



TERRASCEND

2026 First Quarter Financial Results

May 7, 2026

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

TSX: TSND | OTCQX: TSNDF

Executive Leadership Speakers



Jason Wild

Executive Chairman



Ziad Ghanem

President &
Chief Executive Officer



Eric Jackson

Chief Financial Officer



Alisa Campbell

Senior Vice President, Finance

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 or forward-looking statements, 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, excluding net cash used in operating activities from discontinued 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 in each case to exclude provision for income taxes, finance expenses, amortization, and depreciation, and further adjusted for Adjusted EBITDA from continuing operations to exclude share-based compensation, gain on fair value of derivative liabilities, gain on lease termination, loss from revaluation of contingent consideration, unrealized and realized loss on investments, loss on disposal of fixed assets, impairment of intangible assets, unrealized and realized foreign exchange loss (gain), and certain other one-time 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.

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Overview

Jason Wild, Executive Chairman

Regulatory Reform Developments at Federal and State Levels

- The U.S. Department of Justice announced the reclassification of state-licensed medical cannabis to Schedule III, eliminating the 280E tax burden on medical cannabis.
- Expect this move to enhance profitability, further strengthen the Company's balance sheet, lower its cost of capital over time, and provide a potential opportunity to up-list onto a US exchange such as the NASDAQ or NYSE.
- Rescheduling medical cannabis will pave the way for expanded clinical research, further validating its safety and efficacy and potentially opening the door for international export.



Q1 2026 Financial Highlights



\$65.5 M

Net Revenue from
continuing operations



\$17.4 M

Adjusted EBITDA from
continuing operations*



\$8.7 M

Positive Net Cash Provided
from Continuing Operations
Representing 15th
Consecutive Positive
Quarter



52.8%

Gross Profit Margin



26.5%

Adjusted EBITDA Margin from
continuing operations*



\$7.8 M

Positive Free Cash Flow*
Representing 11th
Consecutive Positive
Quarter



+70 Basis Points

QoQ



+130 Basis Points

QoQ

Pursuit of Accretive M&A

Focused on transactions that are accretive and aligned with the Company's long-term investment strategy.

- Fully integrated Union Chill into New Jersey operations, bringing total number of dispensaries in the state to 4.
- In the current environment, the Company is evaluating attractive assets, including distressed assets, particularly in core markets.



State-by-State Overview

Ziad Ghanem, President & Chief Executive Officer

New Jersey

1Q '26 Highlights

- Completed Union Chill transaction in January 2026. TerrAscend is currently the highest grossing retailer, based on size of retail footprint in the state.
- Overall revenue improved during the quarter, including a full quarter of revenue from Union Chill, while wholesale revenue declined slightly quarter over quarter.
- Gross margins improved sequentially, primarily driven by increased verticality in the state.
- All three Apothecarium locations ranked within the top 25 in the State and gained market share quarter-over-quarter*.
- Kind Tree and Legend saw combined growth across key categories**.
- Long-term objective to expand to the current maximum of ten dispensaries in New Jersey.



Maryland

1Q '26 Highlights

- Generating approximately \$75 million in run rate revenue.
- Gross margins remain strong in the high 50's.
- Hagerstown facility expansion driving improved flower output and operating leverage.
- Two of four Apothecarium stores rank in the top 10 statewide*.
- Kind Tree and Legend had notable growth in flower and vape categories**.
- Successfully launched Legend prerolls during the quarter.
- Launched Tyson 2.0 in Maryland.



Pennsylvania

1Q '26 Highlights

- Generated year-over-year revenue growth for the fourth consecutive quarter.
- Launched Tyson 2.0 in Pennsylvania.
- Five of six Apothecarium stores ranked in the top 15 of all dispensaries in the state*.
- Kind Tree and Legend saw double-digit growth quarter over quarter across key categories**.
- Fully built out large scale cultivation and manufacturing facility with no need for additional investment.
- Reactivated 6 additional cultivation rooms late last year, with the first harvests completed in April 2026.



Ohio Entrance / Michigan Exit

1Q '26 Highlights

- Ratio Cannabis in Ohio is fully integrated in existing operations and performing well.
- Goal in Ohio is to assemble a leading retail footprint by acquiring high-quality stores at the right price, as we did in Maryland.
- Completed the sale of a majority of the assets in Michigan. Significantly negotiated down liabilities and debt exposure.
- Majority of proceeds used to reduce existing debt.

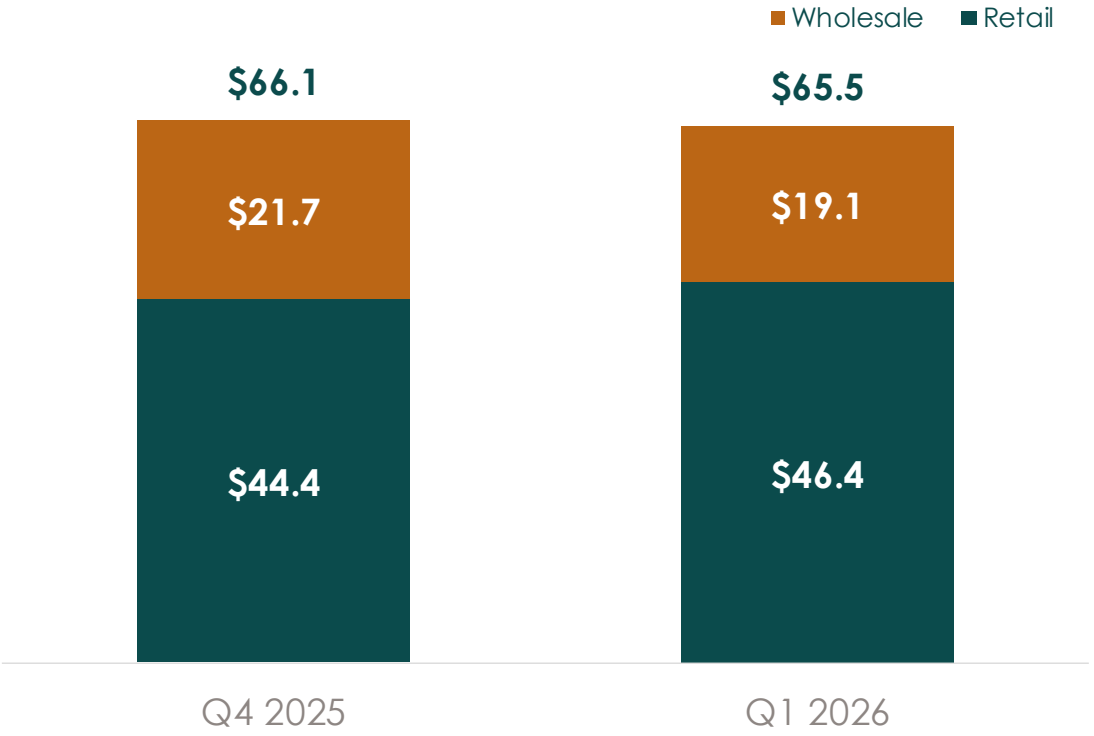


Financial Overview*

Alisa Campbell, Senior Vice President, Finance

First Quarter 2026 Net Revenue

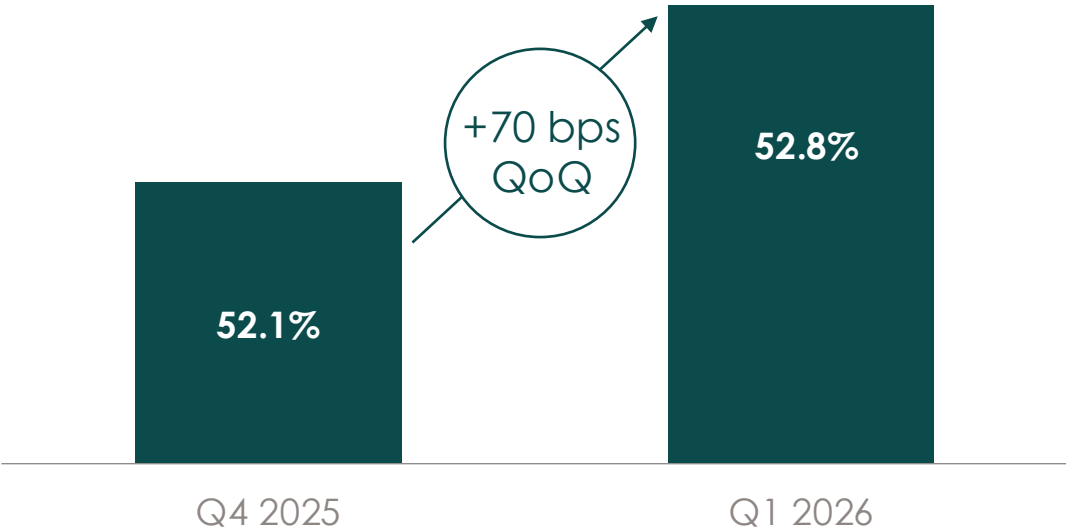
Net Revenue
from continuing operations (in millions, US\$)



- Revenue: \$65.5 million compared to \$66.1 million in Q4 2025.
- Retail revenue increased sequentially, while wholesale revenue declined.

First Quarter 2026 Gross Profit Margin

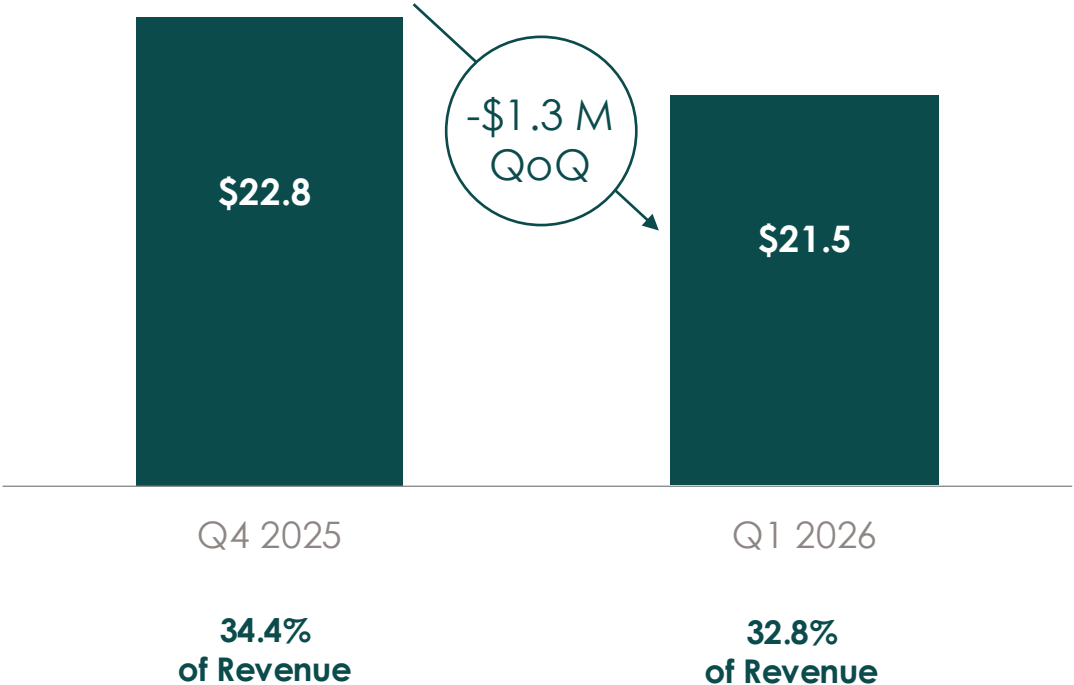
Gross Profit Margin



- Gross Profit Margin: Increased to 52.8% versus 52.1% in Q4 2025.
- Quarter-over-quarter, gross profit improved by 70 basis-points.

First Quarter 2026 General & Administrative (G&A) Expenses

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



- G&A expenses for Q1 2026, \$21.5 million, compared to \$22.8 million in Q4 2025.
- G&A as a % of net revenue for Q1 2026, 32.8%, compared to 34.4% for Q4 2025.
- Continued G&A expense reduction reflects ongoing initiatives to optimize G&A expenses.

First Quarter 2026 Net Loss and Adjusted EBITDA*

GAAP Net Loss

from continuing operations (in millions, US\$)

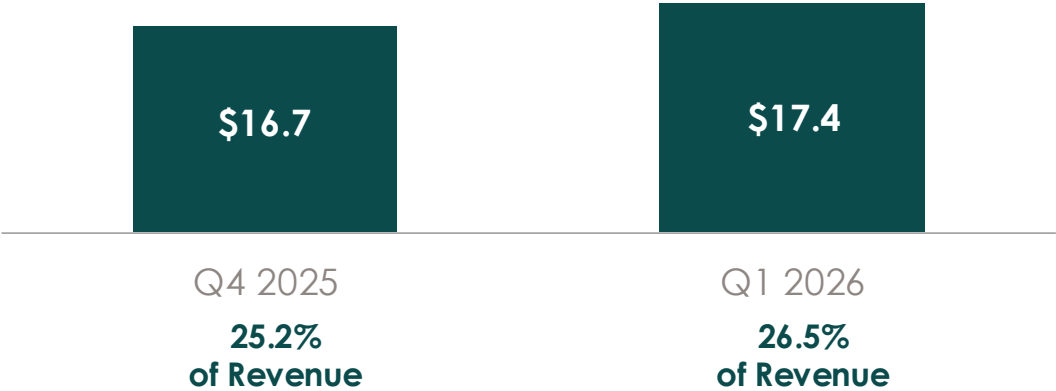


GAAP Net Loss from continuing operations :

- \$6.8 million net loss, compared to \$0.5 million net loss in Q4 2025.

Adj EBITDA*

from continuing operations (in millions, US\$)



Adjusted EBITDA from continuing operations*:

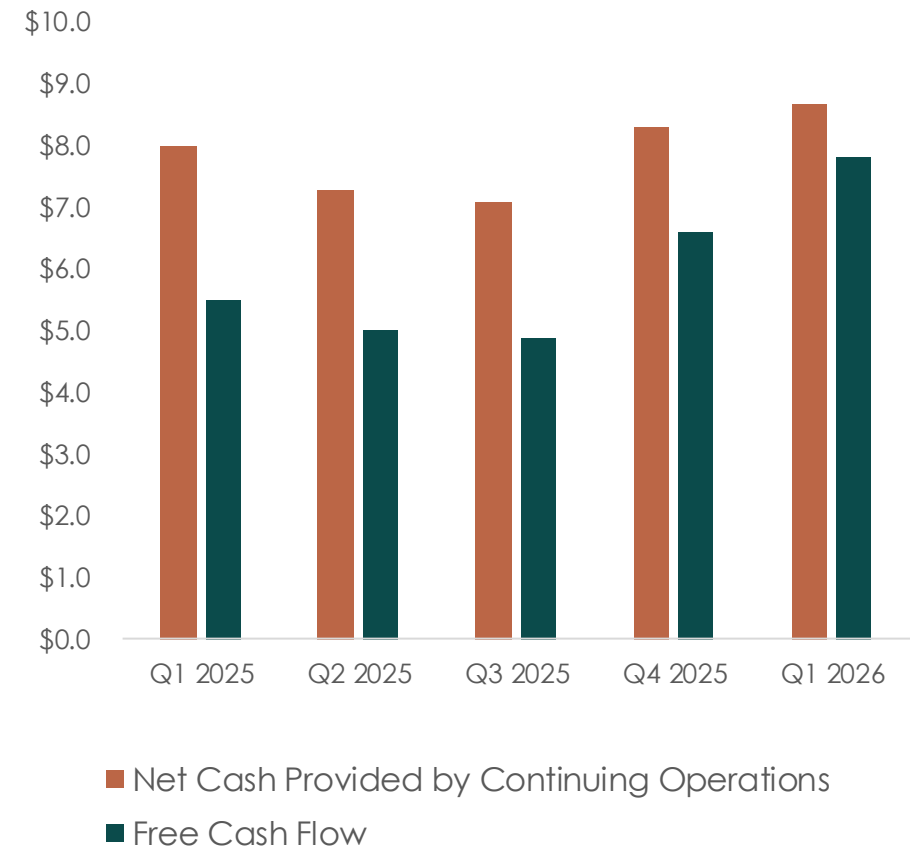
- \$17.4 million, or 26.5% of revenue, compared to \$16.7 million, or 25.2% of revenue in Q4 2025.

* Adjusted EBITDA from continuing operations and Adjusted EBITDA margin from continuing operations 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.

Balance Sheet & Cash Flow

- **Cash and cash equivalents:**
 - \$39.1 million (3/31/26).
- **Net cash provided by continuing operations:**
 - \$8.7 million for Q1 2026.
 - Operating Cash Flow Yield of 13.3%**
 - 15th consecutive quarter of positive cash flow from continuing operations.
- **Capex:**
 - \$0.9 million for Q1 2026, mainly related to ongoing cultivation and facility optimization projects.
- **Free Cash Flow*:**
 - \$7.8 million for Q1 2026
 - Free Cash Flow Yield of 10.3%**
 - 11th consecutive quarter of positive free cash flow.

Net Cash Provided by Continuing Operations & Free Cash Flow*



Second Quarter 2026 Expectations

- Similar to Q1, we expect Q2 year over year revenue growth of between 2 to 3%. We also expect consistent strong gross margin performance.
- We anticipate continued positive operating cash flow and disciplined capital deployment.

Thank You

Appendix – Reconciliation of Non-GAAP Measures

The table below reconciles net loss from continuing operations to EBITDA from continuing operations and Adjusted EBITDA from continuing operations for the quarters ended March 31, 2026 and December 31, 2025.

	For the Three Months Ended	
	March 31, 2026	December 31, 2025
Net (loss) income	(8,004)	3,598
(Loss) income from discontinued operations	(1,175)	4,110
Loss from continued operations	(6,829)	(512)
<i>Add (deduct) the impact of:</i>		
Provision (benefit) for income taxes	10,250	(1,673)
Finance expenses	9,753	9,666
Amortization and depreciation	4,140	3,977
EBITDA from continuing operations	17,314	11,458
<i>Add (deduct) the impact of:</i>		
Share-based compensation	885	1,348
(Gain) loss on fair value of derivative liabilities	(1,403)	188
Loss (gain) on lease termination	36	(99)
(Gain) loss from revaluation of contingent consideration	—	(179)
Unrealized and realized loss on investments	—	629
Loss on disposal of fixed assets	—	127
Impairment of intangible assets	—	2,606
Unrealized and realized foreign exchange loss (gain)	178	(157)
Other one-time items	354	731
Adjusted EBITDA from continuing operations	\$ 17,364	\$ 16,652
<i>Adjusted EBITDA Margin from continuing operations</i>	<i>26.5%</i>	<i>25.2%</i>

Appendix – Reconciliation of Non-GAAP Measures

The table below reconciles Net cash provided by operating activities - continuing operations to Free Cash Flow for the quarters ended March 31, 2026 and December 31, 2025.

	For the Three Months Ended	
	March 31, 2026	December 31, 2025
Net cash provided by operating activities - continuing operations	\$ 8,652	\$ 8,327
Capital expenditures for property and equipment	(865)	(1,716)
Free Cash Flow	\$ 7,787	\$ 6,611

Appendix – Reconciliation of Non-GAAP Measures

The table below reconciles Net cash provided by operating activities – continuing operations to Free Cash Flow Yield for trailing twelve months ended March 31, 2026.

	Trailing Twelve Months Ended March 31, 2026
Net cash provided by operating activities - continuing operations	\$ 31,401
Capital expenditures for property and equipment	(7,121)
Free Cash Flow	\$ 24,280
Market capitalization as of March 31, 2026	\$ 236,539
Operating Cash Flow Yield	13.3%
Free Cash Flow Yield	10.3%