

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2025

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 021-340690

TERRASCEND CORP.

(Exact Name of Registrant as Specified in its Charter)

Ontario

(State or other jurisdiction of
incorporation or organization)

77 City Centre Drive

Suite 501 - East Tower

Mississauga, Ontario, Canada

(Address of principal executive offices)

N/A

(I.R.S. Employer
Identification No.)

L5B 1M5

(Zip Code)

Registrant's telephone number, including area code: (844) 628-3100

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
None	N/A	N/A

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☐

Accelerated filer ☒

Non-accelerated filer ☐

Smaller reporting company ☐

Emerging growth company ☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 6, 2025, the registrant had 306,233,661 common shares, no par value, outstanding.

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Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that TerrAscend Corp. (the "Issuer") believes are, or may be considered to be, "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical fact included in this Quarterly Report on Form 10-Q regarding the prospects of the industry in which the Issuer, its subsidiaries, TerrAscend Growth Corp. ("TerrAscend") and its subsidiaries (collectively, the "Company") operate or the Company's prospects, plans, financial position or business strategy may constitute forward-looking statements. Such statements can be identified by the use of forward-looking terminology such as "can", "expect", "likely", "may", "will", "should", "intend", "anticipate", "potential", "proposed", "estimate" and other similar words, including negative and grammatical variations thereof, or statements that certain events or conditions "may" or "will" happen, or by discussions of strategy. Forward-looking statements include estimates, plans, expectations, opinions, forecasts, projections, targets, guidance, or other statements that are not statements of fact. Forward-looking statements in this Quarterly Report on Form 10-Q include, but are not limited to, statements with respect to:

- the projected performance of the Company's business and operations;
- the Company's estimates and expectations regarding revenues, expenses and need for substantial additional financing, and its ability to obtain additional financing;
- the Company's ability to source investment opportunities and complete future acquisitions, including in respect of entities in the United States, the ability to finance such acquisitions or operations in the United States, and the expected impact thereof, including potential issuances of common shares in the capital of the Company;
- the Company's ability to market itself to the capital markets, including its ability to raise equity as a result of its corporate ownership structure;
- expectations with respect to future production costs;
- the expected impact of taxation on the Company's profitability and the uncertainty around timing of any legislative changes impacting unfavorable tax treatment;
- the expected growth in the number of the Company's dispensaries and the jurisdictions in which the Company operates;
- the competitive conditions of the industry in which the Company operates;
- the impact of the Company's exit from the Michigan market on its operations and financial results;
- federal, state, provincial, territorial, local and foreign government laws, rules and regulations, including federal and state laws in the United States relating to cannabis operations in the United States;
- the legalization of the regulated use of cannabis for medical and/or adult-use in the United States and the related timing and impact thereof;
- laws and regulations and any amendments thereto applicable to the business and the impact thereof;
- the possibility of actions by individuals, or U.S. federal government enforcement actions, against the Company and the potential impact of such actions on the Company;
- the competitive advantages and business strategies of the Company;
- the grant, renewal and impact of any license or supplemental license to conduct activities with or without cannabis or any amendments thereof;
- the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabis;
- the Company's ability to source and operate facilities in the United States;
- the Company's ability to integrate and operate the assets it acquires or may acquire in the future;
- expectations regarding the Company's liquidity;
- expectations regarding the Company's Share Repurchase Program (as defined below); and
- other risks and uncertainties, including those referenced the section titled "*Risk Factors*" in this Quarterly Report.

Certain of the forward-looking statements contained herein concerning the cannabis industry and the general expectations of the Company concerning the cannabis industry are based on estimates prepared by the Company using data from publicly-available

governmental sources as well as from market research and industry analysis and on assumptions based on data and knowledge of the cannabis industry. Such data is inherently imprecise. The cannabis industry involves risks and uncertainties that are subject to change based on various factors, which factors are described further below.

With respect to the forward-looking statements contained in this Quarterly Report on Form 10-Q, the Company has made assumptions regarding, among other things: (i) its ability to generate cash flows from operations and obtain necessary financing on acceptable terms; (ii) general economic, financial market, regulatory and political conditions in jurisdictions in which the Company operates; (iii) the output from the Company's operations; (iv) consumer interest in the Company's products; (v) competition in the cannabis industry; (vi) anticipated and unanticipated costs; (vii) government regulation of the Company's activities and products; (viii) government regulation of licensing, taxation and environmental protection; (ix) the timely receipt of any required regulatory approvals; (x) the Company's ability to obtain qualified staff, equipment and services in a timely and cost efficient manner; (xi) the Company's ability to conduct operations in a safe, efficient and effective manner; and (xii) the Company's construction plans and timeframe for completion of such plans.

Readers are cautioned that the above list of cautionary statements is not exhaustive. Known and unknown risks, many of which are beyond the control of the Company, could cause actual results to differ materially from the forward-looking statements in this Quarterly Report on Form 10-Q. Such risks and uncertainties include, but are not limited to, current and future market conditions; risks related to federal, state, provincial, territorial, local and foreign government laws, rules and regulations, including federal and state laws in the United States relating to cannabis operations in the United States; and those discussed under Item 1A – "*Risk Factors*" in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, filed with the Securities and Exchange Commission (the "SEC") on March 6, 2025. The purpose of forward-looking statements is to provide the reader with a description of management's expectations, and such forward-looking statements may not be appropriate for any other purpose. You should not place undue reliance on forward-looking statements contained in this Quarterly Report on Form 10-Q. The Company can give no assurance that such expectations will prove to have been correct. Forward-looking statements contained herein are made as of the date of this Quarterly Report on Form 10-Q and are based on the beliefs, estimates, expectations and opinions of management on the date such forward-looking statements are made. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking statements, except as required by applicable law.

PART I—FINANCIAL INFORMATION

Item 1. Financial Statements.

TerrAscend Corp.

Unaudited Interim Condensed Consolidated Balance Sheets

(Amounts expressed in thousands of United States dollars, except for share and per share amounts)

	At June 30, 2025	At December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 26,672	\$ 26,381
Restricted cash	110	606
Accounts receivable, net	19,989	20,224
Investments	992	1,727
Inventory	35,409	39,672
Prepaid expenses and other current assets	4,972	5,123
Assets from discontinued operations, current	44,939	83,155
Total current assets	133,083	176,888
Non-current assets		
Property and equipment, net	126,298	124,165
Deposits	168	168
Operating lease right of use assets	28,890	28,755
Intangible assets, net	173,291	169,604
Goodwill	109,770	106,929
Other non-current assets	507	722
Total non-current assets	438,924	430,343
Total assets	\$ 572,007	\$ 607,231
Liabilities and shareholders' equity		
Current liabilities		
Accounts payable and accrued liabilities	\$ 37,008	\$ 40,349
Deferred revenue	4,080	3,575
Convertible debt	10,221	—
Loans payable	554	6,761
Contingent consideration payable	1,672	3,121
Operating lease liability	1,265	1,322
Derivative liability	178	92
Corporate income tax payable	12,694	11,531
Liabilities from discontinued operations	23,991	24,298
Total current liabilities	91,663	91,049
Non-current liabilities		
Loans payable	199,119	183,461
Operating lease liability	31,036	30,664
Derivative liability	—	451
Convertible debt	—	9,114
Deferred income tax liability	9,025	8,428
Contingent consideration payable	—	172
Liability on uncertain tax position	122,692	106,991
Other long term liabilities	85	85
Total non-current liabilities	361,957	339,366
Total liabilities	453,620	430,415
Commitments and contingencies		
Shareholders' equity		
Share capital		
Series A, convertible preferred stock, no par value, unlimited shares authorized; 10,850 and 12,350 shares outstanding as of June 30, 2025 and December 31, 2024, respectively	—	—
Series B, convertible preferred stock, no par value, unlimited shares authorized; 600 and 600 shares outstanding as of June 30, 2025 and December 31, 2024, respectively	—	—
Exchangeable shares, no par value, unlimited shares authorized; 63,492,038 and 63,492,038 shares outstanding as of June 30, 2025 and December 31, 2024, respectively	—	—
Common shares, no par value, unlimited shares authorized; 306,117,417 and 293,232,131 shares outstanding as of June 30, 2025 and December 31, 2024, respectively	—	—
Treasury stock, no par value; nil and 129,500 shares outstanding as of June 30, 2025 and December 31, 2024, respectively	—	—
Additional paid in capital	957,238	952,463
Accumulated other comprehensive income	2,171	3,011
Accumulated deficit	(841,470)	(778,514)
Non-controlling interest	448	(144)
Total shareholders' equity	118,387	176,816
Total liabilities and shareholders' equity	\$ 572,007	\$ 607,231

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

TerrAscend Corp.

Unaudited Interim Condensed Consolidated Statements of Operations and Comprehensive Loss

(Amounts expressed in thousands of United States dollars, except for share and per share amounts)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenue, net	\$ 65,006	\$ 67,196	\$ 129,309	\$ 136,471
Cost of sales	31,771	33,837	61,393	68,942
Gross profit	33,235	33,359	67,916	67,529
Operating expenses:				
General and administrative	20,980	22,632	42,129	43,709
Amortization and depreciation	1,284	1,258	2,573	2,553
Impairment of property and equipment and right of use assets	—	—	—	2,438
Other operating income	—	(1,169)	—	(1,169)
Total operating expenses	22,264	22,721	44,702	47,531
Income from operations	10,971	10,638	23,214	19,998
Other expense (income)				
Finance and other expenses	8,747	8,561	17,082	16,803
Unrealized and realized (gain) loss on investments	(7)	227	735	227
(Gain) loss from revaluation of contingent consideration	(34)	1,827	346	3,220
Gain on fair value of derivative liabilities	(279)	(2,922)	(376)	(1,939)
Unrealized and realized foreign exchange (gain) loss	(648)	104	(607)	389
Income from continuing operations before provision for income taxes	3,192	2,841	6,034	1,298
Provision for income taxes	9,598	9,126	20,105	16,779
Net loss from continuing operations	\$ (6,406)	\$ (6,285)	\$ (14,071)	\$ (15,481)
Discontinued operations:				
(Loss) income from discontinued operations, net of tax	\$ (41,701)	\$ 48	\$ (46,305)	\$ (5,607)
Net loss	<u>\$ (48,107)</u>	<u>\$ (6,237)</u>	<u>\$ (60,376)</u>	<u>\$ (21,088)</u>
Foreign currency translation adjustment	854	(260)	840	(658)
Comprehensive loss	<u>\$ (48,961)</u>	<u>\$ (5,977)</u>	<u>\$ (61,216)</u>	<u>\$ (20,430)</u>
Net loss from continuing operations attributable to:				
Common and proportionate Shareholders of the Company	\$ (7,684)	\$ (8,228)	\$ (16,651)	\$ (19,628)
Non-controlling interests	\$ 1,278	\$ 1,943	\$ 2,580	\$ 4,147
Comprehensive loss attributable to:				
Common and proportionate Shareholders of the Company	\$ (50,239)	\$ (7,920)	\$ (63,796)	\$ (24,577)
Non-controlling interests	\$ 1,278	\$ 1,943	\$ 2,580	\$ 4,147
Net loss per share - basic & diluted:				
Continuing operations	\$ (0.03)	\$ (0.03)	\$ (0.06)	\$ (0.07)
Discontinued operations	(0.14)	—	(0.16)	(0.02)
Net loss per share - basic & diluted	<u>\$ (0.17)</u>	<u>\$ (0.03)</u>	<u>\$ (0.22)</u>	<u>\$ (0.09)</u>
Weighted average number of outstanding common shares - basic & diluted	299,087,022	291,488,661	296,137,440	291,053,614

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

(Amounts expressed in thousands of United States dollars, except for share and per share amounts)

	Number of Shares				Common Shares Equivalent	Additional paid in capital	Accumulated other comprehensive loss	Accumulated deficit	Non- controlling interest	Total
	Common Shares	Exchangeable Shares	Series A	Series B						
Balance at December 31, 2023	288,327,497	63,492,038	12,350	600	364,769,739	\$ 944,859	\$ 1,799	(704,162)	(1,756)	\$ 240,740
Shares issued - stock options, warrant and RSU exercises	69,229	—	—	—	69,229	—	—	—	—	—
Share-based compensation expense	—	—	—	—	—	1,485	—	—	—	1,485
Options and warrants expired/forfeited	—	—	—	—	—	(3,819)	—	3,819	—	—
Capital distributions	—	—	—	—	—	—	—	—	(337)	(337)
Acquisition of non-controlling interest	2,888,088	—	—	—	2,888,088	3,300	—	—	1,374	4,674
Net (loss) income for the period	—	—	—	—	—	—	—	(17,055)	2,204	(14,851)
Foreign currency translation adjustment	—	—	—	—	—	—	398	—	—	398
Balance at March 31, 2024	291,284,814	63,492,038	12,350	600	367,727,056	\$ 945,825	\$ 2,197	\$ (717,398)	\$ 1,485	\$ 232,109
Shares issued - stock options, warrant and RSU exercises	222,616	—	—	—	222,616	—	—	—	—	—
Share-based compensation expense	—	—	—	—	—	1,960	—	—	—	1,960
Options and warrants expired/forfeited	—	—	—	—	—	(1,988)	—	1,988	—	—
Capital distributions	—	—	—	—	—	—	—	—	(1,946)	(1,946)
Net loss for the period	—	—	—	—	—	—	—	(8,180)	1,943	(6,237)
Foreign currency translation adjustment	—	—	—	—	—	—	260	—	—	260
Balance at June 30, 2024	291,507,430	63,492,038	12,350	600	367,949,672	\$ 945,797	\$ 2,457	\$ (723,590)	\$ 1,482	\$ 226,146

Unaudited Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Continued)

(Amounts expressed in thousands of United States dollars, except for share and per share amounts)

	Number of Shares				Common Shares Equivalent	Treasury Stock	Additional paid in capital	Accumulated other comprehensive loss	Accumulated deficit	Non- controlling interest	Total
	Common Shares	Exchangeable Shares	Series A	Series B							
Balance at December 31, 2024	293,232,131	63,492,038	12,350	600	369,674,373	(129,500)	\$ 952,463	\$ 3,011	\$ (778,514)	\$ (144)	\$ 176,816
Shares issued - stock options, warrant and RSU exercises	54,350	—	—	—	54,350	—	—	—	—	—	—
Share-based compensation expense	—	—	—	—	—	—	1,514	—	—	—	1,514
Capital distributions	—	—	—	—	—	—	—	—	—	(738)	(738)
Repurchase of common stock, including excise tax	(637,000)	—	—	—	(637,000)	129,500	(231)	—	—	—	(231)
Net (loss) income for the period	—	—	—	—	—	—	—	—	(13,571)	1,302	(12,269)
Foreign currency translation adjustment	—	—	—	—	—	—	—	14	—	—	14
Balance at March 31, 2025	292,649,481	63,492,038	12,350	600	369,091,723	—	\$ 953,746	\$ 3,025	\$ (792,085)	\$ 420	\$ 165,106
Shares issued - stock options, warrant and RSU exercises	354,950	—	—	—	354,950	—	—	—	—	—	—
Shares issued - acquisitions	4,570,637	—	—	—	4,570,637	—	1,278	—	—	—	1,278
Shares issued - conversion	1,500,000	—	(1,500)	—	1,500,000	—	—	—	—	—	—
Shares issued - price protection adjustment	7,577,349	—	—	—	7,577,349	—	1,581	—	—	—	1,581
Repurchase of common stock, including excise tax	(535,000)	—	—	—	(535,000)	—	(146)	—	—	—	(146)
Share-based compensation expense	—	—	—	—	—	—	779	—	—	—	779
Capital distributions	—	—	—	—	—	—	—	—	—	(1,250)	(1,250)
Net loss for the period	—	—	—	—	—	—	—	—	(49,385)	1,278	(48,107)
Foreign currency translation adjustment	—	—	—	—	—	—	—	(854)	—	—	(854)
Balance at June 30, 2025	306,117,417	63,492,038	10,850	600	382,559,659	—	\$ 957,238	\$ 2,171	\$ (841,470)	\$ 448	\$ 118,387

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

TerrAscend Corp.

Unaudited Interim Condensed Consolidated Statements of Cash Flows

(Amounts expressed in thousands of United States dollars, except for share and per share amounts)

	For the Six Months Ended	
	June 30, 2025	June 30, 2024
Operating activities		
Net loss from continuing operations	\$ (14,071)	\$ (15,481)
Adjustments to reconcile net loss to net cash provided by operating activities		
Accretion expense	4,306	7,862
Depreciation of property and equipment and amortization of intangible assets	7,729	7,576
Amortization of operating right-of-use assets	805	777
Share-based compensation	2,293	3,445
Deferred income tax expense (recovery)	597	(415)
Gain on fair value of derivative liabilities	(376)	(1,939)
Unrealized and realized loss on investments	735	227
Loss from revaluation of contingent consideration	346	3,220
Provision for expected credit loss	673	—
Unrealized and realized foreign exchange (gain) loss	(607)	389
Impairment and other	(5)	1,269
Changes in operating assets and liabilities		
Receivables	(511)	1,517
Inventory	4,580	1,400
Accounts payable and accrued liabilities	(5,046)	(4,289)
Income taxes paid and tax related liabilities	16,862	25,238
Prepaid expense and other current assets	79	(52)
Other assets and liabilities	90	2,572
Net cash provided by operating activities - continuing operations	18,479	33,316
Net cash used in operating activities - discontinued operations	(7,658)	(7,177)
Net cash provided by operating activities	10,821	26,139
Investing activities		
Investment in property and equipment	(4,650)	(4,094)
Interest received on investment in note receivable	123	—
Investment in intangible assets	(726)	(699)
Cash portion of consideration paid in acquisitions, net of cash acquired	(5,128)	(250)
Net cash used in investing activities - continuing operations	(10,381)	(5,043)
Net cash (used in) provided by investing activities - discontinued operations	(737)	200
Net cash used in investing activities	(11,118)	(4,843)
Financing activities		
Proceeds from loan payable, net of transaction costs	5,000	3,137
Loan principal paid	(1,966)	(16,306)
Capital distributions paid to non-controlling interests	(1,988)	(1,564)
Payment for contingent consideration	(386)	—
Payments made for financing obligations and finance lease	—	(271)
Repurchases of common shares	(377)	—
Net cash provided by (used in) financing activities- continuing operations	283	(15,004)
Net cash used in financing activities- discontinued operations	—	(1,538)
Net cash provided by (used in) financing activities	283	(16,542)
Net (decrease) increase in cash and cash equivalents and restricted cash during the period	(14)	4,754
Net effects of foreign exchange	(191)	390
Cash and cash equivalents and restricted cash, beginning of the period	26,987	25,347
Cash and cash equivalents and restricted cash, end of the period	\$ 26,782	\$ 30,491

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Unaudited Interim Condensed Consolidated Statements of Cash Flows (Continued)

(Amounts expressed in thousands of United States dollars, except for share and per share amounts)

	For the Six Months Ended	
	June 30, 2025	June 30, 2024
Supplemental disclosure with respect to cash flows		
Cash paid (received) for income tax, net	\$ 4,573	\$ (8,116)
Interest paid	13,266	12,599
Lease termination fee paid	—	271
Non-cash transactions		
Equity and warrant liability issued for acquisitions and non-controlling interest	\$ —	\$ 4,674
Distribution payable to non-controlling interests	—	719
Change in accrued capital expenditures	2,115	811

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(Amounts expressed in thousands of United States dollars, except for share and per share amounts)

1. Nature of operations

TerrAscend Corp. (the "Issuer") was incorporated under the Business Corporations Act (Ontario) on March 7, 2017. The Issuer, through its subsidiaries, TerrAscend Growth Corp. ("TerrAscend") and its subsidiaries (collectively, "the Company"), is a leading North American cannabis company. TerrAscend has vertically integrated licensed operations in Pennsylvania, New Jersey, Michigan, Maryland and California and a retail operation in Ohio. In addition, the Company has retail operations in Ontario, Canada with a majority-owned dispensary in Toronto, Ontario, Canada. In the United States, TerrAscend's cultivation and manufacturing provide product selection to both the medical and legal adult-use markets. Notwithstanding the fact that various states in the United States have implemented medical marijuana laws or have otherwise legalized the use of cannabis, the use of cannabis remains illegal under U.S. federal law for any purpose, by way of the Controlled Substances Act of 1970.

The Company operates under one reportable segment, which is the cultivation, production and sale of cannabis products.

The Company owns a portfolio of operating businesses, including:

- TerrAscend New Jersey ("TerrAscend NJ"), a majority owned operation with three dispensaries, and a cultivation/processing facility;
- TerrAscend Maryland ("TerrAscend MD"), a wholly-owned operation with four dispensaries, and a cultivation/processing facility;
- TerrAscend Pennsylvania ("TerrAscend PA"), a wholly-owned operation with six dispensaries, and a cultivation/processing facility;
- TerrAscend California ("TerrAscend CA"), a wholly-owned operation with four dispensaries, and a cultivation facility;
- TerrAscend Ohio ("TerrAscend OH"), a wholly-owned operation with one dispensary; and
- TerrAscend Canada Inc. ("TerrAscend Canada"), a cannabis retailer in Ontario, Canada with a majority-owned dispensary in Toronto, Ontario, Canada ("Cookies Canada"); and
- TerrAscend Michigan ("TerrAscend MI"), a wholly-owned operation with twenty dispensaries, one cultivation facility, one processing facility, and two cultivation/processing facilities which were classified as discontinued operations during the six months ended June 30, 2025. See Note 7 for additional information.

The common shares in the capital of the Company ("Common Shares") commenced trading on the Canadian Securities Exchange ("CSE") on May 3, 2017 under the ticker symbol "TER" and continued trading on the CSE until the listing of the Common Shares on the Toronto Stock Exchange (the "TSX"). Effective July 4, 2023, the Common Shares commenced trading on the TSX under the ticker symbol "TSND". The Common Shares commenced trading on OTCQX on October 22, 2018 under the ticker symbol "TRSSF", which was subsequently changed to "TSNDF", effective July 6, 2023. The Company's registered office is located at 77 City Centre Drive, Suite 501, Mississauga, Ontario, L5B 1M5, Canada.

2. Summary of significant accounting policies

(a) Basis of presentation

These unaudited interim condensed consolidated financial statements included herein (the "Consolidated Financial Statements") of the Company and its subsidiaries were prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

The accompanying Consolidated Financial Statements contained in this report are unaudited. In the opinion of management, these Consolidated Financial Statements have been prepared on the same basis as the annual consolidated financial statements and notes thereto of the Company and include all adjustments, consisting only of normal recurring adjustments, considered necessary for the fair presentation of the Company's financial position and operating results. The results for the three and six months ended June 30, 2025 are not necessarily indicative of the operating results for the year ended December 31, 2025, or any other interim or future periods.

The accompanying Consolidated Financial Statements should be read in conjunction with the audited consolidated financial statements and notes thereto of the Company for the year ended December 31, 2024 contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the Securities and Exchange Commission (the "SEC") on March 6, 2025

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(Amounts expressed in thousands of United States dollars, except for share and per share amounts)

(the "Annual Report"). There were no significant changes to the policies disclosed in Note 2 of the summary of significant accounting policies of the Company's audited consolidated financial statements for the year ended December 31, 2024 in the Company's Annual Report.

(b) Discontinued operations and assets held for sale

During the three months ended June 30, 2025, the Company committed to a plan to exit the Michigan market. The Company is currently engaged in an active program to sell the assets of the Michigan business which is expected to be substantially completed in the second half of 2025.

The Company evaluated whether its plan to exit the Michigan market qualifies as discontinued operations in accordance with Accounting Standards Codification ("ASC") 205-20, *Discontinued Operations*. A disposal of a component or a group of components is reported in discontinued operations if the disposal represents a strategic shift that has or will have a major effect on the Company's operations and financial results when the following occurs: (i) a component (or group of components) meets the criteria to be classified as held for sale; (ii) the component or group of components is disposed of by sale; or (iii) the component or group of components is disposed of other than by sale (for example, by abandonment or in a distribution to owners in a spin-off).

The Company determined that its plan to exit the Michigan market is considered a strategic shift that will have a major effect on the Company's operations and financial results and met the criteria for classification as discontinued operations. As a result, the assets and liabilities of TerrAscend MI are presented as held for sale in accordance with ASC 360-10, *Impairment or Disposal of Long Lived Assets* ("ASC 360-10") in the unaudited interim condensed consolidated balance sheets ("Consolidated Balance Sheets"), the operating results are presented as discontinued operations in the unaudited interim condensed consolidated statements of operations ("Consolidated Statements of Operations and Comprehensive Loss"), and net cash used is presented as discontinued operations in the statements of cash flows. The Company's assets to be disposed of and for which there is a committed plan of disposal are classified as assets held for sale and at the lower of carrying value or fair value, less costs to sell.

Prior period amounts have been retrospectively adjusted to conform to the current period presentation. Certain prior period amounts, primarily related to discontinued operations, have been reclassified in the Consolidated Financial Statements and accompanying notes to conform to the current period presentation. Unless otherwise noted, amounts and disclosures throughout these notes to the Consolidated Financial Statements relate solely to continuing operations and exclude all discontinued operations. See Note 7 for additional information.

3. Consolidation

The Company consolidates entities in which it has a controlling financial interest by evaluating whether the entity is a voting interest entity ("VOE") or a variable interest entity ("VIE").

In connection with the listing of its Common Shares on the TSX, the Company undertook a strategic reorganization of its ownership structure (the "2023 Reorganization") to align with TSX regulatory requirements regarding U.S. based operations, in accordance with the TSX's Staff Notice 2017-0009. Specifically, the 2023 Reorganization was designed to separate the Company's Canadian retail operations from its U.S. cultivation and manufacturing businesses in a manner that supports compliance with applicable listing standards while preserving the Company's ability to consolidate the financial results of its U.S. operations under U.S. GAAP. Following the completion of the 2023 Reorganization, the Company holds a 95% equity interest in its Canadian retail business and maintains a variable interest in its U.S. operations, which are consolidated through a VIE model. The Company continues to consolidate both operations under two distinct consolidation models in accordance with ASC 810, *Consolidation* ("ASC 810").

Subsequent to the 2023 Reorganization, all operations in the United States have a functional currency of the U.S. dollar ("USD"). Canadian operations continue to have a functional currency of the Canadian dollar ("CAD").

Voting Interest Entities

A VOE is an entity in which (1) the total equity investment at risk is deemed sufficient to absorb the expected losses of the entity, (2) the at-risk equity holders, as a group, have all of the characteristics of a controlling financial interest and (3) the entity is structured with substantive voting rights. The Company consolidates the Canadian operations under a VOE model based on the controlling financial interest obtained through Common Shares with substantive voting rights.

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The Company's Canadian retail operations are conducted through a subsidiary that is 95% owned by TerrAscend Canada, a wholly owned subsidiary of the Issuer. These operations are consolidated under the VOE model based on the controlling financial interest obtained through Common Shares with substantive voting rights. The remaining Canadian subsidiaries are either wholly owned or majority owned, and are not currently engaged in active operations.

Variable Interest Entities

A VIE is an entity that lacks one or more characteristics of a controlling financial interest defined under the voting interest model. The Company consolidates VIE when it has a variable interest that provide it with (1) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance (power) and (2) the obligation to absorb losses of the VIE that potentially could be significant to the VIE or the right to receive benefits from the VIE that potentially could be significant to the VIE (benefits).

In connection with the 2023 Reorganization, TerrAscend issued and sold, on a private placement basis, Class A shares in the capital of TerrAscend ("Class A Shares") for aggregate gross proceeds of \$1,000 to an investor ("Investment"). See Note 10 for accounting treatment of the Class A Shares. Following the closing of the Investment, the Class B shares ("Class B Shares") in the capital of TerrAscend held by the Company, representing all of the issued and outstanding Class B shares, were automatically exchanged for non-voting, non-participating exchangeable shares in the capital of TerrAscend ("Non-Voting Shares"), representing approximately 99.8% of the issued and outstanding shares of TerrAscend on an as-converted basis. As a result of the limited rights associated with Non-Voting Shares that the Company holds following the closing of the Investment, the Company and TerrAscend entered into a protection agreement dated April 18, 2023 ("Protection Agreement"). The Protection Agreement provides for certain negative covenants in order to preserve the value of the Non-Voting Shares until such time as the Non-Voting Shares are converted into Class A Shares.

The Issuer determined that TerrAscend is a VIE, as all of the Company's U.S. activities continue to be conducted on behalf of the Company which has disproportionately few voting rights. After conducting an analysis of the following VIE factors; purpose and design of the VIE, the Protection Agreement in place, the structure of the Company's board of directors (the "Board"), and substantive kick-out rights of the holders of the Class A Shares, it was determined that the Company has the power to direct the activities of TerrAscend. In addition, given the structure of the Class A Shares where all of the losses and substantially all of the benefits of TerrAscend are absorbed by the Company, the Company consolidates as the primary beneficiary in accordance with ASC 810. Although the Company does not currently hold Class A Shares, the Non-Voting Shares are exchangeable at the Company's discretion and represent substantially all of the economic interest in the VIE. The investor's Class A Shares provide only a fixed annual return and do not participate in the residual economics of the VIE, in accordance with the Protection Agreement, which supports the Company's conclusion that it is the primary beneficiary of TerrAscend.

The Company's U.S. operations are consolidated through the VIE model. Therefore, substantially all of the Company's current assets, non-current assets, current liabilities and non-current liabilities are consolidated through the VIE model.

4. Accounts receivable, net

The Company's accounts receivable, net consisted of the following:

	June 30, 2025	December 31, 2024
	(In thousands)	
Trade receivables	\$ 19,383	\$ 19,002
Sales tax receivable	1,228	970
Other receivables	330	563
Provision for current expected credit losses	(952)	(311)
Total receivables, net	\$ 19,989	\$ 20,224

Notes to the Unaudited Interim Condensed Consolidated Financial Statements*(Amounts expressed in thousands of United States dollars, except for share and per share amounts)*

	June 30, 2025	December 31, 2024
	(In thousands)	
Trade receivables	\$ 19,383	\$ 19,002
Less: provision for current expected credit losses	(952)	(311)
Total trade receivables, net	\$ 18,431	\$ 18,691
Of which		
Current	13,046	11,211
31-90 days	3,053	3,998
Over 90 days	3,284	3,793
Less: current expected credit losses	(952)	(311)
Total trade receivables, net	\$ 18,431	\$ 18,691

5. AcquisitionsRatio Cannabis

On May 6, 2025 ("Ratio Acquisition Date"), the Company completed the acquisition of certain assets of Ratio Cannabis, LLC, a licensed cannabis operator, to expand its operational footprint. The total fair value consideration transferred in connection with the acquisition was \$10,103. The fair value consideration was comprised of: (i) \$5,261 in cash, (ii) a \$3,564 secured promissory note bearing interest at a rate of 6.00% and maturing on May 6, 2027, and (iii) 4,570,637 Common Shares (the Ratio Share Consideration") valued at \$1,278 using the trading price of the Common Shares on the acquisition date less an applicable share restriction discount of 30%.

The Ratio Share Consideration was subject to a statutory hold period restriction of six months, and therefore, a share restriction discount was considered in determining the fair value of the Ratio Share Consideration on the date of issuance, using an option pricing model.

The following table represents the fair value of assets acquired and liabilities assumed as of the May 6, 2025 acquisition date and allocation of the consideration to net assets acquired:

	(In thousands)
Cash and cash equivalents	\$ 133
Accounts receivable	58
Inventory	317
Prepaid expenses and other current assets	54
Intangible assets	6,700
Goodwill	2,841
Net assets acquired	\$ 10,103
Consideration paid in cash	\$ 5,261
Promissory note payable	3,564
Common shares of TerrAscend	1,278
Total consideration	\$ 10,103

The acquired intangible assets include a license, which is treated as a definite lived intangible asset and amortized over a 15-year period.

The consideration paid reflected the synergies, economies of scale, and workforce. These benefits were not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets. None of the goodwill recognized is expected to be deductible for income tax purposes.

The accounting for this acquisition has been provisionally determined at June 30, 2025. The fair value of net assets acquired, specifically with respect to intangible assets and goodwill have been determined provisionally and are subject to adjustment. Upon

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completion of a comprehensive valuation and finalization of the purchase price allocation, the amounts above may be adjusted retrospectively to the acquisition date in future reporting periods.

Costs related to this transaction were \$122, including legal, accounting, due diligence, and other transaction-related expenses and were recorded during the six months ended June 30, 2025.

On a standalone basis, had the Company acquired the business on January 1, 2025, sales estimates would have been \$3,960 for the six months June 30, 2025 and net income estimates would have been \$766. Actual sales and net income since the Ratio Acquisition Date are \$1,242 and \$253, respectively.

Contingent consideration

The balances of the Company's contingent considerations are as follows:

	State Flower	Apothecarium	Peninsula	Total
	(In thousands)			
Carrying amount, December 31, 2024	\$ 787	\$ 2,120	\$ 386	\$ 3,293
Settlement of contingent consideration	—	—	(386)	(386)
Payments of contingent consideration	(442)	(1,139)	—	(1,581)
Loss on revaluation of contingent consideration	93	253	—	346
Carrying amount, June 30, 2025	\$ 438	\$ 1,234	\$ —	\$ 1,672
Less: current portion	(438)	(1,234)	—	(1,672)
Non-current contingent consideration	\$ —	\$ —	\$ —	\$ —

On June 2, 2025, the Company issued an additional 7,577,349 Common Shares related to the price protection clause from the previous acquisitions of State Flower and The Apothecarium businesses.

6. Inventory

The Company's inventory of dry cannabis and cannabis derived products includes both purchased and internally produced inventory. The Company's inventory is comprised of the following items:

	June 30, 2025	December 31, 2024
	(In thousands)	
Raw materials	\$ 520	\$ 400
Finished goods	15,997	16,182
Work in process	17,296	21,548
Accessories, supplies and consumables	1,596	1,542
Total inventory	\$ 35,409	\$ 39,672

7. Discontinued operations

During the six months ended June 30, 2025, the Company committed to a plan to exit the Michigan market. The Company received approval from the board of directors of TerrAscend Corp. (the "Board"), together with TerrAscend Corp.'s consolidated entities, and is currently engaged in an active program to sell the assets of TerrAscend MI, which is expected to be substantially completed in the second half of 2025. The Company determined that its decision to exit the Michigan market is considered a strategic shift that will have a major effect on the Company's operations and financial results and met the criteria for classification as discontinued operations.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements*(Amounts expressed in thousands of United States dollars, except for share and per share amounts)*

The following table summarizes the major classes of assets and liabilities of TerrAscend MI as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
	(In thousands)	
Current assets from discontinued operations		
Accounts receivable, net	324	656
Inventory	8,386	9,128
Prepaid expenses and other current assets	992	917
Property and equipment, net	\$ 23,290	\$ 59,854
Operating lease right of use assets	11,947	12,600
Total current assets from discontinued operations	\$ 44,939	\$ 83,155
Current liabilities from discontinued operations		
Accounts payable and accrued liabilities	\$ 6,816	\$ 6,376
Deferred revenue	1,683	1,554
Operating lease liability	12,447	12,994
Finance lease liability	1,923	1,864
Other liabilities	1,122	1,510
Total current liabilities from discontinued operations	\$ 23,991	\$ 24,298

The following table presents the results of operations of TerrAscend MI for the three and six months ended June 30, 2025 and 2024:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(In thousands)			
Revenue, net	\$ 6,190	\$ 10,327	\$ 12,883	\$ 21,685
Cost of Sales	4,307	6,003	8,878	12,800
Gross profit	1,883	4,324	4,005	8,885
Operating expenses:				
General and administrative	7,089	1,428	12,320	8,359
Amortization and depreciation	566	932	1,040	1,852
Impairment of property and equipment	34,959	—	34,959	—
Other operating expense (income)	57	(17)	57	(17)
Total operating expenses	42,671	2,343	48,376	10,194
Other expense (income)				
Finance and other expenses	46	329	127	677
(Loss) income from discontinued operations before provision for income taxes	(40,834)	1,652	(44,498)	(1,986)
Provision for income taxes	867	1,604	1,807	3,621
Net (loss) income from discontinued operations, net of tax	\$ (41,701)	\$ 48	\$ (46,305)	\$ (5,607)

ASC 360-10 requires a held-for-sale disposal group to be measured at the lower of its carrying amount and fair value less cost to sell. The Company adjusted the carrying amount of the assets in the disposal group within the scope of ASC 360-10 and recognized a total impairment loss of \$34,959 on certain buildings, equipment, and leasehold improvements. The fair value of the disposal groups was primarily determined based on purchase offers from market participants subsequent to period end. An estimated cost to sell of 4% was

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used in the valuations. The impairments were primarily attributable to the Company's expedited sales strategy, constructions in process that will no longer be complete, and the continued increase of competition in the Michigan market.

8. Property and equipment

Property and equipment consisted of:

	June 30, 2025	December 31, 2024
	(In thousands)	
Land	\$ 3,235	\$ 3,235
Assets in process	2,989	1,956
Buildings & improvements	128,956	123,568
Machinery & equipment	24,931	24,662
Office furniture & equipment	4,287	4,282
Total cost	164,398	157,703
Less: accumulated depreciation	(38,100)	(33,538)
Property and equipment, net	\$ 126,298	\$ 124,165

Assets in process primarily represent construction in progress related to both cultivation and dispensary facilities not yet completed, or otherwise not placed in service.

Depreciation expense was \$2,239 and \$4,638 for the three and six months ended June 30, 2025, respectively, (\$1,840 and \$3,837 included in cost of sales) and \$2,214 and \$4,425 for the three and six months ended June 30, 2024, respectively, (\$1,797 and \$3,575 included in cost of sales).

9. Intangible assets and goodwill

Intangible assets consisted of the following:

	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
At June 30, 2025			
	(In thousands)		
Finite lived intangible assets			
Software	\$ 2,788	\$ (1,202)	\$ 1,586
Licenses	174,164	(27,231)	146,933
Non-compete agreements	280	(280)	—
Total finite lived intangible assets	177,232	(28,713)	148,519
Indefinite lived intangible assets			
Brand intangibles	24,772	—	24,772
Total indefinite lived intangible assets	24,772	—	24,772
Intangible assets, net	\$ 202,004	\$ (28,713)	\$ 173,291

Notes to the Unaudited Interim Condensed Consolidated Financial Statements*(Amounts expressed in thousands of United States dollars, except for share and per share amounts)*

At December 31, 2024	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(In thousands)		
<i>Finite lived intangible assets</i>			
Software	\$ 2,708	\$ (964)	\$ 1,744
Licenses	167,459	(24,371)	143,088
Non-compete agreements	280	(280)	—
Total finite lived intangible assets	170,447	(25,615)	144,832
<i>Indefinite lived intangible assets</i>			
Brand intangibles	24,772	—	24,772
Total indefinite lived intangible assets	24,772	—	24,772
Intangible assets, net	\$ 195,219	\$ (25,615)	\$ 169,604

Amortization expense was \$1,545 and \$3,085 for the three and six months ended June 30, 2025, respectively, (\$660 and \$1,319 included in cost of sales) and \$1,566 and \$3,144 for the three and six months ended June 30, 2024, respectively, (\$724 and \$1,448 included in cost of sales).

Estimated future amortization expense for finite lived intangible assets for the next five years is as follows:

	(In thousands)
2025	\$ 3,377
2026	6,594
2027	6,515
2028	6,464
2029	6,350
Thereafter	119,219
Total	\$ 148,519

As of June 30, 2025, the weighted average amortization period remaining on intangible assets was 24.9 years.

The following table summarizes the activity in the Company's goodwill balance:

	(In thousands)
Balance at December 31, 2024	\$ 106,929
Additions at acquisition date	2,841
Balance at June 30, 2025	\$ 109,770

Notes to the Unaudited Interim Condensed Consolidated Financial Statements*(Amounts expressed in thousands of United States dollars, except for share and per share amounts)***10. Loans payable**

The Company's loans payable consisted of the following:

	June 30, 2025	December 31, 2024
	(In thousands)	
Pelorus term loan due October 2027		
Principal amount	\$ 45,478	\$ 45,478
Deferred financing cost	(933)	(1,168)
Net carrying amount	\$ 44,545	\$ 44,310
Maryland Acquisition loans (1)		
Principal amount	\$ 16,373	\$ 18,029
Unamortized discount	(492)	(746)
Net carrying amount	\$ 15,881	\$ 17,283
Ratio promissory note due May 2027		
Principal amount	\$ 3,980	\$ —
Deferred financing cost	(384)	—
Net carrying amount	\$ 3,596	\$ —
FocusGrowth loan due August 2028		
Principal amount	\$ 140,000	\$ 140,000
Unamortized discount and deferred financing cost	(11,510)	(12,799)
Exit fee accretion	933	390
Net carrying amount	\$ 129,423	\$ 127,591
Other loans (2)	\$ 6,228	\$ 1,038
Total debt, net	\$ 199,673	\$ 190,222
Loans payable, current (2)	554	6,761
Loans payable, non-current (2)	199,119	183,461
Total principal	\$ 212,059	\$ 204,545

(1) For maturity breakout, refer to Maryland Acquisition Loans section below.

(2) Subsequent to June 30, 2025, the Company retired four of its debt facilities and modified an existing loan agreement. The modification of debt resulted in a reclassification of \$19,440, net of deferred financing costs, between Loans payable, current and Loans payable, non-current. See Note 24 for further details of the refinancing.

Total interest paid on all loan payables was \$6,846 and \$13,266 for the three and six months ended June 30, 2025, respectively, and \$6,335 and \$12,599 for the three and six months ended June 30, 2024, respectively. The Company had accrued interest on loans payable of \$2,330 and \$2,537 as of June 30, 2025 and December 31, 2024, respectively, included in accounts payable and accrued liabilities on the Company's Consolidated Balance Sheets.

FocusGrowth Term Loan

On August 1, 2024, the Company and TerrAscend USA, Inc., as guarantors, and each of WDB Holding CA, Inc., WDB Holding PA, Inc., Moose Curve Holdings, LLC, Hempaid, LLC and pursuant to a joinder agreement dated September 30, 2024, WDB Holding MI, Inc., including certain of each of their respective subsidiaries, as borrowers (collectively, the "Borrowers"), and FG Agency Lending LLC, as the Administrative Agent entered into a Loan Agreement (the "FG Loan") for a four-year, \$140,000 senior-secured term loan. Net proceeds of the FG Loan were received in an amount equal to 95% of the \$140,000.

The FG Loan bears interest at 12.75% per annum and matures on August 1, 2028 (the "FG Loan Maturity Date"). The FG Loan is guaranteed by the Company and TerrAscend USA, Inc. and is secured by substantially all of the assets of the Borrowers. Depending on the timing of repayment, an exit fee of between 2.0% and 4.0% of the FG Loan (the "Exit Fee") will be due upon either the prepayment or the FG Loan Maturity Date.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(Amounts expressed in thousands of United States dollars, except for share and per share amounts)

As of June 30, 2025, there was an outstanding principal amount of \$140,000 under the FG Loan.

Subsequent to June 30, 2025, on July 8, 2025, the Incremental Amendment Borrowers (as defined below), became parties to the FG Loan as borrowers pursuant to a joinder agreement, by and among the Incremental Amendment Borrowers and the Agent, which provided for an additional \$79,000 upsize to the existing FG Loan (the "FG Loan Amendment"). Additionally, the Amendment provides for an uncommitted term loan facility of up to \$35,000 (the "Uncommitted Term Loan Facility"). The full amount of the FG Loan Amendment of \$79,000 was drawn on July 8, 2025, \$68,000 of which was used to retire the Pelorus Term Loan, and certain other indebtedness of the Company, in addition to being used for future growth initiatives (see Note 24).

Pelorus Term Loan

On October 11, 2022, subsidiaries of, TerrAscend, among others, entered into a loan agreement with Pelorus Fund REIT, LLC ("Pelorus") for a single-draw senior secured term loan (the "Pelorus Term Loan") in an aggregate principal amount of \$45,478. The Pelorus Term Loan is based on a variable rate tied to the one month Secured Overnight Financing Rate ("SOFR"), subject to a base rate, plus 9.5%, with interest-only payments for the first 36 months and matures on October 11, 2027. The base rate is defined as, on any day, the greatest of: (a) 2.5%, (b) the effective federal funds rate in effect on such day plus 0.5%, and (c) one month Secured Overnight Financing Rate ("SOFR") in effect on such day. The obligations of the borrowers under the Pelorus Term Loan are guaranteed by the Company, TerrAscend USA and certain other subsidiaries of TerrAscend and are secured by all of the assets of TerrAscend's New Jersey businesses and certain assets of TerrAscend's Maryland business, including certain real estate in Maryland. The Pelorus Term Loan is not secured by any of the MD dispensaries.

As of June 30, 2025, there was an outstanding principal amount of \$45,478 under the Pelorus Term Loan.

Subsequent to June 30, 2025, on July 8, 2025, the Company retired the Pelorus Term Loan and paid the outstanding principal amount of \$45,478 (see Note 24).

Maryland Acquisition Loans

In connection with the acquisition of Derby 1, LLC on June 28, 2023 ("Peninsula"), Hempaid, LLC on June 30, 2023 ("Blue Ridge"), and Herbiculture Inc. on July 10, 2023 ("Herbiculture"), (collectively, the "Maryland Acquisitions"), the Company entered into promissory notes with an aggregate principal amount of \$20,625 that bear interest at rates ranging from 7.0% to 10.75% with maturities ranging from June 28, 2025 to June 30, 2027.

As of June 30, 2025, there was an outstanding principal amount of \$16,373 under the Maryland Acquisition Loans.

Subsequent to June 30, 2025, the Company retired a series of promissory notes and paid an outstanding principal amount of \$13,077 (see Note 24).

Ratio Acquisition Loans

FG Bridge Loan

On May 6, 2025, the Company and Ohio Dispensing 1, LLC, a consolidated entity of the Company, completed the acquisition of certain assets of Ratio Cannabis LLC, a dispensary in Ohio (the "Ratio Acquisition"). In connection with the Ratio Acquisition, Ohio Dispensing 1, LLC, and FG Agency Lending LLC, as the Administrative Agent, entered into a Loan Agreement for a \$5,208 term loan (the "FG Bridge Loan"). The FG Bridge Loan bears interest at 12.75% per annum and matures on November 2, 2025.

As of June 30, 2025, there was an outstanding principal amount of \$5,193 under the FG Bridge Loan

Subsequent to June 30, 2025, on July 8, 2025, the Company retired the FG Bridge Loan and paid the outstanding principal amount of \$5,208 (see Note 24).

Notes to the Unaudited Interim Condensed Consolidated Financial Statements*(Amounts expressed in thousands of United States dollars, except for share and per share amounts)**Ratio Promissory Note*

Additionally, as a part of the Ratio Acquisition, the Company entered into a promissory note for \$3,980 bearing 6% interest with a two-year maturity (the "Ratio Promissory Note").

As of June 30, 2025, there was an outstanding principal amount of \$3,980 under the Ratio Promissory Note.

Other Loans*Class A Shares of TerrAscend Growth*

In connection with the 2023 Reorganization (see Note 3), TerrAscend issued \$1,000 of Class A shares with a 20% guaranteed annual dividend ("Class A Shares") to an investor (the "Investor") pursuant to the terms of a subscription agreement between TerrAscend and the Investor dated April 20, 2023 (the "Subscription Agreement"). Pursuant to the terms of the Subscription Agreement, TerrAscend holds a call right to repurchase all of the Class A Shares issued to the Investor for an amount equal to the sum of: (a) the Repurchase/Put Price (as defined in the Subscription Agreement); plus (b) the amount equal to 40% of the subscription amount less the aggregate dividends paid to the Investor as of the date of the exercise of the option. In addition, the Investor holds a put right that is exercisable at any time after four months' advanced written notice following the five-year anniversary of the closing of the investment to put all (and only all) of the Class A Shares owned by the Investor to TerrAscend at the Repurchase/Put Price, payable in cash or shares. The instrument is considered as a debt for accounting purposes due to the economic characteristics and risks.

Maturities of loans payable

Stated maturities of loans payable over the next five years are as follows:

	June 30, 2025	
	(In thousands)	
2025	\$	346
2026		728
2027		6,024
2028 (1)		204,951
2029		7
Thereafter		3
Total principal payments	\$	212,059

(1) Balance excludes the Exit Fee, as described above within this note.

The Company is subject to financial covenants as a result of its loans payable with various lenders. The Company was in compliance with its debt covenants as of June 30, 2025. In the event that, in future periods, the Company's financial results are below levels required to maintain compliance with any of its covenants, the Company will assess and undertake appropriate corrective initiatives with a view to allowing it to continue to comply with its covenants.

11. Leases

The majority of the Company's leases are operating leases used primarily for corporate offices and retail. The operating lease periods generally range from 1 to 24 years. The Company had no finance leases at June 30, 2025 and December 31, 2024.

Amounts recognized in the Consolidated Balance Sheets were as follows:

	June 30, 2025	December 31, 2024
	(In thousands)	
Operating leases:		
Operating lease right-of-use assets	\$ 28,890	\$ 28,755
Operating lease liability classified as current	1,265	1,322
Operating lease liability classified as non-current	31,036	30,664
Total operating lease liabilities	\$ 32,301	\$ 31,986

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(Amounts expressed in thousands of United States dollars, except for share and per share amounts)

The Company recognized operating lease expense of \$1,254 and \$2,478 for the three and six months ended June 30, 2025, respectively, and \$1,404 and \$2,708 for the three and six months ended June 30, 2024, respectively.

Other information related to operating leases at June 30, 2025 and December 31, 2024 consisted of the following:

	June 30, 2025	December 31, 2024
Weighted-average remaining lease term (years)		
Operating leases	13.3	13.2
Weighted-average discount rate		
Operating leases	11.27%	11.19%

Supplemental cash flow information related to leases are as follows:

	June 30, 2025	December 31, 2024
	(In thousands)	
Cash paid for amounts included in measurement of operating lease liabilities	\$ 2,338	\$ 4,672
Right-of-use assets obtained in exchange for operating lease obligations	2,457	655

Undiscounted lease obligations are as follows:

	Operating (In thousands)
2025	\$ 2,389
2026	4,594
2027	4,670
2028	4,750
2029	4,857
Thereafter	44,051
Total lease payments	65,311
Less: interest	(33,010)
Total lease liabilities	\$ 32,301

12. Convertible Debt

The Company's convertible debt consisted of the following:

	June 30, 2025	December 31, 2024
	(In thousands)	
Convertible debt proceeds, net of transaction costs - Maturing June 2026	\$ 10,098	\$ 10,098
Allocation to conversion option	3,600	3,600
Allocation to debt	6,498	6,498
Interest and accretion	3,723	2,616
Net carrying amount	\$ 10,221	\$ 9,114

The Company had accrued interest on convertible debt of \$1,795 and \$1,200 as of June 30, 2025 and December 31, 2024, respectively, included in accounts payable and accrued liabilities on the Consolidated Balance Sheets.

13. Shareholders' equityShare Repurchase Authorization

On August 20, 2024, the Board approved a share repurchase program to repurchase up to \$10,000 of Common Shares. The share repurchase program authorizes the Company to repurchase up to 10,000,000 Common Shares of the Company at any time, or from

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(Amounts expressed in thousands of United States dollars, except for share and per share amounts)

time to time, from August 22, 2024 until August 21, 2025. The share repurchase program authorizes the Company to repurchase up to 65,361 Common Shares daily, which represents 25% of the Company's average daily trading volume on the TSX of 261,445 Common Shares. Any repurchases under the program may be made by means of open market transactions, negotiated block transactions, or otherwise, including pursuant to a repurchase plan administered in accordance with Rules 10b5-1 and 10b-18 under the Securities Exchange Act of 1934, as amended. The size and timing of any repurchases will depend on price, market and business conditions, and other factors.

As of June 30, 2025, the Company had a total of 8,720,600 Common Shares remaining that can be authorized for repurchase. The following is a summary of the Common Shares that were repurchased for the three and six months ended June 30, 2025 and 2024:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(In thousands, except per share data)				
Total Common Shares repurchased	535,000	—	1,042,500	—
Common Shares canceled	535,000	—	1,172,000	—
Weighted average price per share	\$ 0.29	\$ —	\$ 0.37	\$ —
Total cost	\$ 139	\$ —	\$ 360	\$ —
Excise tax (1)	\$ 7	\$ —	\$ 17	\$ —

(1) The excise tax accrued in connection with the share repurchases was recorded as an adjustment to the cost basis of repurchased shares in treasury stock and within accrued expenses on the Consolidated Balance Sheets as of June 30, 2025.

Warrants

The following is a summary of the outstanding warrants for Common Shares:

	Number of Common Share Warrants Outstanding	Number of Common Share Warrants Exercisable	Weighted Average Exercise Price \$	Weighted Average Remaining Life (years)
Outstanding, December 31, 2024	23,370,627	859,012	\$ 4.14	7.77
Granted	—	—	—	—
Expired	—	—	—	—
Outstanding, June 30, 2025	23,370,627	859,012	\$ 4.14	7.27

The following is a summary of the outstanding warrant liabilities that are exchangeable into Common Shares:

	Number of Common Share Warrants Outstanding	Number of Common Share Warrants Exercisable	Weighted Average Exercise Price \$	Weighted Average Remaining Life (years)
Outstanding, December 31, 2024	3,590,334	—	\$ 1.95	0.48
Granted	—	—	—	—
Expired	(3,590,334)	—	—	—
Outstanding, June 30, 2025	—	—	\$ —	—

Notes to the Unaudited Interim Condensed Consolidated Financial Statements*(Amounts expressed in thousands of United States dollars, except for share and per share amounts)***14. Share-based compensation plans**Share-based payments expense

Total share-based payments expense was as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Stock options	\$ 746	\$ 1,183	\$ 1,586	\$ 2,087
Restricted share units	33	777	707	1,358
Total share-based payments	\$ 779	\$ 1,960	\$ 2,293	\$ 3,445

Stock Options

The following table summarizes the stock option activity for the six months ended June 30, 2025:

	Number of Stock Options	Weighted average remaining contractual life (in years)	Weighted Average Exercise Price (per share) \$	Aggregate intrinsic value
Outstanding, December 31, 2024	16,120,919	5.90	\$ 3.13	\$ 32
Granted	762,500	—	0.42	—
Exercised	—	—	—	—
Forfeited	(465,696)	—	4.76	—
Expired	(1,470,471)	—	4.20	—
Outstanding, June 30, 2025	14,947,252	5.94	\$ 2.84	\$ —
Exercisable, June 30, 2025	10,529,493	4.84	\$ 3.43	\$ —

The aggregate intrinsic value in the table above represents the total pre-tax intrinsic value (the difference between Company's closing stock price on June 30, 2025 and December 31, 2024, respectively, and the exercise price, multiplied by the number of the in-the-money options) that would have been received by the option holders had they exercised their in-the-money options on June 30, 2025 and December 31, 2024, respectively.

The fair value of the various stock options granted were estimated using the Black-Scholes Option Pricing Model (the "Black-Scholes Model") with the following assumptions:

	June 30, 2025	June 30, 2024
Volatility	75.76% - 79.89%	77.70% - 78.31%
Risk-free interest rate	3.86% - 4.12%	3.18% - 3.76%
Expected life (years)	4.87 - 6.25	4.01 - 10.01
Dividend yield	0.00%	0.00%

Volatility was estimated by using the historical volatility of the Company's stock price. The expected life in years represents the period of time that the options issued are expected to be outstanding. The risk-free rate is based on U.S. treasury bond issues with a remaining term approximately equal to the expected life of the options. Dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay cash dividends in the foreseeable future.

The total estimated fair value of stock options that vested during the six months ended June 30, 2025 and 2024 was \$2,837 and \$4,594, respectively. As of June 30, 2025, total unrecognized compensation cost related to unvested options was \$3,829, which is expected to be recognized over a weighted-average period of 2.10 years.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements*(Amounts expressed in thousands of United States dollars, except for share and per share amounts)**Repricing of Stock Options*

On June 24, 2025 (the "Option Modification Date"), the Board approved a stock option repricing for employees and insiders of the Company (the "Option Repricing") in which the exercise price of certain outstanding options to purchase Common Shares under the Company's stock option plan will be reduced to \$0.26 per share, which represented the five-day volume weighted average price of the Common Shares based on the Option Modification Date, subject to meeting a service period requirement of twelve months following the Option Modification Date ("Service Period Requirement"). The Option Repricing with respect to insiders of the Company was also approved by the Company's shareholders at its Annual General Meeting held on June 24, 2025. As a result of the Option Repricing, 8,279,003 shares of vested and unvested stock options outstanding were modified, in accordance with ASC 718, *Stock-Based Compensation*, as of the Option Modification Date resulting in an incremental expense of \$868. The vested portion will be recognized on a straight-lined basis over the Service Period Requirement and the unvested portion will be recognized over the remaining vesting periods of each respective award.

Restricted Share Units

The following table summarizes the activities for the RSUs for the six months ended June 30, 2025:

	Number of RSUs
Outstanding, December 31, 2024	1,600,305
Granted	5,907,257
Vested	(542,087)
Forfeited	(5,654)
Outstanding, June 30, 2025	6,959,821

As of June 30, 2025, total unrecognized compensation cost related to unvested RSUs was \$3,776, which is expected to be recognized over a weighted-average period of 3.07 years.

15. Non-controlling interest

Non-controlling interest consists mainly of a 12.5% minority ownership interest in TerrAscend's New Jersey operations.

The following table summarizes the non-controlling interest activity for the six months ended June 30, 2025:

	June 30, 2025	December 31, 2024
	(In thousands)	
Opening carrying amount	\$ (144)	\$ (1,756)
Capital distributions	(1,988)	(7,324)
Acquisition of non-controlling interest	—	1,374
Net income attributable to non-controlling interest	2,580	7,562
Ending carrying amount	\$ 448	\$ (144)

16. Related parties

Parties are related if one party has the ability to control or exercise significant influence over the other party in making financing and operating decisions. At June 30, 2025, amounts due to/from related parties consisted of:

- (a) *Loans payable:* As of June 30, 2025, certain funds controlled by Jason Wild, a related party of the Company, held \$5,500 of the total loan principal balance of the FG Loan (see Note 10), as a member of the loan syndicate.

17. Income taxes

The Company's effective tax rate was 301% and 333% for the three and six months ended June 30, 2025, respectively, and 321% and 1,293% for the three and six months ended June 30, 2024, respectively.

The Company has computed its provision for income taxes based on the actual effective tax rate for the quarter as the Company believes this is the best estimate for the annual effective tax rate. The Company is subject to income taxes in the United States and Canada.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements*(Amounts expressed in thousands of United States dollars, except for share and per share amounts)*

Significant judgment is required in evaluating the Company's uncertain tax positions and determining the provision for income taxes. The Company recognizes benefits from uncertain tax positions based on the cumulative probability method whereby the largest benefit with a cumulative probability of greater than 50% is recorded. An uncertain tax position is not recognized if it has less than a 50% likelihood of being sustained.

A reconciliation of the beginning and ending amount of unrecognized tax benefits for the period presented:

	June 30, 2025	December 31, 2024
	(In thousands)	
Balance at beginning of year	\$ 148,979	\$ 84,485
Increase based on tax positions related to current periods	17,728	37,278
Increase based on tax positions related to prior periods	—	40,986
Settlements with tax authorities	—	(13,770)
Balance at end of year	\$ 166,707	\$ 148,979

A reconciliation of the beginning and ending amount of uncertain tax liabilities, inclusive of accruals for related penalties and interest, for the period presented:

	June 30, 2025	December 31, 2024
	(In thousands)	
Balance, beginning of year	\$ 106,991	\$ 79,627
Increases based on tax positions related to prior years	4,332	4,536
Additions based on tax positions related to current year	12,514	26,825
Additions based on refunds received related to prior years	16	10
Release of tax payments on deposit and other	(1,161)	(4,007)
Ending carrying amount (1)	\$ 122,692	\$ 106,991

(1) Related to uncertain tax liabilities, the Company accrued \$10,232 in interest and \$7,385 in penalties as of June 30, 2025, and \$8,006 in interest and \$4,803 in penalties as of December 31, 2024.

The increase in uncertain tax positions is primarily due to legal interpretations that challenge the application of Section 280E of the Code to the Company ("280E Tax Position"). The Company believes it is reasonably possible that the unrecognized tax benefits will increase over the next 12 months due to its 280E Tax Position.

During 2024, certain of the Company's amended federal income tax returns were selected for routine examinations by the Internal Revenue Service. As of June 30, 2025, there have been no material developments related to these examinations. The Company does not currently anticipate completion of the audits within the next twelve months.

18. General and administrative expenses

The Company's general and administrative expenses were as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(In thousands)			
Salaries and wages	\$ 12,086	\$ 11,497	\$ 24,061	22,801
Office and general	2,706	2,868	5,281	5,815
Professional fees	2,244	3,458	4,395	6,040
Lease expense	1,179	1,413	2,333	2,615
Share-based compensation	779	1,960	2,293	3,445
Board of directors cash compensation	398	—	398	—
Facility and maintenance	507	429	1,016	981
Sales and marketing	888	1,027	1,679	2,012
Provision for expected credit losses	193	(20)	673	—
Total	\$ 20,980	\$ 22,632	\$ 42,129	\$ 43,709

Notes to the Unaudited Interim Condensed Consolidated Financial Statements*(Amounts expressed in thousands of United States dollars, except for share and per share amounts)***19. Revenue, net**

The Company's disaggregated net revenue by source, primarily due to the Company's contracts with its external customers was as follows:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(In thousands)			
Retail	\$ 43,665	\$ 43,263	\$ 84,497	\$ 86,120
Wholesale	21,341	23,933	44,812	50,351
Total	\$ 65,006	\$ 67,196	\$ 129,309	\$ 136,471

For the three and six months ended June 30, 2025 and 2024, the Company did not have any single customer that accounted for 10% or more of the Company's revenue.

20. Finance and other expenses

The Company's finance and other expenses included the following:

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(In thousands)			
Interest	\$ 6,960	\$ 7,002	\$ 13,643	\$ 13,594
Accretion	2,002	1,743	3,740	3,546
Other income	(215)	(184)	(301)	(337)
Total	\$ 8,747	\$ 8,561	\$ 17,082	\$ 16,803

21. Segment informationOperating Segment

The Company has determined that it operates as one reportable segment focused on the production and sale of cannabis products. While the Company manages its operations through state-level operating segments, these segments have been aggregated into one reportable segment due to similar long-term economic characteristics and other required criteria of similarity outlined in ASC 280, *Segment Reporting*, and in accordance with ASU 2023-07. The Chief Operating Decision Maker ("CODM") was determined to be the Chief Executive Officer of the Company. The CODM regularly evaluates the performance of the single reportable segment using gross profit margin as its closest measure to GAAP. Gross margin is a measure that is calculated as total revenue minus cost of goods sold, divided by total revenue. The CODM monitors this metric to assess the efficiency of the Company's production and distribution processes, as well as the effectiveness of pricing strategies.

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
	(In thousands)			
Revenue, net	\$ 65,006	\$ 67,196	\$ 129,309	\$ 136,471
Cost of sales	31,771	33,837	61,393	68,942
Gross profit	33,235	33,359	67,916	67,529
Gross profit margin	51.1%	49.6%	52.5%	49.5%

Notes to the Unaudited Interim Condensed Consolidated Financial Statements*(Amounts expressed in thousands of United States dollars, except for share and per share amounts)*Assets

The measure of reportable segment assets is consistent with the presentation of total consolidated assets as reported on the Consolidated Balance Sheets.

Geography

The Company has subsidiaries located in Canada and the United States. For the three and six months ended June 30, 2025, net revenue was primarily generated from sales in the United States. As a result of the 2023 Reorganization (see Note 3), the Company consolidated its retail location in Canada and generated net revenue of \$219 and \$397 for the three and six months ended June 30, 2025, respectively, and \$274 and \$538 for the three and six months ended June 30, 2024, respectively.

The Company had non-current assets by geography of:

	June 30, 2025	December 31, 2024
	(In thousands)	
United States	\$ 438,829	\$ 429,745
Canada	95	598
Total	\$ 438,924	\$ 430,343

22. Financial instruments and risk managementAssets and liabilities measured at fair value

Financial instruments recorded at fair value are estimated by applying a fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels and bases the categorization within the hierarchy upon the lowest level of input that is available and significant to the fair value measurement. The hierarchy is summarized as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets and liabilities
- Level 2 - inputs other than quoted prices that are observable for the asset or liability, either directly (prices) or indirectly (derived from prices) from observable market data
- Level 3 - inputs for assets and liabilities not based upon observable market data

The following table represents the fair value amounts of financial assets and financial liabilities:

	At June 30, 2025			At December 31, 2024		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(In thousands)					
Assets						
Cash and cash equivalents	\$ 26,672	—	—	\$ 26,381	—	—
Restricted cash	110	—	—	606	—	—
Total Assets	\$ 26,782	\$ —	\$ —	\$ 26,987	\$ —	\$ —
Liabilities						
Contingent consideration payable	—	1,672	—	—	3,293	—
Detachable warrants	—	-	—	—	451	—
Bifurcated conversion options	—	178	—	—	92	—
Total Liabilities	\$ —	\$ 1,850	\$ —	\$ —	\$ 3,836	\$ —

There were no transfers between the levels of fair value hierarchy during the three and six months ended June 30, 2025.

The valuation approaches and key inputs for each category of assets or liabilities that are classified within levels of the fair value hierarchy are presented below:

Notes to the Unaudited Interim Condensed Consolidated Financial Statements*(Amounts expressed in thousands of United States dollars, except for share and per share amounts)*Level 1

Includes cash, cash equivalents, and restricted cash represent financial instruments for which the carrying amount approximates fair value due to their short-term maturities.

Level 2

Includes detachable warrants, bifurcated conversion options, and a contingent consideration, which are valued using the Black-Scholes Model with observable market inputs such as stock price, historical volatility, risk-free rate, and expected term. These inputs are derived from market data and do not require significant judgment.

Detachable Warrants

The detachable warrants expired during the second quarter of 2025.

Bifurcated conversion options

The conversion options have been measured at fair value as of June 30, 2025. Key inputs and assumptions used in the Black-Scholes Model were as follows:

	June 30, 2025	December 31, 2024
Common Stock Price of TerrAscend Corp.	\$ 0.28	\$ 0.65
Option exercise price	\$ 2.01	\$ 2.01
Annual volatility	109.9%	86.9%
Annual risk-free rate	3.96%	4.25%
Expected term (in years)	0.98 - 1.09	1.48 - 1.59

The following table summarizes the changes in the detachable warrants and bifurcated conversion options:

Balance at December 31, 2024	\$ 543
Fair value gain on revaluation of warrants and conversion option	(376)
Effects of movements in foreign exchange	11
Balance at June 30, 2025	\$ 178

Contingent Consideration Payable

The contingent consideration has been measured at fair value as of June 30, 2025. Key inputs and assumptions used in the Black-Scholes Model were as follows:

	June 30, 2025	December 31, 2024
Common Stock Price of TerrAscend Corp.	\$ 0.28	\$ 0.65
Option exercise price	\$ 0.38	\$ 1.33
Annual volatility	113.6%	106.6%
Annual risk-free rate	4.29%	4.24%
Expected term (in years)	0.55	1.05

23. Commitments and contingenciesCommitments

On May 5, 2025, the Company signed an agreement to acquire equity interests in, and fully operate, Union Chill Cannabis Company LLC, a dispensary in New Jersey for total consideration of \$13,000, which will be comprised of \$4,000 in cash and a convertible promissory note for \$9,000. The transaction is subject to customary closing conditions and regulatory approvals.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

(Amounts expressed in thousands of United States dollars, except for share and per share amounts)

Legal proceedings

In the ordinary course of business, the Company is involved in a number of lawsuits incidental to its business, including litigation related to intellectual property, product liability, employment, and commercial matters. Although it is difficult to predict the ultimate outcome of these matters, management believes that any ultimate liability would not have a material adverse effect on the Consolidated Balance Sheets or Consolidated Statements of Operations and Comprehensive Loss. At June 30, 2025, there were no pending lawsuits that could reasonably be expected to have a material effect on the results of the Company's Consolidated Financial Statements.

24. Subsequent events

On July 8, 2025, TerrAscend Growth Corp., TerrAscend USA, Inc., TerrAscend NJ LLC, TER Holding MD, Inc., and WDB Holding MD, Inc., including certain of each of their respective subsidiaries, and other borrowers, all of which are entities that are consolidated in the financial statements of the Company (collectively, the "Incremental Amendment Borrowers"), became parties to the FG Loan as borrowers pursuant to the FG Loan Amendment, which provided for an additional \$79,000 upsize to the existing FG Loan which bears interest at 12.75% per annum and matures on August 1, 2028. The full amount of the FG Loan Amendment of \$79,000 was drawn on July 8, 2025, and \$68,000 of which was used to retire the Pelorus Term Loan, and certain other indebtedness of the Company, in addition to being used for future growth initiatives. As a result, the outstanding obligation under the Pelorus Term Loan and certain other indebtedness of the Company were repaid in full and subsequently terminated. In addition, the FG Loan Amendment provides for an Uncommitted Term Loan Facility of up to \$35,000. Certain funds controlled by the Company's Executive Chairman, Jason Wild, a related party of the Company, have invested approximately \$1,600 under the FG Loan.

On July 15, the Company drew \$3,000 of the Uncommitted Term Loan Facility.