

**Q2 2021
Earnings
August 10**



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 press release 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 others: the risks and uncertainties identified in the Company’s Supplemented PREP Prospectus dated April 28, 2021, its Base PREP prospectus dated April 26, 2021, and in the Company’s other reports and filings with the applicable Canadian securities filed on its profile on SEDAR at www.sedar.com and with the SEC 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.



ABNER KURTIN
CHAIRMAN, FOUNDER AND CEO

QUARTERLY HIGHLIGHTS

- Significant progress made across retail, wholesale, and M&A front during Q2;
- Increasing full year 2021 revenue guidance range to \$330M - \$350M

Store Openings



Wholesale Updates

90,700 Total Canopy SQFT

- Expansions in NJ and MI
- Expect an additional 145,000 SQFT canopy this year
- First harvest in MI
- Improved yields and quality

Other Updates

Financings



Engaged Seaport to refinance debt & raise additional capital

Products



M&A



Closed Monroe, OH cultivation



Received approval to Close¹ Carroll, OH dispensary

Social Justice

LAST PRISONER PROJECT

(1) Received approval to close from Board of Pharmacy. Final certificate of Operation to be issued by the Board at closing.

Q2 FINANCIAL HIGHLIGHTS

Q2'20 VS. Q2'21

Net Revenue Growth

US\$ Millions

+228.4%

\$25.4

\$83.4

Q2 '20

Q2 '21

Adj. EBITDA / Margin¹

US\$ Millions

28.3%

\$7.2

Profit:
+189.2%

24.4%

\$20.3

Q2 '20

Q2 '21

Q1'21 VS. Q2'21

Net Revenue Growth

US\$ Millions

+26.1%

\$66.1

\$83.4

Q1 '21

Q2 '21

Adj. EBITDA / Margin¹

US\$ Millions

23.9%

\$15.8

Profit:
+28.3%

24.4%

\$20.3

Q1 '21

Q2 '21

Growth driven by ramp in wholesale production efficiency in Barry, Illinois, new store openings, and increased traffic at open stores.

FOOTPRINT

6 states² 18 dispensaries¹

ILLINOIS¹

8 retail
1 cultivation / processing

MASSACHUSETTS

1 retail
2 planned retail
1 cultivation / processing

MICHIGAN

6 retail
2 planned retail
1 cultivation / processing

NEW YORK²

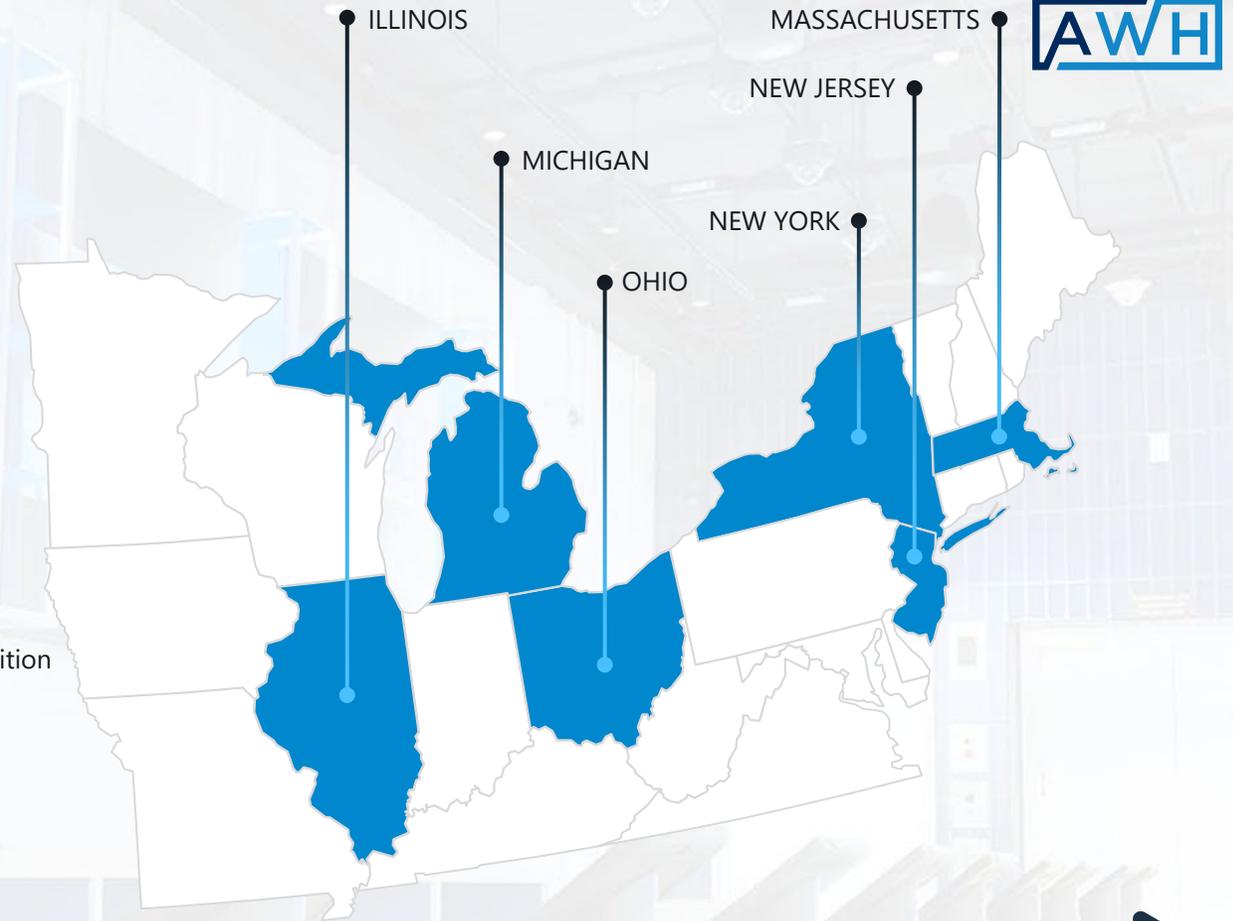
4 retail pending transaction²
1 cultivation / processing
pending transaction²

NEW JERSEY

2 retail
1 planned retail
1 cultivation / processing

OHIO¹

1 medical pending acquisition
1 cultivation / processing



1. Including pending acquisitions of 1 OH dispensary (BCCO) and/or 2 Illinois dispensaries (Midway) which are subject to regulatory approval.

2. Including the pending MedMen NY transaction which includes 4 dispensaries.

PIPELINE OF ASSETS

Significant upside from assets "turning on" in 2021 and continuing to scale in 2022



2021

2022

KEY

	Dispensary		Complete
	Cultivation		Pending

(1) Pending close of MedMen transaction, which is subject to regulatory approval in all respects.
 Note: Image is meant to be illustrative. NY and NJ full potential to be reached once states permit adult-use sales.

CONSTRUCTION PROGRESS AT GROW FACILITIES

State	Active Canopy(ft ²)	Canopy at YE21 (ft ²)
IL	55,000	113,000
MI	15,000	28,000
MA	17,000	54,000
NJ	2,000	39,000
OH	1,700	1,700
Total	90,700	235,700



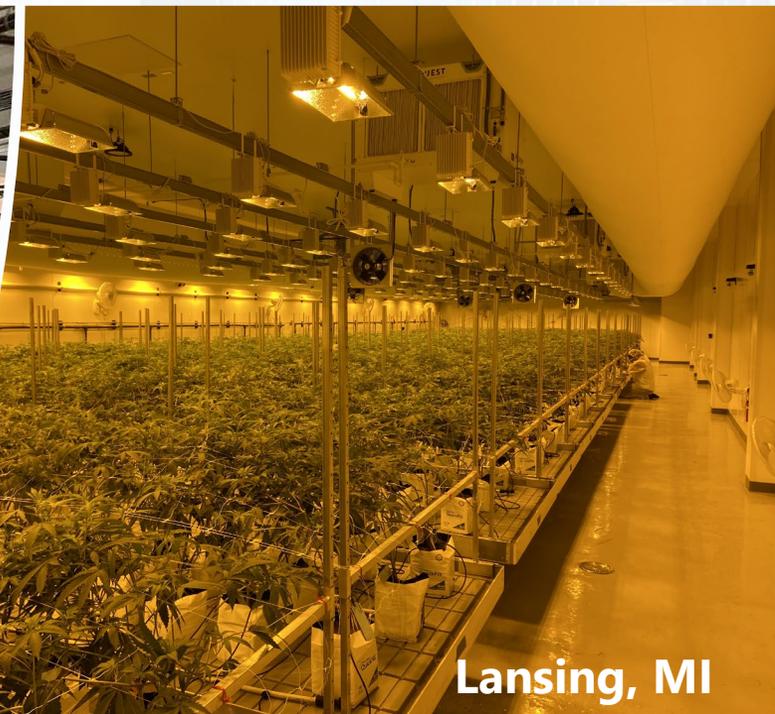
Barry, IL



Franklin, NJ



Athol, MA



Lansing, MI

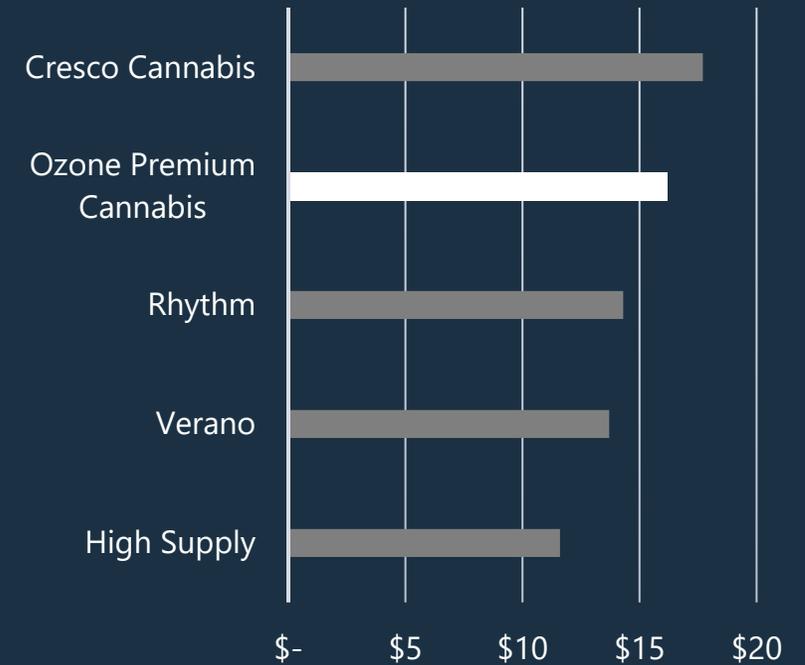
BUILDING DIFFERENTIATED BRANDS



OZONE
RESERVE

OZONE

IL TOP BRANDS SALES⁽¹⁾



ASCEND'S OZONE BRAND SALES RANKED #2 IN ILLINOIS IN APRIL

1. Source: BDSA Retail Sales Tracking, April 2021.

1. Source: BDSA Retail Sales Tracking, April 2021.

REVENUE MIX GOAL



Pursuing goal to have: 50% business from wholesale, 50% of business from retail, with 50% of product sold in our retail dispensaries being our in-house Ozone, Ozone Reserve, and Partner brands

ACCELERATED EXPANSION THROUGH DISCIPLINED M&A



Two-prong M&A approach

1

Maximize scale in existing footprint

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



- 8 dispensaries¹
- 10 dispensary cap



- 1 dispensary¹
- 5 dispensary cap



- 54k planned Canopy SQFT cultivation
- Expand cultivation manufacturing and distribution

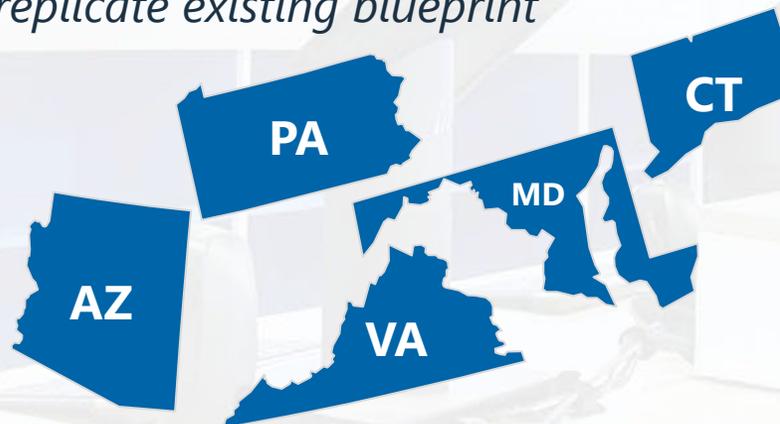
2

Expand into other limited license, recreational or near-recreational markets

Identify opportunities to grow and replicate existing blueprint

Focus:

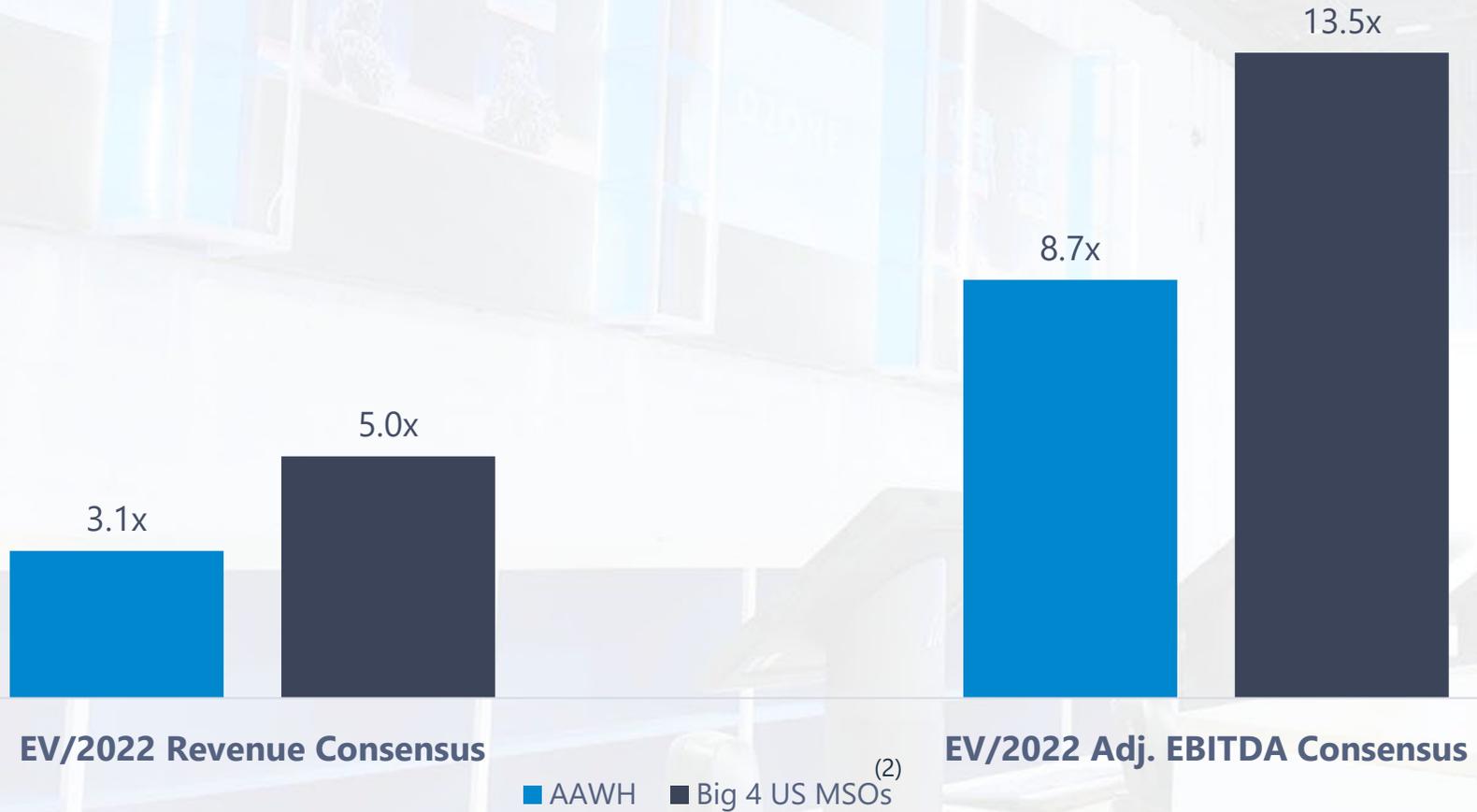
- Limited license
- Rec or near-rec
- Populous
- East of the rockies, with certain exceptions (AZ)



1. Including pending acquisitions of 1 OH dispensary (BCCO) or 2 Illinois dispensaries (Midway) which are subject to regulatory approval.

VALUATION COMPARISON⁽¹⁾

Trading at a discount relative to industry leaders



1. Valuation comparison as of 8/8/21.

2. Big 4 US MSOs peer group includes Green Thumb, Curaleaf, Cresco, and Trulieve.

ASCEND INVESTMENT THESIS

FOCUS EXCLUSIVELY ON ACHIEVING SCALE IN SELECT LIMITED LICENSE MARKETS

PORTFOLIO OF KEY FLAGSHIP LOCATIONS WITH HIGH BARRIERS TO ENTRY

DISCIPLINED ALLOCATION OF CAPITAL AND SUCCESSFUL EXECUTION OF M&A

MANAGEMENT TEAM WITH PROVEN TRACK RECORD OF EXECUTION IN ILLINOIS

ROOM FOR CONTINUED MARGIN IMPROVEMENT WITH ONLY A FRACTION OF ASSETS "TURNED ON"

STRONG FINANCIALS AND REVENUE GROWTH



DANIEL NEVILLE
CHIEF FINANCIAL OFFICER

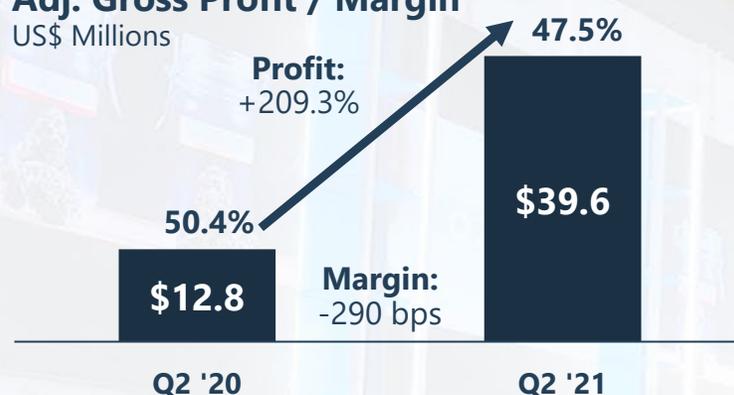
Q2 FINANCIAL HIGHLIGHTS

Q2'20 VS. Q2'21

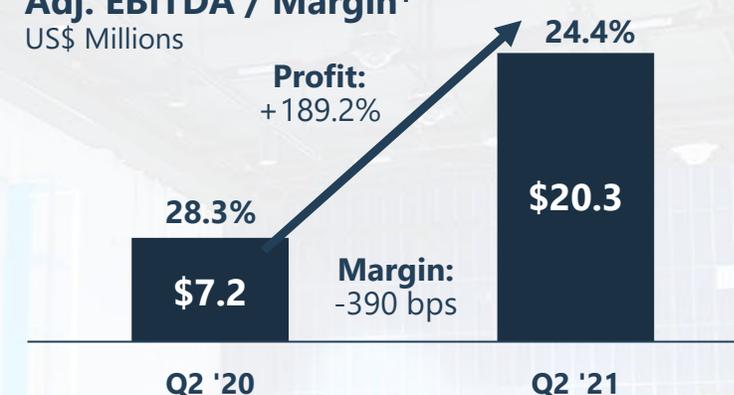
Net Revenue Growth US\$ Millions



Adj. Gross Profit / Margin¹ US\$ Millions



Adj. EBITDA / Margin¹ US\$ Millions

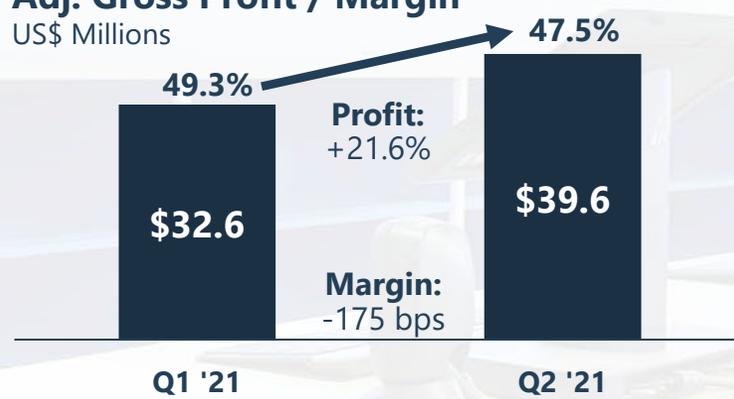


Q1'21 VS. Q2'21

Net Revenue Growth US\$ Millions



Adj. Gross Profit / Margin¹ US\$ Millions



Adj. EBITDA / Margin¹ US\$ Millions



Q2 KEY OPERATING METRICS



18

OPEN
DISPENSARIES⁽¹⁾



573k

TOTAL RETAIL TRANSACTIONS



\$101

REVENUE PER
RETAIL
TRANSACTION



5

ACTIVE CULTIVATION AND
PRODUCTION FACILITIES
IN 5 STATES



11,036

POUND
EQUIVALENTS SOLD



\$3,577

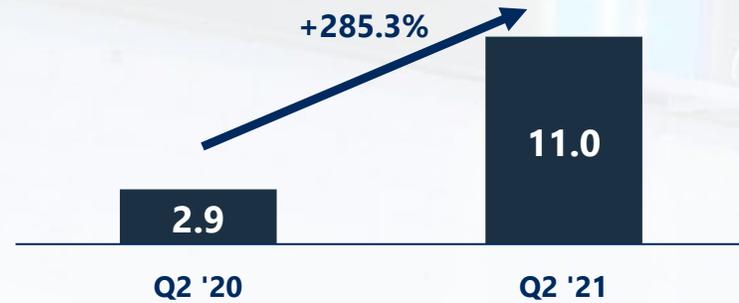
REVENUE PER POUND
EQUIVALENT

WHOLESALE HIGHLIGHTS

Net wholesale revenue, excluding intercompany sales, increased to \$25.4 million, representing an increase of 22.9% quarter-over-quarter

Q2 '20 VS. Q2 '21

Lbs Sold
000s



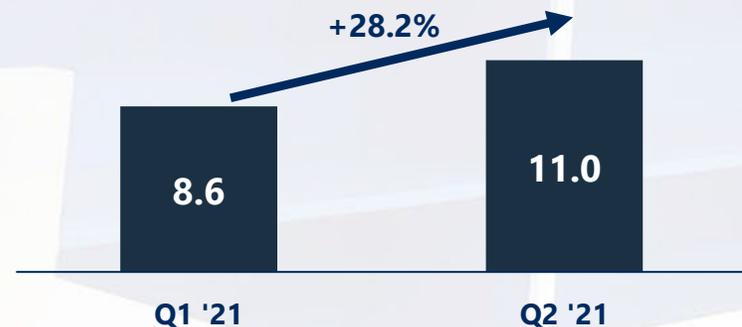
Revenue per Lb
\$US 000's



- Significant canopy expansion in Barry, Illinois with double stacking.
- Ramp in pricing due to expanding SKU set (pre-rolls, gummies) in Illinois.

Q1 '21 VS. Q2 '21

Lbs Sold
000s



Revenue per Lb
\$US 000's



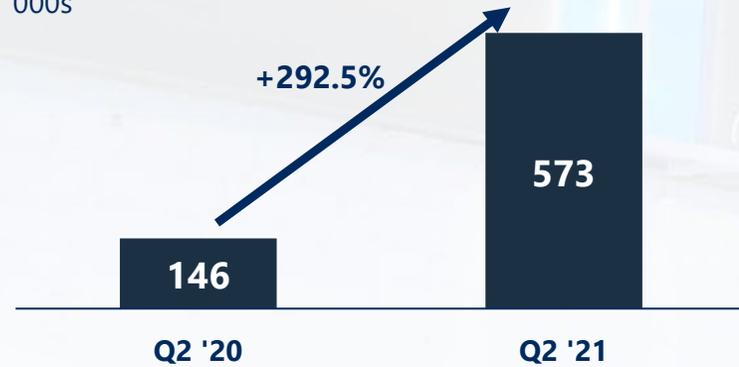
- Ramp in production efficiency in Barry, Illinois.
- Revenue per pound roughly flat due to increases in price at Barry, Illinois being offset by price declines at Athol, Massachusetts.

RETAIL HIGHLIGHTS

Total retail revenue increased to \$58.0 million for the second quarter of 2021, representing an increase of 27.5% quarter-over-quarter

Q2'20 VS. Q2'21

Transactions
000s



Revenue per Transaction



- Increase in transactions in IL, MA, and NJ due to store openings and increases in throughput.
- Revenue per transaction declined due to geographic mix and medical versus adult-use patient mix.

Q1'20 VS. Q2'21

Transactions
000s



Revenue per Transaction



- Increase in transactions in IL, MA, and NJ due to store openings and increases in throughput.
- Revenue per transaction declined due to geographic mix and medical versus adult-use patient mix.

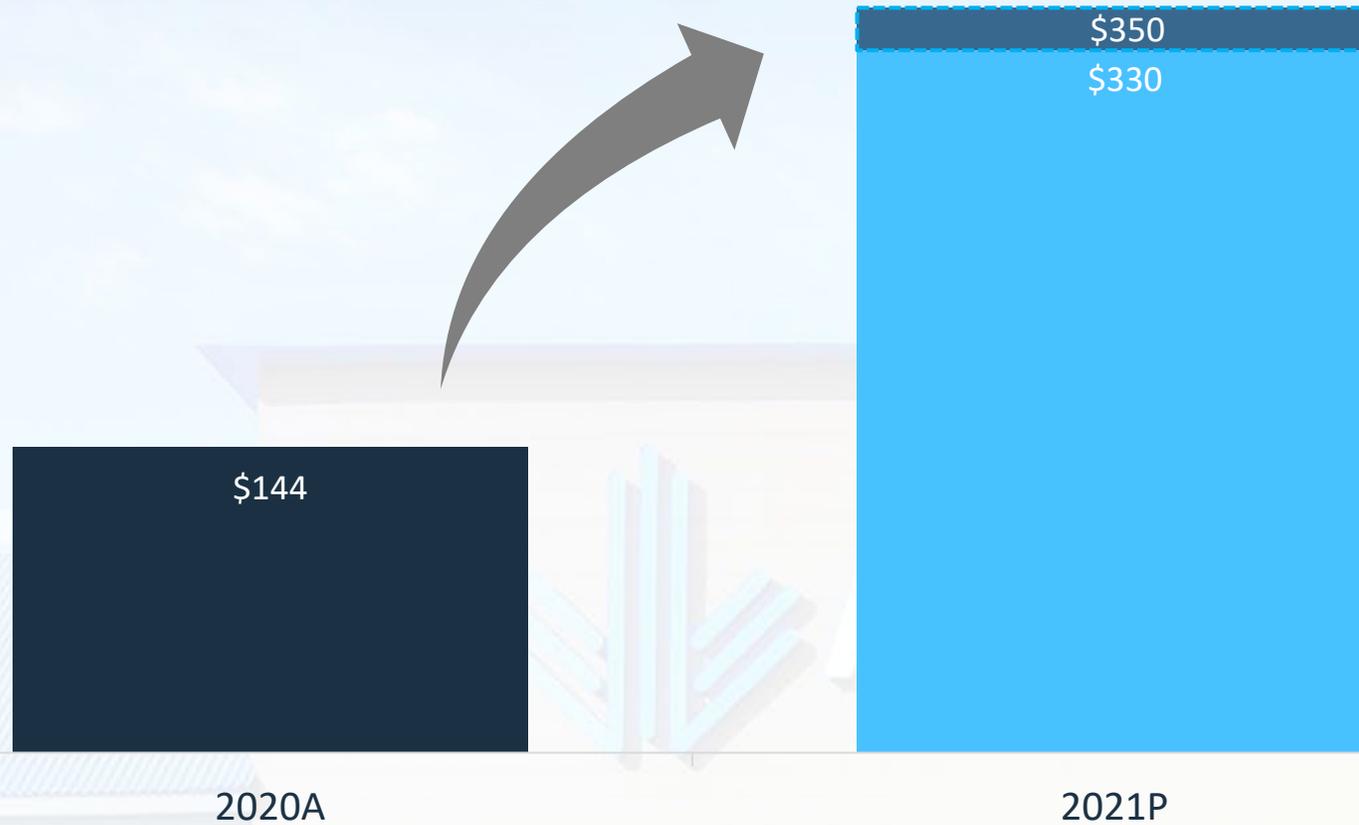
RAISING 2021 FULL YEAR NET REVENUE GUIDANCE



Raising guidance from \$320 - \$340M to \$330 - \$350M

(\$ in millions)

■ Actuals ■ Low End ■ High End

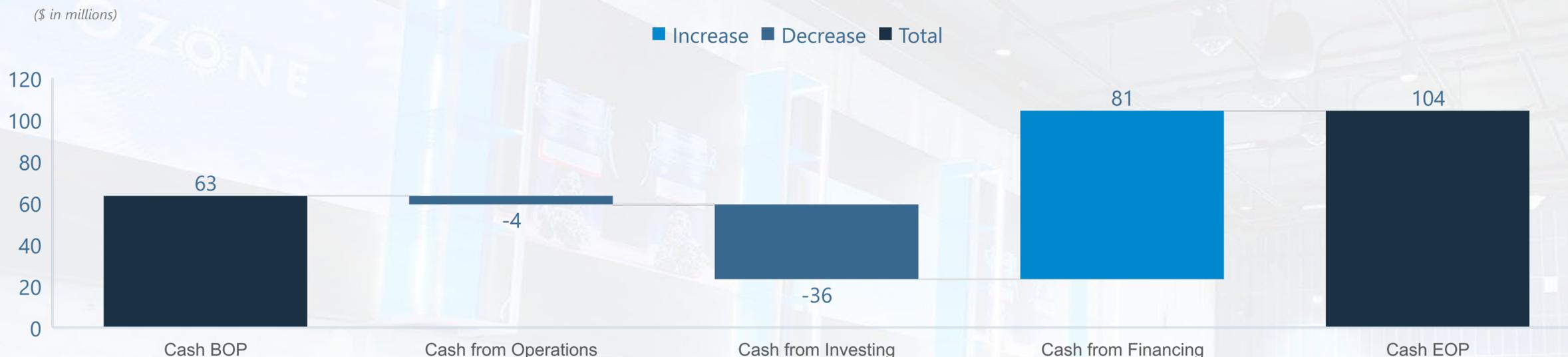


Growth

High End
+144% YoY

Low End
+130% YoY

BALANCE SHEET AND CASH FLOW



(in millions)

	6/30/21
Fully Diluted Shares Outstanding Basic & Diluted⁽¹⁾	172.8
Cash & Equivalents	\$104.2
Total Debt	\$131.6
Net Debt⁽²⁾	\$27.4

- \$33M in Capex, \$2.5M in purchase of businesses net of cash acquired
- \$86M net proceeds from IPO, less \$4M to repurchase warrants

(1) Includes 168.2 Common Shares (168.1M Class A shares, 0.1 Class B shares), 2.4M unvested Restricted Stock Units, and 2.2M warrants. There are 3.5M warrants outstanding at an exercise price of \$4. Dilution calculated using the treasury stock method and a 7/30/31 share price of \$10.76.

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



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	YTD 2021
Adjusted Gross Profit									
Gross Profit	\$ 3,287	\$ 7,492	\$ 12,178	\$ 18,352	\$ 22,892	\$ 60,914	\$ 29,667	\$ 34,516	\$ 64,183
<i>Gross Margin</i>	27.3%	33.2%	48.0%	44.3%	42.2%	42.4%	44.9%	41.4%	42.9%
Depreciation and amortization included in cost of goods sold	323	1,069	627	941	1,059	3,696	2,162	2,387	4,549
Non-cash inventory adjustments	(589)	-	-	146	-	146	750	2,714	3,464
Adjusted Gross Profit	\$ 3,021	\$ 8,561	\$ 12,805	\$ 19,439	\$ 23,951	\$ 64,756	\$ 32,579	\$ 39,617	\$ 72,196
Adjusted Gross Margin	25.1%	37.9%	50.4%	46.9%	44.1%	45.1%	49.3%	47.5%	48.3%

	FY 2019	Q1 2020	Q2 2020	Q3 2020	Q4 2020	FY 2020	Q1 2021	Q2 2021	YTD 2021
Adjusted EBITDA									
Net Income / (Loss)	\$ (33,241)	\$ (7,118)	\$ (4,305)	\$ (4,915)	\$ (7,503)	\$ (23,841)	\$ (48,223)	\$ (44,897)	\$ (93,120)
Income tax expense	667	2,437	3,632	5,643	6,990	18,702	8,976	11,995	20,971
Other (Income) expense	(24)	(6)	3	(3)	(1)	(7)	(80)	(82)	(162)
Interest expense	6,477	2,530	2,873	2,627	4,963	12,993	7,337	36,888	44,225
Depreciation and amortization	2,989	1,951	1,969	2,299	1,695	7,914	2,419	2,470	4,889
Depreciation and amortization included in cost of goods sold	323	1,069	627	941	1,059	3,696	2,162	2,387	4,549
Non-cash inventory adjustments	(589)	-	-	146	-	146	750	2,714	3,464
Equity based compensation	312	185	85	71	339	680	2,487	1,711	4,198
Start-up costs ⁽¹⁾	10,096	1,419	1,845	2,729	2,114	8,107	1,311	1,716	3,027
Transaction-related and other non-recurring expenses ⁽²⁾	-	103	164	737	1,160	2,164	2,178	5,406	7,584
Litigation Settlement	-	-	-	-	-	-	36,511	-	36,511
Loss on the sale of assets	-	-	286	-	-	286	-	-	-
Adjusted EBITDA	\$ (12,990)	\$ 2,570	\$ 7,179	\$ 10,275	\$ 10,816	\$ 30,840	\$ 15,828	\$ 20,308	\$ 36,136
Adjusted EBITDA Margin	(108.0%)	11.4%	28.3%	24.8%	19.9%	21.5%	23.9%	24.4%	24.2%

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.

A photograph of a cannabis grow room. The plants are green with small white flowers, growing in a grid pattern. The background is slightly blurred, showing white pipes and other equipment. A dark blue semi-transparent banner is overlaid on the middle of the image, containing white text.

ASCEND WELLNESS HOLDINGS

[HTTPS://AWHOLDINGS.COM/INVESTORS](https://awholdings.com/investors)

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