

TERRASCEND

Investor Presentation

August 2022 | TerrAscend.com

(CSE: TER | OTCQX: TRSSF)



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All of the forward-looking information contained in this presentation is expressly qualified by the foregoing cautionary statements. Investors and potential investors should consult their own professional advisors to ascertain and assess the income tax, legal, risk factors and other aspects of their investment or potential investment in the Company and should carefully consider the risks described in the Filings.

Non-IFRS Measures, Reconciliation and Discussion

Certain financial measures in this presentation are non-IFRS measures, including, Adjusted Gross Profit and Adjusted EBITDA. These terms are not defined by IFRS and, therefore, may not be comparable to similar measures provided by other companies. These metrics have no direct comparable IFRS financial measure. 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 IFRS. For more information, please see "Non-IFRS Financial Measures" in the Company's Interim MD&A available on www.sedar.com.

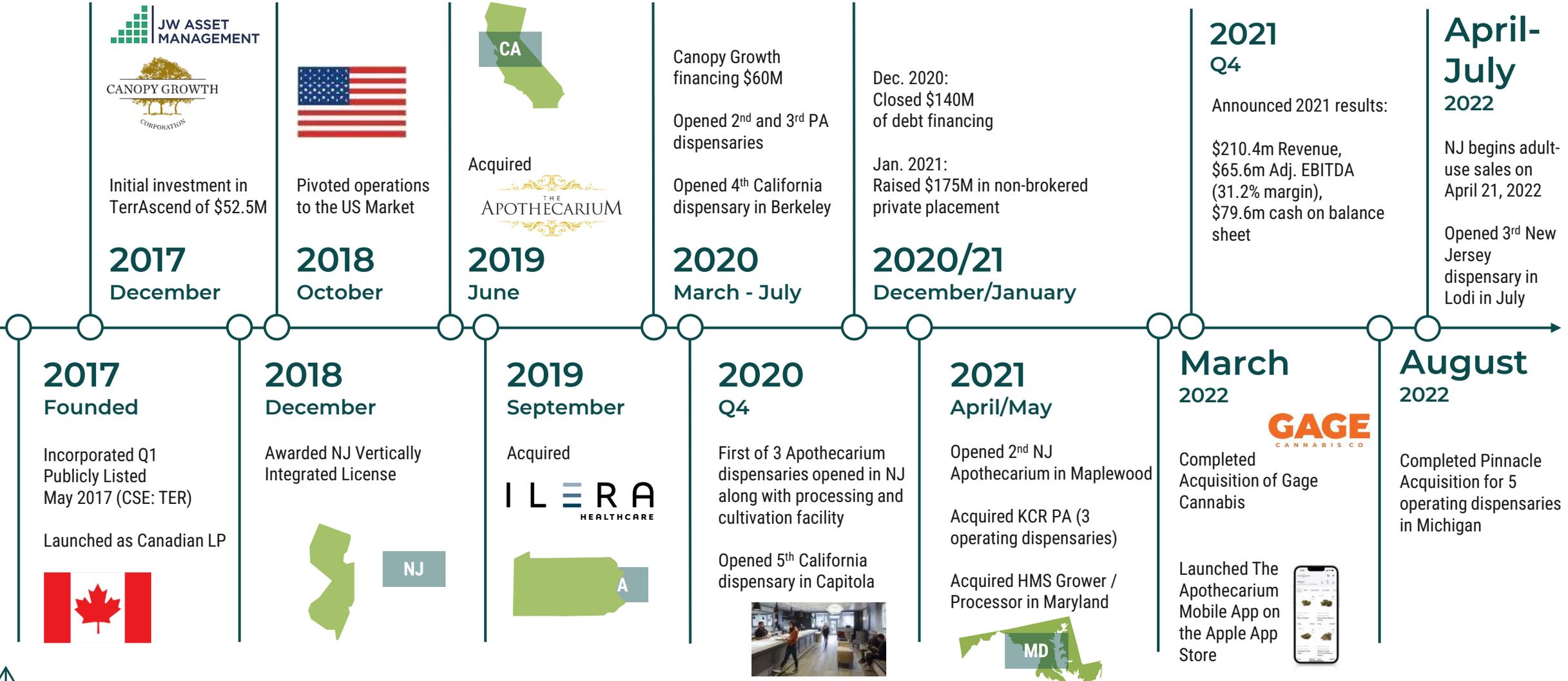
Adjusted Gross Profit and the associated margin are non-IFRS measures which management uses to evaluate the performance of the Company's business as it reflects its ongoing profitability. The Company believes that certain investors and analysts use this measure to evaluate a company's ability to service debt and to meet other payment obligations or as a common measurement to value companies in certain industries. The Company measures Adjusted Gross Profit as Gross Profit / (loss) less the cost of a one-time inventory impairments. The associated margin is Adjusted Gross Profit as a percentage of Net Sales.

Adjusted EBITDA and the associated margin are non-IFRS measures which management uses to evaluate the performance of the Company's business as it reflects its ongoing profitability. The Company believes that certain investors and analysts use this measure to evaluate a company's ability to service debt and to meet other payment obligations or as a common measurement to value companies in certain industries. The Company measures Adjusted EBITDA as EBITDA less unrealized gain on changes in fair value of biological assets and other income plus fair value changes in biological assets included in inventory sold, impairments, restructuring costs, purchase accounting adjustments, transaction costs, share based compensation, revaluation of warrants and derivatives liabilities, unrealized loss on investments or foreign exchange, settlement costs related to contractual disputes, and other one-time non-recurring items. The associated margin is Adjusted EBITDA as a percentage of Net Sales.

Third Party Information

The information contained in this presentation, including information provided by third parties, has not been independently verified and no representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness, correctness or timeliness of the information or opinions expressed herein.

Company Journey



Our Business

Creating a leading, vertically-integrated, North American Operator

 **2017**
Year Founded

 **~1,300**
Total employees

 **5**
U.S. States

 **10**
Canadian Provinces

 **32**
Operating Dispensaries

 **10**
Premium Brands

 **Broad Wholesale Distribution**

 **7**
U.S. Cultivation & Production Facilities

 **\$210.4 M**
FY '21 Net Revenue

 **42%**
YoY Revenue Growth

 **56%**
FY '21 Adj. Gross Margin

 **31%**
FY '21 Adjusted EBITDA Margin

Company Strategy



Delight our customers with great brands & outstanding retail experience



Depth & Scale in Attractive Limited License States



Vertical Integration to Maximize Quality & Profitability



Operational Excellence & Financial Discipline



Focused on Expanding Digital & Data Capabilities

Operations in 5 Highly Attractive U.S. Markets

CALIFORNIA

Population
39.5 Million

**Super Premium
Flower & Retail
Dispensaries**

MICHIGAN

Population
9.9 Million

**Industry Leading Retail and
Exclusive Brand Partnerships**

PENNSYLVANIA

Population
12.8 Million

**Scaled Vertical
Operation**

NEW JERSEY

Population
8.9 Million

**Scaled Vertical Operation with
3 Operational Adult-Use
Dispensaries**

**1 of 7
Adult-Use
Operators**

MARYLAND

Population
6.2 Million

**Scaled Facility
Operationalizing Imminently**

New Jersey

Market Details:

Population: 8.9 Million
Type: Adult Use (Beg. 4/21/22)
Size¹: \$600 Million/year – Current¹
\$2.5 Billion/year – 2025¹

TerrAscend Operations:

- 1 of 4 MSOs licensed within Northern NJ, adjacent to NYC
- 1 of 12 vertically integrated operators in the State
- Adult Use sales implemented on April 21, 2022
- 3 Adult Use operational dispensaries
- 16-acre site with 140K Sq Ft Cultivation & Processing facility with the ability to expand up to ~240K Sq Ft
- Broad wholesale distribution



Pennsylvania

Market Details:

Population: 12.8 Million
Type: Medical
Size: \$1.2 Billion/year – Current¹
\$3.9 Billion/year - 2025²

TerrAscend Operations:

- 1 of 5 originally permitted vertically integrated cannabis cultivator, processor, and dispensary operators
- State-of-the-art ~150K Sq Ft cultivation facility
- Broad wholesale distribution across PA dispensaries
- 6 operating retail locations comprised of 3 Apothecarium and 3 KCR dispensaries
- Over 35 cannabis strains, 40+ Product SKU's in market and 23+ New Products under development
- Leading brands include: Kind Tree, Prism, and Ilera



Maryland

Market Details:

Population: 6.3 Million

Type: Medical

Size¹: \$600 Million/year – Current¹
\$800 Million/year – 2025¹

TerrAscend Operations:

- Acquired HMS Health in May 2021
- 20k Sq Ft cultivation and processing facility located in Frederick
- Ability to acquire up to 4 Retail Licenses
- Broad wholesale distribution capability
- Finalizing expansion project at 156k Sq Ft Hagerstown facility - completion expected Q3'22, expanding cultivation and processing facilities
- Vertically integrated upon closing of Allegany Medical Dispensary (subject to regulatory approval)



Michigan

Market Details:

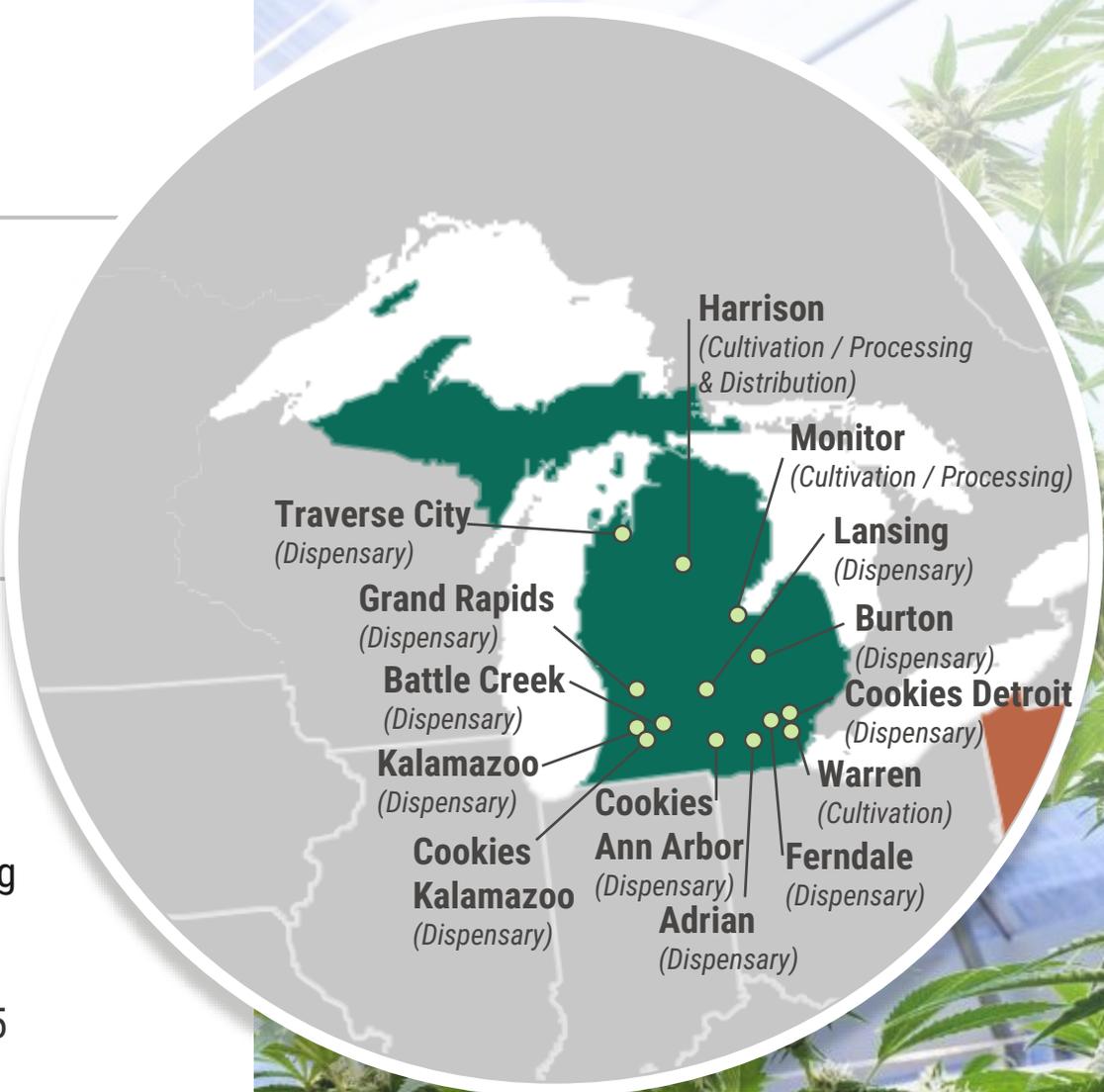
Population: 9.9 million

Type: Adult-Use

Size: \$2.0 Billion/year – Current¹
\$2.5 Billion/year - 2025¹

TerrAscend Operations:

- Acquired Gage Growth Corp. in March 2022
- 3 cultivation and processing facilities as well as 9 contract grow agreements
- 17 operating retail locations with 3 additional locations planned that generate industry leading retail metrics, including strong average basket size and premium pricing for its flower products
 - Closed on acquisition of KISA Enterprises MI, LLC and KISA Holdings, LLC ("Pinnacle") consisting of 5 operating dispensaries
- Focusing on growth of branded wholesale business



California

Market Details:

Population: 39.5 million

Type: Medical/Adult-use

Size¹: \$4.3 Billion/year – Current¹
\$5.7 Billion/year – 2025¹

TerrAscend Operations:

- Focused on San Francisco / Bay Area with 5 Retail Dispensaries Open
- State Flower 20K Sq Ft Cultivation facility
- 110+ Dispensaries with our Brands
- Valhalla Edibles Products Production



1. Source: 8th Edition, The State of the Legal Cannabis Markets, Arcview Market Research (Published May 5, 2020)

Canadian Footprint

Population

37.6 Million

Market type:

Unlimited License • Medical & Adult Use

TerrAscend Footprint:

- Headquartered in Mississauga, Ontario
- 45K Sq Ft production facility
- Cookies branded retail dispensary located in Toronto
- Focused on building flower market share and expanding existing portfolio of Cannabis 2.0 products, including:
 - Gummies
 - Vape
 - Pre-Rolls
 - Teas

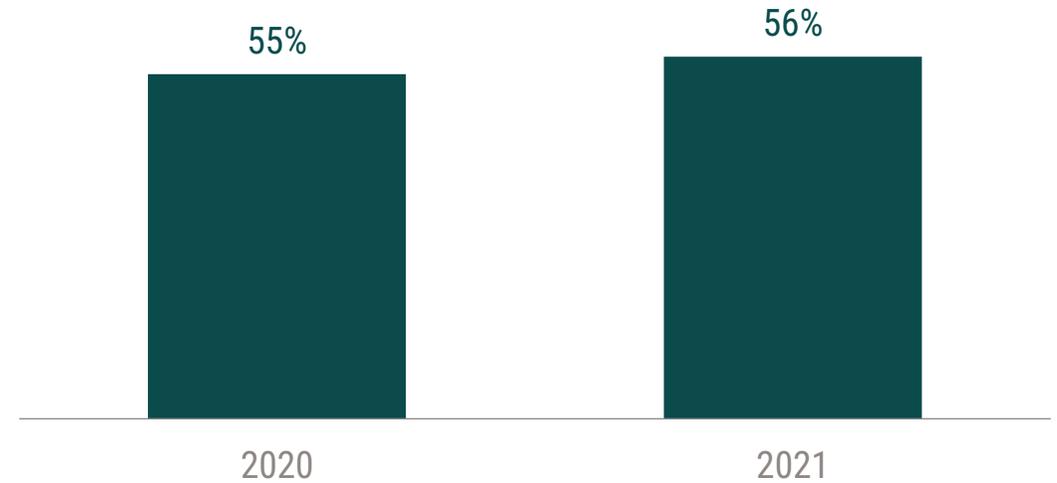
Leveraging strong retail relationships to secure placement in top Provinces/regions



Vertical Integration of Quality In-House Brands Driving Strong Profit Margins



Adjusted. GM%:



Expanding Portfolio of Brands Across TerrAscend's North American Footprint



Elevated Retail Experiences

32 dispensaries across Pennsylvania, New Jersey, Michigan, California, and Canada

- 10 years of operating retail experience in San Francisco, CA
- Gage dispensaries generate industry leading retail metrics, including strong average basket size and premium pricing for its flower products (50%+ relative to the Michigan market average price¹).
- Designed to provide enhanced patient and customer experiences
- Highly trained staff to provide product education
- Mobile App and online ordering available for express pick-up or delivery (in select markets)



Flagship Castro store in San Francisco named the best designed dispensary in the country by Architectural Digest²

TerrAscend + Cookies

Bringing New Jersey, Michigan, and Toronto access to Cookies branded products

- New Jersey Multi-Year Brand Licensing Agreement :
 - TerrAscend is the exclusive cultivator and manufacturer of Cookies products in New Jersey
 - In addition to staple Cookies flavors, TerrAscend and Cookies have developed and launched a unique Cookies menu that is only offered in New Jersey
 - “Cookies Corners” currently located within each of the Company’s Apothecarium dispensaries in New Jersey
- Also, exclusive partner of Cookies in Michigan & Toronto
 - Medical dispensary in Detroit
 - Adult-use dispensary in Kalamazoo and Ann Arbor
 - Adult-use dispensary in Toronto



Investing for Growth and Scale in Priority Markets

Revenue:

+42%
Year-over-year
growth \$210



Adjusted
EBITDA:

+57%
Year-over-year
growth



(\$M USD)

1H21

- NJ cultivation & production ramp up
- 4 new dispensaries across NJ & PA (KCR acquisition)
- Completed acquisition of HMS Maryland grower/processor

2H21

- Hagerstown, MD facility acquired (156k sq ft)
- Upgraded PA cultivation and processing facility producing high-THC cultivars; New strains introduced

1H22

- Completed acquisition of Gage Cannabis
- Agreements signed to acquire 1 MD dispensary and 5 MI dispensaries
- New Jersey adult-use sales implemented on April 21st

2H22

- 3rd New Jersey dispensary opened in Lodi
- Expected completion of planned MD facility expansion
- Further cultivation expansion started in NJ
- Completed Pinnacle acquisition adding 5 Michigan dispensaries
- 3 dispensary openings planned in Michigan



**Among Top
US MSOs across
key financial metrics**

FY 2021 Financial Metrics¹

56%

Adj.
Gross Margin

31%

SG&A
% of Revenue

\$65.6M

Adj.
EBITDA

31%

Adj.
EBITDA %

1. Adjusted Gross (Profit)/Margin and Adjusted EBITDA are Non-IFRS measures. Please see discussion and reconciliation of Non-IFRS measures in our most recent earnings press release and filings on SEDAR.

Continued Momentum Across All Key Metrics

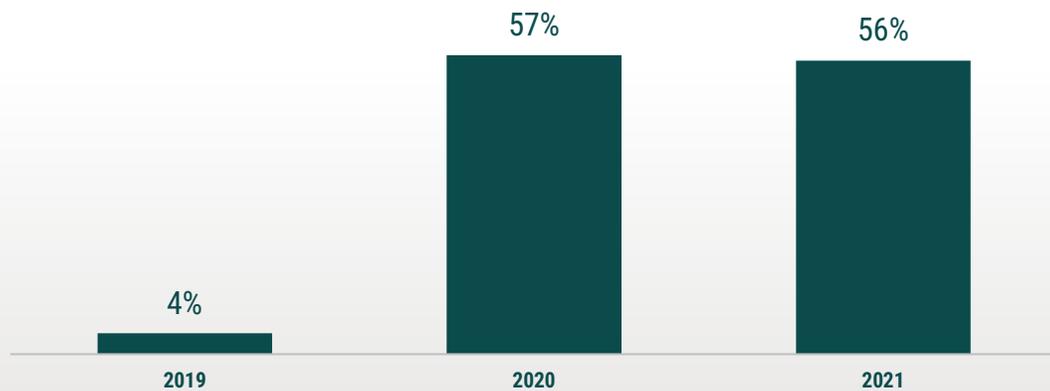
Net Revenue USD\$M



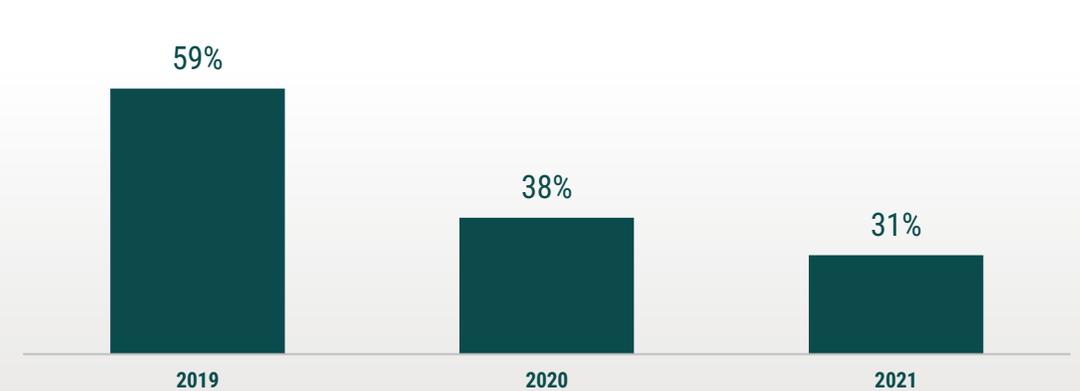
Adjusted EBITDA USD\$M



Adjusted. GM%



OPEX as a % of Net Revenue



Q2 2022 Financial Highlights

Q2 Net Sales: \$64.8 million
+30.5% sequentially; +10.4% YOY

30.5% sequential growth driven mainly by a partial quarter of adult uses sales in NJ, followed by a full quarter contribution related to Gage acquisition.

Adjusted GM%

- Improved 870bps sequentially to 47%

Adjusted EBITDA %

- Improved 310bps sequentially to 8.9%

Experienced Executive Leadership Team

Executive Leadership Team



Jason Wild
Executive Chairman



Ziad Ghanem
President &
Chief Operating Officer
Parallel *Walgreens*



Keith Stauffer
Chief Financial Officer



Lynn Gefen
Chief Legal Officer



David Wheeler
SVP,
Chief Information Officer



Share Count Detail

Fully Diluted Shares Outstanding
(As of August 11, 2022)

Total Shares
(in Millions)

Common Shares	253
Preferred Shares (as converted)	13
Exchangeable Non-voting Shares	52
Total Basic Shares Outstanding	318
Warrants and Options	72
Total Shares Outstanding (Fully-Diluted)	390

Our Focus



**Happy
Customers**



**World-class
Talent**



**Strong
Core Values**



**Financial
Discipline**



**Data &
Technology**

Thank You

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