



Investor Presentation November 2023

CSE:AYR.A | OTC:AYRWF

safe harbor

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No securities regulatory authority has expressed an opinion about these securities and it is an offense to claim otherwise. This document does not provide full disclosure of all material facts relating to the securities described herein. Investors should read the AIF, the Circular, the Base Shelf Prospectus and any amendments, and subsequent financial and material change reports, for disclosure of those facts, especially risk factors relating to the securities.

Forward-Looking Statements

Certain information contained in this document may be forward-looking statements within the meaning of applicable securities laws. Forward-looking statements are often, but not always, identified by the use of words such as “target”, “expect”, “anticipate”, “believe”, “foresee”, “could”, “would”, “estimate”, “goal”, “outlook”, “intend”, “plan”, “seek”, “will”, “may”, “tracking”, “pacing” and “should” and similar expressions or words suggesting future outcomes. This document includes forward-looking information and statements pertaining to, among other things, AYR’s future growth plans. Numerous risks and uncertainties could cause the actual events and results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: anticipated strategic, operational and competitive benefits may not be realized; events or series of events, including in connection with COVID-19, may cause business interruptions; required regulatory approvals may not be obtained; and AYR may not be able to raise additional debt or equity capital if required. Among other things, AYR has assumed that its businesses will operate as anticipated and that all required regulatory approvals will be obtained on satisfactory terms and within expected time frames. However, these assumptions may prove incorrect and there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements, and readers are cautioned not to place undue reliance on these statements.

Cautionary Note Regarding Securities Laws

This presentation does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities of AYR, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

Definition & Reconciliation of Non-GAAP Measures

AYR reports certain non-GAAP measures that are used to evaluate its performance and the performance of its business segments, as well as to manage its capital structure. As non-GAAP measures generally do not have a standardized meaning, they may not be comparable to similar measures presented by other issuers. Securities regulators require such measures to be clearly defined and reconciled with their most directly comparable GAAP measure.

Adjusted EBITDA

Adjusted EBITDA represents (loss) income from continuing operations, as reported under GAAP, before interest and tax, adjusted to exclude non-core costs, other non-cash items, including depreciation and amortization and further adjusted to remove non-cash stock-based compensation, impairment expense, the accounting for the incremental costs to acquire cannabis inventory in a business combination, acquisition and transaction related costs, and start-up costs.

Please see Appendix for an illustration of AYR’s calculation of Adjusted EBITDA and a reconciliation to GAAP figures.

Adjusted Gross Profit

Adjusted Gross Profit represents gross profit, as reported, adjusted to exclude the accounting for the incremental costs to acquire cannabis inventory in a business combination, interest, depreciation and amortization, start-up costs, and other non-core costs.

Please see Appendix for an illustration of AYR’s calculation of Adjusted Gross Profit and a reconciliation to GAAP figures.

Assumptions & Risks

Forward-looking information in this presentation is subject to the assumptions and risks as described in our MD&A for the three months ended June 30, 2023, and our news release dated August 17, 2023.

We are a **leading, vertically integrated cannabis operator**

Driven by the quality of our products, equity in our brands, and loyalty of our customers, we are positioning ourselves as both a **retailer of choice** and **house of CPG brands**



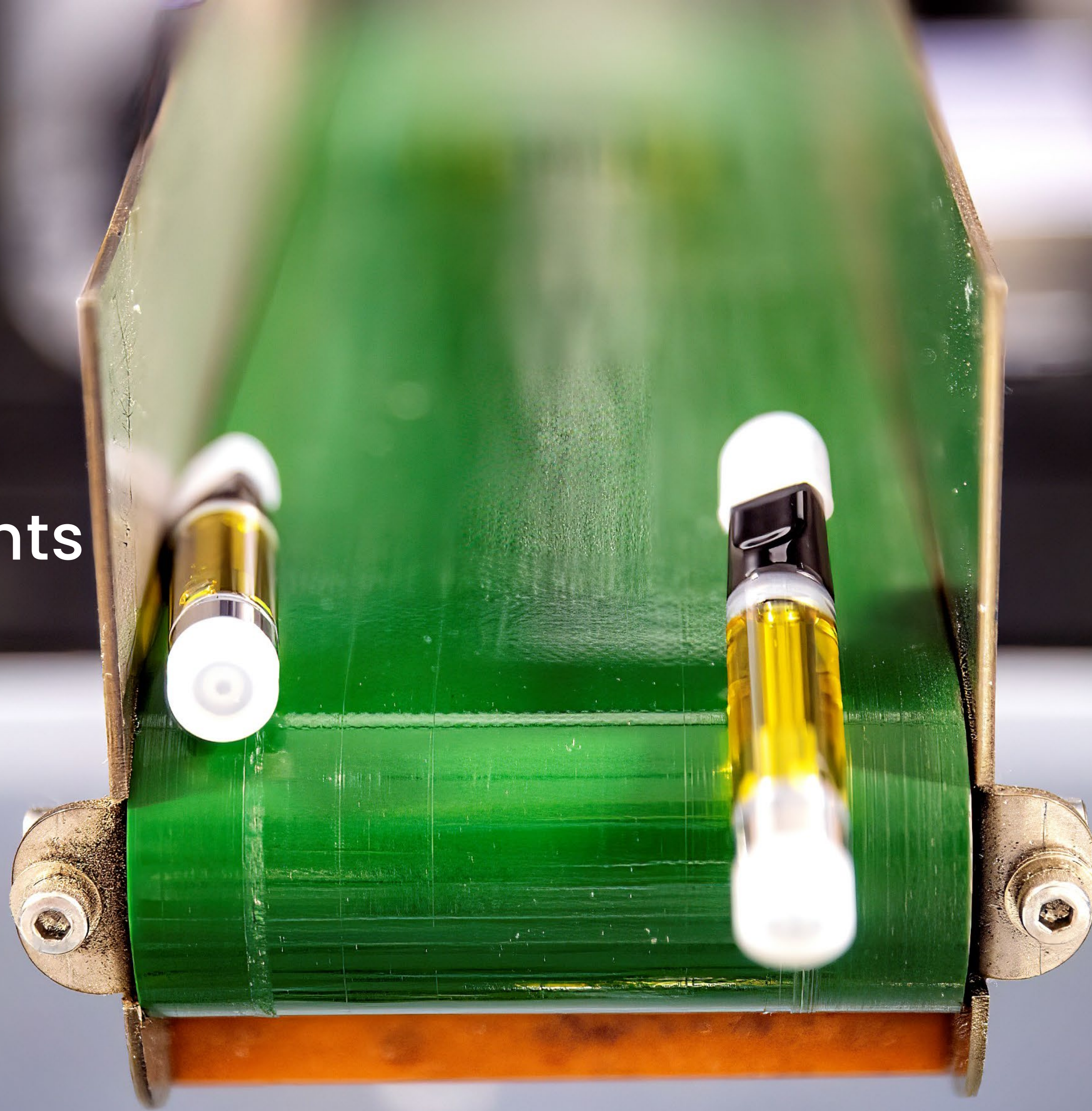
Grown in Milford, MA

company overview

1. Highly strategic footprint in 8 states, focused on achieving meaningful depth and vertical integration
2. AYR owns and operates 88 retail locations processing roughly 6m transactions per year
3. Our 18 cultivation and production facilities span 1.3m sq. ft.
4. Major growth catalysts on our horizon, with 50% of our addressable 21+ population in states anticipated to legalize adult-use cannabis in the next few years
5. Outperforming competition through execution with existing assets. AYR has achieved highest dollar Adj. EBITDA growth among largest US Multi-state Operators YTD.
6. Q3/23 results reflect 5% Y/Y revenue growth and more than 53% adjusted EBITDA expansion and an adjusted EBITDA margin of 25%



Q3 2023 Highlights



Made in Gainesville, FL

third quarter financial highlights¹

\$114.4m

Revenue

53%

Adj. Gross Margin²

\$28.4m

AEBITDA²

25%

AEBITDA Margin²

+5%

QoQ Transactions

\$73m

Cash Balance³

70%

Internalization Rate⁴

\$22.9m

YTD Operating Cash
Flow

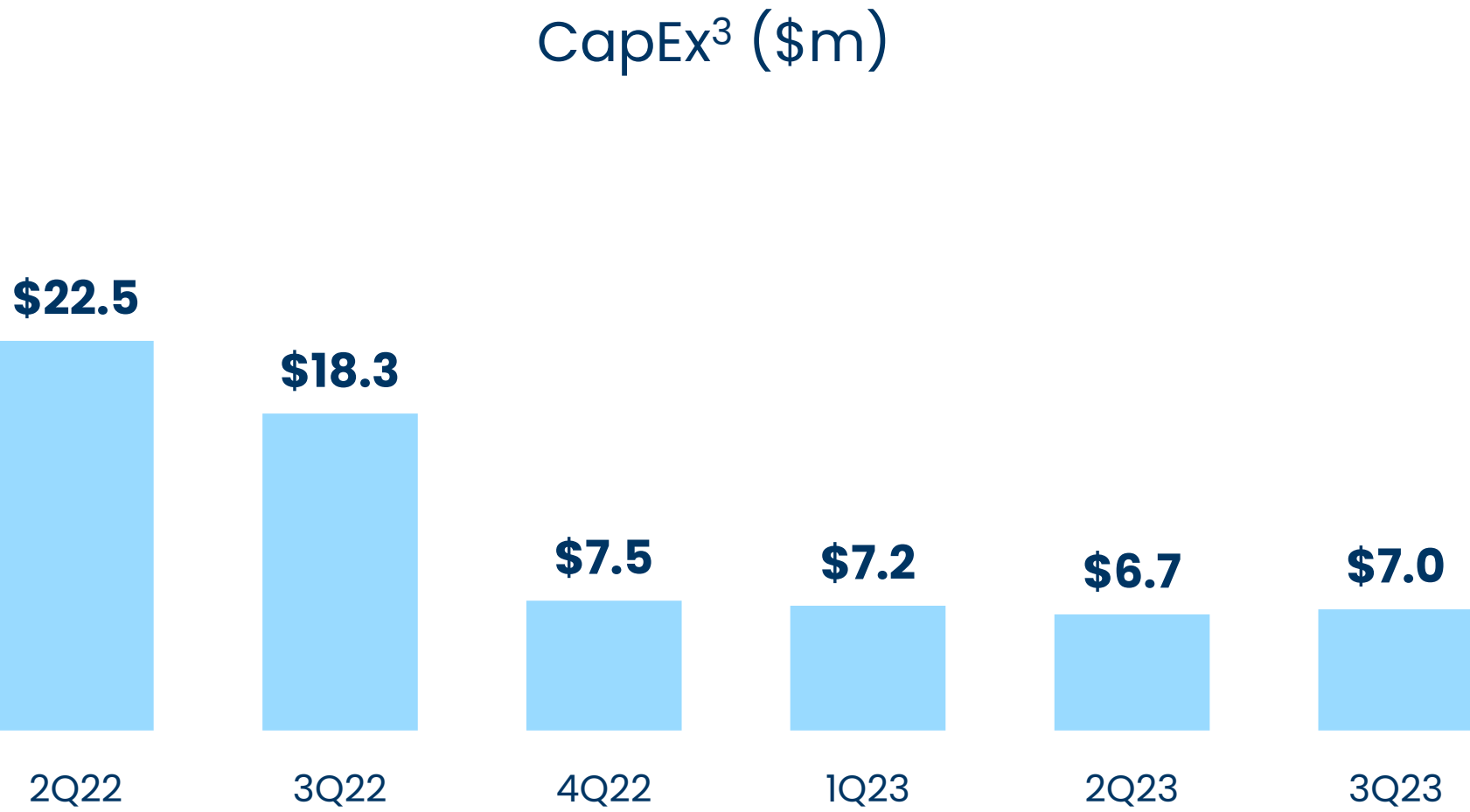
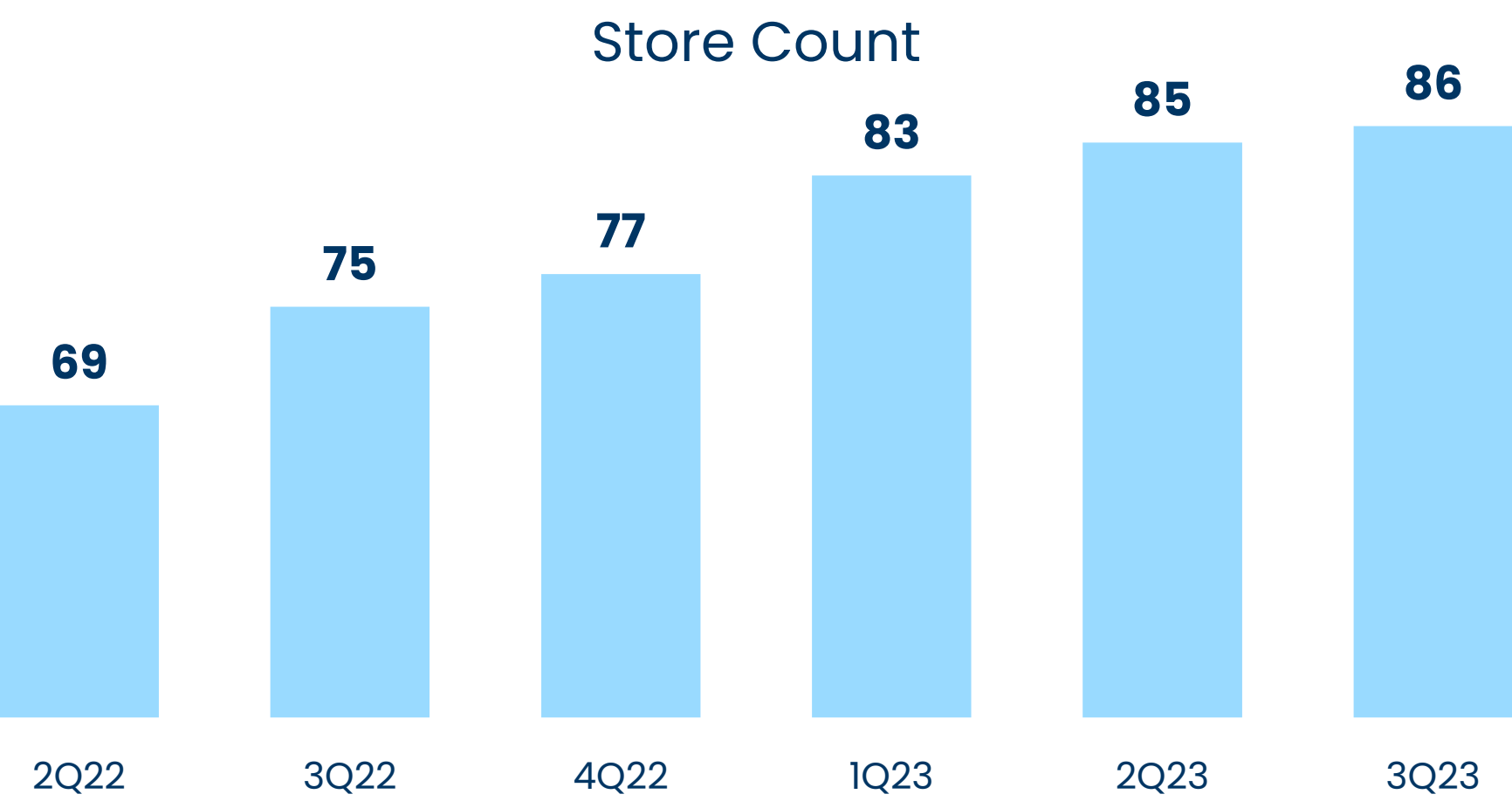
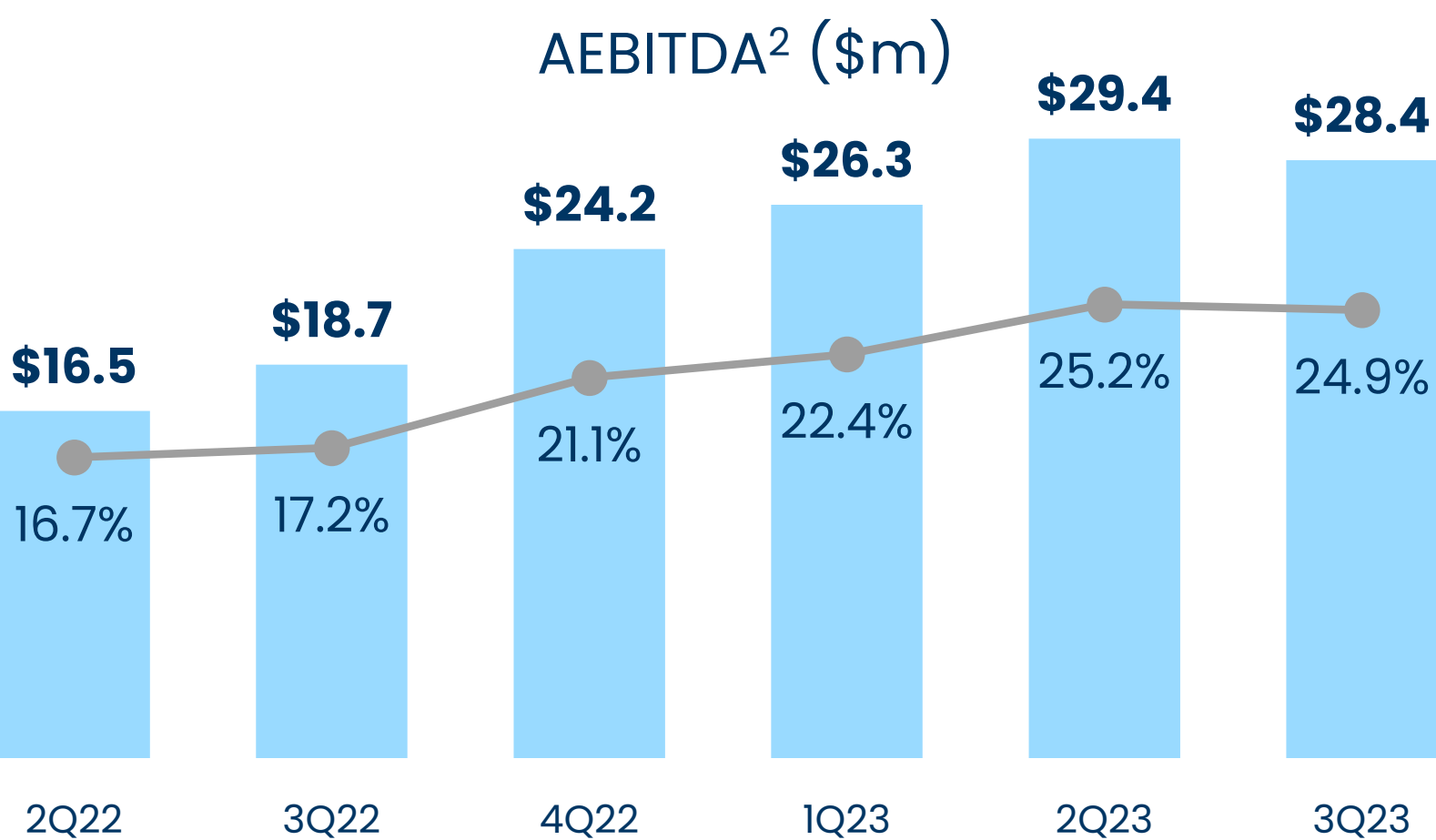
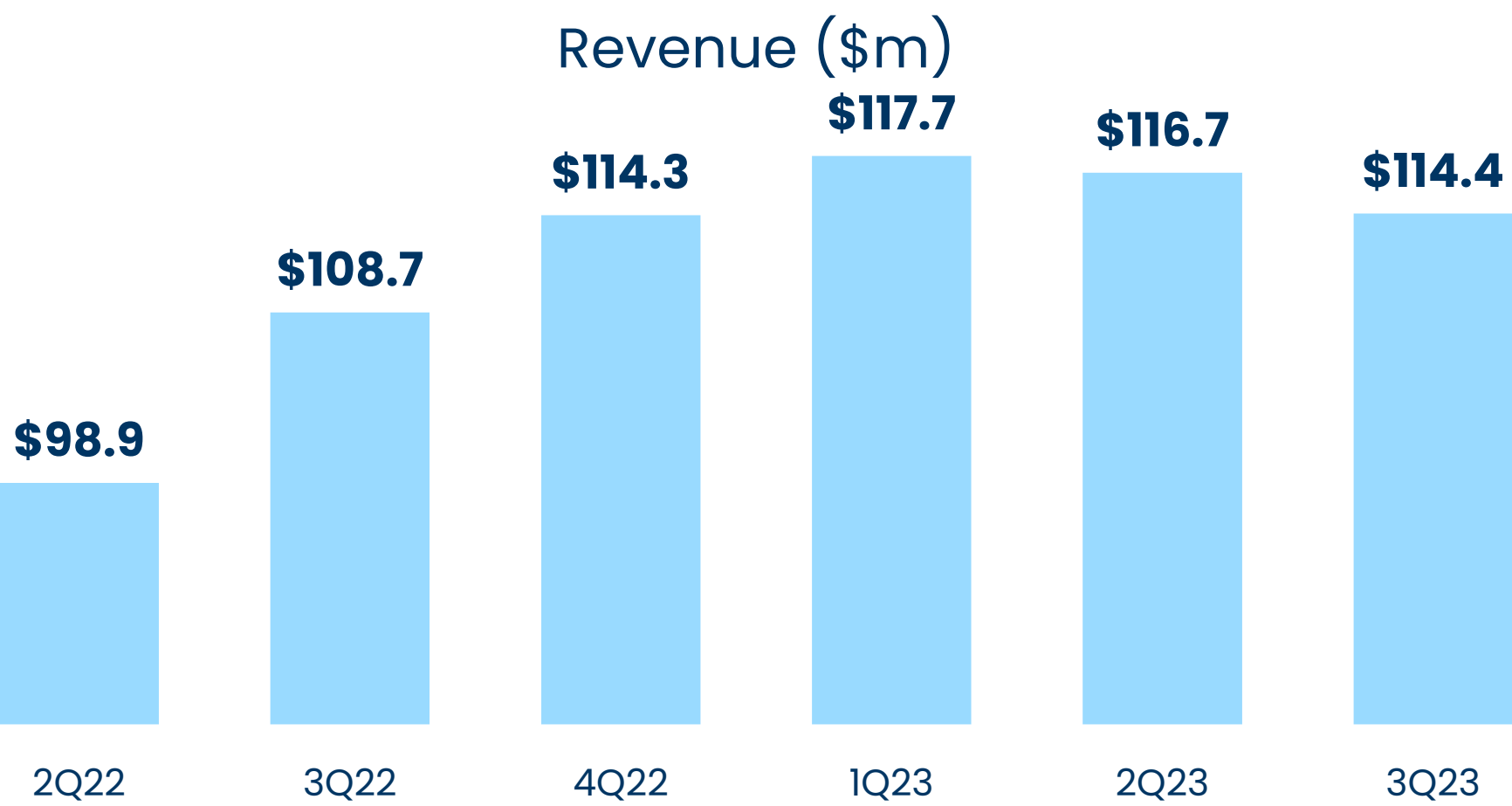
1) Activity relating to Arizona is omitted as discontinued operations

2) See Appendix for calculation of Adjusted Gross Profit & Adjusted EBITDA and reconciliations to GAAP figures

3) Pro-forma to include proceeds from Florida facility mortgage refinancing and upsizing

4) Percent of products produced by AYR sold at own-retail; 50% without FL contribution

quarterly financial details¹



1) Activity relating to Arizona omitted as discontinued operations. Accordingly, the presentation of prior period balances may not agree to prior issued financial statements
2) See following slides for calculation of Adjusted Gross Profit & Adjusted EBITDA and reconciliations to GAAP figures
3) Includes deployed AZ capital

footprint and market summary¹

	FL	IL	MA	PA	NJ	NV	OH	CT	AYR
Market Launch ² MED AU	2017	2013 2020	2012 2018	2018	2012 2022	2015 2017	2019	2013 2023	2019
2023 Est. Total State Revenues ³	\$2.6b	\$2.2b	\$1.8b	\$1.2b	\$1.1b	\$840m	\$520m	\$260m	\$10.5b
21+ Population ³	17.3m	9.4m	5.3m	9.8m	6.8m	2.4m	8.8m	2.7m	62.5m
Total Stores ⁴	602	137	286	175	49	99	112	27	1,487
21+ Population per Store	29k	75k	18k	56k	179k	25k	79k	100k	42k
AYR Stores Open (as of Nov. 2023)	62	2	4 ⁵	9	3	6	2	–	88
Employees ^{6, 7}	1024	21	232	261	222	421	99	–	2,280
Cultivation & Production Facility sq. ft.	745k	–	148k	83k	110k	110k	69k	–	~1.3m

1) All numbers as of Q3 2023 unless otherwise noted

2) Marijuana Policy Project, State Policy; defined as first date of program sales

3) BDSA Market Dashboards

4) Source: OMMU approved dispensing locations as of 11/10/2023; IDFPR issued dispensary licenses 11/2/2023; CCC issued commence operations of retail licensure 10/30/2023; DOH licensed dispensaries with product 11/8/2023; CRC licensed dispensaries 10/14/2023; CCB issued adult use retail licenses 10/10/2023; MMCP issued dispensary licenses 10/14/2023; DCP issued dispensary licenses 11/13/2023

5) One store is medical only

6) Employees as of 11/9/2023, Florida employee count includes corporate employees

regional overviews and current objectives

Market Dynamics and Position

Strategic Outlook



- Populous state with leading medical market
- Disciplined licensing structure creates favorable dynamics for operators

- ▶ Currently 3rd largest in retail store count, #2 oil (mgs) and #4 flower (oz) dispensed¹
- ▶ Recently launched announced Kiva branded edibles into the state through exclusive three-year licensing partnership
- ▶ Plans for further store openings and ramp up of the 10 stores already opened this year
- ▶ Adult use initiative anticipated for 2024 ballot



- Strong consumer demand
- 2 operating stores today; 2 retail licenses in development

- ▶ Refining retail operations; assessing future growth opportunities
- ▶ Building out additional licensed dispensaries in Normal-Bloomington and Chicagoland



- Established core market vertically integrated with maximum cultivation canopy and dispensary footprint positioned in Greater Boston

- ▶ Optimizing through brand rationalization and enhanced wholesale partnerships
- ▶ Investing deeper in digital marketing to increase traffic
- ▶ Expanded cultivation capacity to capitalize on stabilized pricing environment



- Sizeable medical market with adult-use looming
- Deep vertical operations supplying our state-wide retail network and ramping wholesale partnerships

- ▶ Strengthening the integration between supply chain, retail and wholesale operations
- ▶ Closely tracking future growth opportunities



- One of highest growth markets in US following '22 adult use launch
- Vertical licensure with retail located in underserved, high traffic region

- ▶ Expanded Eatontown dispensary to nearly triple POS stations, increase capacity from 22 to ~160 people
- ▶ Planning for increased wholesale activity as conditional retailers achieve final licensure



- Established core market vertically integrated with excellent customer retention and a leading wholesale position

- ▶ Continuing to expand & enhance our robust genetic library and production capabilities
- ▶ Leaning into purchasing power and price optimization as market share leader driving margin expansion



- Underdeveloped medical market within populous state
- Regulators have taken a measured approach to licensing

- ▶ Cultivation facility online and first wholesale revenues realized 1Q23
- ▶ Became vertically integrated with 3 stores opened in Q4/23²
- ▶ Adult use initiative passed on November ballot referendum



- Adult use market recently launched
- Social equity partner license win granting cultivation and retail

- ▶ Working through regulatory processes for cultivation buildout
- ▶ Progressing with retail buildout with plans for two stores in 2024

1) Source: FL OMMU as of 8/11/2023
2) Through Support Services Agreement

creating deep customer relationships

Creating a customer-obsessed organization to drive loyalty and engagement



Developing a sizeable and loyal customer base – our key asset as a retailer. Aiming to be a neighborhood retailer... at scale



Refining the quality and consistency of our products and the power of our brands – our key assets as a house of brands



Creating a new level of digital engagement to increase customer acquisition, retention, loyalty and purchase frequency



Utilizing data-driven insights & detailed customer feedback to create exceptional customer experiences



Watertown, MA



Kynd Flower



Dania Beach, FL

a force for good in the communities we serve

Building deep connections between our teams, customers, and the communities in which we operate



Restorative Justice



Combatting the lasting negative consequences of cannabis prohibition



Equity & Inclusion



Promoting an equitable cannabis industry through education & empowerment



Hyperlocal Service



Supporting community needs in both current & emerging markets

key initiatives

2023 Optimization Plan

driving short-term financial performance by:

1. Increasing Revenues

- Strengthening relationships with our customers
- Further improving wholesale business

2. Increasing Margins

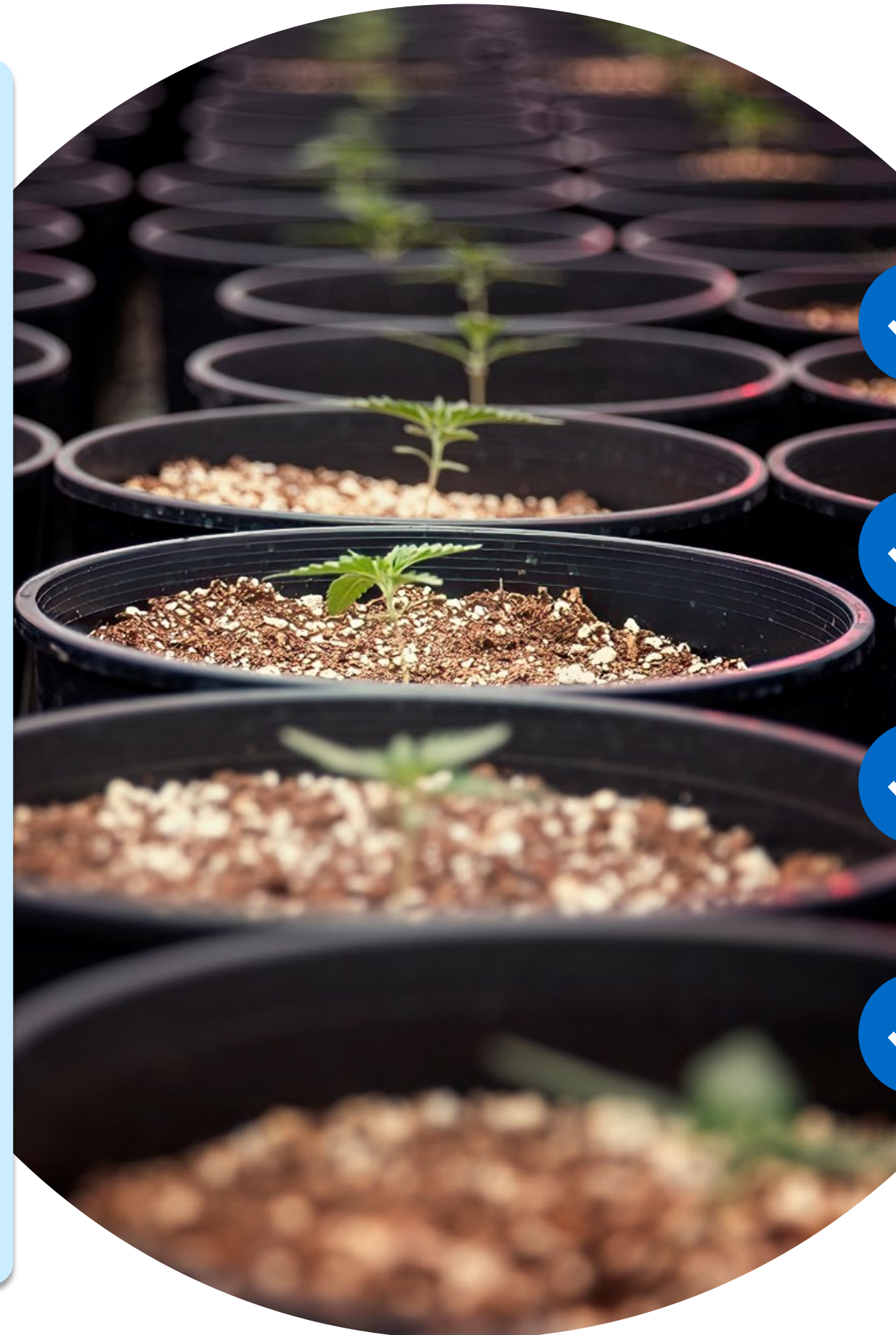
- Improving internalization %
- Rationalizing SKUs
- Optimizing pricing and purchasing

3. Reducing Expenses

- Right-sizing workforce
- Reducing SG&A and other operating costs

4. Unlocking Working Capital

- Improving inventory management
- Implementing supply chain efficiencies
- Right-sizing production in select markets
- Optimizing pricing and purchasing



Grow Forward Plan

strengthening our revenue-generating asset base by:

- ✓ Developing our customer algorithm and enhancing the retail experience to drive loyalty
- ✓ Investing in product quality
- ✓ Rationalizing our brand portfolio and building equity in CPG brands
- ✓ Aligning our team of 2,200 talented individuals with stated Company goals

Appendix

Contact Information

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Watertown, MA

capitalization

share count (in millions, treasury method)		net debt outstanding	
Share Price as of 9/30/2023 (USD):	\$2.29	(USD millions)	
Subordinate Voting Shares	63.9	Senior Secured Debt (9/30/2023)	\$243.3
Multiple Voting Shares	3.7	Debts Payable non-current (9/30/2023)	135.2
Exchangeable Shares	9.7	Debts Payable current (9/30/2023)	59.1
Warrants (net shares)	–	Total pro forma Debt	\$437.6
Shares for pending M&A	.1	Cash on Balance Sheet (9/30/2023)	72.8
Treasury Method Shares (pro forma)¹	76.7	Net Debt	\$379.2

1) Excludes AYR granted but unvested service-based LTIP shares totaling 5.0 million

2) Treasury method share count includes (675K) in treasury stock

3) Current debt does not reflect contingent deferrals pending the closing of senior note extension announced 11/1/2023

post debt agreements, pro-forma capitalization

pro forma share count (in millions, treasury method)		pro forma net debt outstanding	
Treasury Method Pro-Forma Shares (9/30/2023)	76.7	(USD millions)	
Shares for unvested service based LTIP	5.0	Senior Secured Debt (9/30/2023)	\$293.3
Treasury Method Shares	81.7	Debts Payable non-current (9/30/2023)	171.2
Senior Noteholders New Shares	35	Debts Payable current (9/30/2023)	23.1
Treasury Method Shares (pro forma)	116.7	Total pro forma Debt	\$487.6
Anti-Dilutive Warrants	23	Cash on Balance Sheet (9/30/2023)	112.8
Treasury Method Shares (pro forma for exercise of Anti-Dilutive Warrants)	139.8	Net Debt	\$372.2

1) Includes AYR granted but unvested performance based RSUs (PSUs) totaling 1,300 that do not meet the probability threshold

2) Includes cash proceeds from announced upsizing of Senior Secured debt, \$40M proceeds

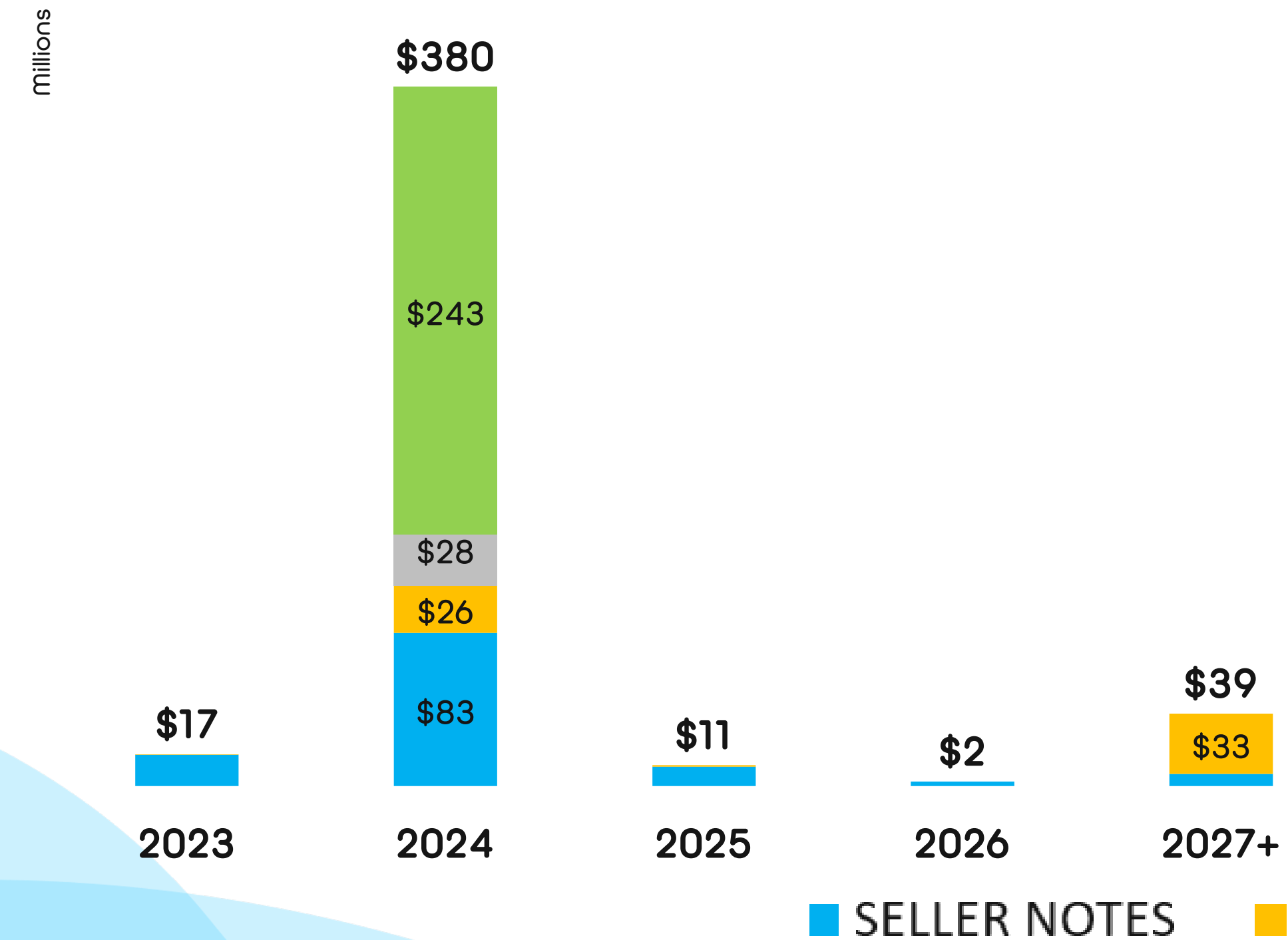
3) Excludes cash proceeds (\$49M) from recently announced two-year Anti-Dilutive Warrants (\$2.12 strike price)

debt maturity progression

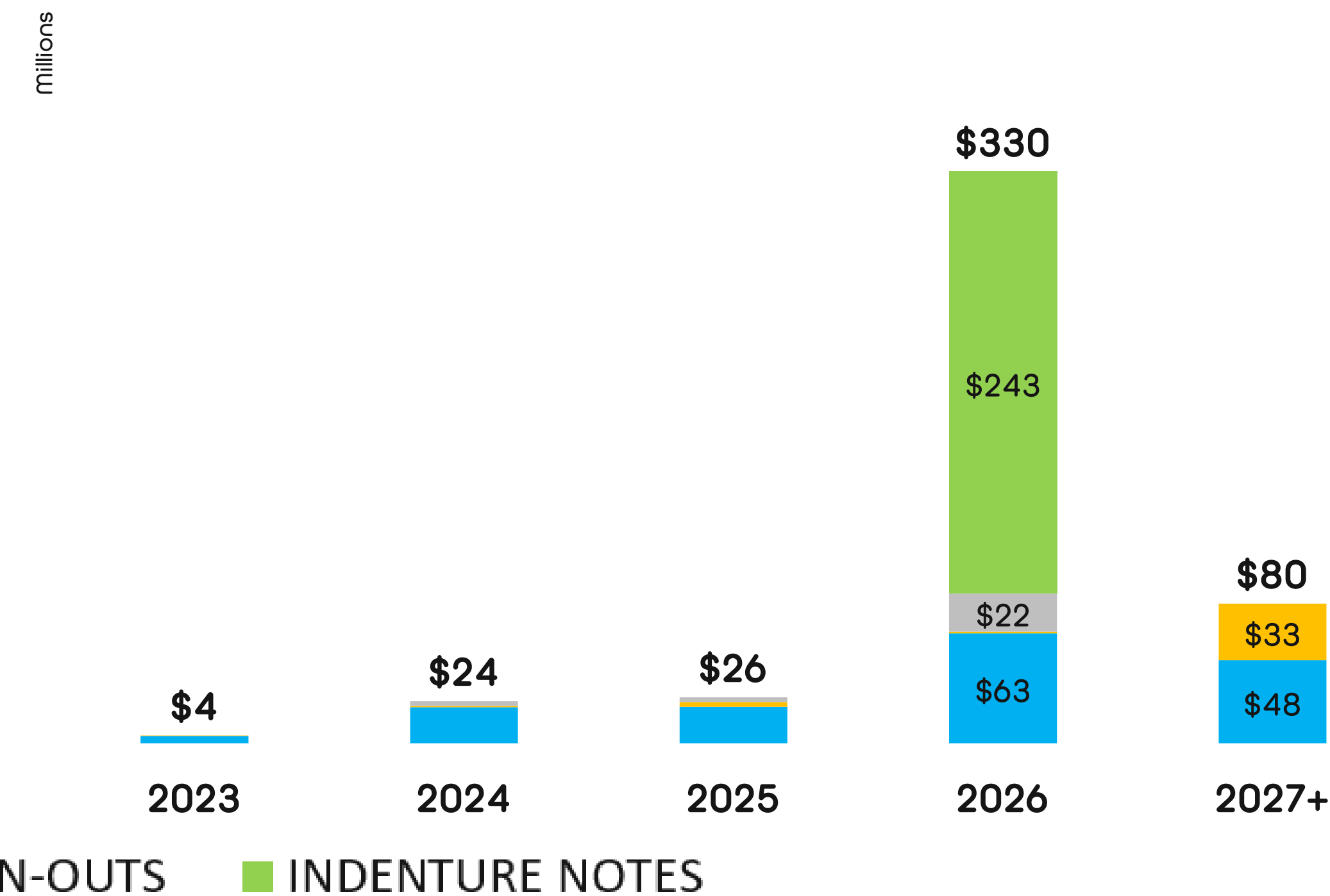
YTD AYR has made significant progress in resolving balance sheet and capital structure issues including

Upon completion of the recently announced debt agreement, AYR will have paid-off or deferred ~\$400M in debt that would have matured before the end of 2024. In connection with the announced debt agreement, AYR will use capital proceeds to retire additional debt and plans to have no debt amortization or maturities due before the end of 2026

PRE AMENDMENT-MATURITY PRO



PRO FORMA MATURITY PROFILE



adj. ebitda reconciliation

	three months ended September 30	
<i>all amounts in USD, in thousands</i>	2023	2022
Loss from continuing operations (GAAP)	(1,451)	(19,462)
Incremental costs to acquire cannabis inventory in a business combination	-	486
Interest (within COGS)	776	1,694
Depreciation and amortization	22,019	19,549
Acquisition and Transaction Costs	(1,182)	965
Stock-based compensation, non-cash	3,410	9,359
Start-up costs ¹	2,909	2,930
(Gain) loss on sale of assets	22	1,810
Other ²	1,924	1,337
	29,878	38,130
Adjusted EBITDA from continuing operations (non-GAAP)	28,427	18,668

1) Includes costs to prepare a location for its intended use, including facilities not yet operating at scale. Start-up costs are expensed as incurred and are not indicative of ongoing operations.

2) Other non-core costs including non-operating adjustments, severance costs and non-cash inventory write-downs

adj. gross profit reconciliation

all amounts in USD, in thousands	three months ended September 30	
	2023	2022
Gross Profit (GAAP)	48,131	45,583
Incremental costs to acquire cannabis inventory in a business combination	–	486
Interest (within COGS)	776	1,694
Depreciation and amortization (within COGS)	10,109	7,873
Start-up costs (within COGS)	1,295	1,020
Other (within COGS)	196	830
Adjusted Gross Profit from continuing operations (non-GAAP)	60,507	57,486

