Ascend Wellness Holdings

Q3 2023 Earnings Presentation

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 https://www.sedarplus.ca/ 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.

To the extent any forward-looking statement in this presentation constitutes "future-oriented financial information" or "financial outlooks" within the meaning of applicable securities laws, such information is being provided for the purpose of providing information about management's current expectations and goals relating to the future of the Company and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking statements, generally are, without limitation, based on the assumptions and subject to the risks set out above, among others. The Company's actual financial position and results of operations may differ materially from management's current expectations and, as a result, the Company's financial position may differ materially from what is provided in this presentation. Such information is presented for illustrative purposes only and may not be an indication of the Company's actual financial position or results of operations. Any financial outlook or future-oriented financial information, as defined by applicable securities laws, has been approved by management of the Company as of the date hereof and the Company disclaims any obligation to update such outlooks or information, execpt as required by applicable securities laws.

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ABNER KURTIN
EXECUTIVE CHAIRMAN
AWH

MEANINGFUL PROGRESS MADE ACROSS THE BOARD

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KEY HIGHLIGHTS

Strong Financial Outcomes

- Record net revenue[(1)] for 6th consecutive quarter, up **15% Q/Q** and **27% Y/Y** to **$141M**
- Meaningful sequential Adjusted EBITDA[(2)] and margin improvements; Adjusted EBITDA[(2)] up **39% Q/Q** to **$29.5M**
- **Third** quarter of positive Cash from Operations[3], generating **$24M**
- **First** quarter of positive Free Cash Flow[3], generating **$13M**

Regulatory and Capital Markets Progress

- Lawsuit filed against U.S. Attorney General with Ascend as foundational supporter
- Continued Federal progress made;
  - Recommendation from Health & Human Services to DEA to reschedule cannabis to Schedule 3 of Controlled Substance Act
  - Secure and Fair Enforcement Regulation Banking Act (SAFER) passed the Senate Banking Committee

Strategy and M&A Update

- Continue to execute on plans of achieving scale in core markets
- Anticipating adult-use to pass Ohio ballot today; vertical and at current cap
- Pursing accretive M&A opportunities

(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.
(3) Excluding receipt of $3M cash tax credit

JOHN HARTMANN

CHIEF EXECUTIVE OFFICER

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RETAIL UPDATE

- Retail business grew **13% Q/Q** and **22% Y/Y** to **$101M**; **72%** of total net revenue
- **Fourth** quarter in a row above **1M** transactions; up **17% Q/Q** and **54% Y/Y**
- **2x** growth in loyalty members in 5 months
- Expect to open **10th** dispensary in Illinois (Northlake) and, **3rd** dispensary in Ohio (Sandusky) in the coming weeks. Plan to open **2** additional Ohio dispensaries by year-end
- **4** additional Pennsylvania dispensaries in pipeline, expected to open in 2024

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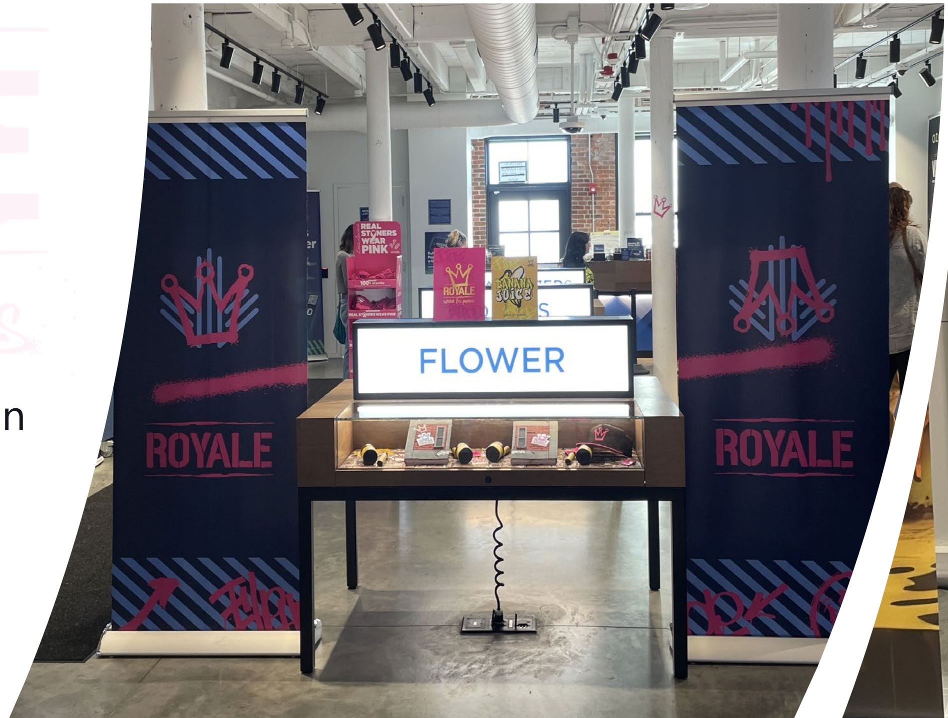
WHOLESALE UPDATE

- Gross Wholesale revenue grew **12% Q/Q** and **33% Y/Y** to **$69M**; net Wholesale revenue grew **21% Q/Q and 41% Y/Y** to **$40M**
- Selling into **286** 3rd party wholesale customers; up **10% Q/Q**
- Launched **2** new brands, Royale and Tunnel Vision, as we continue to build product portfolio to meet needs of customers and fill the good-better-best brand spectrum
- Tangible yield and quality improvements in New Jersey; yields up **30% M/M** in September alone



DANIEL NEVILLE
CHIEF FINANCIAL OFFICER

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Q3 FINANCIAL HIGHLIGHTS

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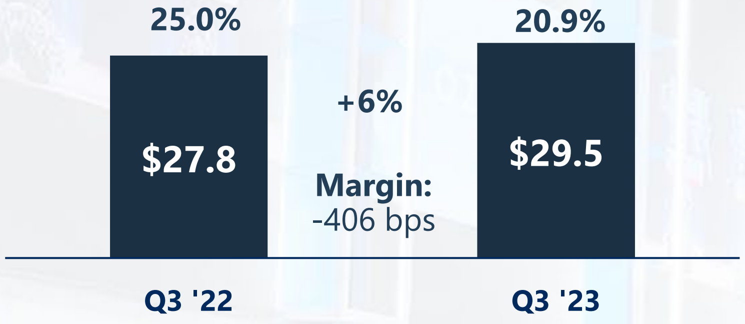
Y/Y: Q3'22 VS. Q3'23

Net Revenue[1]
US$ Millions

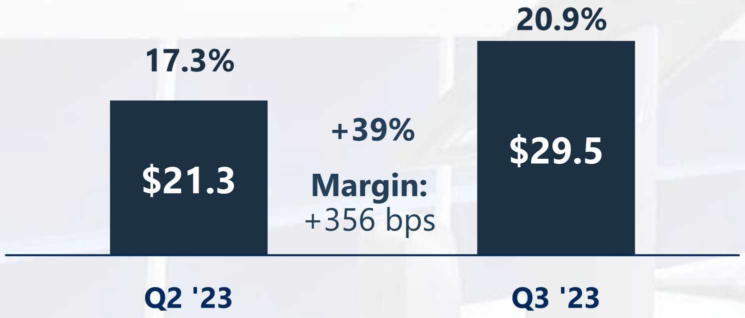
Adj. EBITDA / Margin[2]
US$ Millions



Q/Q: Q2'23 VS. Q3'23

Net Revenue[1]
US$ Millions

Adj. EBITDA / Margin[2]
US$ Millions



Y/Y

- Revenue growth driven by opening of 6 new stores; acquisition of 4 MD stores; expansion in NJ cultivation; and increase in IL, MA, and NJ wholesale.
- Adj. EBITDA driven by MD adult-use, MA wholesale and retail growth, and PA wholesale and retail growth.

Q/Q

- Revenue growth driven by start of adult use sales in MD and improvement in wholesale sales in NJ, IL, and MA.
- Adj. EBITDA driven by MD adult-use and MA and NJ wholesale growth.

(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.

Q3 2023 BALANCE SHEET AND CASH FLOW

(in millions)	9/30/23
Cash & Equivalents	$63.9
Fully Diluted Shares Outstanding Basic & Diluted(1)	223.3
Total Debt, net(2)	$307.4
Net Debt(3)	$243.5
Enterprise Value(4)	$455.6

(1) Includes 205.9M Class A Common Shares, 65k Class B shares, 17.3M of unvested Restricted Stock Units and/or Restricted Stock Awards. There are 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. Dilution was calculated using the treasury stock method and a 9/30/23 share price of US$0.95 on the CSE.

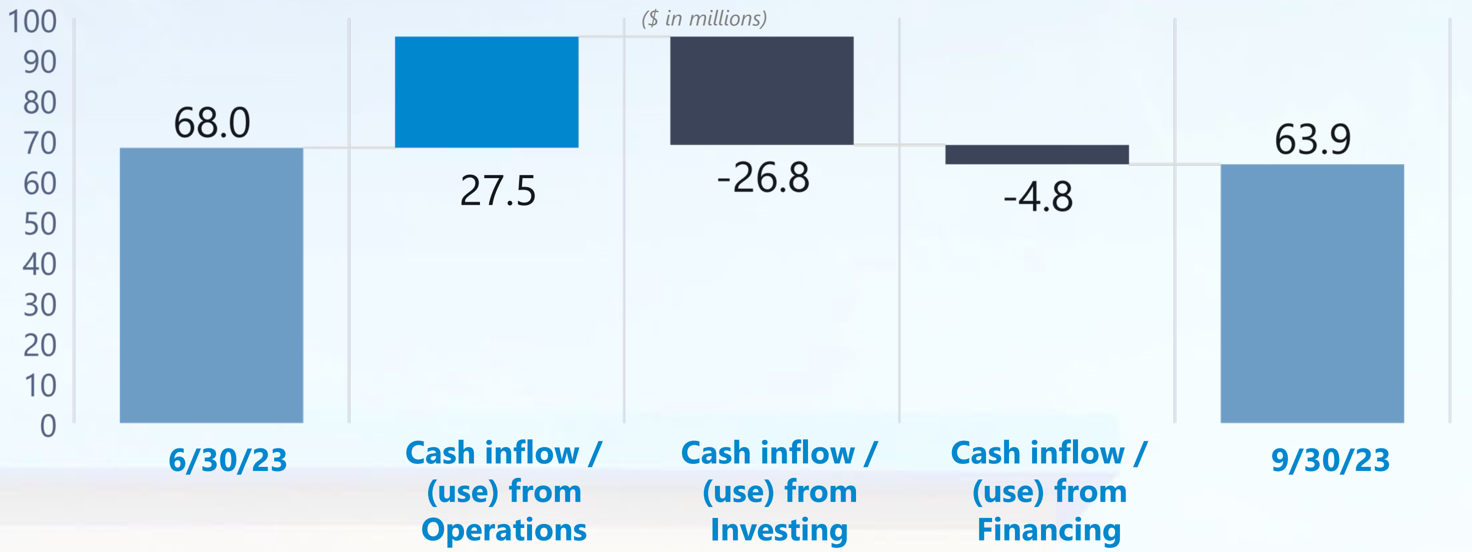
(2) Total Debt, net is equal to Total debt less unamortized deferred financing costs.

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

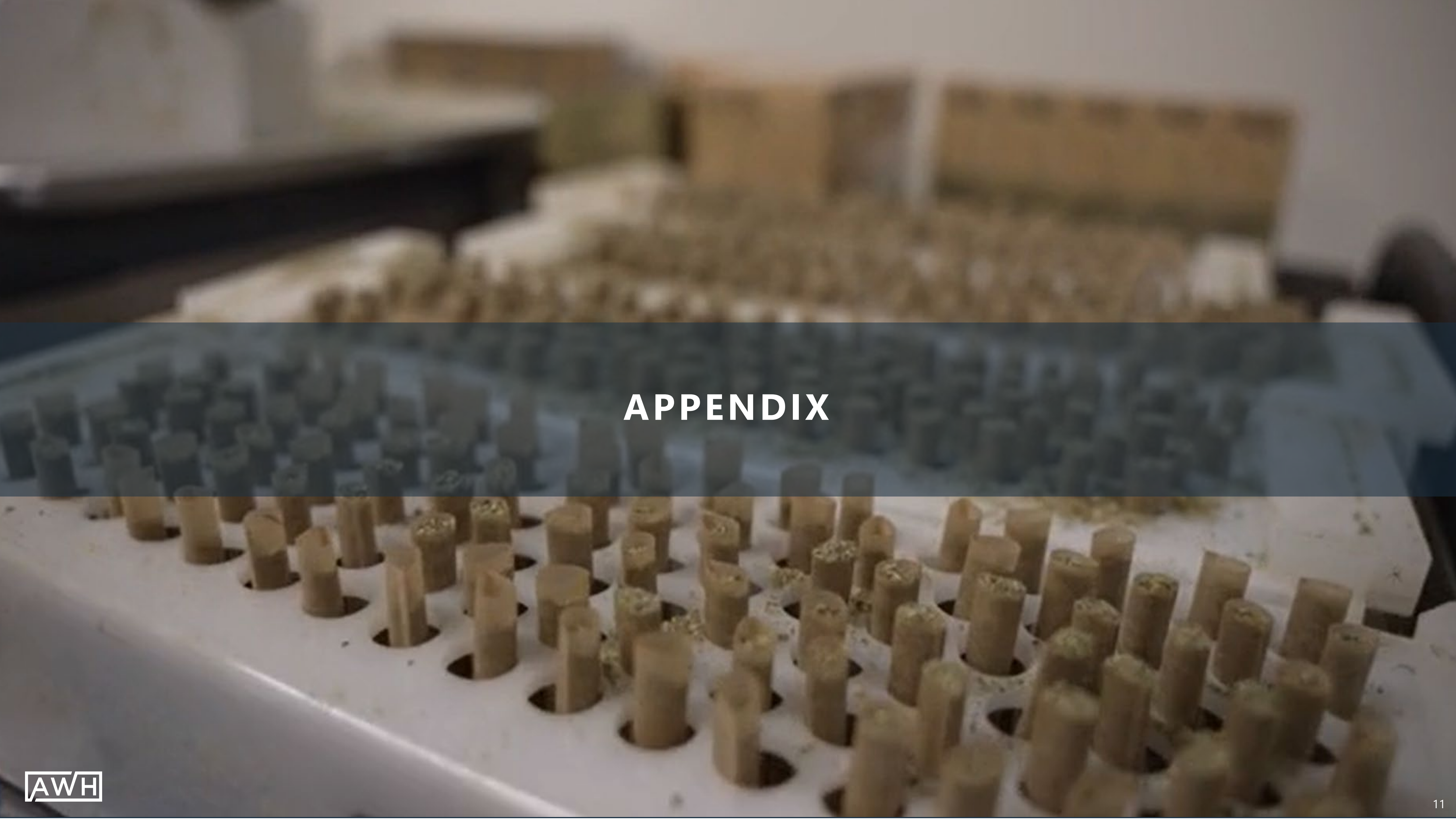
(4) Market cap equals $212.1M or 223.3 million FDSO times 9/30/23 share price of US$0.95 on the CSE. Enterprise value is calculated by adding net debt of $455.6M to this market value

Note: waterfall may not foot due to rounding.

Q3 Cash & Equivalents



- $27.5M net Cash from Operations (CFFO) generated; $24M CFFO excluding receipt of ERTC.
- $16M Free Cash Flow (FCF) generated, inclusive of $11M in CapEx; $13M FCF generated excluding receipt of $3M cash related to an Employee Retention Tax Credit (ERTC)
- $27M net cash used for investing, driven by $11M CapEx for dispensary builds and $15M payment to PA medical school related to license acquisition
- $5M net cash used for financing



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.

EXPANDING FOOTPRINT

7 States

31 operating dispensaries

ILLINOIS
9 retail
1 retail pending close[2]
1 cultivation / processing

NEW JERSEY
3 retail
1 cultivation / processing

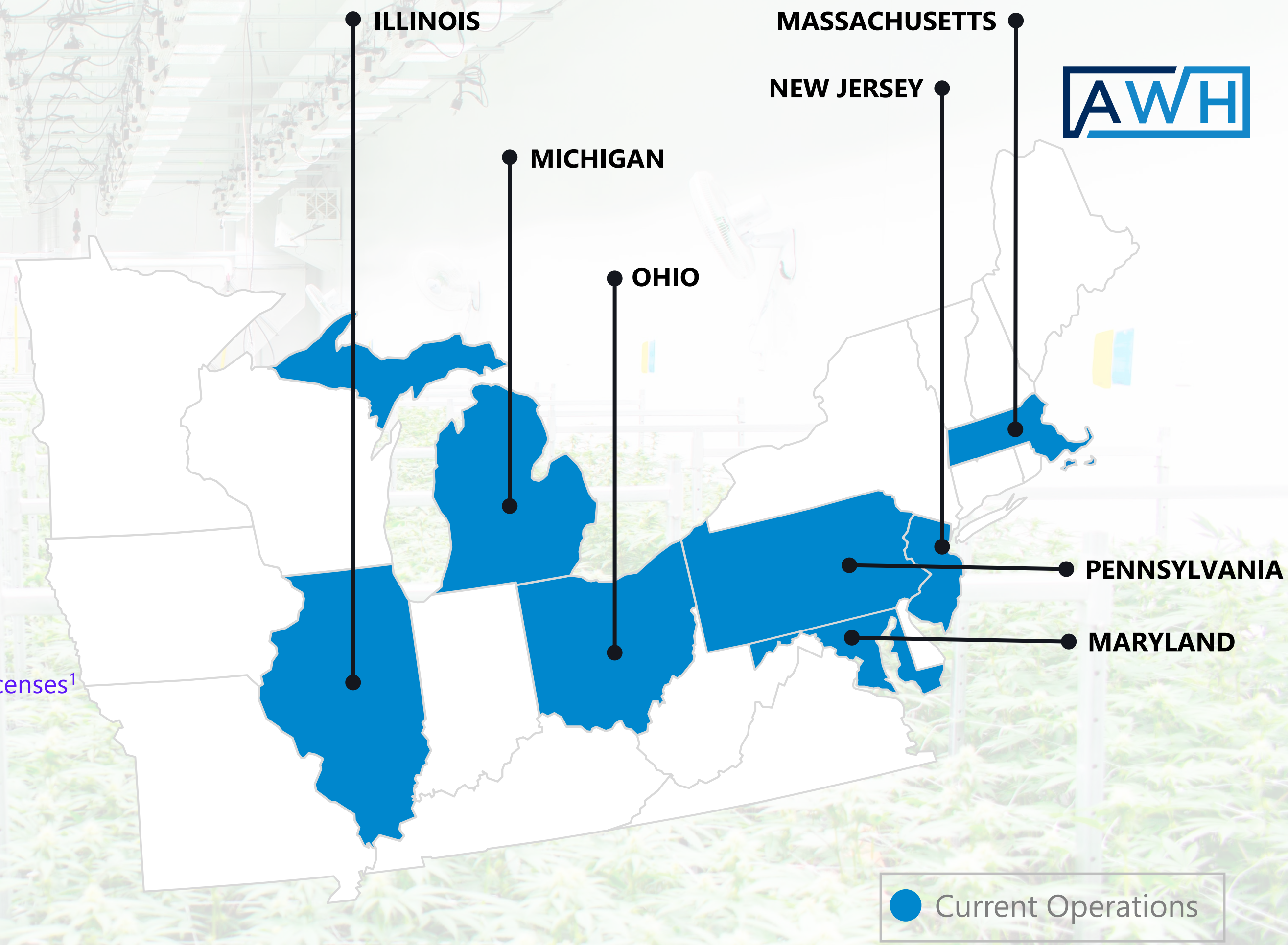
MICHIGAN
8 retail
1 cultivation / processing

MASSACHUSETTS
3 retail
1 cultivation / processing

OHIO
2 medical retail
3 medical retail pending close[2]
1 cultivation / processing

PENNSYLVANIA
2 retail
4 planned medical retail licenses[1]
1 cultivation / processing

MARYLAND
4 retail



2020 YE
12 Dispensaries
74,000 ft² Canopy

2021 YE
20 Dispensaries
175,000 ft² Canopy

CURRENT
31 Operating Dispensaries
8 Additional Dispensary Licenses(1,2)
245,000 ft² Canopy

PIPELINE
39 Operating Dispensaries(1,2)

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.

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

OVERVIEW

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

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
Founded	2018
Headquarters	New York
Employees (as of current)	~2,200
States of Operation	IL, MD, MA, MI, OH NJ, PA
Dispensaries	31 operating
Cultivation	6 operating

EV[1]		$456M
Market Cap[1]		$212M
Revenue[(2)] / YoY Growth	2020 2021 2022	$144M / +1100% $332M / +131% $406M / + 22%
Adj. EBITDA[(2)] / Margin	2020 2021 2022	$31M / 21.4% $79M / 23.9% $93M / 23.0%
EV / 2023E Revenue[(2)]		0.9x
EV / 2023E Adj. EBITDA[(2)]		4.9x
Total Debt, net[(3)] / Cash	$307M / $244M	

(1) Includes 205.9M Class A Common Shares, 65k Class B shares, 17.3M of unvested Restricted Stock Units and/or Restricted Stock Awards. There are 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. Dilution was calculated using the treasury stock method and a 9/30/23 share price of US$0.95 on the CSE. Market cap equals $212.1M or 223.3 million FDSO times 9/30/23 share price of US$0.95 on the CSE. Enterprise value is calculated by adding net debt of $455.6M to this market value

(2) $456M Enterprise Value divided by 2023 estimates based on consensus as of 10/27/23; 2023 Revenue Estimate of $496M and Adj EBITDA Estimate of $94M.

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

PIPELINE OF ASSETS

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Significant upside from assets "turning on"

Q4 '22	Q1 '23	Q2 '23	Q3 '23	Q4 '23	2024
Smithfield, PA Cultivation Phase 1	New Bedford, MA Dispensary	Tinley Park, IL Dispensary		Sandusky, OH Dispensary	Pittsburgh, PA Dispensary
Franklin, NJ Cultivation Phase 2	Grand Rapids*, MI Dispensary			Northlake, IL Dispensary	Philadelphia, PA Dispensary
Scranton, PA Dispensary				Cincinnati, OH Dispensary*	5th PA Dispensary - location TBD
Wayne, PA Dispensary				Piqua, OH Dispensary*	6th PA Dispensary - location TBD

*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	Q2 2023	Q3 2023
Adjusted Gross Profit								
Gross Profit	**$ 23,447**	**$ 32,968**	**$ 36,636**	**$ 41,512**	**$ 134,563**	**$ 35,704**	**$ 28,319**	**$ 43,556**
Gross Margin	*27.6%*	*33.8%*	*32.9%*	*37.0%*	*33.1%*	*31.3%*	*23.0%*	*30.8%*
Depreciation and amortization included in cost of goods sold	2,943	3,953	4,722	3,742	15,360	6,327	8,503	7,435
Equity-based compensation included in cost of goods sold	3,995	3,167	2,629	1,836	11,627	50	1,931	2,476
Start-up costs included in cost of goods sold(1)	3,923	4,248	2,610	2,263	13,044	1,570	-	-
Non-cash inventory adjustments(2)	2,204	112	4,049	4,113	10,478	3,942	6,172	2,938
Adjusted Gross Profit	**$ 36,513**	**$ 44,448**	**$ 50,646**	**$ 53,466**	**$ 185,072**	**$ 47,593**	**$ 44,925**	**$ 56,405**
Adjusted Gross Margin	***42.9%***	***45.6%***	***45.5%***	***47.7%***	***45.6%***	***41.7%***	***36.5%***	***39.9%***

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY2022	Q1 2023	Q2 2023	Q3 2023
Adjusted EBITDA								
Net Income / (Loss)	**$ (27,815)**	**$ (21,172)**	**$ (16,862)**	**$ (15,050)**	**$ (80,899)**	**$ (18,472)**	**$ 841**	**$ (11,240)**
Income tax expense	7,107	11,472	11,178	11,936	41,693	10,017	4,737	6,726
Other, net	(103)	(151)	(273)	(229)	(756)	(265)	(24,044)	(902)
Interest expense	6,031	9,246	8,434	8,725	32,436	8,975	10,481	8,963
Depreciation and amortization	5,675	7,010	7,994	8,776	29,455	13,719	15,543	14,930
Non-cash inventory adjustments (2)	2,204	112	4,049	4,113	10,478	3,942	6,172	2,938
Equity-based compensation	6,499	7,055	6,382	3,059	22,995	3,005	4,129	5,610
Start-up costs(3)	4,760	5,364	6,563	6,903	23,590	2,527	278	504
Transaction-related and other non-recurring expenses(4)	6,194	2,027	601	63	8,885	302	2,971	1,996
(Gain) / loss on sale of assets	818	(72)	(296)	(105)	345	(442)	216	-
Litigation settlement	5,000				5,000	-	-	-
Adjusted EBITDA	**$ 16,370**	**$ 20,891**	**$ 27,770**	**$ 28,191**	**$ 93,222**	**$ 23,308**	**$ 21,324**	**$ 29,525**
Adjusted EBITDA Margin	***19.2%***	***21.4%***	***25.0%***	***25.1%***	***23.0%***	***20.4%***	***17.3%***	***20.9%***

(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 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

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

STRENGTHENING IN-HOUSE PRODUCT BENCH

AWH

Completing the good-better-best spectrum; continue to complement with partner brands

Common GOODS	I SIMPLY HERB	OZONE	TUNNEL VISION	OZONE RESERVE	ROYALE curated fire phenos
Grab n' Go, Ready to Rip	*The easy way up*	*The smoke you smoke when you wanna great smoke*	*Putting you in the zone to get sh*t Done*	*Only the finest cannabis products*	*Curated fire phenos*
IL, MA, NJ, OH, PA	**IL, MA, MI, NJ, OH, PA**	**IL, MA, MI, NJ, OH, PA**	**IL, MA**	**IL, MI, NJ, PA**	**IL, MA**
**$**$$$$	**$$**$$$	**$$$**$$	**$$$$**$	**$$$$$**	**$$$$$**
Flower, Pre-rolls	Flower, Pre-rolls, Vapes	Flower, Pre-rolls, Concentrates, Vapes and Gummies	Flower, Pre-rolls with THC-V	Premium flower, Pre-rolls, Concentrates, Vapes	Super-premium flower, Pre-rolls

GOOD — BETTER — BEST

ASCEND WELLNESS HOLDINGS

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