ASCEND WELLNESS HOLDINGS INC. | CSE: AAWH-U.CN | OTCQX: AAWH

Q3 2024 Earnings

Ascend Wellness Holdings

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CAUTIONARY STATEMENT

Regarding Forward-Looking Statements

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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.

Our Vision

We envision a future where cannabis is a part of everyday life for consumers of all kind to make their life better. Better fun. Better health. Better being.

https://vimeo.com/1008828511?share=copy

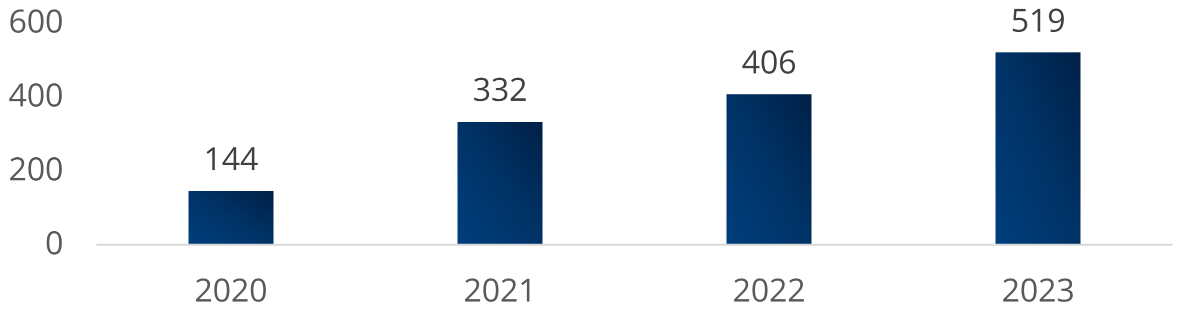
Overview

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

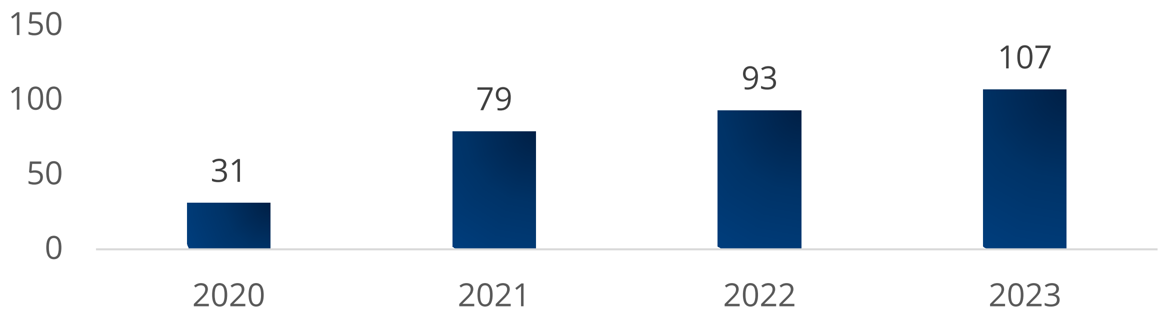
Owns and operates state-of-the-art cultivation facilities; grows award-winning strains and produces a curated selection of products.

Founded	2018
Headquarters	New Jersey
Employees[(1)]	~2,300
States of Operation	IL, MA, MD, MI, NJ, OH, PA
Dispensaries / Cultivation	39 operating[(2)] / 7 operating
EV[(5)]	$427M
Market Cap[(5)]	$186M
Total Debt, net[(3)] **/ Net Debt**[(4)]	$306M / $241M

Revenue ($M)



Adj. EBITDA ($M)



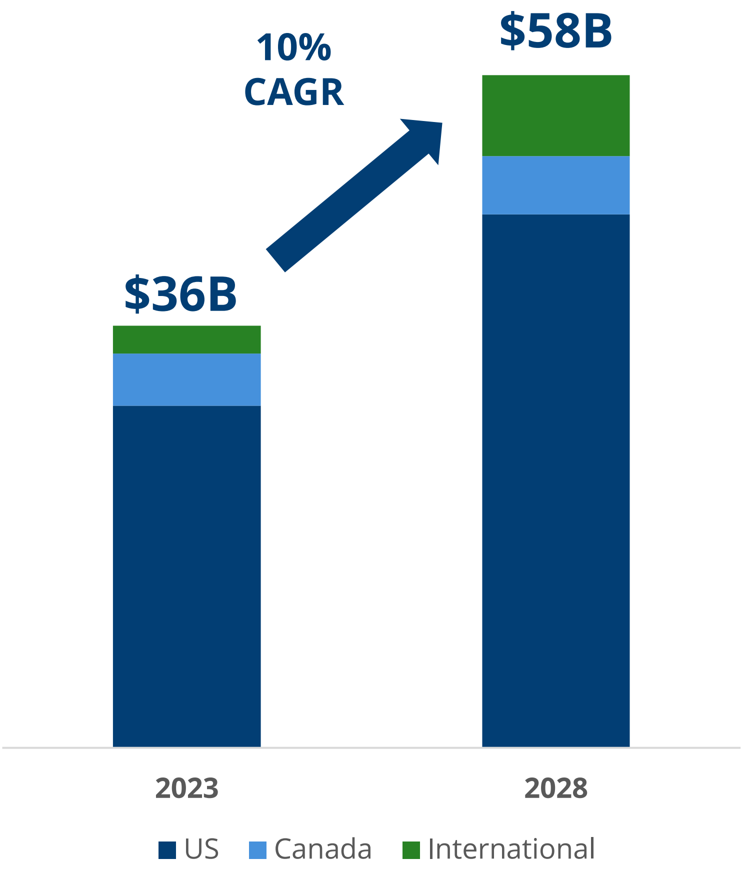
(1) As of current.
(2) Includes 2 partner dispensaries.
(3) Total debt, net is net of unamortized deferred financing costs.
(4) Net debt is equal to Total Debt, net less Cash & Equivalents.
(5) Fully Diluted Shares Outstanding (FDSO) includes 214.3M Class A common shares, 65k Class B common shares, and 7.4M of unvested Restricted Stock Units and/or Restricted Stock Awards. There are also 4.6M warrants outstanding, none of which were in the money at quarter-end: 1.3M 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. A total of 3.3M options are outstanding at quarter-end, of which 2.2M are exercisable and none of which were in the money. Dilution was calculated using the treasury stock method and a 9/30/24 share price of US$0.84 on the CSE. Market cap equals $186M or 221.8 million FDSO times 9/30/24 share price of US$0.84 on the CSE. Enterprise value is calculated by adding net debt of $241M to this market value.

Note: waterfall may not foot due to rounding.
See appendix of this presentation for reconciliation of "non-GAAP" to "GAAP" measures.

AWH

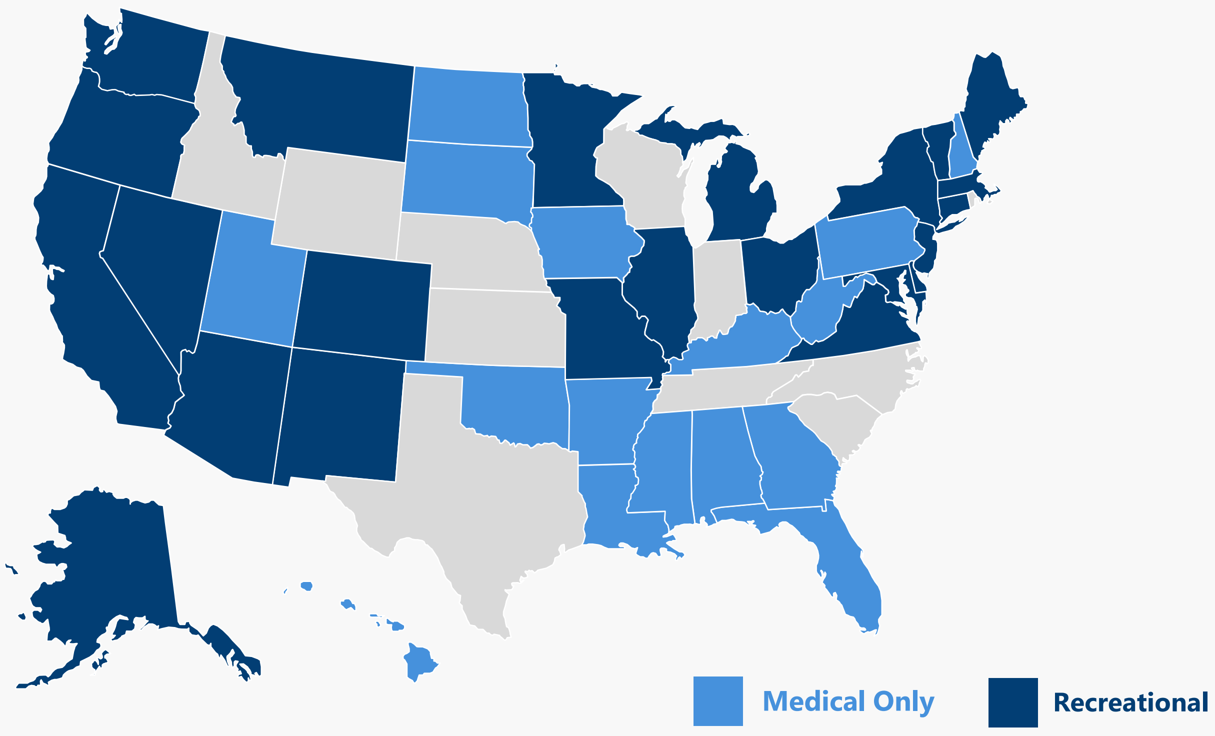
Market Overview

Legal Cannabis[1]
(Billions US)



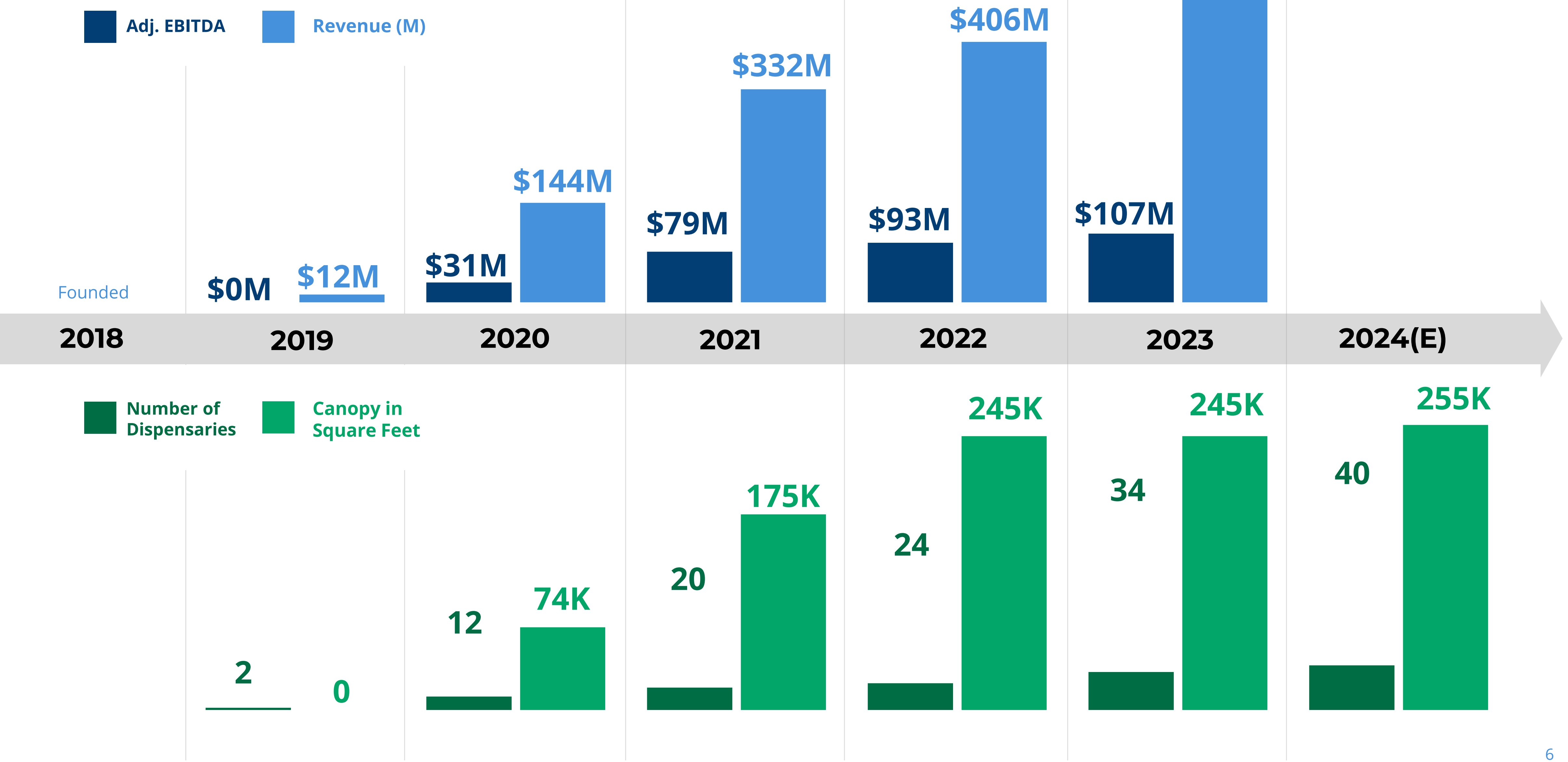
Medical: 38 States | Adult Use:[2] 24 States

- >50% of Americans live in a state with legalized adult use
- >75% of Americans live in a state with legalized medical



1) BDSA
2) *MJBiz Factbook*. 24 states have approved recreational programs but not all of the programs are active yet. Includes OH's active program, but does not include VA, DE, and MN which have not yet started sales.

Our Timeline



Company Snapshot[1]

39 Operating Dispensaries[2]

5 Brands

255,000 Canopy *Sqft*

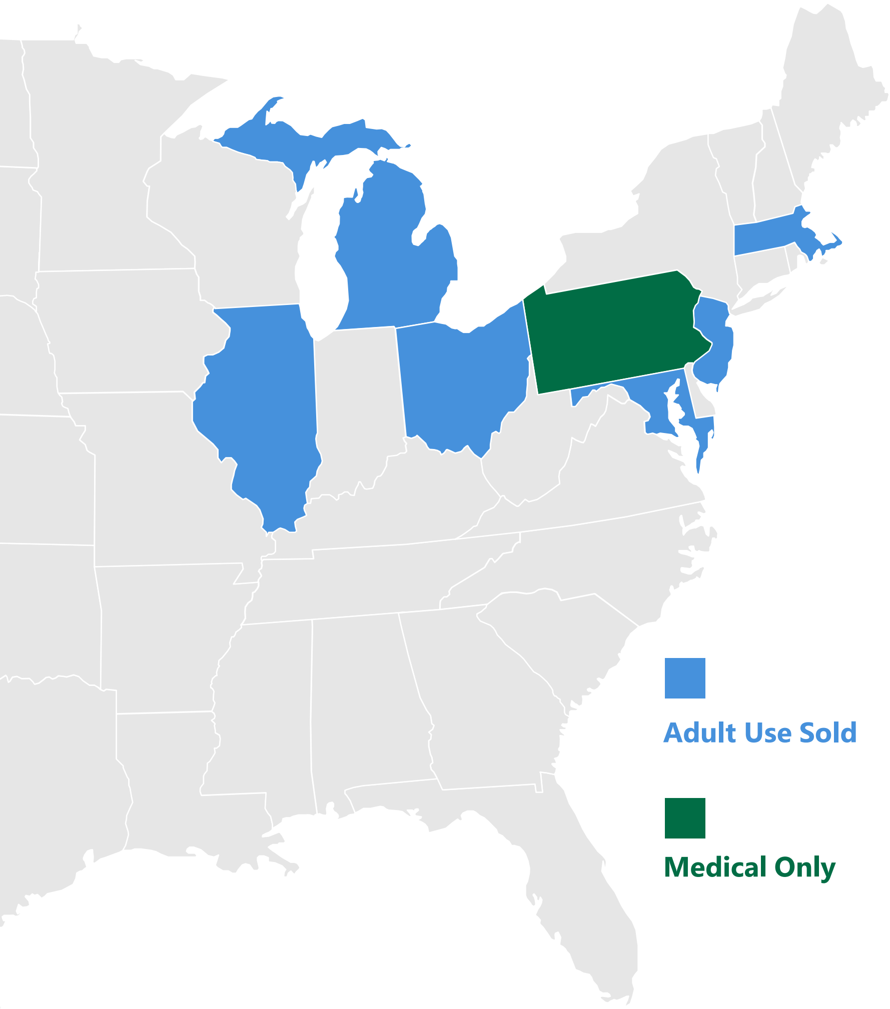
2,300 Total Headcount

$566M Revenue *(3Q 24 Annualized)*

$100M Adj. EBITDA *(3Q 24 Annualized)*

1) *As of current.*
2) *Includes 2 partner stores.*

Expanding Footprint



State	Operating Dispensaries	Planned Dispensaries[4]	Operating Cultivation & Processing[5]
IL	12 recreational[1]		1 108,000 sq. ft canopy
MA	3 recreational		2 67,000 sq. ft canopy
NJ	3 recreational	1 partnership[1]	1 42,000 sq. ft canopy
MI	7 recreational	1 re-opening 4Q '24	1 28,000 sq. ft canopy
MD	4 recreational		Third Party Contracted
OH	5 recreational[2]	3 10-b licenses	1 2,000 sq. ft canopy
PA	5 medical	1 under construction[3]	1 6,000 sq. ft canopy
	39 Total **Including 2 Partnerships in IL*	**6 Dispensaries** **Including 1 Partnership in NJ*	**255,000 sq. ft** *7 Facilities*

(1) Includes partnership transactions in Illinois and New Jersey, which are not yet closed and subject to regulatory approval. (2) Includes pending acquisition of Ohio Patient Access LLC. (3) License is owned by AWH, but the site is not yet operational and/or under construction. (4) See discussion of forward-looking statements. (5) Canopy includes total canopy (vegetation, flower, and propagation).

What's next

Realigning focus to put greater emphasis on profits and cash generation

Shift to Optimization & Profitability

Financial Goals	• Improve profitability and margins • Drive vertical sales through continued densification • Build on sustainable cash flow generation
Transformation Initiatives[1]	• Launched series of cost savings and transformation initiatives expected to reduce total operating costs by $30 million in 2025 • Reduced management headcount by 15% at corporate and 10% within retail and operations
Footprint	• 6 additional dispensaries[2] in pipeline • Plans to further densify via partnership strategy (6 additional NJ; 8 additional IL; exploring additional opportunities)

(1) This is a forward-looking statement. Changes to this estimate may result form the timing of certain initiatives and business decisions.
(2) Includes one partner dispensary under construction in NJ and five dispensaries that are either owned and under construction (including 1 in PA and 1 re-open in MI) or under definitive contract to own and under construction (including 3 in OH).

Q3 2024 Key Updates

Business Updates

- Maintained flat revenue Q/Q
- Generated positive Cash from Operations for the seventh consecutive quarter
- Commenced adult-use sales at 5 dispensaries in Ohio
- Opened 5th dispensary in Pennsylvania
- Completed leadership transition to tactical, lean management team focused on controlling costs while continuing to drive growth
- Realigned and optimized workforce throughout corporate and operations

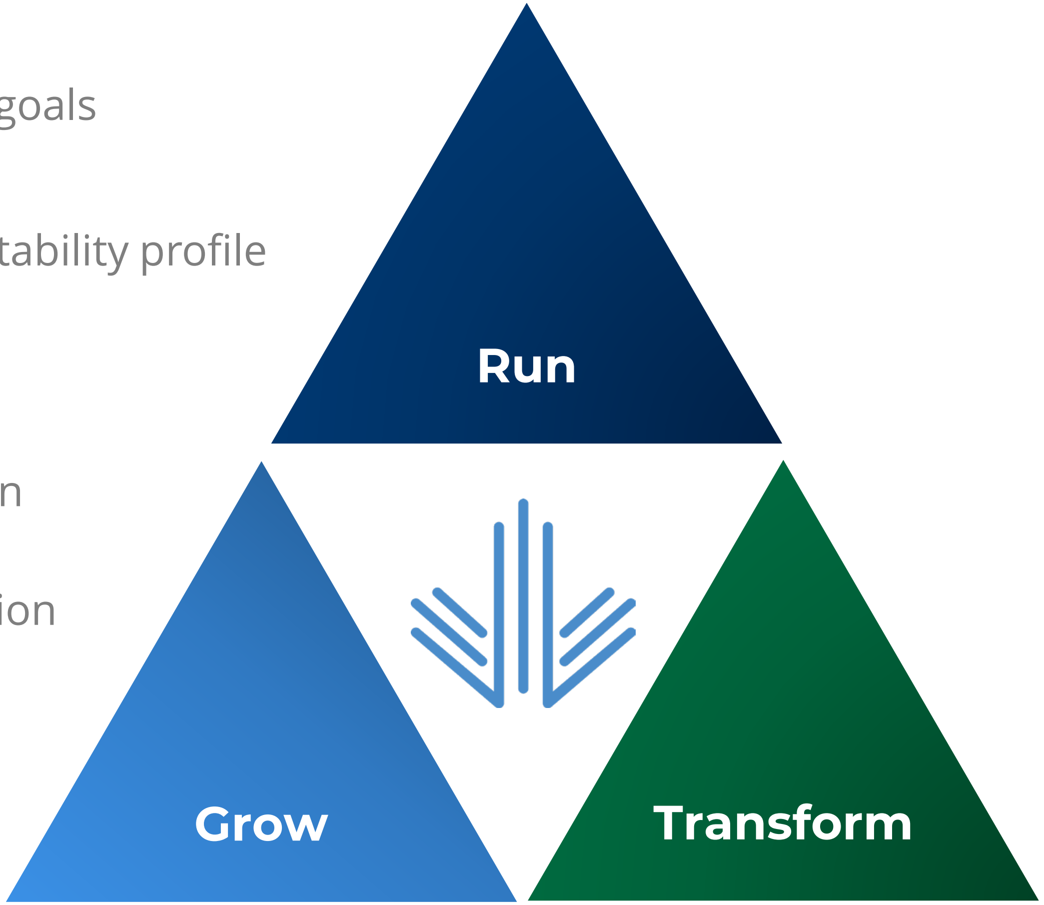
Regulatory Updates

- Rescheduling DEA process progress: formal hearing to occur in 1Q25
- DOJ Lawsuit: pursued appeal in the First Circuit appellate court; hearing scheduling for December 5th

Optimize Operations and Strengthen Fundamentals

Run

- Realign incentive structures and controls to match business goals
- Right-size labor to match productivity
- Prioritize products towards sales channels with highest profitability profile



Transform

- Re-invigorate customer experience to better attract and retain customers via e-comm, assortment, loyalty, and in-store
- Invest in automation & additional controls to reduce production yield variability, improve product consistency, and optimize margins
- SKU and brand rationalization to increase capacity for higher margin AWH branded supply

Grow

- Densification of existing markets to better leverage existing fixed infrastructure
- Launch new product offerings

RETAIL UPDATE

OH adult-use helping to offset competition in NJ, IL, and MA

5

STORES FLIPPED TO ADULT-USE IN Q3

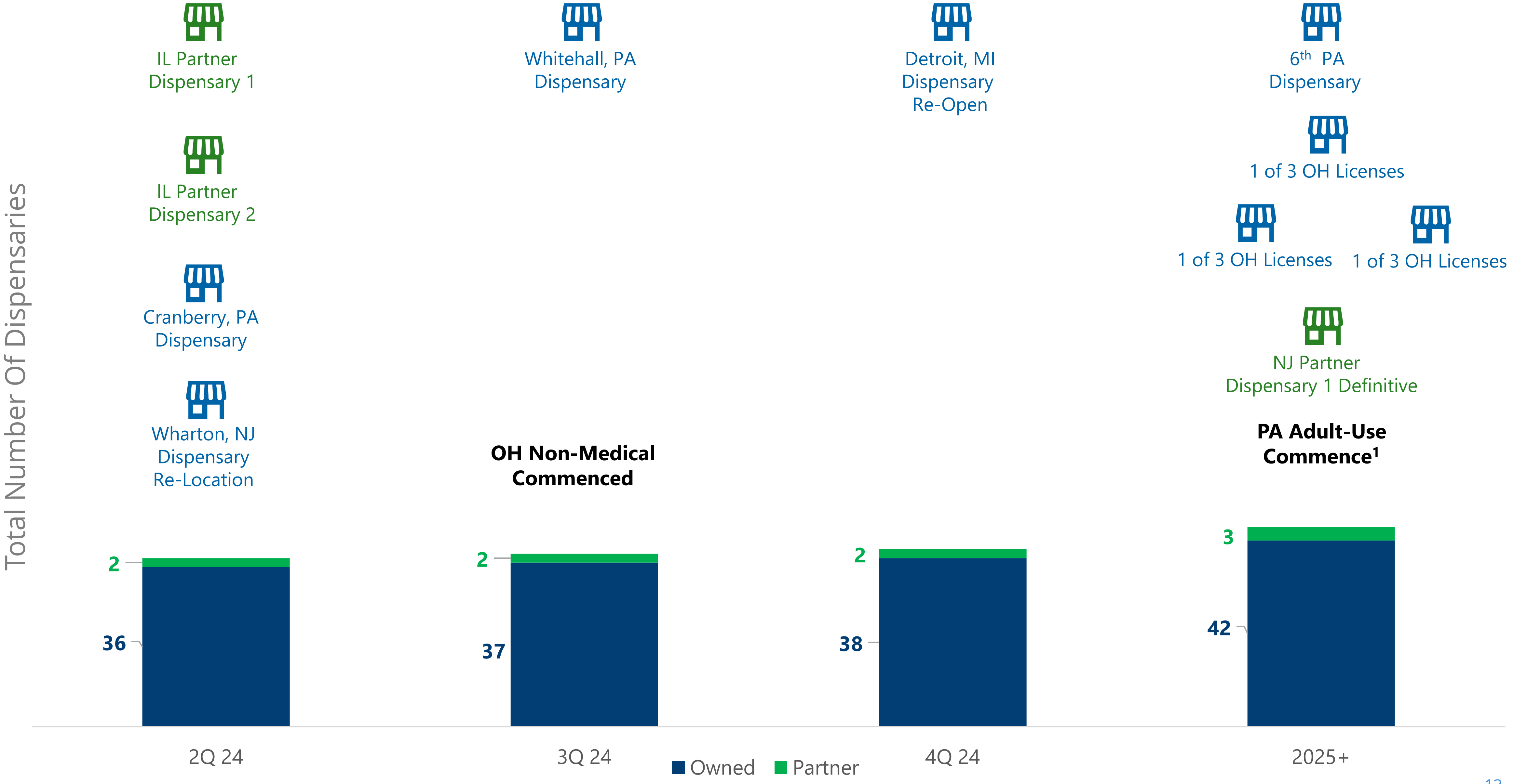
52%

OF RETAIL SALES FROM AWH PRODUCED PRODUCT[1]

- Retail revenue down **7.6% Y/Y** but up **0.6% Q/Q** to **$94M**
- Retail revenue contributes **66%** of total net revenue
- Opened **1** dispensary[2] in Q3 in Whitehall, PA
- **6** dispensaries[3] in the pipeline including 5 owned and 1 partner
- Commenced adult-use sales at **5** dispensaries in Ohio; AWH state revenue up an average of **>3x** compared to prior to adult-use
- Re-aligning buying to meet customer demand
- Introduced dynamic scheduling to optimize retail hours with transaction activity

(1) Includes states where we have processing operations.
(2) Whitehall, PA.
(3) Includes one partner dispensary under construction in NJ and five dispensaries that are either owned and under construction (including 1 in PA and 1 re-open in MI) or under definitive contract to own and under construction (including 3 in OH).

Market Densification Pipeline



(1) PA has not yet legalized adult-use. The Company anticipates adult-use to commence in 2025.

Brand Value Spectrum

National Portfolio Of Branded Products Satisfying Consumers Across The Value Spectrum

Common Goods	Simply Herb	Effin' Edibles!	Ozone	Royale curated fire phenos
	#1 Flower in MA[1]		#3 in IL, NJ, MA[1]	
Grab n' Go, Ready to Rip	**The Easy Way Up**	**Gummies for every occasion**	**When You Want a Great Smoke**	**Curated Fire Phenos**
IL, MA, NJ, OH, PA	**IL, MA, MI, NJ, OH, PA**	**IL, MA, NJ**	**IL, MA, MI, NJ, OH, PA, MD**	**IL, MA, MI**
$	**$$**	**$$$**	**$$$**	**$$$$$**
Flower, Pre-rolls	Flower, Pre-rolls, Vapes	Edibles	Flower, Pre-rolls, Vapes, Concentrates, and Gummies	Super-Premium Flower, Pre-rolls

Good → **Better** → **Best**

1) According to BDSA. Simply Herb ranked #1 sales in Flower category in MA in Q3. Ozone ranked #1 in units in NJ, MA, and IL combined in Q3.

WHOLESALE UPDATE

Focused on SKU and brand rationalization to increase capacity for higher margin AWH branded supply

3rd	73%
LARGEST BRAND[1] HOUSE IN IL, MA, NJ	INCREASE IN 3rd PARTY WHOLESALE DOORS Y/Y

- Third-party wholesale revenue up **20% Y/Y** but down **0.8% Q/Q** to **$48M**
- Introducing additional controls and revised incentives to align workforce with business goals
- Marketing and production efforts focused on products and brands with highest margin profile
- Deploying minor capital improvements to improve yields and reduce variability
- Focused on driving more productivity from fixed asset base Launched Effin' Edibles subsequent to the quarter

(1) Q3 2024 data according to BDSA.

Q3 Balance Sheet & Cash Flow

	9/30/24
Cash & Equivalents	$65M
Fully Diluted Shares Outstanding Basic & Diluted (1)	221.8
Total Debt, net (2)	$306M
Net Debt (3)	$241M
Enterprise Value (4)	$427M

(1) Includes 214.3M Class A common shares, 65k Class B common shares, and 7.4M of unvested Restricted Stock Units and/or Restricted Stock Awards. There are also 4.6M warrants outstanding, none of which were in the money at quarter-end: 1.3M 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. A total of 3.3M options are outstanding at quarter-end, of which 2.2M are exercisable and none of which were in the money. Dilution was calculated using the treasury stock method and a 9/30/24 share price of US$0.84 on the CSE.
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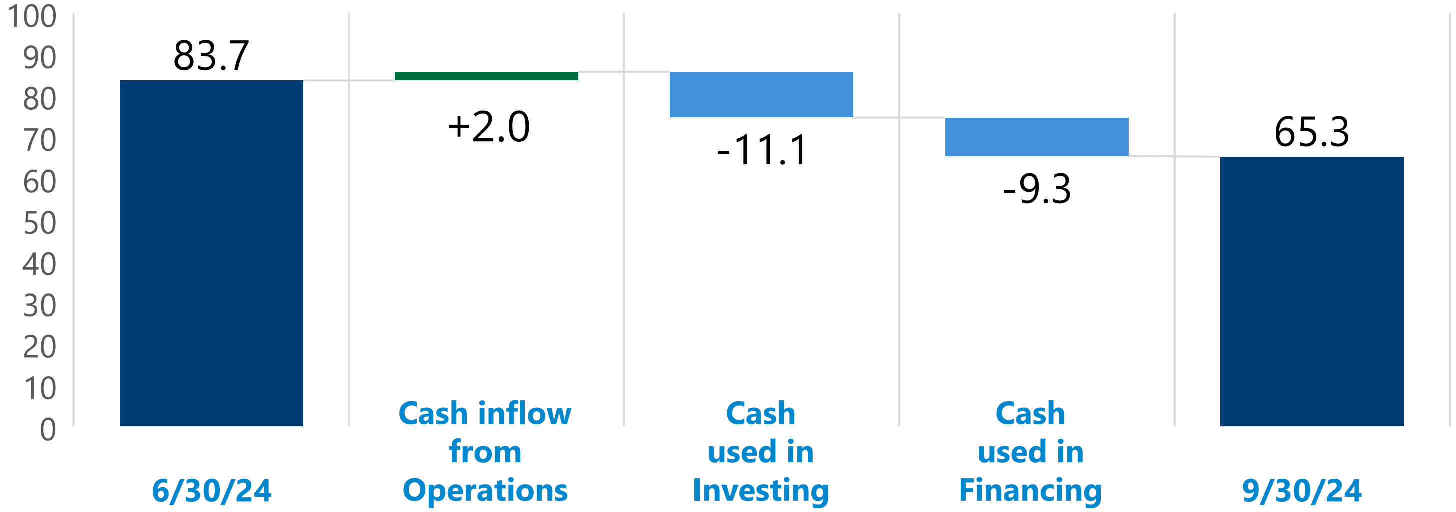
Note: waterfall may not foot due to rounding.

Q3 Cash & Equivalents *($ in millions)*

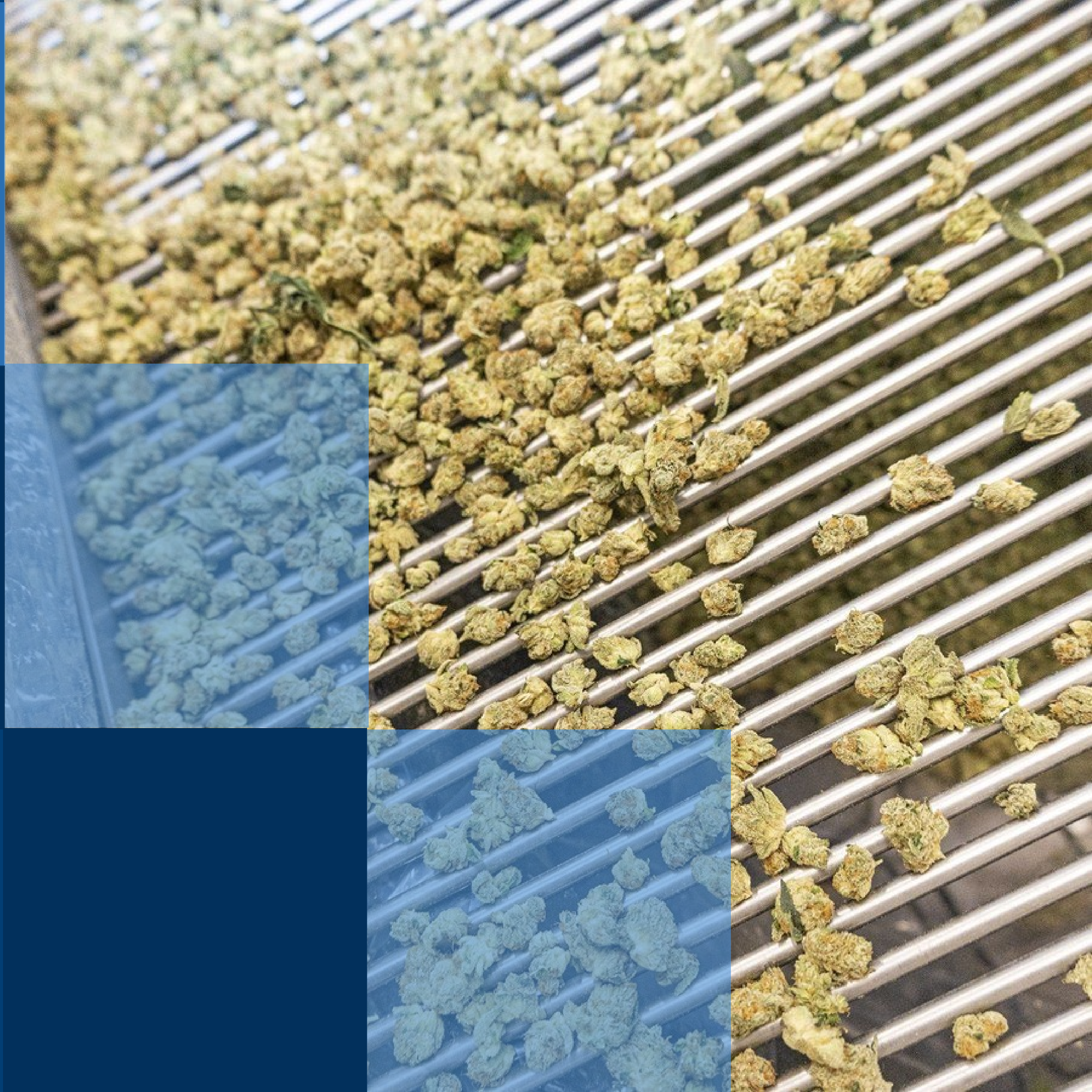


- Seventh consecutive quarter of generating positive cash from operations. $2.0M operating cash flows in Q3 is net of $2.5M of OH acquisition earn-out payment related to accretion of the earn-out payment and $2.8M in costs related to the refinancing which were required to be classified in operating activities under US GAAP.
- $11M cash used for investing, includes $5M in capital expenditures for dispensary builds and improvements to cultivation facilities and $6M related to M&A.
- $9M cash used in financing includes $5M of the remaining OH acquisition earn-out payment and refinancing and debt issuance costs.

Investment Thesis

STRONG BALANCE SHEET	• Seventh consecutive quarter of positive Cash from Operations • Recently refinanced term loan; providing 5 years until maturity on new Senior Secured Note
BUSINESS UPSIDE	• Continued upside in existing business as medical markets switch to adult-use (OH full year, PA) • Ability to continue leveraging core infrastructure as assets and adult use markets are activated
DISCIPLINED CAPITAL ALLOCATION	• Track record of disciplined capital allocation and successful execution of accretive M&A • Primarily deploying capital in high ROI, limited license markets
REGULATORY CATALYSTS	• Federal rulemaking process overwhelmingly positive and remains underway to reschedule from Schedule 1 to Schedule 3; formal hearing to occur in 1Q25 • DOJ case progressing; hearing scheduled in December
VALUATION OPPORTUNITY	• Trade at a meaningful discount to peer group • Peer group trades at discount relative to CPG, Alcohol, Retail, and other industries

Appendix



Launched Series of Cost Transformation Initiatives

Increased finance support to drive profitability improvement actions under the new management

LABOR EFFICIENCIES

- ✓ Re-organize corporate management to reduce layers and streamline accountability; reduced corporate management headcount by **15%**
- ✓ Re-organize retail and operational management; reduced field management headcount by **10%**
- ✓ Evaluate compensation program and realign incentive structures
- ✓ Introduce dynamic staffing model in retail to match productivity with demand

OTHER OPEX

- Reduce reliance on external consultants: Eliminate low value and redundant third-party services and move certain tasks in-house to leverage internal expertise
- Renegotiate vendor contracts: narrow scope and securing more favorable terms with key vendors to reduce expenses and strengthen strategic partnerships.
- Invest in automation & additional controls to reduce production yield variability, improve product consistency, and optimize margins

PRODUCTION IMPROVEMENTS

- Enhance wholesale and retail pricing processes
- New product development and biomass routing focused on maximizing contribution margin with a forward-looking and market-based demand model
- Optimize working capital: inventory purchasing, AR collections, and supply chain efficiencies

NON-GAAP Reconciliations

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024
Adjusted Gross Profit								
Gross Profit	**$ 35,704**	**$ 28,319**	**$ 43,556**	**$ 47,541**	**$ 155,120**	**$ 52,037**	**$ 41,573**	**$ 43,729**
Gross Margin	*31.3%*	*23.0%*	*30.8%*	*33.9%*	*29.9%*	*36.5%*	*29.4%*	*30.9%*
Depreciation and amortization included in cost of goods sold	6,327	8,503	7,435	7,184	29,449	7,662	7,105	7,864
Equity-based compensation included in cost of goods sold	50	1,931	2,476	2,054	6,511	2,211	4,336	230
Start-up costs included in cost of goods sold[(1)]	1,570	-	-	-	1,570	-	-	-
Non-cash inventory adjustments[(2)]	3,942	6,172	2,938	3,298	16,351	474	-	1,749
Adjusted Gross Profit	**$ 47,593**	**$ 44,925**	**$ 56,405**	**$ 60,077**	**$ 209,001**	**$ 62,384**	**$ 53,014**	**$ 53,572**
Adjusted Gross Margin	***41.7%***	***36.5%***	***39.9%***	***42.9%***	***40.3%***	***43.8%***	***37.5%***	***37.8%***

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	Q1 2024	Q2 2024	Q3 2024
Adjusted EBITDA								
Net Income / (Loss)	**$ (18,472)**	**$ 841**	**$ (11,240)**	**$ (19,343)**	**$ (48,214)**	**$ (18,163)**	**$ (21,784)**	**$ (28,256)**
Income tax expense	10,017	4,737	6,726	11,974	33,454	12,510	12,106	9,767
Other, net	(265)	(24,044)	(902)	(632)	(25,843)	(310)	(379)	(409)
Interest expense	8,975	10,481	8,963	8,565	36,984	8,538	8,535	16,481
Depreciation and amortization	13,719	15,543	14,930	14,791	58,983	16,380	15,681	16,628
Non-cash inventory adjustments [(2)]	3,942	6,172	2,938	3,298	16,351	474	-	1,749
Equity-based compensation	3,005	4,129	5,610	5,600	18,344	8,681	7,515	(129)
Start-up costs[(3)]	2,036	278	504	579	3,397	494	951	884
Transaction-related and other non-recurring expenses[(4)]	793	2,971	1,996	7,519	13,280	3,883	5,721	8,402
(Gain) / loss on sale of assets	(442)	216	-	-	(226)	(11)	-	-
Litigation settlement	-	-	-	-	-	-	-	-
Adjusted EBITDA	**$ 23,308**	**$ 21,325**	**$ 29,525**	**$ 32,351**	**$ 106,510**	**$ 32,476**	**$ 28,346**	**$ 25,117**
Adjusted EBITDA Margin	***20.4%***	***17.3%***	***20.9%***	***23.1%***	***20.5%***	***22.8%***	***20.0%***	***17.7%***

(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 expenses, as applicable.
(4) Legal and professional fees associated with litigation matters, potential acquisitions, and other regulatory matters and other non-recurring expenses. Also includes fair value adjustments related to earn outs and certain reserves, as applicable.

Use of Non-GAAP Financial Metrics

Financial results are reported in accordance with U.S. generally accepted accounting principles ("GAAP") and all currency is in U.S. dollars. 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. We present these non-GAAP financial measures because we believe they assist investors and analysts in comparing our operating performance across reporting periods on a consistent basis by excluding items that we do not believe are indicative of our core operating performance. 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. We have not presented a quantitative reconciliation of the forward-looking non-GAAP financial measures to their most directly comparable GAAP financial measures because it is impracticable to forecast certain items without unreasonable efforts due to the uncertainty and inherent difficulty of predicting the occurrence and financial impact of and the periods in which such items may be recognized.

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. 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, 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.

Investors should be cautioned that Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA and Adjusted EBITDA Margin should not be construed as alternatives for, or superior to, earnings, cash flow from operating activities or other measures of financial results determined in accordance with GAAP and may not be comparable to similar non-GAAP measures presented by other companies.

Right Products
Right Prices
Right Places

Effin' EDIBLES!

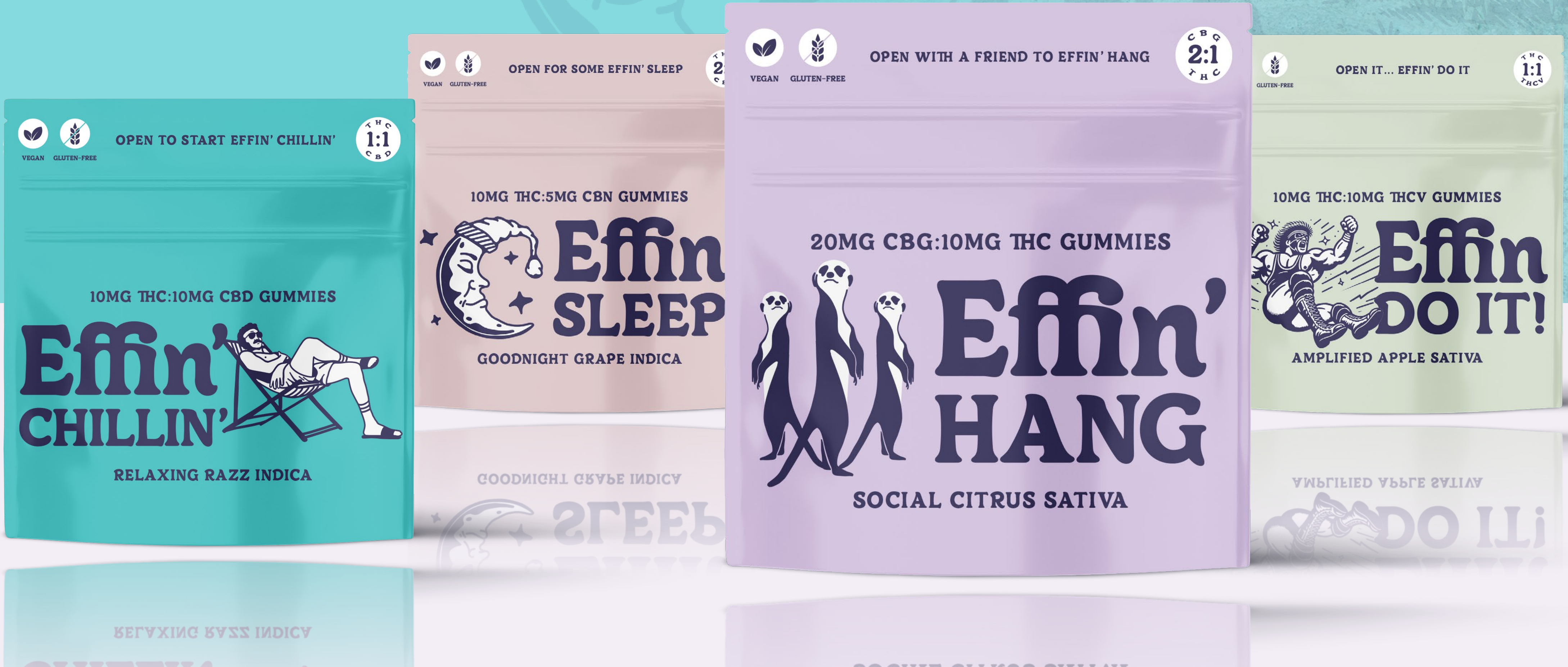
- Just 'effin gummies
- Quality edibles with impactful affects

Products
Gummies

THC
Gummy
5mg-10mg

States
IL, MA, NJ

Value
$$$



Common GOODS

- Core lifestyle brand for everyday consumers
- Highest quality flowers, concentrates, purified oils, resins, and gummies

Products
Flowers, Pre-rolls

States
IL, MA, NJ, OH, PA

THC		Terps	Value
Flower	Vape	0.5%-1%	$
15%-20%	70%-80%		

SIMPLY HERB

- Carefully curated cannabis – both inside and outside the package
- Premium flower featuring rich terpenes and high THC levels

Products
Flowers, Pre-rolls, Vape

States
IL, MA, MI, NJ, OH, PA

THC		**Terps**	**Value**
Flower	Vape	1%-2%	$$
20%-25%	80%-90%		

OZONE

- Core lifestyle brand for everyday consumers
- High quality flower, concentrates, purified oils, resins, and gummies

Products
Flowers, Pre-rolls, Vape

States
IL, MA, MI, NJ, OH, PA, MD

THC

Flower	Vape
25%-30%	85%+

Terps
2.0%+

Value
$$$

ROYALE

- Carefully curated cannabis – both inside and outside the package
- Premium flower featuring rich terpenes and high THC levels

Products
Flowers, Pre-rolls

States
IL, MA, MI

THC
Flower
25%-30%

Terps
2.5%+

Value
$$$$$

https://awholdings.com/investors
IR@awholdings.com