

Ascend Wellness Holdings

Q2 2021 Investor Presentation



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.

OVERVIEW



AWH is a vertically integrated operator with assets in Illinois, Michigan, Ohio, Massachusetts, New Jersey, and New York⁽¹⁾. AWH owns and operates state-of-the-art cultivation facilities, growing award winning strains and producing a curated selection of products. AWH produces and distributes Ozone branded products.

Year Founded	2018
Headquarters	New York
# of Employees	1,285
States of Operation	NY ⁽¹⁾ , NJ, MI, OH, IL, MA
# Dispensaries	18 open ⁽²⁾
# Cultivation	5 open with planned expansions

EV ⁽³⁾	\$1.93B
Market Cap ⁽³⁾	\$1.91B
Revenue / YoY Growth	2020- \$144M / +1100% 2021E ⁽⁴⁾ - \$344M / +139% 2022 ⁽⁴⁾ - \$630 / +83%
Adj. EBITDA / Margin	2020- \$31M / 21.5% 2021E ⁽⁴⁾ - \$86M / 25.0% 2022E ⁽⁴⁾ - \$220 / 34.9%
EV / 2022E Revenue ⁽⁵⁾	2.5x
EV / 2022E Adj. EBITDA ⁽⁴⁾	7.1x
Total Debt / Cash	\$131.6M / \$104.2M

1. Including MedMen NY transaction which includes 4 dispensary and 1 grow assets and is subject to regulatory approval.
 2. Including pending acquisitions of 1 OH dispensary (BCCO) and 2 Illinois dispensaries (Midway) which are subject to regulatory approval.
 3. Market Cap defined as 174M Fully Diluted Shares times \$11/sh trading price on 8/8/21. EV defined as market cap less (\$27.4M) net debt.
 4. 2021 Estimates based on Factset Consensus as of 8/25/21.
 5. Multiples based on Comps provided by STOIC on 9/20/21.

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

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

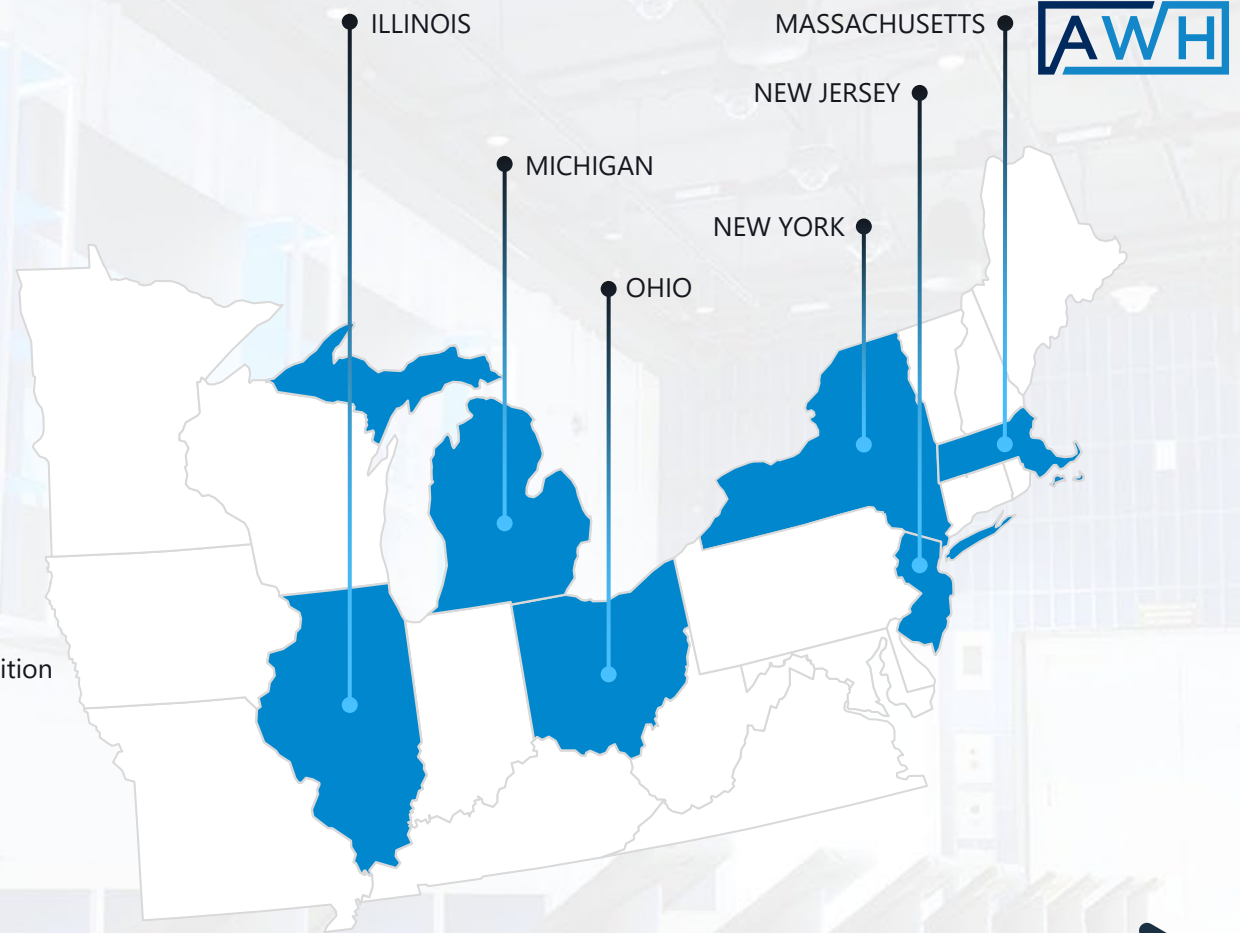
4 retail pending transaction²
1 cultivation / processing
pending transaction²

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.

TOP 5/9 REC MARKETS AND 1/3 MEDICAL MARKETS



State	Population (2020 in Millions) ⁽¹⁾	Number of Dispensaries (2021) ⁽²⁾	Population Per Dispensary	State Rank ⁽³⁾	2020E Legal plus Illicit Sales (\$U.S. Billions) ⁽³⁾
RECREATIONAL					
New York	20.2	38	532,000	2	\$5.4
Illinois	12.8	111	115,000	4	\$3.2
Michigan	10.1	448	22,500	5	\$2.8
New Jersey	9.3	15	620,000	7	\$2.2
Massachusetts	7.0	130	53,800	9	\$1.9
MEDICAL					
Ohio	11.8	53	223,000	3	\$2.7

1. Source: 2020 Census. State rank based on population size.

2. Source: State regulatory agencies. See page 32 for additional details.

3. Source: "Initiate on US Cannabis: Generational Wealth Opportunity, Avg. Upside > 100%", Jefferies, July 7, 2021. Rank based on 2020E legal and illicit sales by state.

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



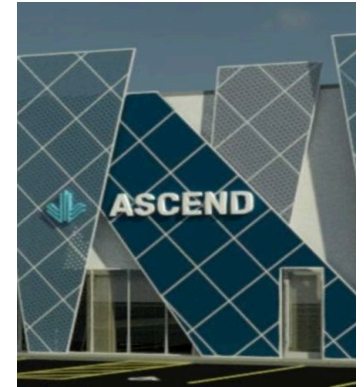
NEW YORK¹ 5TH AVENUE

Near Bryant Park in Manhattan



NEW JERSEY PARAMUS AREA

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



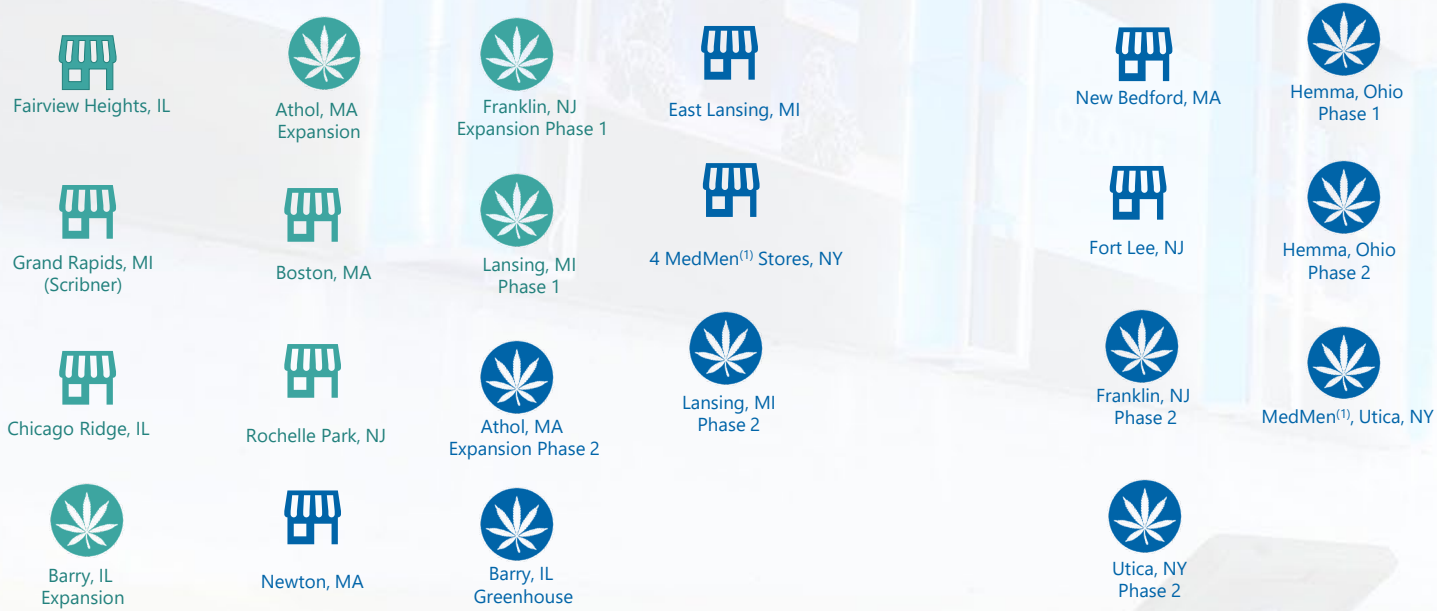
NEWJERSEY FORT LEE

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

1. We are not certain when or if our investment in MedMen NY Inc. will be consummated as it remains subject to regulatory approval in all respects.

PIPELINE OF ASSETS

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



2021

2022

KEY

- Dispensary
- Cultivation
- Complete
- 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



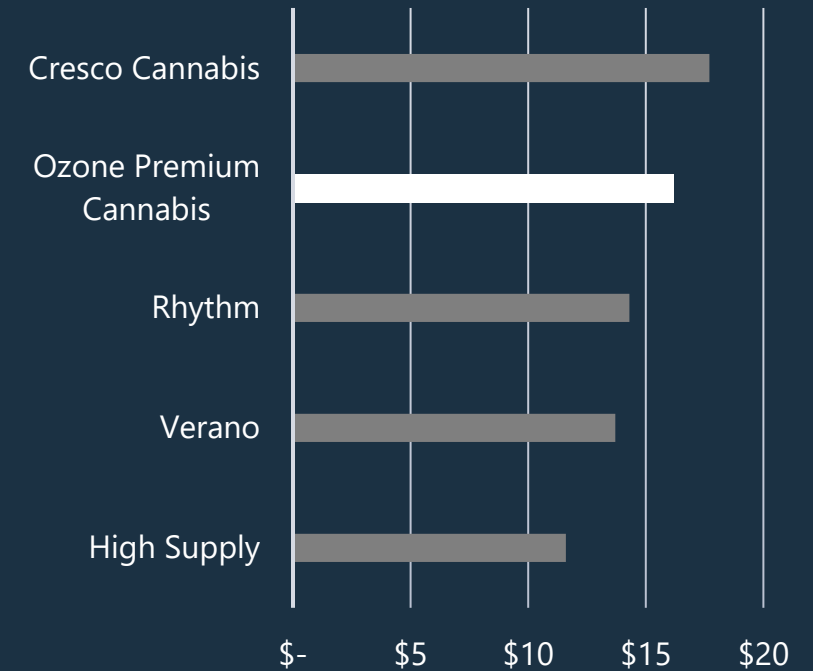
BUILDING DIFFERENTIATED BRANDS



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.

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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

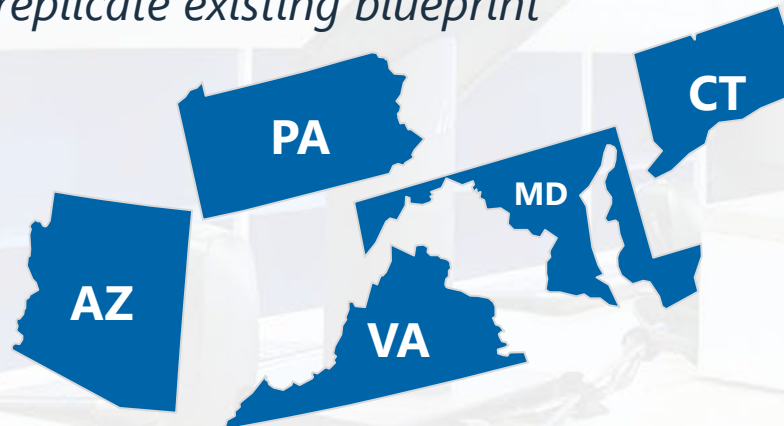
2

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

Identify opportunities to grow and replicate existing blueprint

Focus:

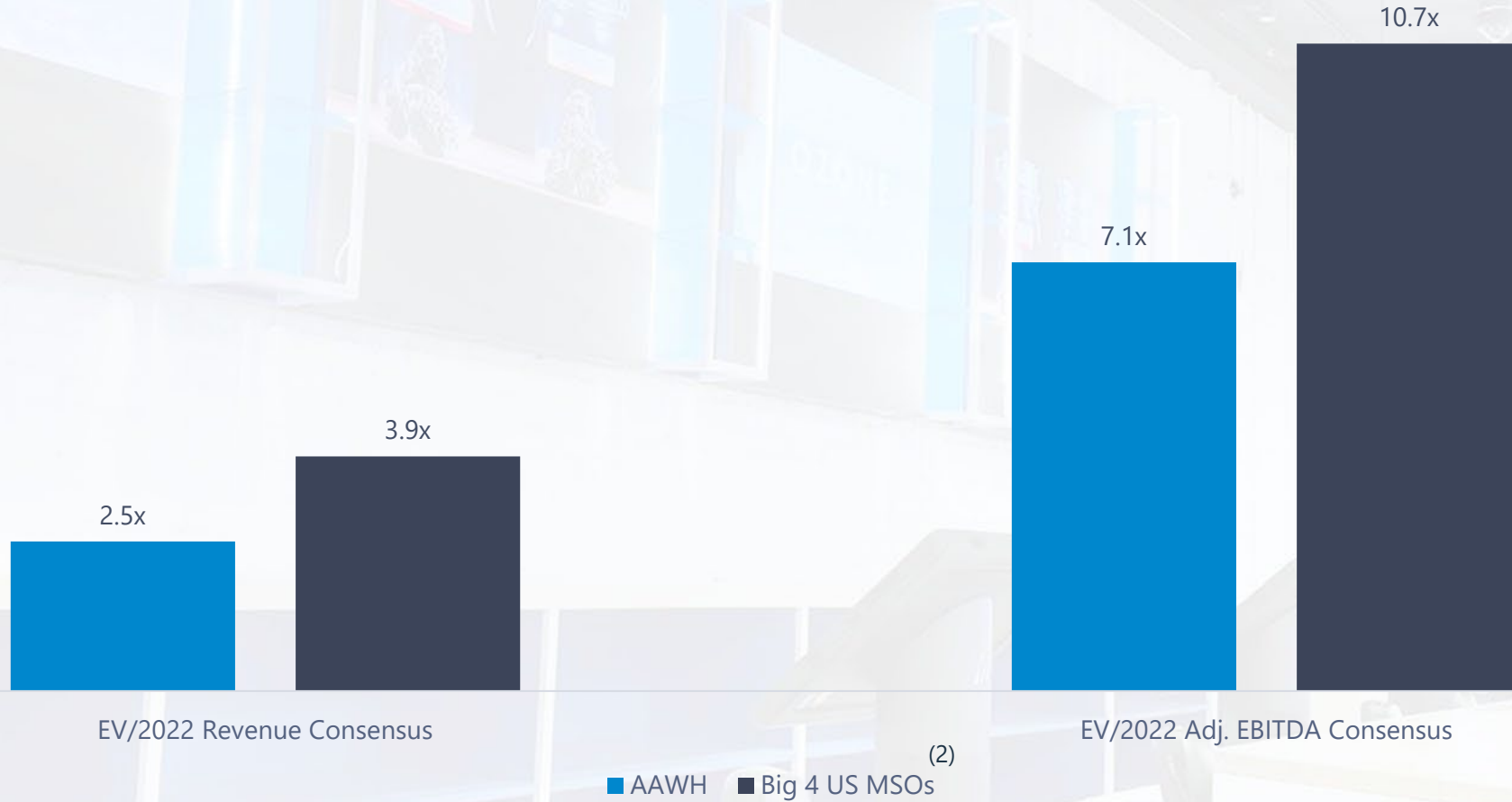
- Limited license
- Rec or near-rec
- Populous
- East of the rockies, with certain exceptions (AZ)



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. Multiples based on Comps provided by STOIC on 9/20/21.

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

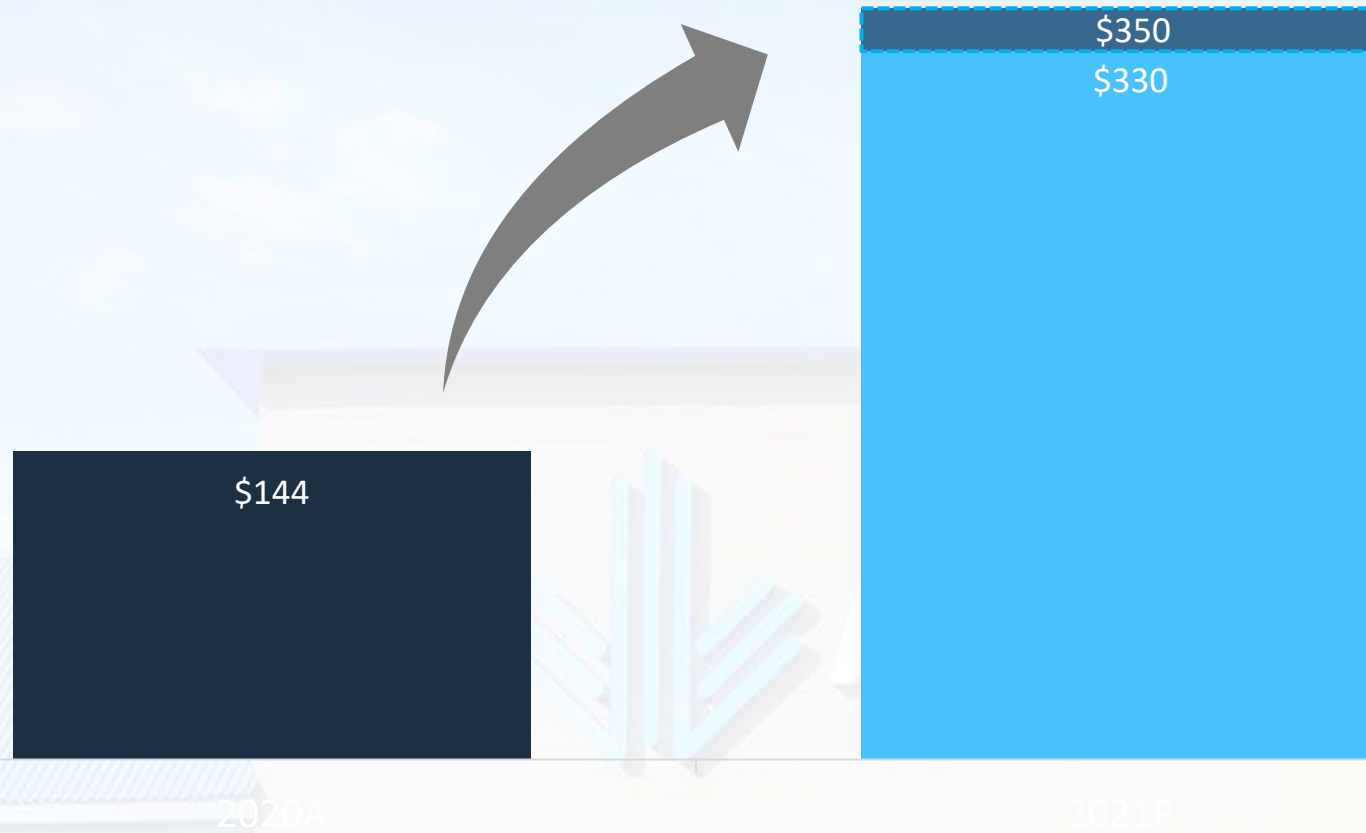
RAISING 2021 FULL YEAR NET REVENUE GUIDANCE



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

(\$ in millions)

■ Actuals ■ Low End ■ High End



Growth

High End
+144% YoY

Low End
+130% YoY

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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.



ASCEND WELLNESS HOLDINGS

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

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