



TERRASCEND

2025 Third Quarter Financial Results

November 6, 2025

[Terrascend.com](https://terrascend.com)

TSX: TSND | OTCQX: TSNDF

Executive Leadership Speakers



Jason Wild

Executive Chairman



Ziad Ghanem

President &
Chief Executive Officer



Alisa Campbell

Interim Chief Financial Officer

Disclaimer

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The statements included in this presentation are made as of the date of this presentation. TerrAscend disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

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Disclaimer

Definition and Reconciliation of Non-GAAP Measures

In addition to reporting the financial results in accordance with generally accepted accounting principles in the United States ("GAAP"), the Company reports certain financial results that differ from what is reported under GAAP. Non-GAAP measures used by management do not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies. The Company believes that certain investors and analysts use these measures to measure a company's ability to meet other payment obligations or as a common measurement to value companies in the cannabis industry, and the Company calculates: (i) Free cash flow from net cash provided by operating activities from continuing operations less capital expenditures for property and equipment, which management believes is an important measurement of the Company's ability to generate additional cash from its business operations, and (ii) EBITDA from continuing operations and Adjusted EBITDA from continuing operations as net loss, adjusted to exclude provision for income taxes, finance expenses, depreciation and amortization, share-based compensation, loss on extinguishment of debt, (gain) loss from revaluation of contingent consideration, unrealized and realized (gain) loss on investments, unrealized and realized foreign exchange (gain) loss, loss (gain) on fair value of derivative liabilities, impairment of property and equipment and right of use assets, gain on lease termination, and certain other items, which management believes is not reflective of the ongoing operations and performance of the Company. Such information is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measures are contained in the Appendix to this presentation. The Company has not provided a reconciliation of its forward-looking Adjusted EBITDA Margin from continuing operations with the most directly comparable GAAP measure in reliance on the unreasonable efforts exception provided under Item 10(e)(1)(i)(B) of Regulation S-K. The Company is unable to calculate the most directly comparable GAAP measure, without unreasonable efforts due to the variability and low visibility with respect to certain costs such as stock-based compensation, certain fair value measurements, tax items, and others that may arise during the period that are not ascertainable.

Third Party Information

Certain information contained in this presentation and statements made orally during the related earnings webcast relate to or are based on studies, publications, surveys and other data obtained from third-party sources and the Company's own internal estimates and research. While the Company believes these third-party studies, publications, surveys and other data to be reliable as of the date of this presentation, the Company has not independently verified, and makes no representations as to the adequacy, fairness, accuracy or completeness of, any information obtained from third-party sources. In addition, no independent source has evaluated the reasonableness or accuracy of the Company's internal estimates or research and no reliance should be made on any information or statements made in this presentation relating to or based on such internal estimates and research.

Overview

Jason Wild, Executive Chairman

Q3 2025 Financial Highlights

Key Drivers: Consistent Performance in Northeast Markets of NJ, MD, and PA

 **\$65.1 M**
Net Revenue from
continuing operations

 **\$3.4 M**
Decrease in G&A Expenses

 **\$7.1 M**
Positive Net Cash Provided
from Continuing Operations
Representing 13th Consecutive
Positive Quarter

 **52.1%**
Gross Profit Margin

 **\$17.0 M**
Adjusted EBITDA from
continuing operations*

 **+110 Basis Points**
YoY

 **26.1%**
Adjusted EBITDA Margin from
continuing operations*

 **\$4.9 M**
Positive Free Cash Flow*
Representing 9th Consecutive
Positive Quarter

 **+100 Basis Points**
QoQ

 **+150 Basis Points**
QoQ

* Adjusted EBITDA from continuing operations, Adjusted EBITDA Margin from continuing operations, and Free Cash Flow are non-GAAP measures defined in the section titled “Definition and Reconciliation of Non-GAAP Measures” and reconciled to the most directly comparable GAAP measure in the Appendix at the end of this presentation.

Pursuit of Accretive M&A

Signed Definitive Agreement to Expand Retail Footprint in NJ

- Working towards Union Chill dispensary closing, which will bring total number of dispensaries in the state to 4, subject to regulatory approval.
- Union Chill currently generates more than \$11 million in annualized revenue.
- Upon close, transaction will be immediately accretive to EBITDA and cash flow.
- Vertical integration will further enhance margins, provide full array of state leading products and brands to local consumers, and enhance leading market share position in the state.
- Evaluating additional opportunities in New Jersey and have a robust pipeline, which we continue to work through in a disciplined manner.



Completed \$79 Million Non-Dilutive Debt Financing

- Closed on an upsized senior secured syndicated term loan.
- Majority used to retire existing debt, with remainder designated for future growth initiatives.
- Executed additional uncommitted term loan of up to \$35 million for strategic M&A.
- Extends maturity of all senior secured debt until late 2028.
- Transaction reflects Focus Growth's confidence in TerrAscend's vision and strategy.

Closely Monitoring Regulatory Reform Developments at Federal and State Levels

- Potential for reform under the Trump administration.
- Have operated and will continue to operate business independent of federal reform.
- In PA, continue to see support for possible passage of adult-use bill.
- TerrAscend preparing to meet increase in demand by bringing additional capacity online.



State-by-State Overview

Ziad Ghanem, President & Chief Executive Officer

New Jersey

3Q '25 Highlights

- TerrAscend continued to maintain a leadership position in the state, according to BDSA.
- Retail and Wholesale revenue remained stable quarter-over-quarter.
- All three Apothecarium retail locations in New Jersey rank in the top 15 stores in the state, with Phillipsburg being #1 out of nearly 250 licensed dispensaries, according to LIT Alerts*.
- Kind Tree and Legend brands have consistently remained in the top 10 across the state, even as the number of brands in the market have doubled to more than 200 in the past year.
- Signed definitive agreement to acquire 4th dispensary.
- Targeting up to 6 additional dispensaries to expand retail footprint to the maximum of 10 in NJ.



Maryland

3Q '25 Highlights

- Another record revenue quarter in Q3, outperforming the market's 2% decline in sales in the state, according to BDSA.
- Achieved gross margins in the high 50s due to verticality and increased efficiencies.
- Hagerstown facility expansion driving gains in flower sales and market share.
- Kind Tree preroll sales have doubled since Q1.
- Cumberland and Salisbury Apothecarium stores are top 5 dispensaries in the state, according to LIT Alerts*.
- Currently on an approximate \$75 million annual run rate in the State.



Pennsylvania

3Q '25 Highlights

- Four of six Apothecarium stores ranked in the top 10 of all dispensaries across the state.
- TerrAscend market share is approximately 5% of total PA cannabis revenue, per BDSA.
- Vape sales grew 11% quarter-over-quarter and Ilera branded tinctures consistently rank among the top 10 products in the category, according to BDSA.
- Fully built out large scale cultivation and manufacturing facility with no need for additional investment.
- Additional capacity being brought online in Q4 in preparation for potential adult-use launch.



Ohio Entrance / Michigan Exit

3Q '25 Highlights

- Q3 marked the first full quarter of revenue contribution from Ratio Cannabis in Ohio, which is now fully integrated in existing operations.
- Goal in Ohio is to assemble a leading retail footprint by acquiring high-quality stores at the right price, as we did in Maryland.
- Actively engaged in selling Michigan assets.
- Majority of assets under contract and awaiting regulatory approval.
- Expect to substantially complete the exit by the end of 2025.

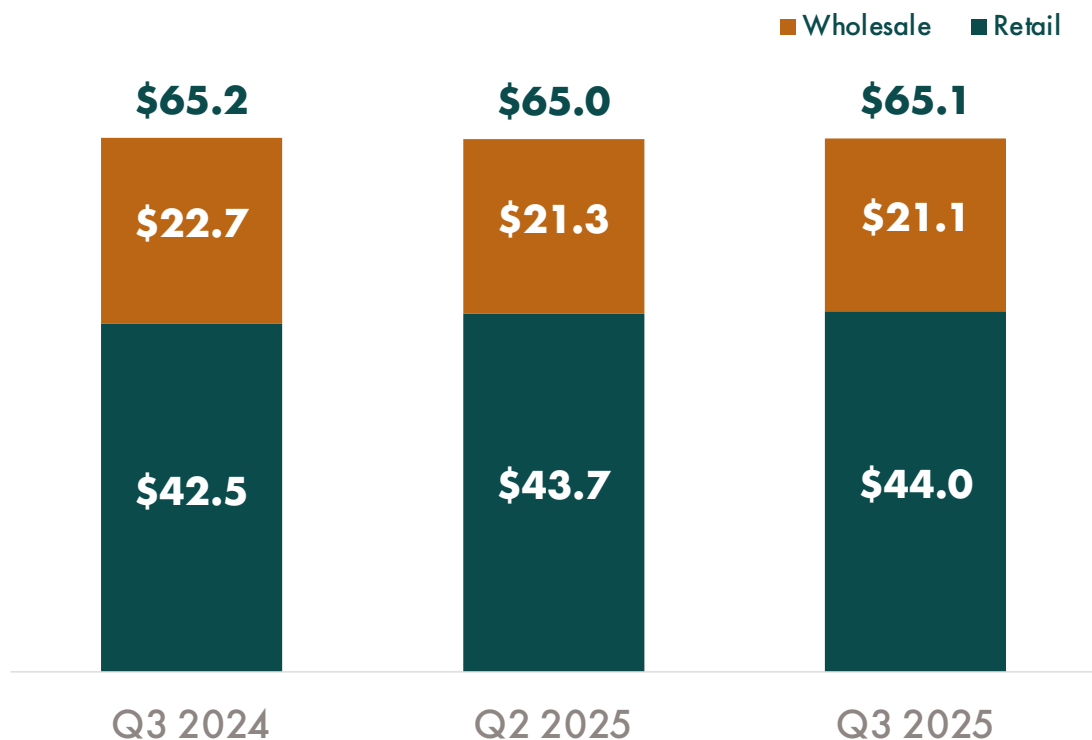


Financial Overview*

Alisa Campbell, Interim Chief Financial Officer

Third Quarter 2025 Net Revenue

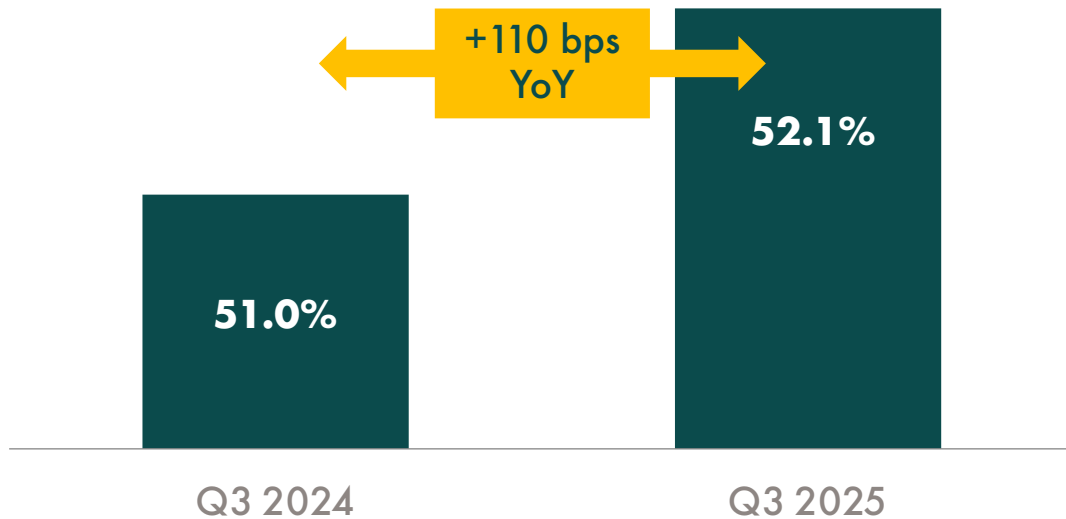
Net Revenue from continuing operations (in millions, US\$)



- Revenue: \$65.1 million compared to \$65.0 million in Q2 2025 and \$65.2 million in Q3 2024.
- Slight decrease year-over-year and in line with expectations as communicated on last quarter's earnings conference call.
- Retail revenue increased 3.4% year-over-year.
- Wholesale revenue declined 6.7% year-over-year.

Third Quarter 2025 Gross Profit Margin

Gross Profit Margin

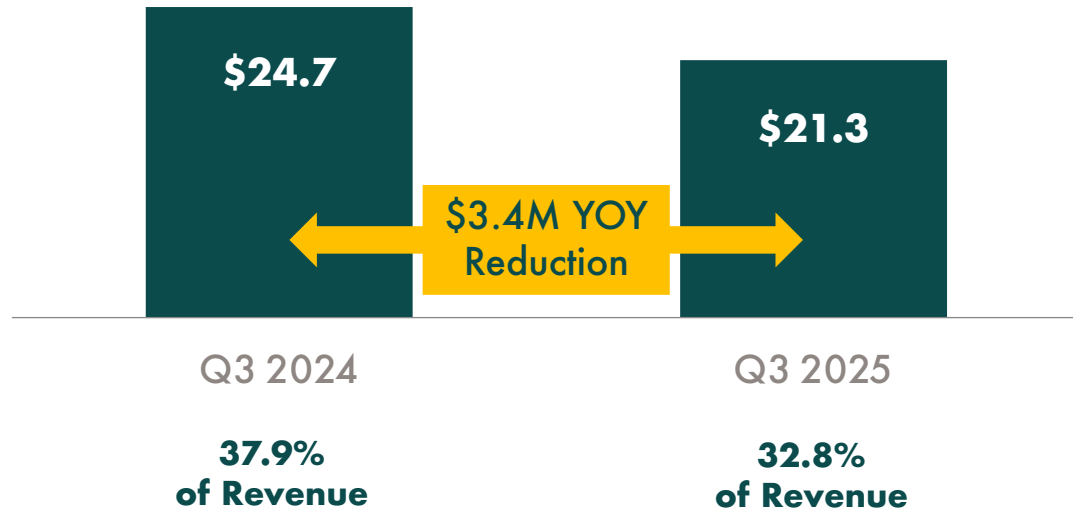


- Gross Profit Margin: Increased to 52.1% versus 51.0% in Q3 2024.
- Year-over-year, gross profit improved by 110 basis-points.

Third Quarter 2025 General & Administrative (G&A) Expenses

G&A Expense Reduction Reflects Ongoing Initiatives to Optimize G&A Expenses

General & Administrative Expenses (in millions, US\$)

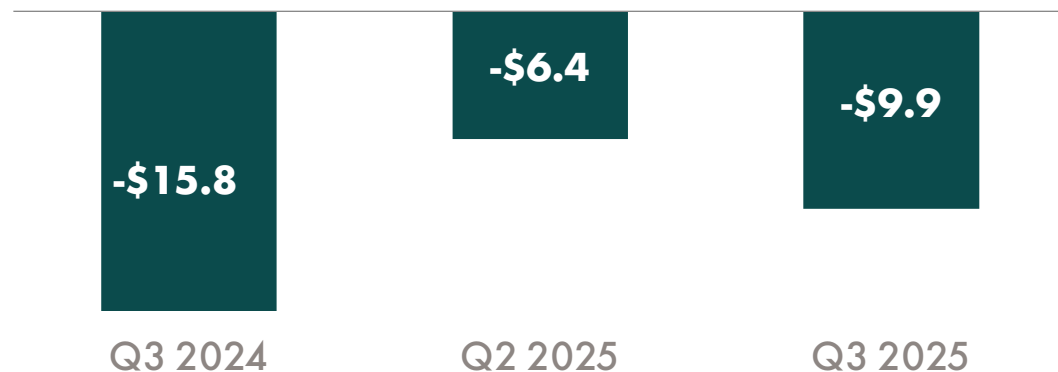


- G&A expenses for Q3 2025, \$21.3 million, compared to \$24.7 million in Q3 2024.
- G&A as a % of net revenue for Q3 2025, 32.8%, compared to 37.9% for Q3 2024.
- Continued G&A expense reduction reflects ongoing initiatives to optimize G&A expenses.

Third Quarter 2025 Net Loss and Adjusted EBITDA*

GAAP Net Loss

from continuing operations (in millions, US\$)



GAAP Net Loss from continuing operations :

- \$9.9 million net loss, compared to \$6.4 million in Q2 2025 and \$15.8 million net loss in Q3 2024.

Adj EBITDA*

from continuing operations (in millions, US\$)



Adjusted EBITDA from continuing operations*:

- \$17.0 million, or 26.1% of revenue, compared to \$16.0 million or 24.6% of revenue in Q2 2025 and \$16.9 million or 25.9% of revenue in Q3 2024.

Balance Sheet, Cash Flow & Stock Repurchase Program

- **Cash and cash equivalents:**
 - \$36.6 million (9/30/25).
- **Q3 2025 net cash provided by continuing operations:**
 - \$7.1 million, representing 13th consecutive quarter of positive cash flow from continuing operations.
- **Q3 2025 Capex:**
 - \$2.2 million, mainly related to expansions at Maryland and New Jersey facilities.
- **Free Cash Flow*:**
 - \$4.9 million, representing 9th consecutive quarter of positive free cash flow.
- **\$79 million non-dilutive upsizing to term loan:**
 - Majority used to retire existing debt, remainder designated for future growth initiatives.
 - Up to an additional uncommitted \$35 million term loan available for future M&A.
 - Extends all senior secured debt maturities until late 2028.
- **Share repurchase program:**
 - Renewed and replenished normal course issuer bid to repurchase up to \$10 million of common shares.

Fourth Quarter 2025 Expectations

- Revenue and gross margin expected to be similar to Q2 and Q3 of 2025.

Thank You

Appendix – Reconciliation of Non-GAAP Measures

The table below reconciles net loss to EBITDA and Adjusted EBITDA for the quarters ended September 30, 2025 and September 30, 2024.

	For the Three Months Ended		
	September 30, 2025	June 30, 2025	September 30, 2024
Net loss	(24,554)	(48,107)	(21,419)
Loss from discontinued operations	14,647	41,701	5,583
Loss from continued operations	(9,907)	(6,406)	(15,836)
<i>Add (deduct) the impact of:</i>			
Provision for income taxes	11,034	9,598	13,273
Finance expenses	9,243	8,962	8,514
Amortization and depreciation	3,934	3,784	3,781
EBITDA	14,304	15,938	9,732
<i>Add (deduct) the impact of:</i>			
Share-based compensation	1,366	779	4,275
Loss on extinguishment of debt	1,432	—	2,096
Loss (gain) on fair value of derivative liabilities	723	(279)	(669)
Unrealized and realized foreign exchange loss (gain)	77	(648)	(214)
Unrealized and realized loss (gain) on investments	1	(7)	(14)
(Gain) loss from revaluation of contingent consideration	(1,171)	(34)	327
Other one-time items	266	267	1,351
Adjusted EBITDA	\$ 16,998	\$ 16,016	\$ 16,884
<i>Adjusted EBITDA Margin</i>	26.1%	24.6%	25.9%

Appendix – Reconciliation of Non-GAAP Measures

The table below reconciles Net cash provided by operating activities from continuing operations to Free Cash Flow for the quarters ended September 30, 2025 and September 30, 2024.

	For the Three Months Ended		
	September 30, 2025	June 30, 2025	September 30, 2024
Net cash provided by operating activities - continuing operations	\$ 7,120	\$ 7,300	\$ 6,107
Capital expenditures for property and equipment	(2,248)	(2,292)	(17)
Free Cash Flow	<u>\$ 4,872</u>	<u>\$ 5,008</u>	<u>\$ 6,090</u>