



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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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.

OVERVIEW



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

Owens 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	\$438M
Founded	2018	Market Cap¹	\$187M
Headquarters	New York	Revenue⁽²⁾ / YoY Growth	2020 \$144M / +1100% 2021 \$332M / +131% 2022 \$406M / + 22%
Employees (as of current)	~2,000	Adj. EBITDA⁽²⁾ / Margin	2020 \$31M / 21.4% 2021 \$79M / 23.9% 2022 \$93M / 23.0%
States of Operation	NJ, MI, OH, IL, MA, PA, MD	EV / 2023E Revenue⁽²⁾	0.9x
Dispensaries	31 operating	EV / 2023E Adj. EBITDA⁽²⁾	4.0x
Cultivation	6 operating	Total Debt, net⁽³⁾ / Cash	\$324.0M / \$250.8M

(1) Market cap equals \$187M or 196.9 million FDSO times 3/31/23 share price of US\$0.95 on the CSE. Enterprise value is calculated by adding net debt of \$250.8M to this market value.

(2) \$438M Enterprise Value divided by 2023 estimates based on consensus as of 5/1/23; 2023 Revenue Estimate of \$496M and Adj EBITDA Estimate of 109M.

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

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.



Fort Lee, NJ Dispensary



Rochelle Park, NJ Dispensary



EXPANDING FOOTPRINT

7 States

31 operating dispensaries



ILLINOIS

9 retail²
1 retail pending close²
1 cultivation / processing

NEW JERSEY

3 retail
1 cultivation / processing

MICHIGAN

8 retail
1 cultivation / processing

MASSACHUSETTS

3 retail
1 cultivation / processing

OHIO

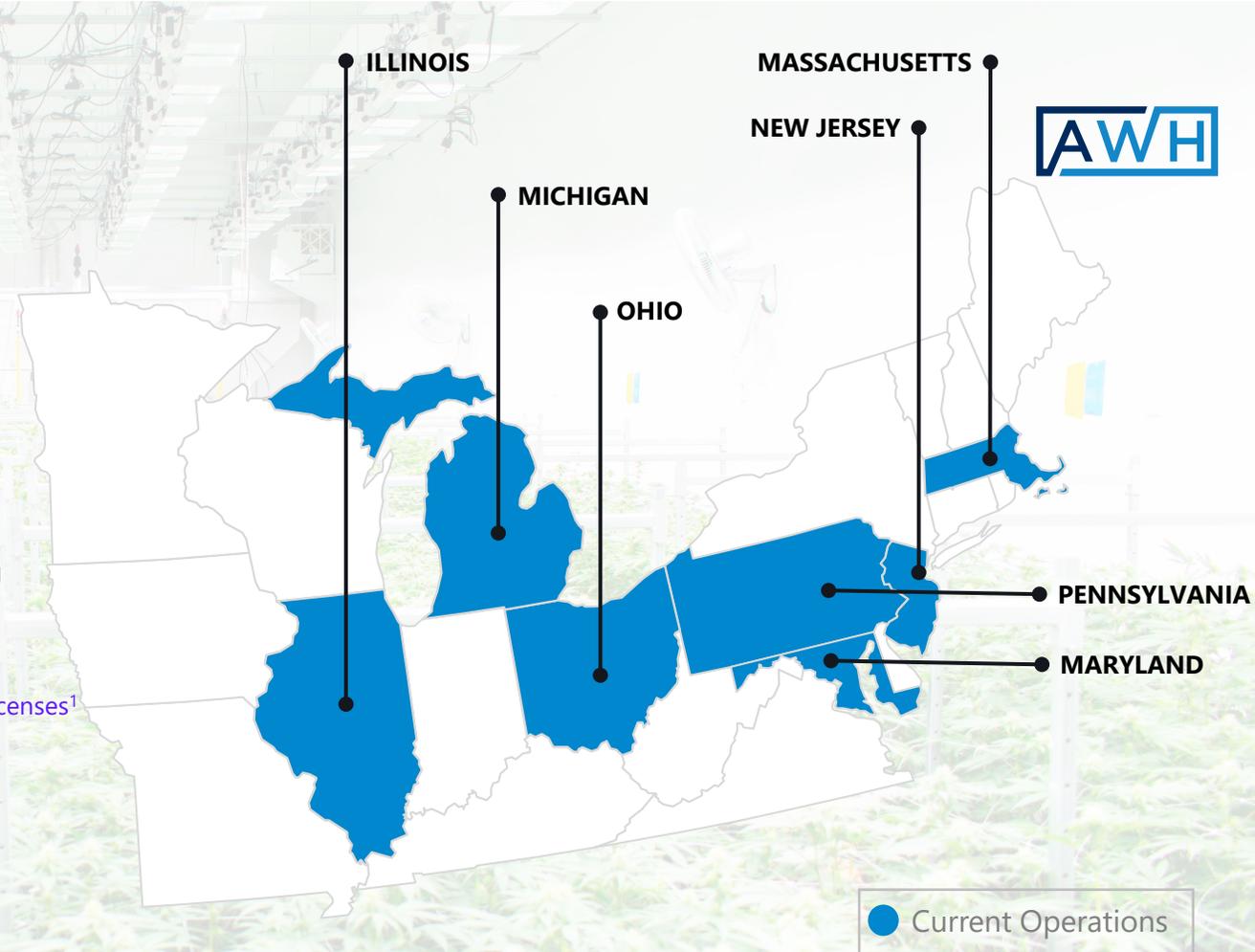
2 medical retail
3 medical retail pending close²
1 cultivation / processing

PENNSYLVANIA

2 retail
4 planned medical retail licenses¹
1 cultivation / processing

MARYLAND

4 medical retail



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 (to be sited in Lansing, IL), and/or Homecoming (open in Tinley Park, IL).

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

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).

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



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

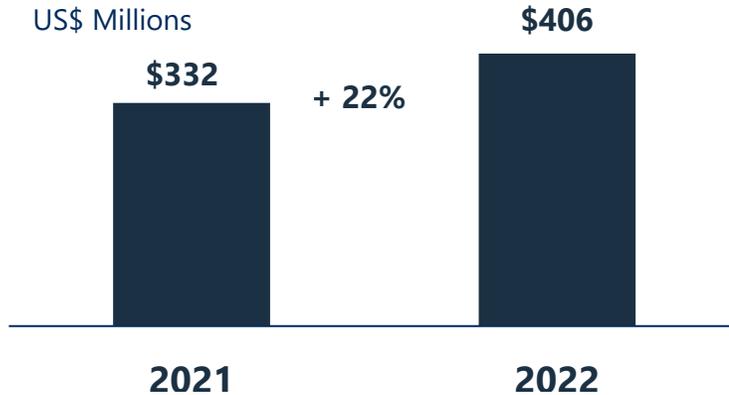
BEST

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

2022 FULL YEAR FINANCIAL HIGHLIGHTS

Net Revenue¹

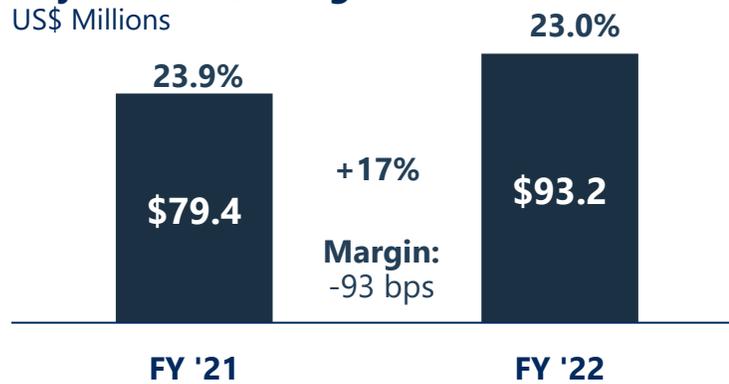
US\$ Millions



- **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.

Q1 FINANCIAL HIGHLIGHTS



Y/Y: Q1'22 VS. Q1'23

Net Revenue¹

US\$ Millions



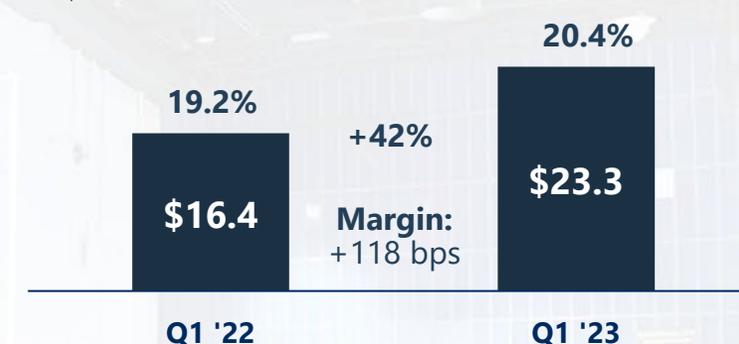
Adj. Gross Profit / Margin²

US\$ Millions



Adj. EBITDA / Margin²

US\$ Millions



Q/Q: Q4'22 VS. Q1'23

Net Revenue¹

US\$ Millions



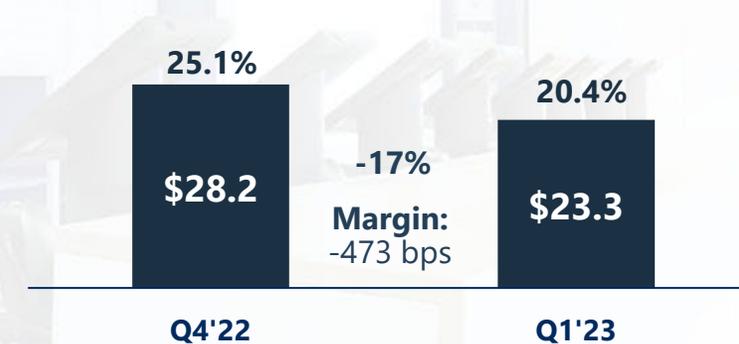
Adj. Gross Profit / Margin²

US\$ Millions



Adj. EBITDA / Margin²

US\$ Millions



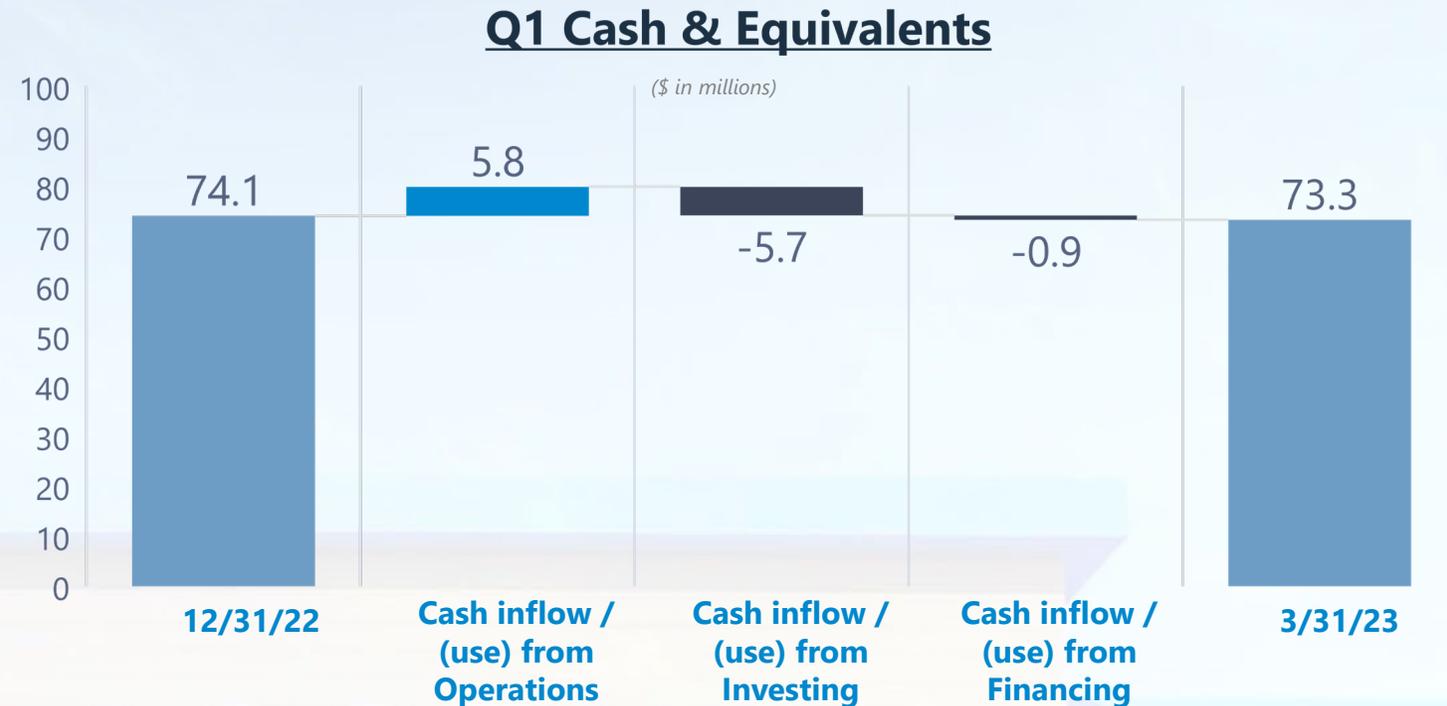
(1) Net revenue excludes revenue from intercompany sales.

(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.

Q1 2023 BALANCE SHEET AND CASH FLOW



	3/31/23
<i>(\$ in millions)</i>	
Cash & Equivalents	73.3
Fully Diluted Shares Outstanding Basic & Diluted⁽¹⁾	196.9
Total Debt, net⁽²⁾	\$324.0
Net Debt⁽³⁾	\$250.8
Enterprise Value⁽⁴⁾	\$438.0



- \$5.8M net cash generated from operations
- \$5.7M net cash used for investing, driven by \$8M final payment related to Midway (IL) acquisition and CapEx investment, partially offset by \$13M SLB proceeds from lease amendment with IIPR
- \$0.9M net cash used for financing

(1) Includes 189.5M Class A Common Shares, 65k Class B shares, 7.3M 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 3/31/23 share price of US\$0.95 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 \$187M or 196.9 million FDSO times 3/31/23 share price of US\$0.95 on the CSE.

Enterprise value is calculated by adding net debt of \$250.8M to this market value

Note: waterfall may not foot due to rounding.

GROWTH AHEAD DESPITE CHALLENGING MARKETS



Remain focused on growing and deleveraging the business



CASH FOCUSED

- Generated Positive Cash from Operations in Q1 2023
- Remain laser focused on generating Cash from Operations for FY 2023
- Strong liquidity position



OPPORTUNISTIC M&A

- Opportunities to grow selectively via disciplined M&A of distressed assets
- Accretive acquisitions with focus on deleveraging
- Closed acquisition of 4 MD dispensaries on 4/27 anticipate adult-use July 2023



DISCOUNTED VALUATIONS

- MSO¹ valuations significantly discounted; MSOs prices down 90%¹ over past two years while valuations at all time low; AWH at additional discount to many peers
- Custody challenges continue to plague industry



REGULATORY CATALYSTS

- Multiple pathways remain in play: 1- SAFE reintroduced in House and Senate, 2- speculation about executive action, 3- rescheduling discussions
- Potential uplisting of peers

1. MSO is defined as Multi State Operator.
2. Price of MSOS ETF on 5/5/23 vs 5/3/21.



OZONE

PREMIUM CANNABIS
VAPE CARTRIDGE
500 MG

Ray-Ban

OZONE

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.

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

PIPELINE OF ASSETS



Significant upside from assets "turning on"


Smithfield, PA
Cultivation Phase 1


New Bedford, MA
Dispensary


Tinley Park, IL
Dispensary


Cincinnati, OH
Dispensary*


Pittsburgh, PA
Dispensary


Philadelphia, PA
Dispensary


Franklin, NJ
Cultivation Phase 2


Grand Rapids*, MI
Dispensary


Sandusky, OH
Dispensary*


5th PA
Dispensary - location TBD


Scranton, PA
Dispensary


Piqua, OH
Dispensary*


6th PA
Dispensary - location TBD


Wayne, PA
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 2022	Q2 2022	Q3 2022	Q4 2022	FY2022	Q1 2023
Adjusted Gross Profit						
Gross Profit	\$ 23,447	\$ 32,968	\$ 36,636	\$ 41,512	\$ 134,563	\$ 35,704
<i>Gross Margin</i>	27.6%	33.8%	32.9%	37.0%	33.1%	31.3%
Depreciation and amortization included in cost of goods sold	2,943	3,953	4,722	3,742	15,360	6,327
ased compensation included in cost of goods sold	3,995	3,167	2,629	1,836	11,627	50
costs included in cost of goods sold ⁽¹⁾	3,923	4,248	2,610	2,263	13,044	1,570
1 inventory adjustments ⁽²⁾	2,204	112	4,049	4,113	10,478	3,942
Adjusted Gross Profit	\$ 36,513	\$ 44,448	\$ 50,646	\$ 53,466	\$ 185,072	\$ 47,593
Adjusted Gross Margin	42.9%	45.6%	45.5%	47.7%	45.6%	41.7%

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

(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 related to certain reserves, as well as fair value adjustments related to earn-outs, as applicable.

(4) Legal and professional fees associated with litigation matters, potential acquisitions, and other regulatory matters and other non-recurring expenses. "



**ASCEND
WELLNESS
HOLDINGS**

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