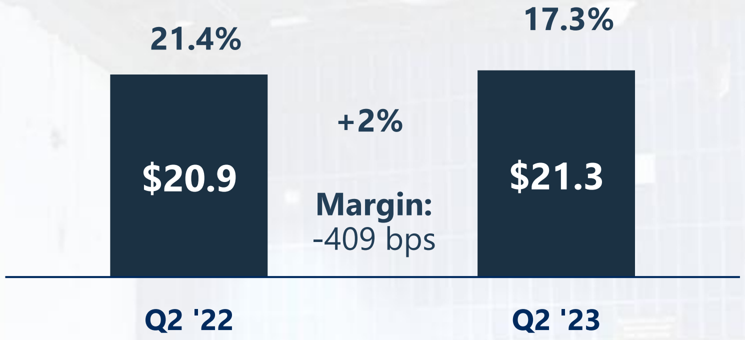
Net Revenue[1]
US$ Millions



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

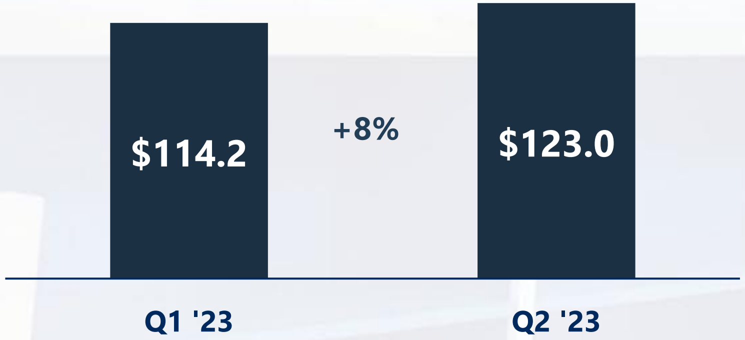


Adj. EBITDA / Margin[2]
US$ Millions

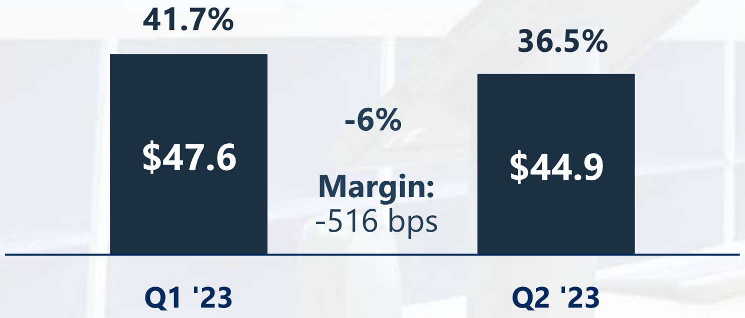


Q/Q: Q1’23 VS. Q2’23

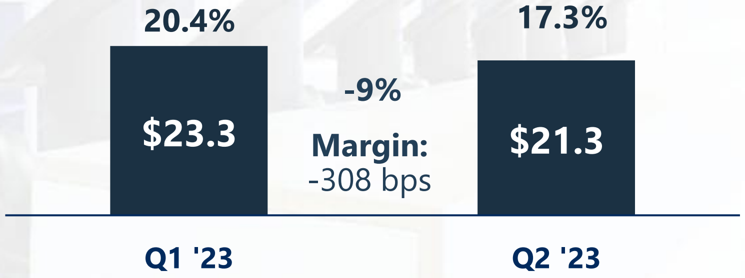
Net Revenue[1]
US$ Millions



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



Adj. EBITDA / Margin[2]
US$ Millions



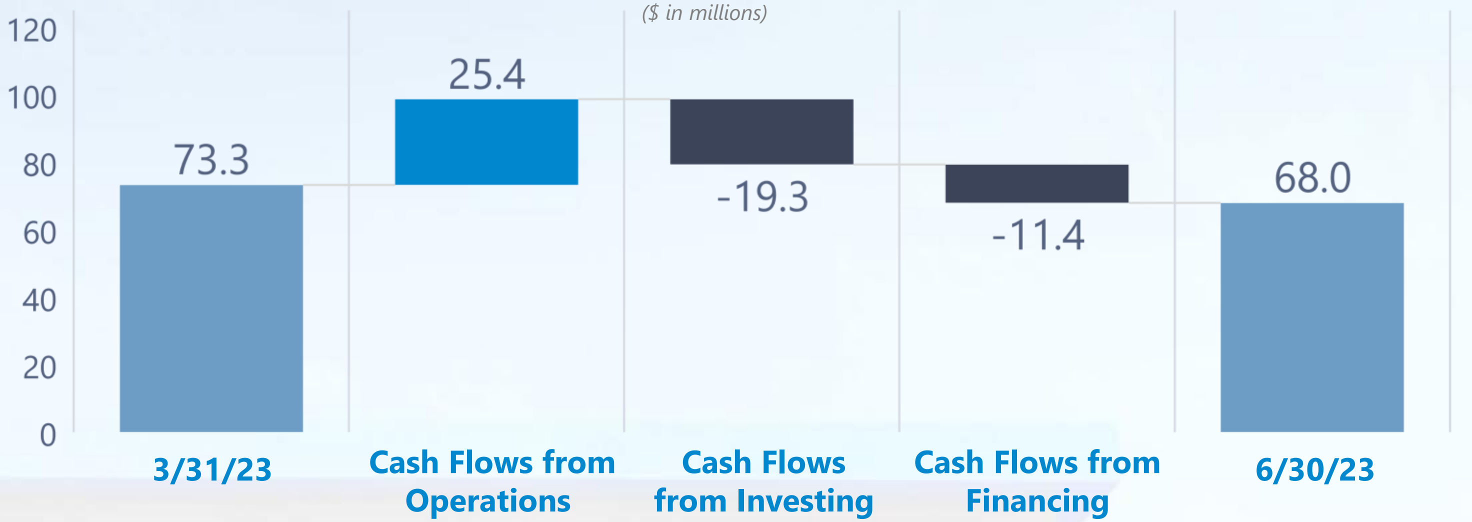
(1) Net revenue excludes revenue from intercompany sales.
(2) Adjusted Gross Profit / Margin and Adjusted EBITDA / Margin are non-GAAP financial measures. Please see the “GAAP Reconciliations” at the end of this presentation for a reconciliation of non-GAAP to GAAP measures.

Q2 2023 BALANCE SHEET AND CASH FLOW

($ in millions)

	6/30/23
Cash & Equivalents	68.0
Fully Diluted Shares Outstanding Basic & Diluted(1)	218.8
Total Debt, net(2)	$309.8
Net Debt(3)	$241.8
Enterprise Value(4)	$377.4

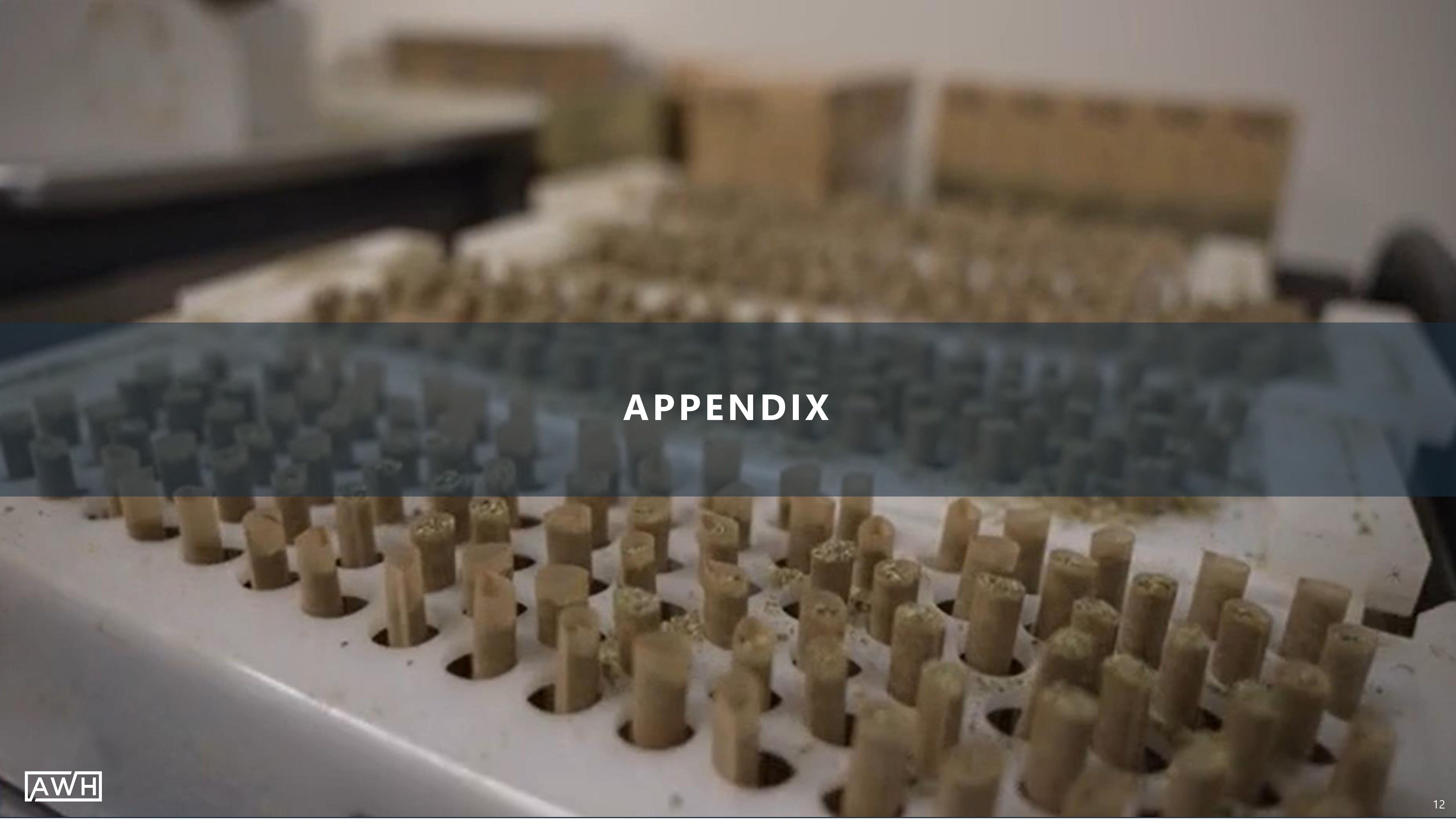
Q2 Cash & Equivalents



- $25.4M net cash generated from operations inclusive of $7M in cash income tax outflow and $17.5M ERC tax credit inflow.
- $19.3M net cash outflow for investing, driven by payments for acquisition of 4 dispensaries in Maryland and investments in notes receivable related to a separate transaction, partially offset by proceeds from sale leaseback in Pennsylvania.
- $11.4M net cash outflow for financing driven by $7M in proceeds from private placement being partially offset by repayments of debt, including $17.5M repayment of advance for ERC tax credit.

(1) Includes 204.8M Class A Common Shares, 65k Class B shares, 13.9M of unvested Restricted Stock Units and/or Restricted Stock Awards. There are 5.4M warrants outstanding, none of which were in the money at quarter-end; 2.1M 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 6/30/23 share price of US$0.62 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 $135.6M or 218.8 million FDSO times 6/30/23 share price of US$0.62 on the CSE. Enterprise value is calculated by adding net debt of $241.8M 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

7 States

31 operating dispensaries

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

NEW JERSEY
3 retail
1 cultivation / processing

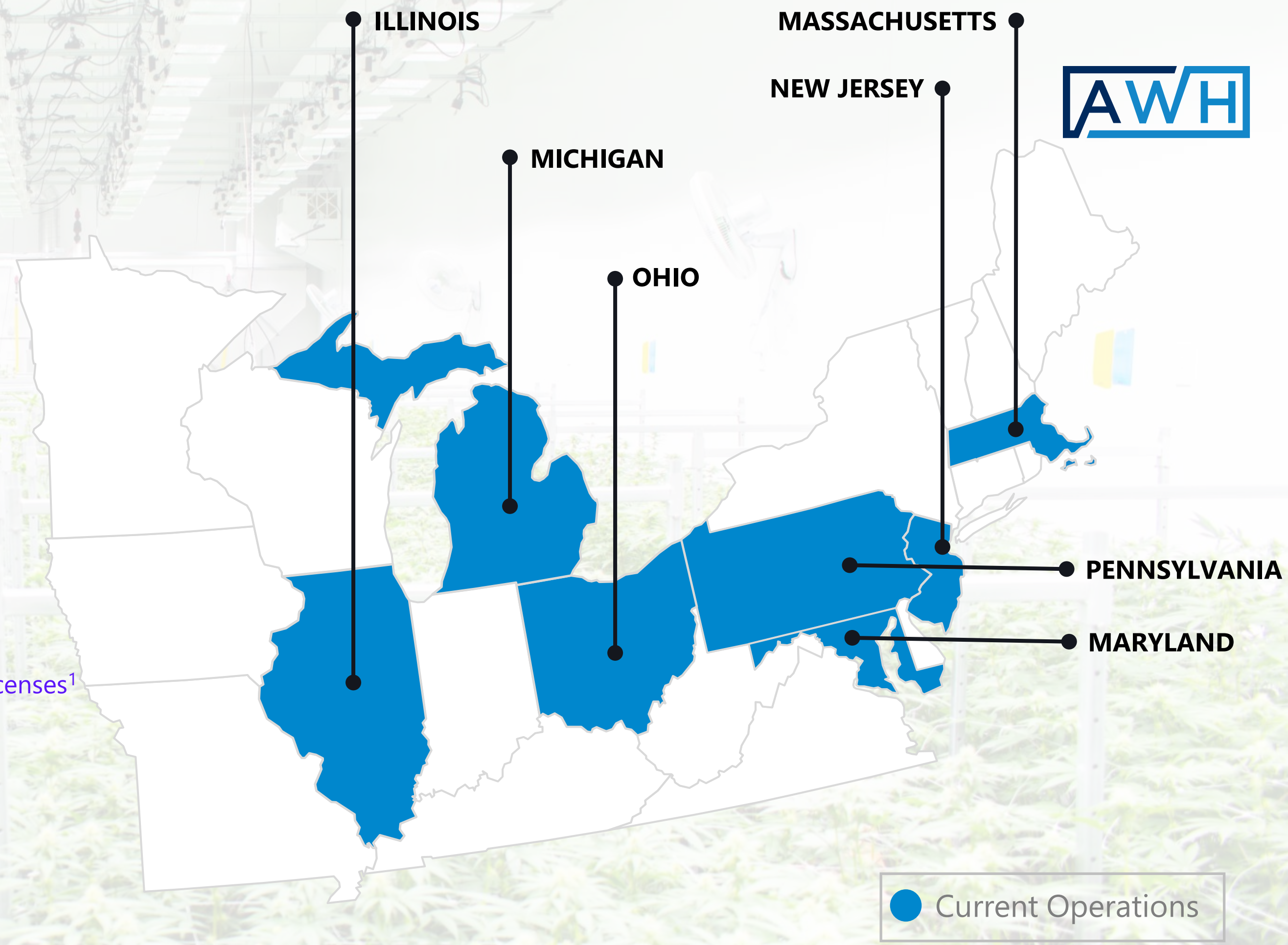
MICHIGAN
8 retail
1 cultivation / processing

MASSACHUSETTS
3 retail
1 cultivation / processing

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

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

MARYLAND
4 retail



2020 YE
12 Dispensaries
74,000 ft² Canopy

2021 YE
20 Dispensaries
175,000 ft² Canopy

CURRENT
31 Operating Dispensaries
8 Additional Dispensary Licenses[1,2]
245,000 ft² Canopy

PIPELINE
39 Operating Dispensaries[1,2]

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 under construction) and/or InLabs IL dispensary license.

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

PIPELINE OF ASSETS

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	Piqua, OH Dispensary*	Cincinnati, OH Dispensary*	Pittsburgh, PA Dispensary
Franklin, NJ Cultivation Phase 2	Grand Rapids*, MI Dispensary			Sandusky, OH Dispensary*	Philadelphia, PA Dispensary
Scranton, PA Dispensary				10^{th} IL Dispensary- location TBD	5^{th} PA Dispensary - location TBD
Wayne, PA Dispensary					6^{th} PA Dispensary - location TBD

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

GAAP RECONCILIATIONS ($000S)

AWH

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY2022	Q1 2023	Q2 2023
Adjusted Gross Profit							
Gross Profit	$ 23,447	$ 32,968	$ 36,636	$ 41,512	$134,563	$ 35,704	$ 28,319
Gross Margin	*27.6%*	*33.8%*	*32.9%*	*37.0%*	*33.1%*	*31.3%*	*23.0%*
Depreciation and amortization included in cost of goods sold	2,943	3,953	4,722	3,742	15,360	6,327	8,503
Equity-based compensation included in cost of goods sold	3,995	3,167	2,629	1,836	11,627	50	1,931
Start-up costs included in cost of goods sold(1)	3,923	4,248	2,610	2,263	13,044	1,570	-
Non-cash inventory adjustments(2)	2,204	112	4,049	4,113	10,478	3,942	6,172
Adjusted Gross Profit	**$ 36,513**	**$ 44,448**	**$ 50,646**	**$ 53,466**	**$185,072**	**$ 47,593**	**$ 44,925**
Adjusted Gross Margin	***42.9%***	***45.6%***	***45.5%***	***47.7%***	***45.6%***	***41.7%***	***36.5%***

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY2022	Q1 2023	Q2 2023
Adjusted EBITDA							
Net Income / (Loss)	$(27,815)	$(21,172)	$(16,862)	$(15,050)	$ (80,899)	$(18,472)	$ 841
Income tax expense	7,107	11,472	11,178	11,936	41,693	10,017	4,737
Other, net	(103)	(151)	(273)	(229)	(756)	(265)	(24,044)
Interest expense	6,031	9,246	8,434	8,725	32,436	8,975	10,481
Depreciation and amortization	5,675	7,010	7,994	8,776	29,455	13,719	15,543
Non-cash inventory adjustments(2)	2,204	112	4,049	4,113	10,478	3,942	6,172
Equity-based compensation	6,499	7,055	6,382	3,059	22,995	3,005	4,129
Start-up costs(3)	4,760	5,364	6,563	6,903	23,590	2,527	278
Transaction-related and other non-recurring expenses(4)	6,194	2,027	601	63	8,885	302	2,971
(Gain) / Loss on sale of assets	818	(72)	(296)	(105)	345	(442)	216
Litigation settlement	5,000				5,000	-	-
Adjusted EBITDA	**$ 16,370**	**$ 20,891**	**$ 27,770**	**$ 28,191**	**$ 93,222**	**$ 23,308**	**$ 21,324**
Adjusted EBITDA Margin	***19.2%***	***21.4%***	***25.0%***	***25.1%***	***23.0%***	***20.4%***	***17.3%***

(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, obsolete packaging, and net realizable value adjustments related to certain inventory items.
(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. Also includes other one-time or non-recurring expenses, as applicable.
(4) Legal and professional fees associated with litigation matters, potential acquisitions, and other regulatory matters and other non-recurring expenses related to certain reserves and fair value adjustments related to earn-outs, as applicable.

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IR@awholdings.com