



Ascend Wellness Holdings
Q3 2022 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 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 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, 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 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. The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this presentation.

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ABNER KURTIN
EXECUTIVE CHAIRMAN

POISED FOR CONTINUED SUCCESS IN NEXT CHAPTER



Tremendous progress achieving original goals; prepared for success in next chapter with a new leader

Net Revenue Growth¹

US\$ Millions



ORIGINAL THESIS

**Key flagship locations:
location, location, location**

**Operate in limited-license states
with high-barriers to entry**

**Execute to become
top-tier operator**

**Disciplined capital allocation &
balance sheet focus**

TODAY

\$15.3 million
ANNUALIZED REVENUE
PER DISPENSARY

6 STATES WITH POPULATIONS
TOTALING OVER **50** MILLION

TOP BRAND & RETAILER IN
ILLINOIS; **25%²** ADJUSTED
EBITDA MARGIN

\$91 million³
CASH ON HAND; NO
NEAR-TERM MATURITIES

Adjusted EBITDA²

US\$ Millions



(1) Revenue growth to Q3 2022 annualized (\$445M) over 4-year period (2019 to 2022). Revenue net of intercompany sales.

(2) Adjusted EBITDA growth to Q3 2022 annualized (\$113M) over 4-year period (2019 to 2022). Adjusted EBITDA is a non-GAAP financial measure. Please see the "GAAP Reconciliations" at the end of this presentation for a reconciliation of non-GAAP to GAAP measures.

(3) Cash and equivalents on hand as of 9/30/22 and no near-term maturities.

A Leading Operator Trading at a Discount to Peers



	Adj. EBITDA Growth 2021A Actual to 2022E Consensus ⁽³⁾	Adj EBITDA Margin ⁽³⁾ 2022E Consensus Estimates	EV/ 2022E Revenue ^(3,4) Estimates	EV/ 2023E Revenue ^(3,4) Estimates	EV/ 2022E Adj. EBITDA ^(3,4) Estimates	EV/ 2023E Adj. EBITDA ^(3,4) Estimates
Tier 1 MSOs⁽¹⁾	7%	28%	3.4x	3.0x	12.6x	10.2x
Tier 2 MSOs⁽²⁾	-25%	17%	2.7x	2.1x	28.7x ⁽⁶⁾	8.6x
AAWH	15%	23%	1.3x	1.0x	5.9x	3.8x
Implied AAWH Share Price at Tier 2 Multiples⁽⁵⁾			\$4.45/sh	\$4.51/sh	\$12.27/sh	\$5.14/sh

(1) Tier 1 includes Curaleaf, Green Thumb, Cresco Labs, and Trulieve.

(2) Tier 2 includes Ayr Wellness, Jushi, Terrascend, and Verano.

(3) All estimates are directly from Factset consensus as of 11/4/22.

(4) Enterprise value based on most recently reported Basic Shares Outstanding and most recently reported debt and share price on 11/3/22.,

(5) See calculations and assumptions included in the appendix.

(6) Jushi and Terrascend 2022E are outsized.



FRANK PERULLO
INTERIM CO-CEO AND PRESIDENT

NORTHEAST UPDATE

NJ

- Commenced medical operations at Fort Lee dispensary; anticipate adult-use conversion November 17th
- Launched adult-use sales at Montclair dispensary
- Opened Franklin kitchen, enabling expanded offering

PA

- Expect 6,000 sq.ft of cultivation in Smithfield, PA to be planted in December
- Scranton dispensary grand opening occurred 10/21
- Wayne dispensary expected to open mid-November

MA

- Received all local approvals from New Bedford; anticipate opening 3rd dispensary in New Bedford by year-end



MIDWEST UPDATE

IL

- 9th dispensary license¹ under construction in Tinley Park; expected to open in early spring
- 10th dispensary license¹ currently being sited

MI

- Retail continues to outperform the state totals
- Reset cultivation facility in Lansing

OH

- Sandusky, Piqua, and Cincinnati dispensary² construction set to start in Q2
- Expanded product offering to include vapes
- Closed acquisition of Marichron production facility



AIROPRO

I SIMPLY
HERB

ASCEND

OZONE

DANIEL NEVILLE
INTERIM CO-CEO AND CHIEF FINANCIAL OFFICER

CONCENTRATES

EDIBLES

Q3 FINANCIAL HIGHLIGHTS



Y/Y: Q3'21 VS. Q3'22

Net Revenue Growth¹

US\$ Millions



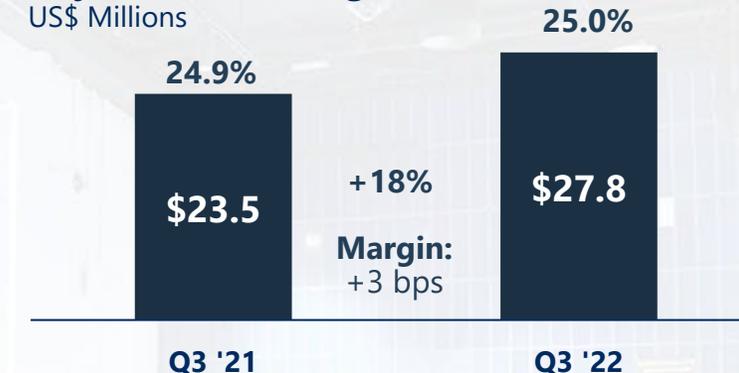
Adj. Gross Profit / Margin²

US\$ Millions



Adj. EBITDA / Margin²

US\$ Millions



Q/Q: Q2'22 VS. Q3'22

Net Revenue Growth¹

US\$ Millions



Adj. Gross Profit / Margin²

US\$ Millions



Adj. EBITDA / Margin²

US\$ Millions



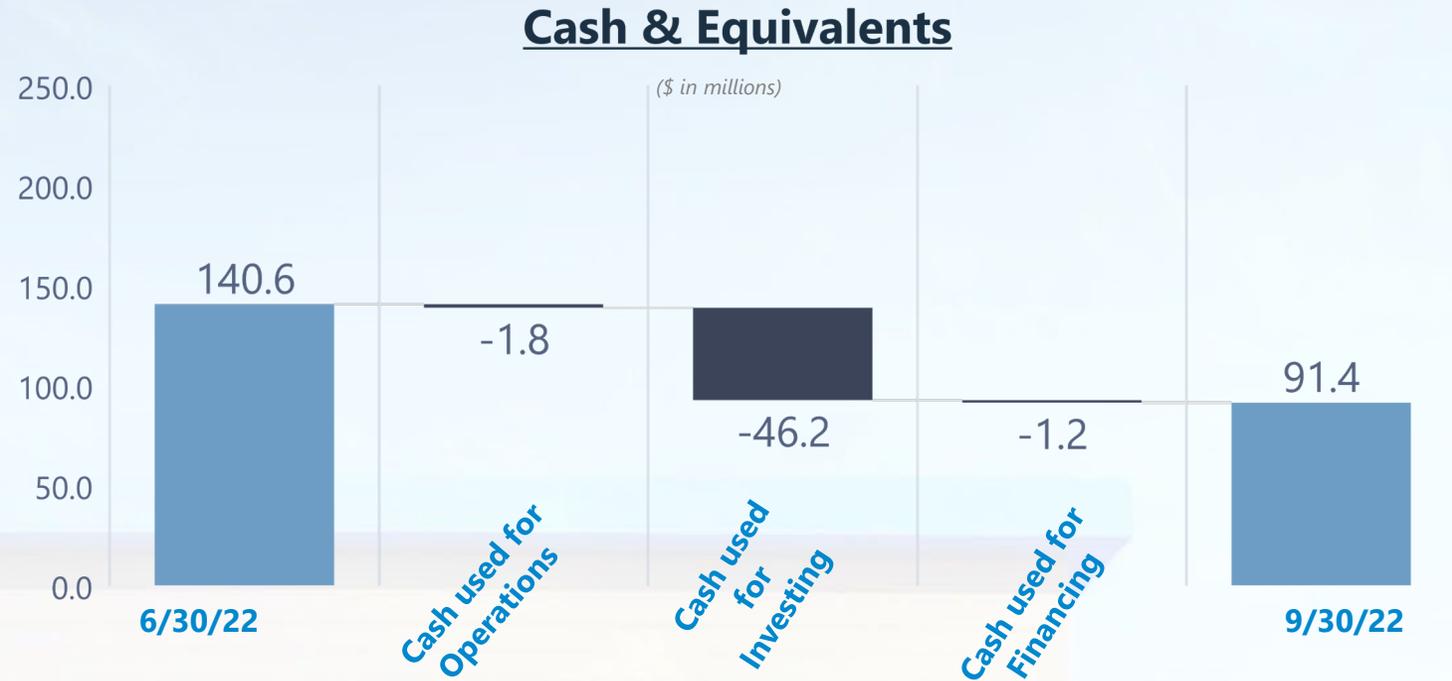
(1) Net revenue excludes revenue from intercompany sales.

(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.

Q3 2022 BALANCE SHEET AND CASH FLOW



	9/30/22
<i>(\$ in millions)</i>	
Cash & Equivalents	91.4
Fully Diluted Shares Outstanding Basic & Diluted⁽¹⁾	195.1
Total Debt, net⁽²⁾	310.4
Net Debt⁽³⁾	219.0
Enterprise Value⁽⁴⁾	573.2



- \$1.8M net cash used for operations inclusive of a \$6M use to support working capital
- \$46.2M net cash used for investing, which includes investments into PA cultivation and retail, NJ cultivation, and M&A transactions
- \$1.2M net cash used for financing repayments

(1) Includes 187.9M Class A Common Shares, 65k Class B shares, 7.1M of unvested Restricted Stock Units and/or Restricted Stock Awards There are 5.9M warrants outstanding, none of which were in the money at quarter-end; 2.8M have an exercise price of \$4.00/sh and 3.1M have an exercise price of \$3.10/sh. Dilution was calculated using the treasury stock method and a 9/30/22 share price of US\$1.82 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 195.1 million FDSO times 9/30/22 share price of US\$1.82 on the CSE. Market cap plus ~\$219 net debt equals Enterprise Value.

Note: waterfall may not foot due to rounding.



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 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, 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.

GAAP RECONCILIATIONS (\$000S)



	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022
Adjusted Gross Profit								
Gross Profit	\$ 29,667	\$ 34,516	\$ 40,954	\$ 30,835	\$ 135,972	\$ 23,447	\$ 32,968	\$ 36,636
<i>Gross Margin</i>	44.9%	41.4%	43.4%	34.8%	40.9%	27.6%	33.8%	32.9%
Depreciation and amortization included in cost of	2,162	2,387	2,063	3,000	9,612	2,943	3,953	4,722
Equity-based compensation included in cost of goods			349	2,580	2,929	3,995	3,167	2,629
Start-up costs ⁽¹⁾ included in cost of goods sold						3,923	4,248	2,610
Non-cash inventory adjustments ⁽²⁾	750	2,714	335	1,115	4,914	2,204	112	4,049
Adjusted Gross Profit	\$ 32,579	\$ 39,617	\$ 43,701	\$ 37,530	\$ 153,427	\$ 36,512	\$ 44,448	\$ 50,646
Adjusted Gross Margin	49.3%	47.5%	46.3%	42.4%	46.2%	42.9%	45.6%	45.5%

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	FY 2021	Q1 2022	Q2 2022	Q3 2022
Adjusted EBITDA								
Net Income / (Loss)	\$ (48,223)	\$ (44,897)	\$ (13,026)	\$ (16,511)	\$ (122,657)	\$ (27,815)	\$ (21,172)	\$ (16,862)
Income tax expense	8,976	11,995	12,307	8,442	41,720	7,107	11,472	11,178
Other (income) expense	(80)	(82)	(44)	(50)	(256)	(103)	(151)	(273)
Interest expense	7,337	36,888	12,376	7,388	63,989	6,031	9,246	8,434
Depreciation and amortization	4,581	4,857	4,583	5,628	19,649	5,675	7,010	7,994
Non-cash inventory adjustments ⁽⁵⁾	750	2,714	335	1,115	4,914	2,204	112	4,049
Equity-based compensation	2,487	1,711	2,936	11,145	18,279	6,499	7,055	6,382
Start-up costs ⁽³⁾	1,311	1,716	1,227	1,211	5,465	837	1,116	3,953
Start-up costs ⁽¹⁾ included in cost of goods sold						3,923	4,248	2,610
Transaction-related and other non-recurring	2,178	5,406	2,191	1,434	11,209	6,194	2,027	601
(Gain) / Loss on the sale of assets			649	(44)	605	818	(72)	(296)
Litigation settlement	36,511				36,511	5,000		
Adjusted EBITDA	\$ 15,828	\$ 20,308	\$ 23,534	\$ 19,758	\$ 79,428	\$ 16,370	\$ 20,891	\$ 27,770
Adjusted EBITDA Margin	23.9%	24.4%	24.9%	22.3%	23.9%	19.2%	21.4%	25.0%

(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) Primarily consists of write-offs of expired products and obsolete packaging.

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

(4) Legal and professional fees associated with litigation matters, potential acquisitions, and other regulatory matters and other non-recurring expenses. The prior year includes expenses related to the Company's Initial Public Offering.

(5) Primarily consists of write-offs of expired products and obsolete packaging. Additionally, during the third quarter of 2022, we recognized a loss of \$4,049 resulting from net realizable value adjustments related to certain inventory items in Michigan.

Implied Share Price Calculations



	AAWH
Implied 2022 Revenue Based on Consensus ⁽¹⁾	\$402M
FDSO ⁽²⁾	195.1M
Tier 2 2022 EV/ Revenue Multiple ⁽³⁾	2.7x
Implied Market Value ⁽⁴⁾	\$867M
Implied AAWH Share Price	\$4.45/sh

	AAWH
Implied 2023 Revenue Based on Consensus ⁽¹⁾	\$523M
FDSO ⁽²⁾	195.1M
Tier 2 2023 EV/ Revenue Multiple ⁽³⁾	2.1x
Implied Market Value ⁽⁴⁾	\$880M
Implied AAWH Share Price	\$4.51/sh

	AAWH
Implied 2022 Adjusted EBITDA Based on Consensus ^(1,5)	\$91M
FDSO ⁽²⁾	195.1M
Tier 2 2022 EV/ Adjusted EBITDA Multiple ⁽³⁾	28.7x
Implied Market Value ⁽⁴⁾	\$2,394M
Implied AAWH Share Price	\$12.27/sh

	AAWH
Implied 2023 Revenue Based on Consensus ^(1,5)	\$142M
FDSO ⁽²⁾	195.1M
Tier 2 2023 EV/ Adjusted EBITDA Multiple ⁽³⁾	8.6x
Implied Market Value ⁽⁴⁾	\$1,003M
Implied AAWH Share Price	\$5.14/sh

(1) Please note that any consensus estimates by analysts do not represent opinions, forecasts or predictions of Ascend Wellness Holdings or its management. This is meant to be illustrative. All estimates are directly from Factset consensus as of 11/4/22.

(2) Includes 187.9M Class A Common Shares, 65k Class B shares, 7.1M of unvested Restricted Stock Units and/or Restricted Stock Awards There are 5.9M warrants outstanding, none of which were in the money at quarter-end; 2.8M have an exercise price of \$4.00/sh and 3.1M have an exercise price of \$3.10/sh. Dilution was calculated using the treasury stock method and a 9/30/22 share price of US\$1.82 on the CSE.

(3) Multiples from Factset as of 11/4/22 based on Basic Shares Outstanding.

(4) Enterprise Value less ~\$219M net debt.

(5) Company is targeting Adjusted EBITDA growth of 30%.



**ASCEND
WELLNESS
HOLDINGS**

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