



An outlet store for cannabis? Ascend Wellness has got you covered.

December 28, 2022

We've all been willing to make furniture outlets or fashion outlets a destination stop to hunt for a great deal. But, outlet stores for cannabis? Our team at Ascend Wellness Holdings is diving in and has launched a first-of-its-kind cannabis outlet store.

The AWH cannabis outlet store employs the same model that works so well in other industries: everyday low prices. Ascend outlet locations allow customers to purchase the same high-quality products in bulk at an everyday low price, making Ascend's top-tier brands accessible to all consumers.

Our first outlet, which we recently opened in Scranton, Pennsylvania, has proven to be a success just in its first few weeks of operation. With ample parking and located just off the Interstate, the Ascend Medical Cannabis Outlet is a destination location that guarantees medical patients value offerings of premium quality. Our outlet locations offer Ascend's full menu of flower, edibles, vapes and concentrates, including a variety of third-party brands.

We opened our second location in Wayne, PA and plan to open our third outlet soon in New Bedford, MA. We are expanding our outlet model because we have seen it work, but we know it doesn't work everywhere, so we are being very intentional about where we site these locations. At the outlets we are operating, we have customers driving upwards of an hour and a half to get to our store - bypassing other dispensaries because they know they can purchase quality products at a lower price. But we know this model isn't appropriate for all areas, and we continue to focus on our 20 other stores, expanding our grow operations

Since AWH's launch, securing prime locations has been one of the retail philosophies of our founder and Executive Chairman Abner Kurtin. It's something that Ascend Wellness interim Co-CEOs Daniel Neville and Frank Perullo are committed to, even while increasing the number of outlet locations in the portfolio. This focus has historically meant looking for locations "at the corner of Main and Main." While outlets may seem like a departure from this philosophy, in reality, it's a new way to embrace it. Parking, square footage, and connectivity to buyers through highways make locations desirable for outlet shopping. It's what our Wayne, Scranton, and New Bedford locations feature.

Ascend Wellness Leadership believes in the outlet model, particularly in states that have more mature cannabis markets where there are fewer new customers. Entering a market with competitors who have been in operation for years requires a compelling reason for customers to change where they choose to purchase products. We have seen through the early success in Scranton that the promise of everyday low prices provides just such a compelling reason.

While we are working toward the goal of increasing the share of Ascend products we sell in outlets, we are also able to operate our outlets by partnering with operators who are eager to get their products on our shelves. It's similar to how companies seek to get their products on the shelves of places like Nordstrom Rack.

At our outlet locations, customers can find \$19 vapes and eighths or \$19 flower products every day. While our competitors and many retailers in the industry are stuck in the time of using old sales gimmicks like two-for-one Tuesdays or half-off Fridays, Ascend's outlets give customers comfort that they are getting the best price every day.

That assurance has led to real success at these locations and most importantly a big win for our customers every time they shop.