

Ascend Wellness Holdings

Investor Roadshow Presentation
April 2022



CAUTIONARY STATEMENT REGARDING FORWARD LOOKING STATEMENTS



This presentation includes forward-looking information and statements, which may include, but are not limited to, the plans, intentions, expectations, estimates, and beliefs of 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, proceeds from sale leasebacks, expansion, profit, product demand, margins, costs, cash flows, sources of capital, growth rates 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 and 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 information and 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 information and 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, 2021, and in the Company’s other reports and filings with the applicable Canadian securities regulators on its profile on SEDAR at www.sedar.com and the U.S. Securities and Exchange Commission at www.sec.gov. Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and 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 information and statements. Any forward-looking information and 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 information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws. The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this presentation.

CANNABIS MARKET BY THE NUMBERS



Unprecedented growth across the emerging industry with room for continued expansion

SALES

\$25Bn

US LEGAL SALES¹
IN 2021

\$48Bn

US LEGAL SALES
BY 2025²

\$62Bn

GLOBAL LEGAL SALES
BY 2026²

STATES

18

STATES PLUS DC
RECREATIONAL PROGRAMS

38

STATES HAVE
MEDICAL PROGRAMS

70%

OF US STATES LEGAL
MEDICAL OR RECREATIONAL

SUPPORT

68%

US CITIZENS
SUPPORT LEGALIZATION³

4

BILLS IN-PLAY

> 50%

CONGRESS
SUPPORTS LEGALIZATION³

1. "How Cannabis pricing differs from other consumer goods". Deloitte with HIFYRE and BDSA.
2. "US Cannabis Collective: Ahead of the Curve". Vivien Azer @ Cowen Research.
3. "Welcome to Cannabis High..." Wolfe Research.

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	\$855M
Founded	2018	Market Cap¹	\$750M
Headquarters	New York	Revenue / YoY Growth	2020 \$144M / +1100% 2021E \$332M / +131%
Employees	~1,500	Adj. EBITDA / Margin	2020 \$31M / 21.5% 2021E \$79 / 23.9%
States of Operation	NJ, MI, OH, IL, MA, PA	EV / 2022E Revenue⁽²⁾	1.8x
Dispensaries	20 open	EV / 2022E Adj. EBITDA⁽²⁾	6.2
Cultivation	5 open	Total Debt / Cash	\$259M / \$155M

1. EV= 181M of fully diluted shares outstanding times \$4.15 share price (CSE) on 3/9/22 equals \$75M market cap. Market cap plus \$103 of net debt equals \$943M enterprise value

2. 2022 estimates based on consensus and stock price as of 3/9/22.

FY FINANCIAL HIGHLIGHTS (US\$ MILLIONS)



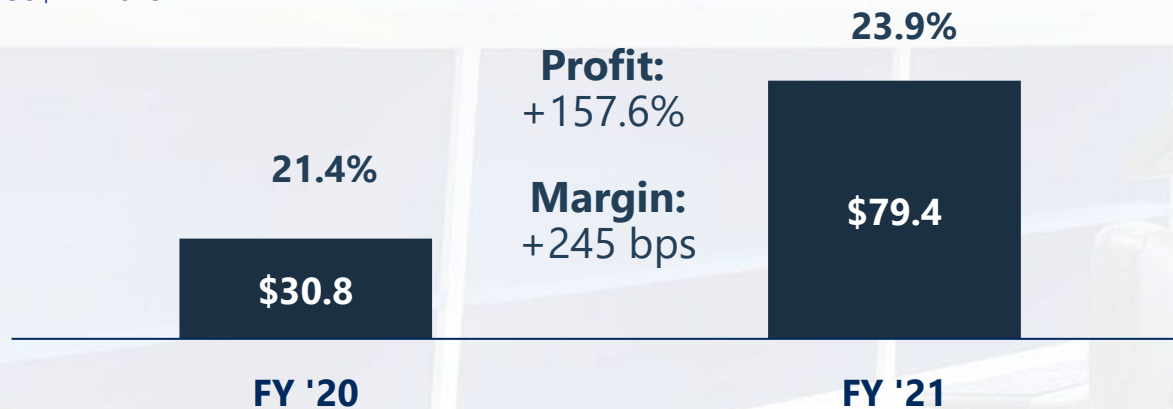
FY'20 VS. FY'21

Net Revenue Growth US\$ Millions



- Y/Y revenue growth driven by 6 new store openings and 100,000 sq. ft of canopy expansions
- Y/Y 245 bps of margin expansion driven by expanded utilization of wholesale footprint and leveraged G&A

Adj. EBITDA / Margin¹ US\$ Millions



1. 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.

ASCEND INVESTMENT THESIS



FOCUS: ACHIEVE SCALE IN SELECT LIMITED LICENSE MARKETS

KEY FLAGSHIP LOCATIONS WITH HIGH BARRIERS TO ENTRY

DISCIPLINED CAPITAL ALLOCATION; SUCCESSFUL EXECUTION OF M&A

MANAGEMENT WITH PROVEN TRACK RECORD OF EXECUTION IN IL

CONTINUED MARGIN IMPROVEMENT AS MORE ASSETS ARE "TURNED ON"

STRONG FINANCIALS AND REVENUE GROWTH

2022 OUTLOOK



Continue to scale our asset base of premier retail locations and state-of-the art cultivation facilities

MEET IMPENDING RECREATIONAL DEMAND IN NJ, SOLIDIFY POSITION AS TOP PLAYER IN THE STATE

DRAMATIC INCREASES IN PRODUCTION IN IL, MA, NJ, & PA

CONTINUE EXPANSION INTO EXISTING MARKETS, PARTICULARLY ILLINOIS & MASSACHUSETTS

IMPROVE BOTH RETAIL & WHOLESALE OPERATIONAL EXCELLENCE

EXPAND & ELEVATE CURRENT BRAND PORTFOLIO

FOOTPRINT

6 states 20 dispensaries



ILLINOIS

8 retail
1 cultivation / processing

MICHIGAN

6 retail
2 planned retail
1 cultivation / processing

OHIO

2 medical retail
1 cultivation / processing

MASSACHUSETTS

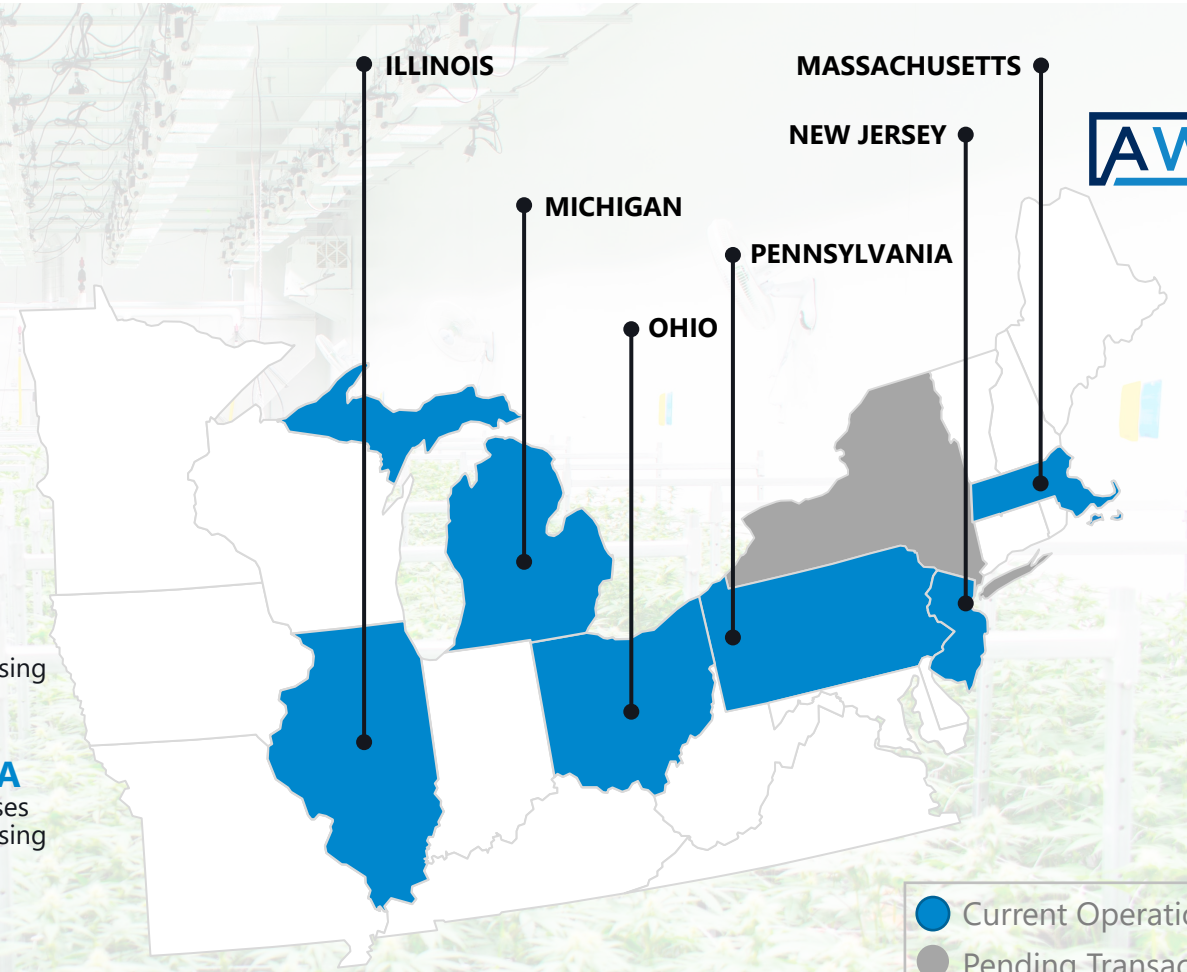
2 retail
1 planned retail
1 cultivation / processing

NEW JERSEY

2 retail
1 planned retail
1 cultivation / processing

PENNSYLVANIA

6 medical retail licenses
1 cultivation / processing
license



1. NY close pending the resolution of ongoing litigation with the seller. The transaction would include 4 dispensaries and 1 cultivation facility, which are not included in these numbers. Definitive agreement signed in PA for 6 dispensary licenses and 1 cultivation/processing license.

2. Does not include 4 dispensaries that are part of potential MedMen NY transaction or the 6 dispensary licenses recently acquired in PA as they will not be open before 2022 YE.

4 OF TOP REC MARKETS AND 2 OF TOP 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	111	115,000	4	\$3.2
Michigan	10.1	448	22,500	5	\$2.8
New Jersey	9.3	23	620,000	7	\$2.2
Massachusetts	7.0	130	54,000	9	\$1.9
MEDICAL					
Ohio	11.8	53	223,000	3	\$2.7
Pennsylvania	13.0	136	103,000	2	\$2.9

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).

REVENUE MIX GOAL



HIGHLY DESIRABLE FLAGSHIP LOCATIONS



ST. LOUIS AREA COLLINSVILLE

Strategically located in the retail corridor near St. Louis



CHICAGO RIVER NORTH

Located just outside Chicago Loop, the central shopping and business district



BOSTON BOSTON GARDEN / FANEUIL HALL

Downtown Boston located between TD Garden and Faneuil Hall



NEW JERSEY PARAMUS AREA

On Rt. 17 and a mile from Garden State Plaza in Northern NJ



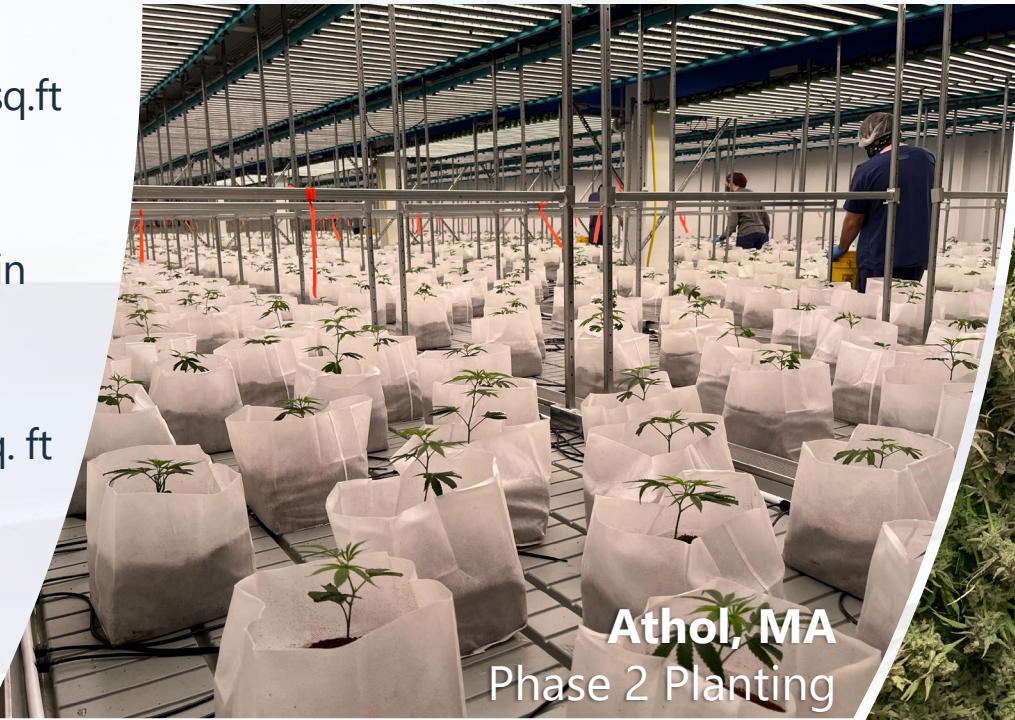
NEW JERSEY FORT LEE

Minutes to the George Washington Bridge, NJ Turnpike, and NJ Rt. 46

CANOPY UPDATE

State	Canopy at YE21 (ft ²)	Current March 2022	Canopy est. at YE22 (ft ²)
IL	113,000	113,000	113,000
MI	28,000	28,000	28,000
MA	17,000	54,000	54,000
NJ	16,000	16,000	42,000
OH	2,000	2,000	18,000
Total	176,000	213,000	255,000

- Completed construction on 100,000 sq.ft in 2021
- Began planting of the IL greenhouse in January
- Began planting incremental 37,000 sq. ft of canopy in MA in March



PIPELINE OF ASSETS



Significant upside from assets "turning on" in 2022 and 2023



East Lansing, MI Dispensary



New Bedford, MA Dispensary



Fort Lee, NJ Dispensary



PA Dispensary 1



PA Dispensary 2



PA Dispensary 3



Montclair, NJ Dispensary Expansion



Century, MI Dispensary



Boston, MA Dispensary 2nd Floor



PA Dispensary 4



PA Dispensary 5



PA Dispensary 6



Franklin, NJ Phase 2 Cultivation



Athol, MA Lab & Kitchen



Franklin, NJ Lab & Kitchen



Pennsylvania Cultivation



Pennsylvania Lab & Kitchen

2022

2023

LAUNCHING A NEW VALUE BRAND



Value brands comprise 25% of sales¹ in Simply Herb markets

I SIMPLY HERB



LAUNCHING NOW IL, MA, MI

FORM FACTORS Flower, pre-rolls

POTENCY Flower THC 18-22%

CONSUMER The price conscious consumer

PRICE \$\$\$\$\$

OZONE



AVAILABLE IL, MA, MI, NJ

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, MI

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

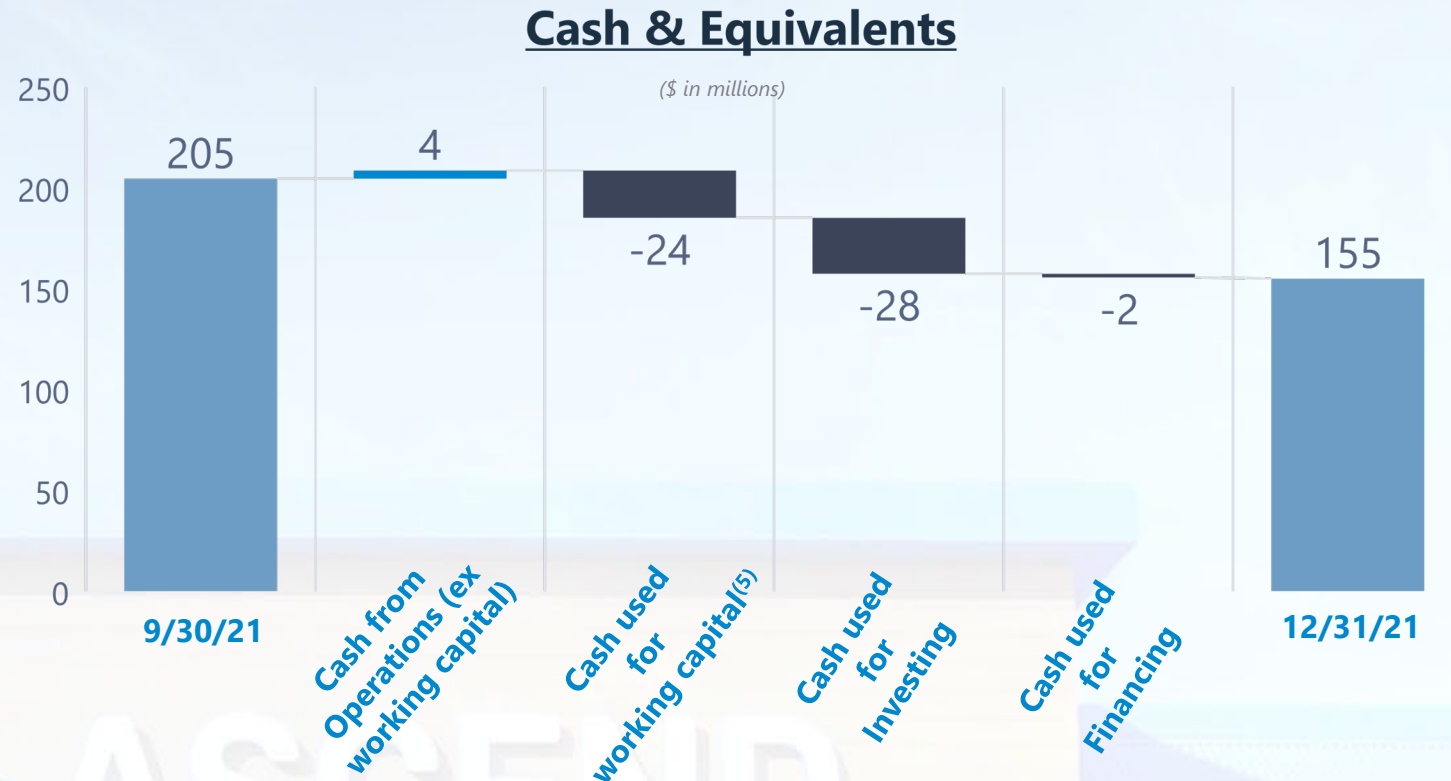
(1) BDSA bottom 25th percentile ARP in MA, IL, and MI Q3-Q4 2021

FY BALANCE SHEET AND CASH FLOW



(\$ in millions)

	12/31/21
Cash & Equivalents ⁽¹⁾	\$155.5
Fully Diluted Shares Outstanding Basic & Diluted ⁽²⁾	181.0
Total Debt, net ⁽³⁾	\$258.7
Net Debt ⁽⁴⁾	\$103.3



- (1) Does not include inflows from 24 Munsonhurst Rd Franklin, NJ sale-leaseback which was executed subsequent to quarter-end.
- (2) Includes 171.6M Class A Common Shares, 8.0M of unvested Restricted Stock Units, Restricted Stock Awards, or options, and 1.4M in the money warrants. There are 3.5M warrants outstanding at an exercise price of \$4. Dilution was calculated using the treasury stock method and a 12/31/21 share price of \$6.61 on the CSE.
- (3) Total Debt, net is equal to Total debt less unamortized deferred financing costs.
- (4) Net debt is equal to Total Debt less Cash & Equivalents
- (5) Cash used for working capital includes changes in operating assets and liabilities net of effects of acquisitions. These include changes in accounts receivable, inventory, other assets, accounts payable, accrued liabilities, other current liabilities, lease liabilities, and income taxes payable.

Note: waterfall may not foot due to rounding.

- \$4M cash inflow from operations (excluding changes in working capital); \$24M cash used for changes in working capital, driven by income cash tax payments
- \$28M cash for investing including \$9M for acquisitions, and \$18M of net Capex, driven by IL greenhouse, MA and MI cultivation expansions, and IL, MA, and NJ dispensary investments

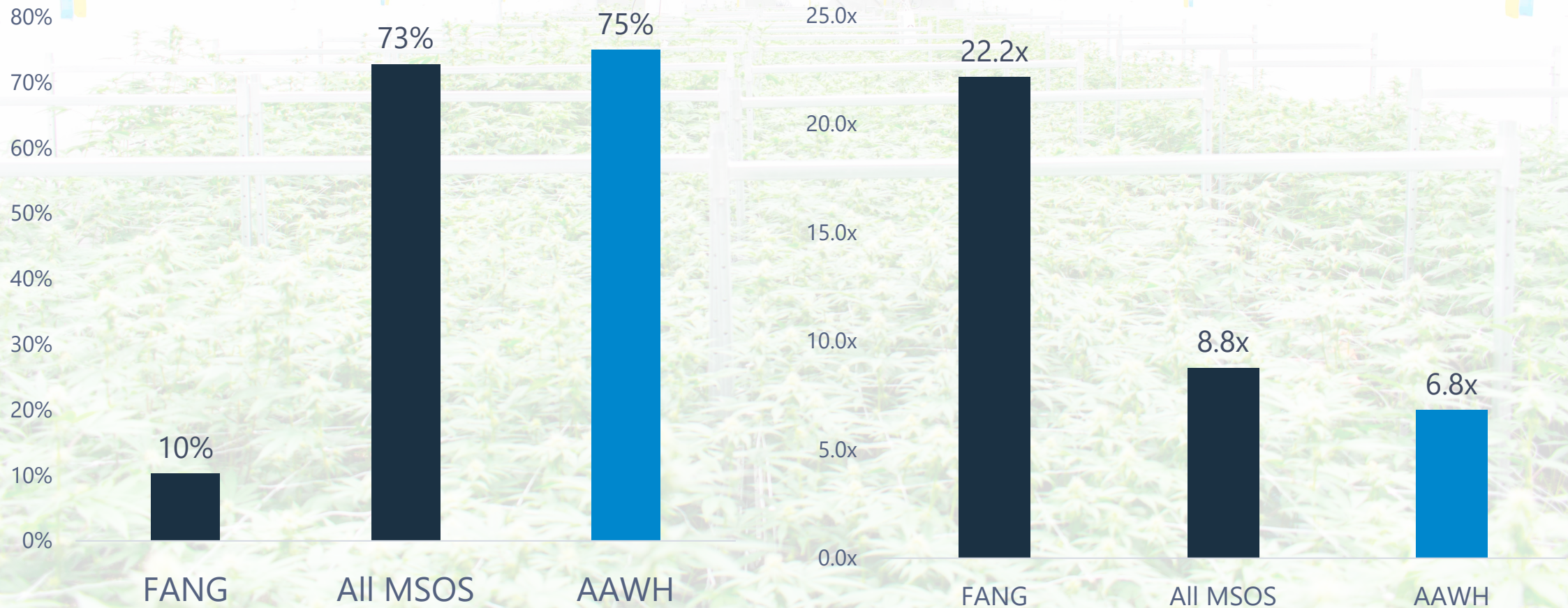
VALUATION COMPARISON⁽¹⁾



Company and Industry poised for re-rate

Adj. EBITDA Growth 22E/21

EV/ 2022E Adj. EBITDA



1. Multiples based on FactSet data exported on 3/2/2022

2. All MSOS includes Green Thumb, Curaleaf, Cresco, Trulieve, Ascend Wellness, Jushi, Terrascend, Verano, and Columbia Care.

ACCELERATED EXPANSION THROUGH DISCIPLINED M&A



Two-pronged M&A approach

1. Maximize scale in existing footprint

Prioritize continued expansion to optimize scale in existing footprint where permits allow

- 8 dispensaries
- 10 dispensary cap

- 2 dispensaries
- 5 dispensary cap

- 54k canopy sq. ft. cultivation
- Expand cultivation manufacturing and distribution

2. Expand into other populous, limited license, recreational or near-recreational markets

Identify opportunities to grow and replicate existing blueprint

Recently acquired 6 dispensary and 1 cultivation license in PA

COMMITTED TO PEOPLE AND THE PLANET



Environmental, Social, and Governance (ESG) initiatives; AWH has pledged to several United Nations Sustainable Development Goals (several of which are highlighted below) and is disclosing data aligned with the Sustainable Accounting Standards Board (SASB) in the Company's 2021 annual report

1 NO POVERTY



Job Creation

AWH has created strong jobs in areas with high unemployment e.g. AWH has created 400 jobs in Pike county, IL and is the county's largest employer.

Strong Wages

Depending on state, job position, and labor markets, all field employees are paid an average of \$4.70 to \$14.50 per hour more than minimum wage.

3 GOOD HEALTH AND WELL-BEING



Benefits

AWH provides employees with a 401k plan, FSA plan, Long-Term and Short-Term Incentive plan, and comprehensive core and voluntary benefits.

COVID

AWH provided numerous COVID related benefits to employees including 36 hours of PTO and gift cards to incentivize vaccination rates.

5 GENDER EQUALITY



Employee Resource Groups (ERGs)

AWH has over 100 employees participating in 3 ERGs (Women in Leadership, LGBTQIA+, and Black) to promote an inclusive culture and environment.

Data Example

37% of leadership positions (supervisor and up) are held by females; 26% of leadership positions held by ethnic minorities. Working to increase both stats to improve parity.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Expungement Clinics

AWH has contributed funds to the Continuing Legal Education (CLE) institute, which seeks to educate attorneys interested in learning the ins and outs of the expungement process.

Incubation Nonprofit

In January 2022, AWH established the Ascend Foundation, a 501(c)(4) with a commitment to support individuals who qualify as social equity applicants.



APPENDIX

USE OF NON-GAAP FINANCIAL METRICS AND ADDITIONAL INFORMATION

This presentation includes certain non-GAAP financial measures as defined by the SEC. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are included in the 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. 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; start-up costs; transaction-related and other legal expenses; litigation settlement; and 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.

GAAP RECONCILIATIONS

\$ in thousands



	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
Adjusted Gross Profit											
Gross Profit	\$ 3,287	\$ 7,492	\$ 12,178	\$ 18,352	\$ 22,892	\$ 60,914	\$ 29,667	\$ 34,516	\$ 40,954	\$ 30,835	\$ 135,972
<i>Gross Margin</i>	27.3%	33.2%	48.0%	44.3%	42.2%	42.4%	44.9%	41.4%	43.4%	34.8%	40.9%
Depreciation and amortization included in cost of goods sold	323	1,069	627	941	1,059	3,696	2,162	2,387	2,063	3,000	9,612
Equity-based compensation included in cost of goods sold						-			349	2,580	2,929
Non-cash inventory adjustments	(589)	-	-	146	-	146	750	2,714	335	1,115	4,914
Adjusted Gross Profit	\$ 3,021	\$ 8,561	\$ 12,805	\$ 19,439	\$ 23,951	\$ 64,756	\$ 32,579	\$ 39,617	\$ 43,701	\$ 37,530	\$ 153,427
Adjusted Gross Margin	25.1%	37.9%	50.4%	46.9%	44.1%	45.1%	49.3%	47.5%	46.3%	42.4%	46.2%

	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021
Adjusted EBITDA											
Net Income / (Loss)	\$ (33,241)	\$ (7,118)	\$ (4,305)	\$ (4,915)	\$ (7,503)	\$ (23,841)	\$ (48,223)	\$ (44,897)	\$ (13,026)	\$ (16,511)	\$ (122,657)
Income tax expense	667	2,437	3,632	5,643	6,990	18,702	8,976	11,995	12,307	8,442	41,720
Other (income) expense	(24)	(6)	3	(3)	(1)	(7)	(80)	(82)	(44)	(50)	(256)
Interest expense	6,477	2,530	2,873	2,627	4,963	12,993	7,337	36,888	12,376	7,388	63,989
Depreciation and amortization	2,989	1,951	1,969	2,299	1,695	7,914	2,419	2,470	2,520	2,628	10,037
Depreciation and amortization included in cost of goods sold	323	1,069	627	941	1,059	3,696	2,162	2,387	2,063	3,000	9,612
Non-cash inventory adjustments	(589)	-	-	146	-	146	750	2,714	335	1,115	4,914
Equity-based compensation	312	185	85	71	339	680	2,487	1,711	2,587	8,565	15,350
Equity-based compensation included in cost of goods sold	-	-	-	-	-	-	-	-	349	2,580	2,929
Start-up costs ⁽¹⁾	10,096	1,419	1,845	2,729	2,104	8,097	1,311	1,716	1,227	1,211	5,465
Transaction-related and other non-recurring expenses ⁽²⁾	-	103	164	737	1,160	2,164	2,178	5,406	2,191	1,434	11,209
Litigation settlement	-	-	-	-	-	-	36,511	-	-	-	36,511
Loss on the sale of assets	-	-	286	-	-	286	-	-	649	(44)	605
Adjusted EBITDA	\$ (12,990)	\$ 2,570	\$ 7,179	\$ 10,275	\$ 10,806	\$ 30,830	\$ 15,828	\$ 20,308	\$ 23,534	\$ 19,758	\$ 79,428
Adjusted EBITDA Margin	(108.0%)	11.4%	28.3%	24.8%	19.9%	21.4%	23.9%	24.4%	24.9%	22.3%	23.9%

1) One-time costs associated with acquiring real estate, obtaining licenses and permits, and other costs incurred before commencement of operations at certain locations.

2) Legal and professional fees associated with the Company's go-public transaction and other non-recurring expenses.

Note: Adjusted Gross Profit, Adjusted Gross Margin, Adjusted EBITDA, and Adjusted EBITDA Margin are a non-GAAP financial measures.



ASCEND WELLNESS HOLDINGS

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