



Q3 2024 Earnings

Ascend Wellness Holdings

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CAUTIONARY STATEMENT

Regarding Forward-Looking Statements

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Sam Brill

Chief Executive Officer



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 Initiatives¹

- 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 dispensaries² 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 from 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





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

Frank Perullo

President & Co-Founder



Optimize Operations and Strengthen Fundamentals

Run

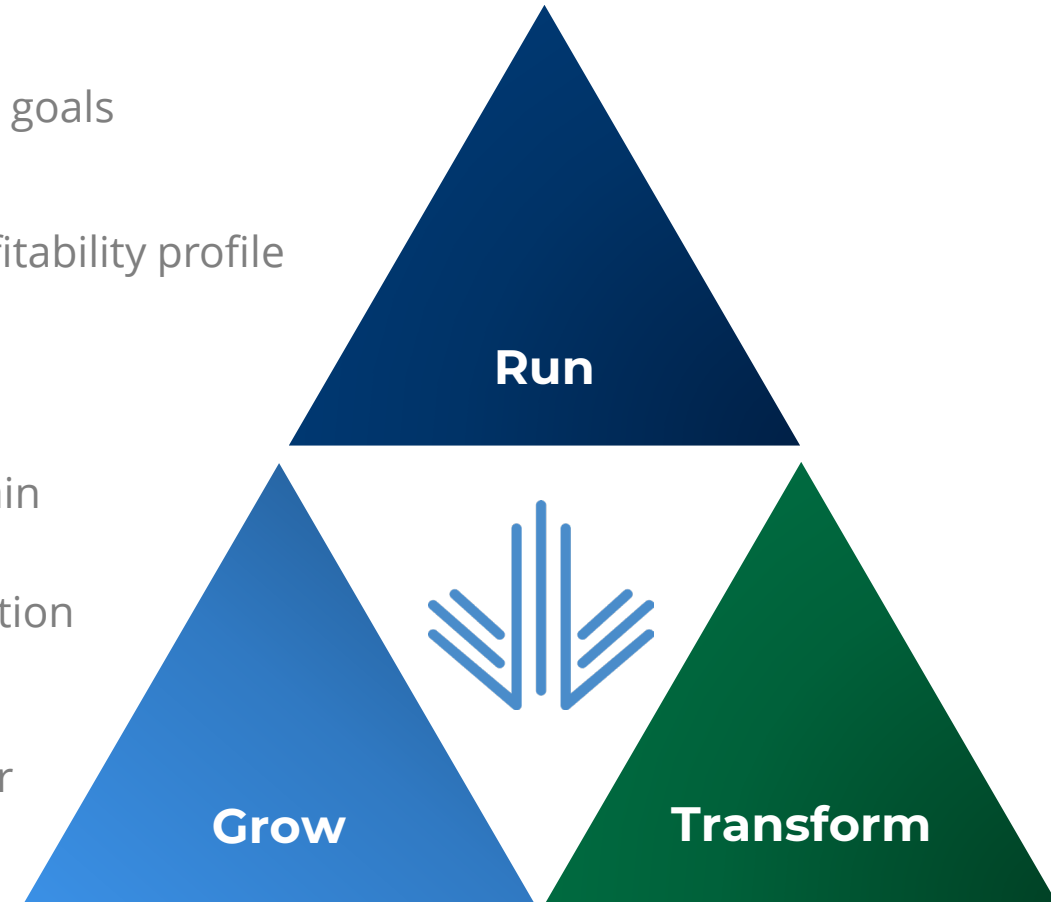
- Realign incentive structures and controls to match business goals
- Right-size labor to match productivity
- Prioritize products towards sales channels with highest profitability profile

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
PRODUCT¹

- 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** dispensary² in Q3 in Whitehall, PA
- **6** dispensaries³ 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).



WHOLESALE UPDATE

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

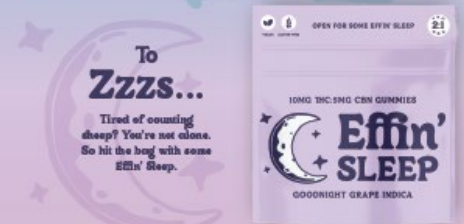
3rd

LARGEST BRAND⁽¹⁾
HOUSE IN IL, MA, NJ

73%

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



What you need, when you
Effin' need it.

(1) Q3 2024 data according to BDSA.

Roman Nemchenko

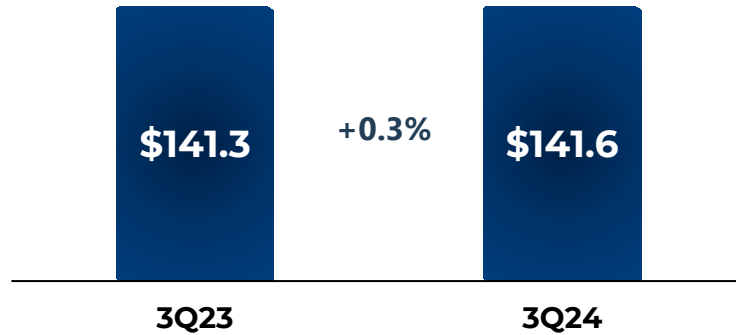
Chief Financial Officer



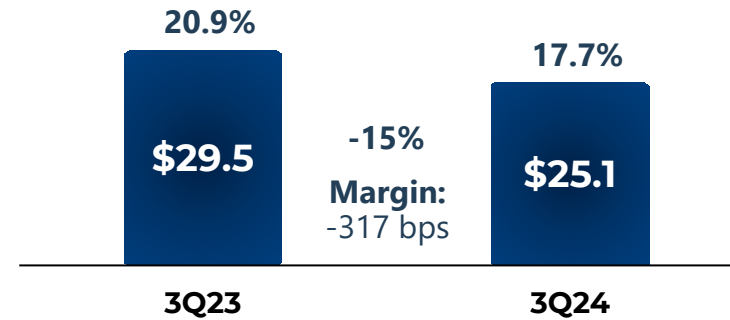
Q3 Financial Highlights

Y/Y: Q3'23 VS. Q3'24

Net Revenue
US\$ Millions

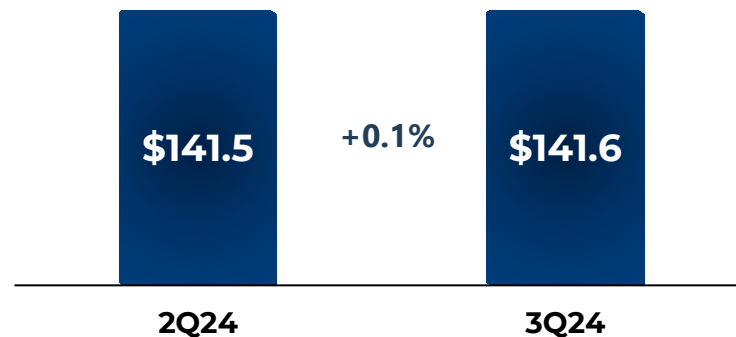


Adj. EBITDA / Margin¹
US\$ Millions

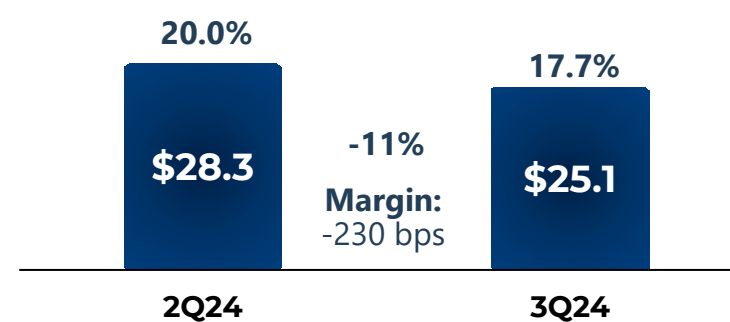


Q/Q: Q2'24 VS. Q3'24

Net Revenue
US\$ Millions



Adj. EBITDA / Margin¹
US\$ Millions



Y/Y

- Revenue flat driven by third-party wholesale growth in NJ and MA, retail growth in PA and OH from new and existing stores, the addition of 3 stores in Illinois, 2 of which are partner, being largely offset by retail declines in NJ, IL, MA, and MI.
- Adjusted EBITDA declined due to a shift in business mix, with a lower proportion of revenue coming from retail and a higher percentage from third-party wholesale, along with increased operating expenses.

Q/Q

- Incremental retail growth in OH resulting from AU flip, growth in PA retail from existing stores and new store opening, ramp of 2 partner stores in IL partially offset by retail declines in NJ, IL, MA, and MI and third-party wholesale declines in NJ and MA.
- Adjusted EBITDA dollars declined because the prior quarter benefited from the reversal of certain compensation expense related estimates.

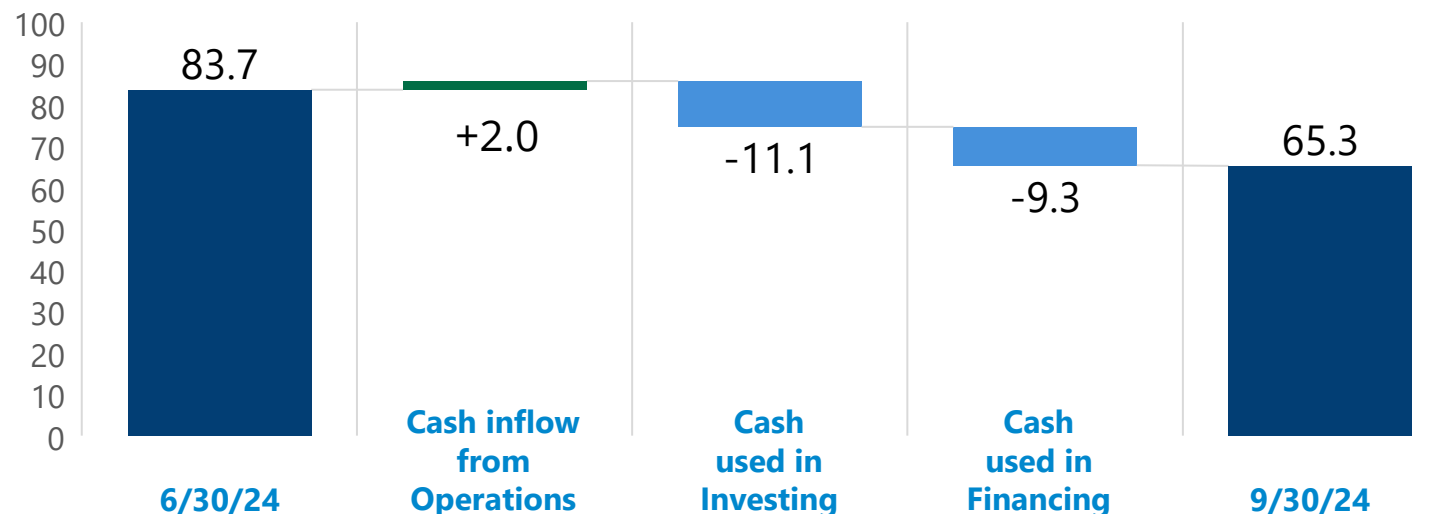
(1) Please see appendix of this presentation for reconciliation of "non-GAAP" to "GAAP" measures.

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

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.

(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.

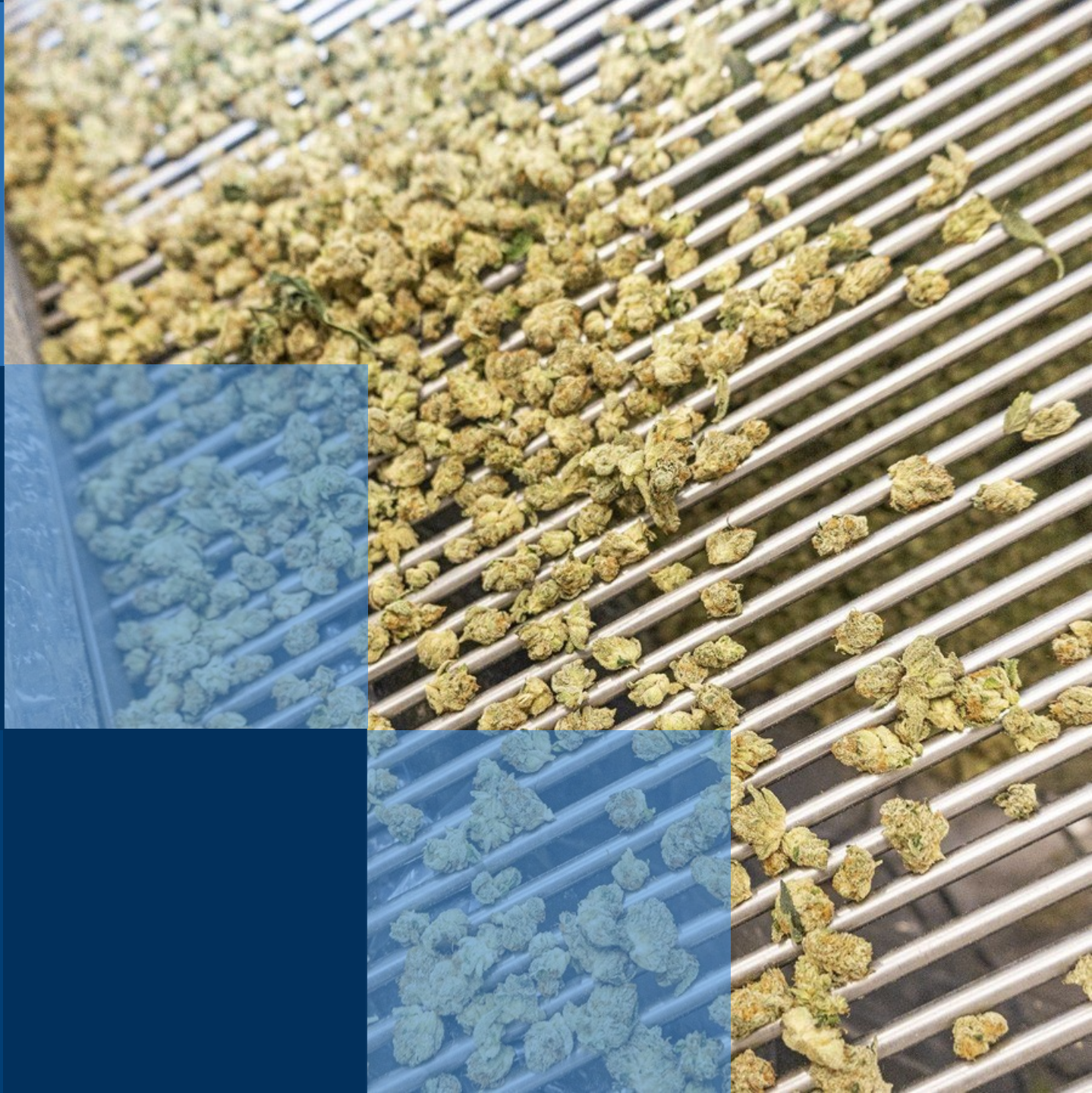
(2) Total debt, net is net of unamortized deferred financing costs.

(3) Net debt is equal to Total Debt, net less Cash & Equivalents.

(4) 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.

Appendix



Our Vision

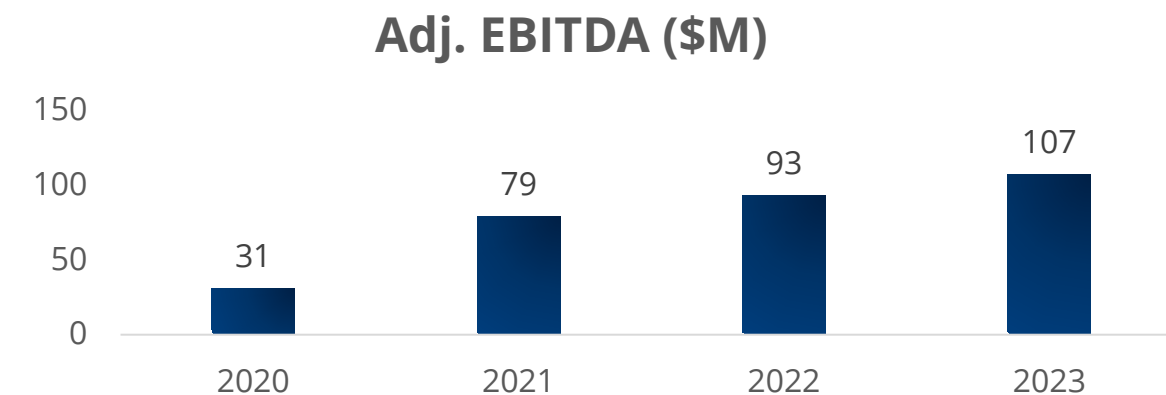
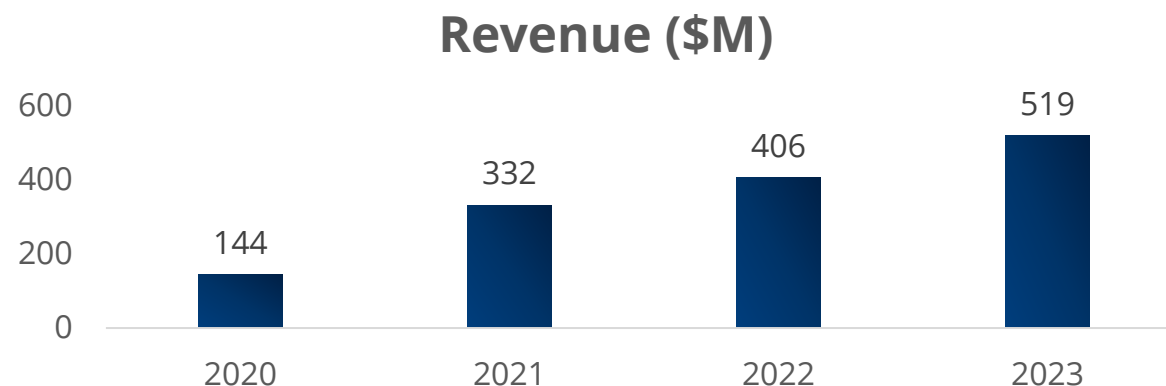
We envision a future where cannabis is a part of everyday life for consumers of all kind to make their life better. Better fun. Better health. Better being.



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



(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.

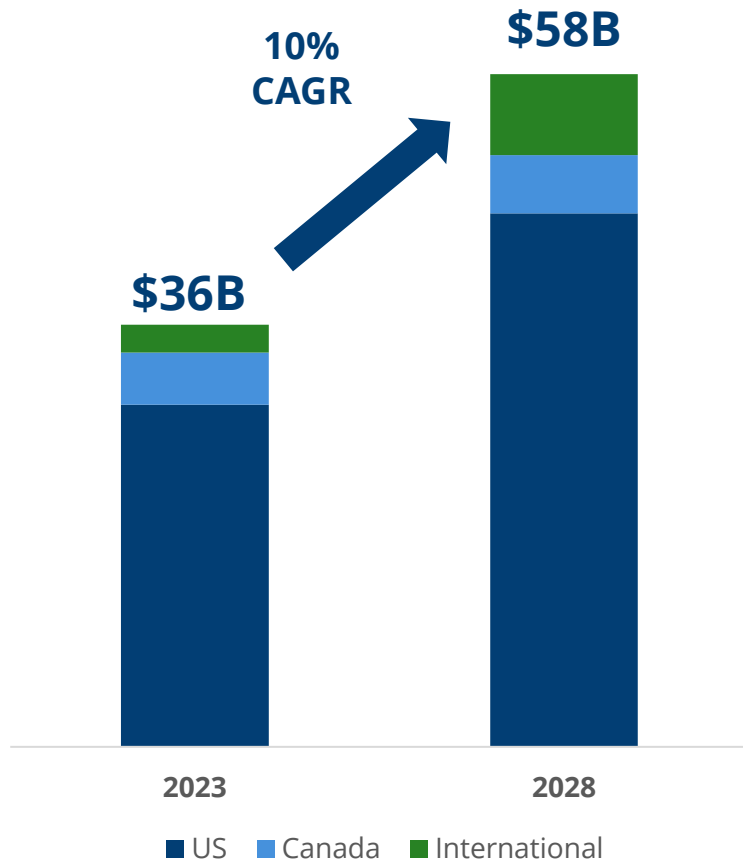
(5) Fully Diluted Shares Outstanding (FDSO) includes 214.3M Class A common shares, 65k Class B common shares, and 7.4M of unvested Restricted Stock Units and/or Restricted Stock Awards. There are also 4.6M warrants outstanding, none of which were in the money at quarter-end: 1.3M have an exercise price 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.

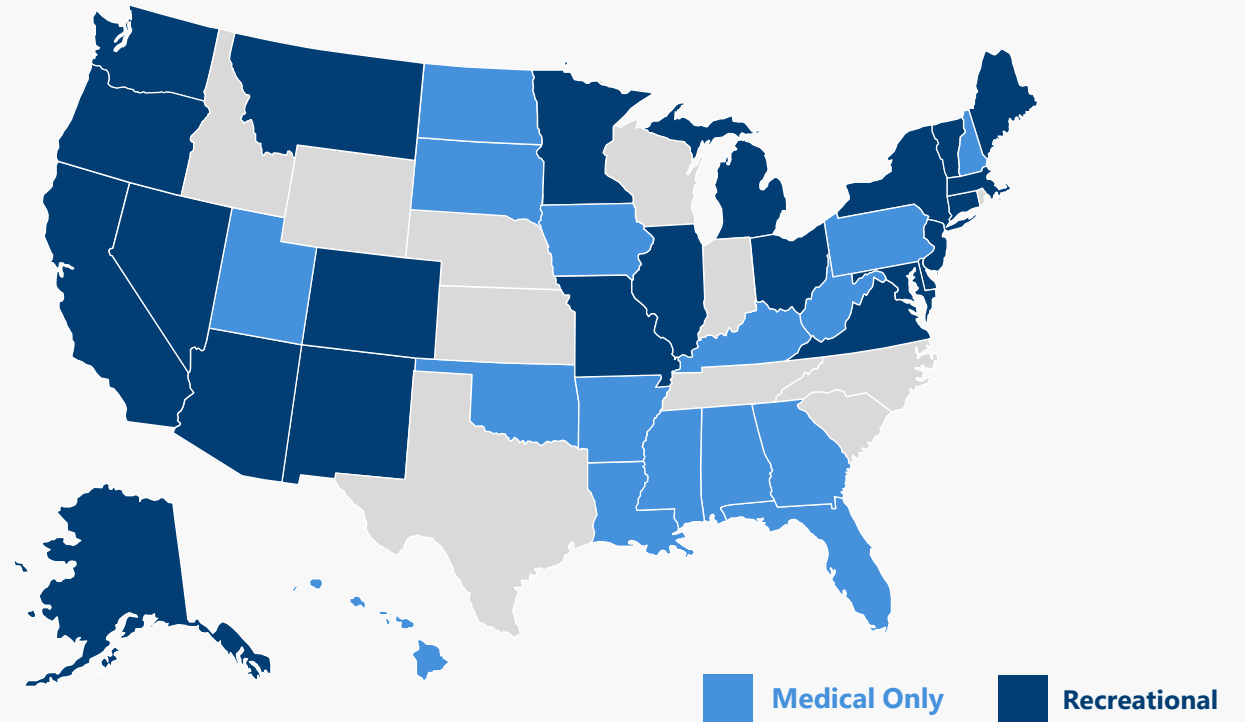
Market Overview

Legal Cannabis¹ (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](#)

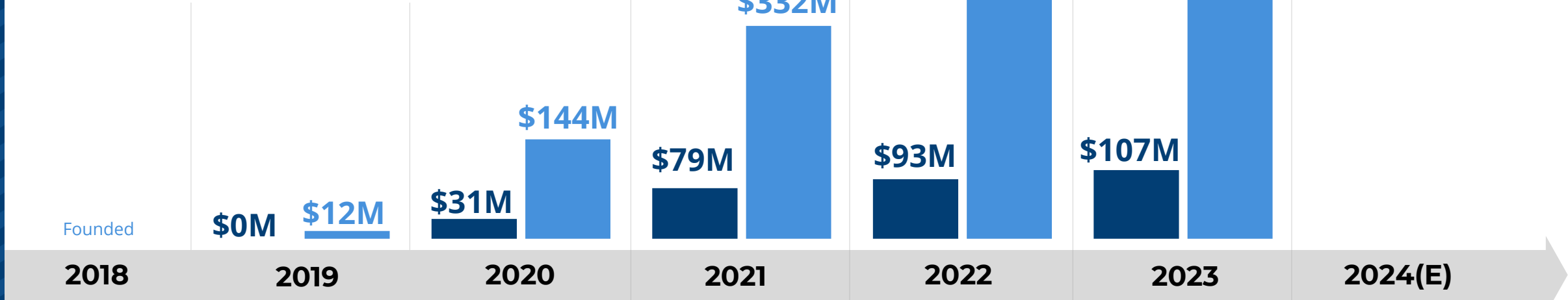
2) [MJBiz Factbook](#). 24 states have approved recreational programs but not all of the programs are active yet. Includes OH's active program, but does not include VA, DE, and MN which have not yet started sales.



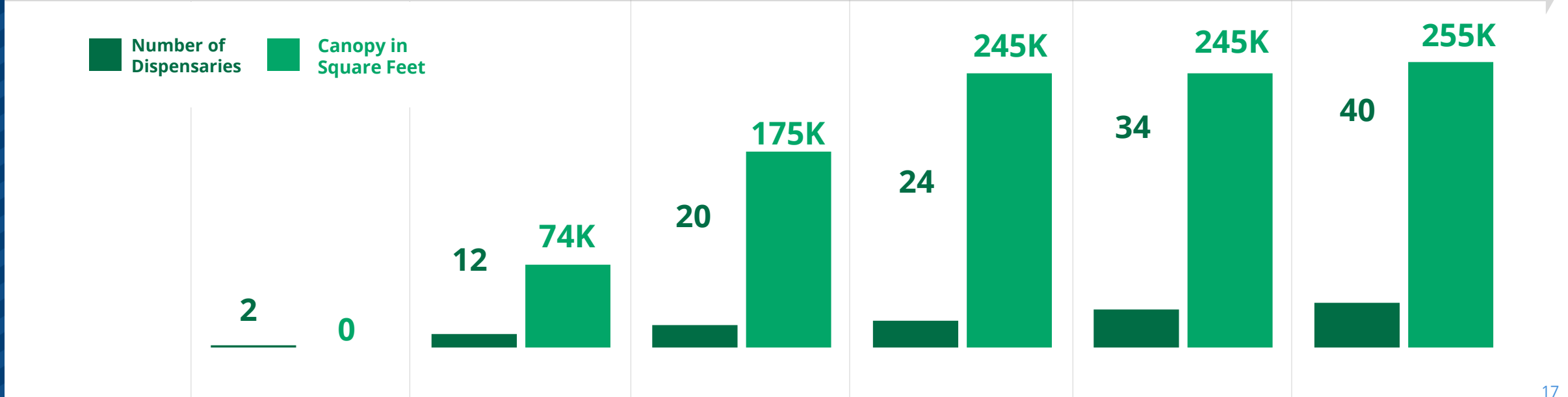
Our Timeline

■ Adj. EBITDA ■ Revenue (M)

Founded



■ Number of Dispensaries ■ Canopy in Square Feet



Company Snapshot¹

39 Operating
Dispensaries²

5 Brands

255,000 Canopy
Sqft

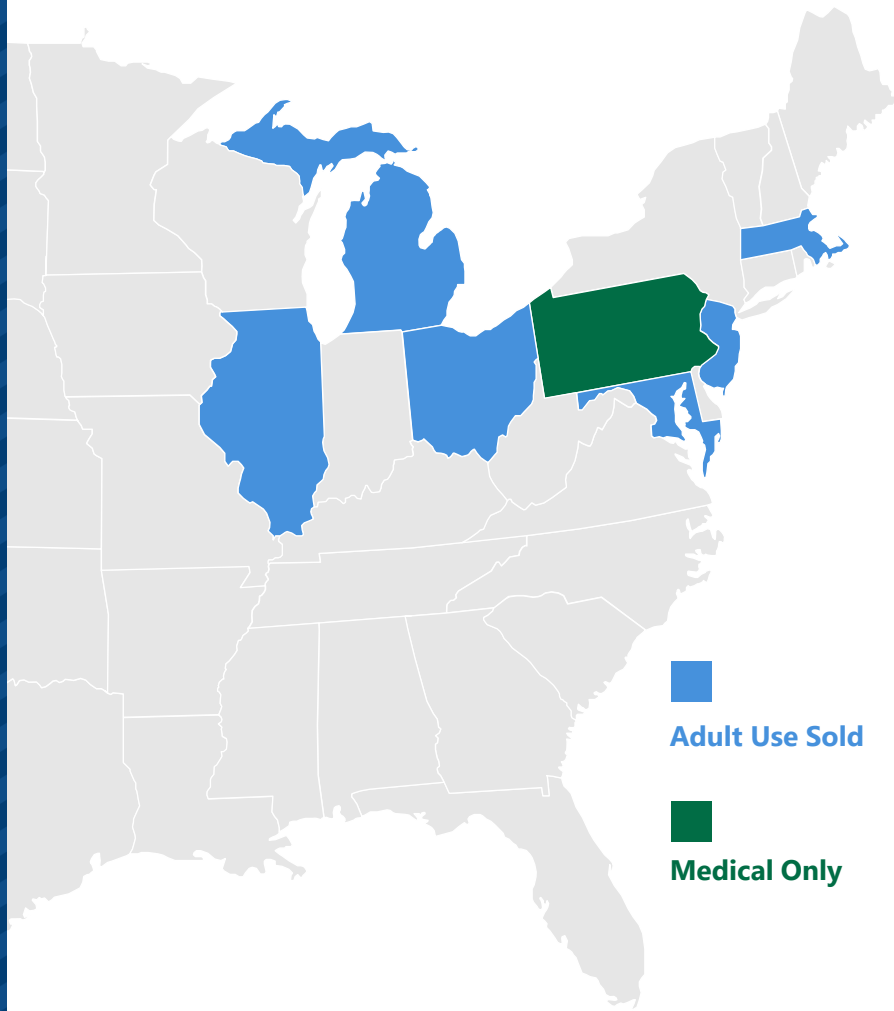
2,300 Total Headcount

\$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*

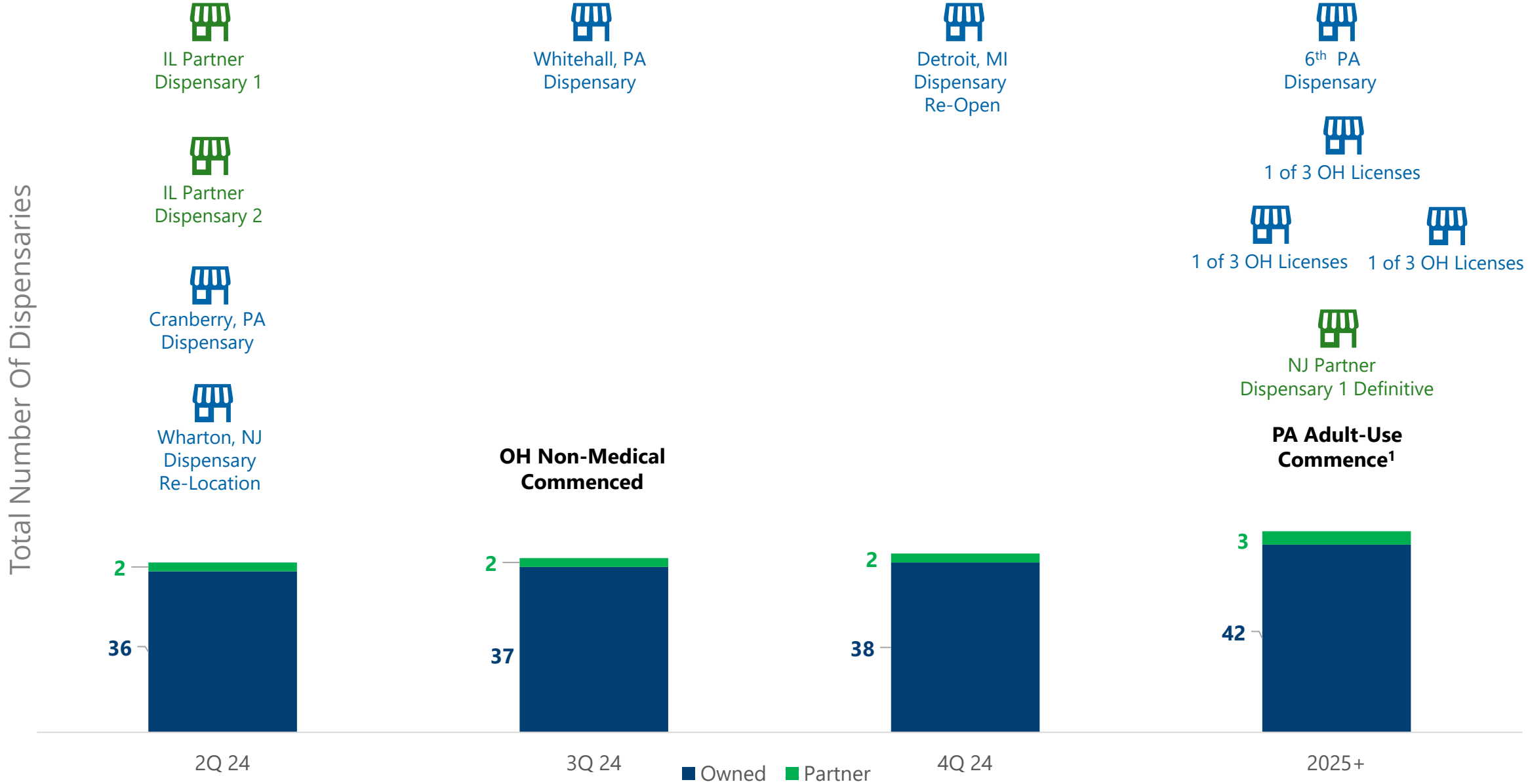
255,000 sq. ft

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).



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



Grab n' Go,
Ready to Rip

IL, MA, NJ, OH, PA

\$

Flower, Pre-rolls



#1 Flower in MA¹

The Easy Way Up

IL, MA, MI, NJ, OH, PA

\$\$

Flower, Pre-rolls, Vapes



Gummies for every
occasion

IL, MA, NJ

\$\$\$

Edibles



#3 in IL, NJ, MA¹

When You Want a Great
Smoke

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

\$\$\$

Flower, Pre-rolls, Vapes,
Concentrates, and Gummies



Curated Fire Phenos

IL, MA, MI

\$\$\$\$\$

Super-Premium Flower,
Pre-rolls



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.

The background is a collage of five vertical panels with a blue tint. From left to right: 1) A white cylindrical container with the word 'OZONE' printed vertically in large, light blue letters, with raspberries and a pink object below it. 2) A close-up of white, crystalline cannabis buds. 3) A person in a white lab coat and mask working with cannabis buds in a laboratory setting. 4) A close-up of a cannabis bud. 5) A blue and silver vape pen with 'SIMPLY HERB' printed on it, with a splash of yellow liquid behind it.

Right Products Right Prices Right Places



- 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

THC

Flower

15%-20%

Vape

70%-80%

States

IL, MA, NJ, OH, PA

Terps

0.5%-1%

Value

\$



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

THC

Flower	Vape
20%-25%	80%-90%

States

IL, MA, MI, NJ, OH, PA

Terps

1%-2%

Value

\$\$





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

Products

Flowers, Pre-rolls, Vape

THC

Flower	Vape
25%-30%	85%+

States

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

Terps

2.0%+

Value

\$\$\$





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

Products

Flowers, Pre-rolls

THC

Flower

25%-30%

States

IL, MA, MI

Terps

2.5%+

Value

\$\$\$\$\$



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

Launched Series of Cost Transformation Initiatives

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



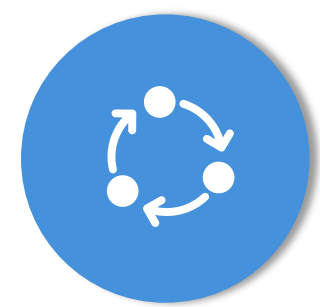
LABOR EFFICIENCIES

- ✓ 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
<i>Gross Margin</i>	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.

(1)

The logo consists of two stylized, mirrored hand-like shapes made of white, 3D-looking bars. Each shape has a central vertical bar and four diagonal bars extending outwards, resembling a hand with fingers spread. The word "ASCEND" is written in a bold, white, sans-serif font to the right of the logo.

ASCEND

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