

# Disclaimer

## Forward-looking statements

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**All financial information in this presentation is reported in millions of Canadian dollars unless otherwise indicated.**



# sndll

Corporate Presentation

**FOURTH QUARTER & FULL YEAR 2025**

March 2026

NASDAQ: **SNDL**  
CSE: **SNDL**

# 2025 Company Highlights



## RECORD FREE CASH FLOW

Doubling cash generation from previous year through continued operational and working capital improvements



## SUSTAINED REVENUE GROWTH IN CANNABIS

Cannabis business consistently expanded revenue year-over-year in the last sixteen quarters, showcasing the benefits of the Company's vertical integration strategy



## POSITIVE ADJUSTED OPERATING INCOME

Achieved positive full year Adj. Operating Income for the first time in our history, through financial discipline, operational efficiencies, productivity initiatives and synergies from Indiva acquisition

**Delivering record full year Net Revenue, Gross Profit, Adj. Operating Income and FCF**

Memo: Comparisons (e.g. increase, improvement,...) are from the fourth quarter and full year of 2024

# Q4 Financial Highlights

Net Revenue	<b>\$252MM</b>	<b>\$(5.2)MM</b> Decrease YOY	<b>(2.0)%</b> Decrease YOY
Gross Profit	<b>\$70.2MM</b>	<b>\$1.4MM</b> Increase YOY	<b>2.1%</b> Increase YOY
Gross Margin	<b>27.8%</b>	<b>1.1 pp</b> Increase YOY	
Adj. Operating Income <sup>1</sup>	<b>\$12.8MM</b>	<b>\$73.3MM</b> Increase YOY	<b>121%</b> Increase YOY
Free Cash Flow <sup>2</sup>	<b>\$10.2MM</b>	<b>\$(1.4)MM</b> Decrease YOY	<b>(12.1)%</b> Decrease YOY

**SNDL delivered solid profitability improvements**

Financial performance shows clear operational improvements with record Gross Profit, Gross Margin and Adjusted Operating Income, and strong Free Cash Flow. Revenue impacted by Liquor and market slow down

<sup>1</sup>Adjusted operating income (loss) is defined as operating income (loss), less restructuring costs (recovery), goodwill and intangible asset impairments and asset impairments triggered by restructuring activities.

<sup>2</sup>Free cash flow is defined as the total change in cash and cash equivalents less cash used for common share repurchases, dividends (if any), changes to debt instruments, changes to long-term investments, net cash used for acquisitions plus cash provided by dispositions (if any)

# 2025 Full Year Financial Highlights

Net Revenue	<b>\$946MM</b>	<b>\$26.0MM</b> Increase YOY	<b>2.8%</b> Increase YOY
Gross Profit	<b>\$259MM</b>	<b>\$18.3MM</b> Increase YOY	<b>7.6%</b> Increase YOY
Gross Margin	<b>27.3%</b>	<b>1.2pp</b> Increase YOY	
Adj. Operating Income <sup>1</sup>	<b>\$0.1MM</b>	<b>\$86.2MM</b> Increase YOY	<b>100%</b> Increase YOY
Free Cash Flow <sup>2</sup>	<b>\$18.0MM</b>	<b>\$9.1MM</b> Increase YOY	<b>+102%</b> Increase YOY

**SNDL delivered new records across all key financial metrics**

Including positive Adj. Operating Income for the first time in Company's history, and more than doubling Free Cash Flow from previous year

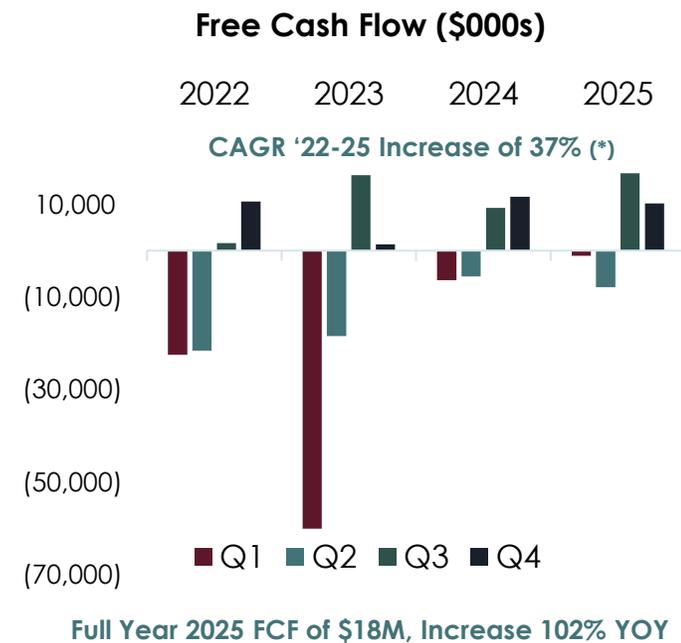
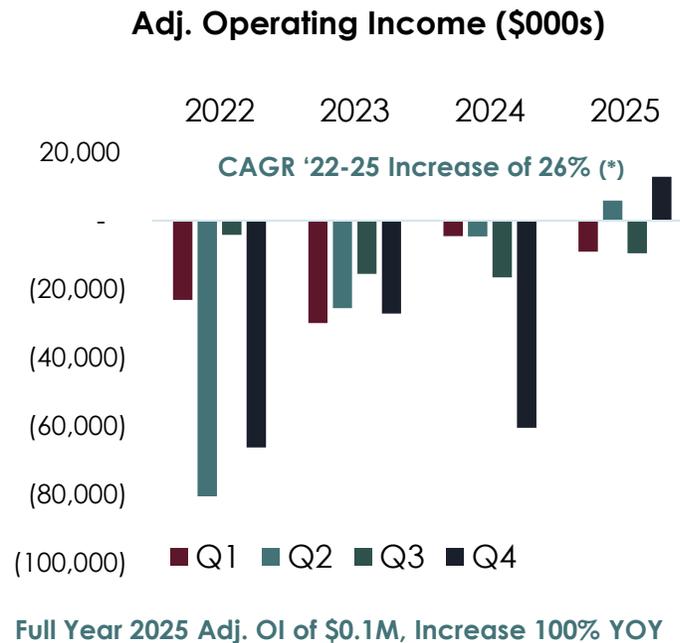
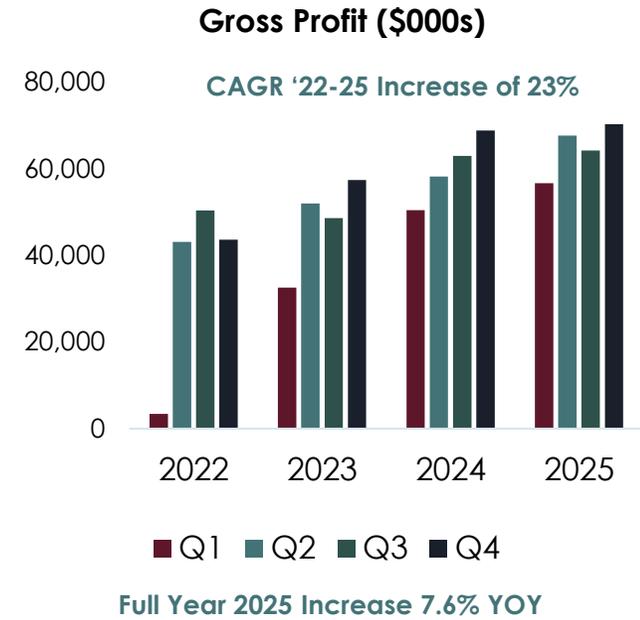
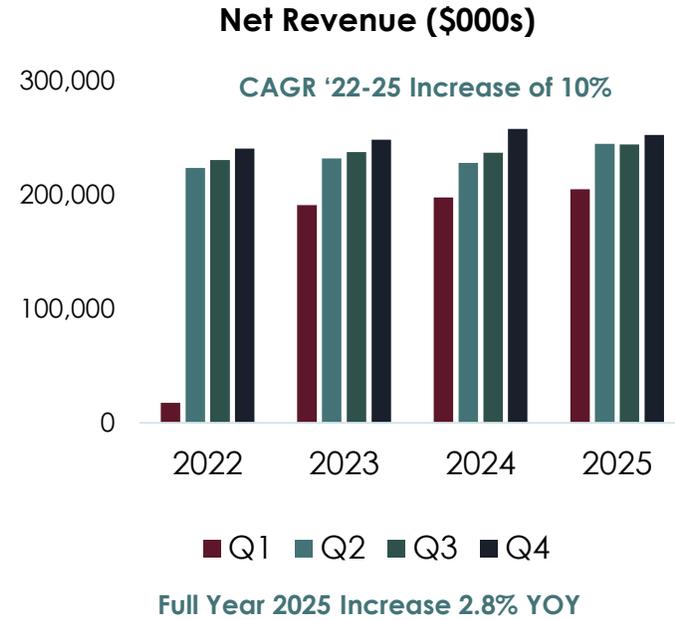
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# Fourth Quarter 2025 Financial Performance

SNDL delivered in Q4 positive Free Cash Flow and record-breaking ~\$13 million in Adjusted Operating Income, achieving its first-ever break-even year; this milestone was driven by significant gross profit expansion, continued financial discipline and relentless focus on spend management, demonstrating the Company's ability to drive profitability and optimize performance

These results not only reinforce SNDL's trajectory towards sustained profitability but also highlight the Company's progress toward achieving sustainable Free Cash Flow growth, while investing in our strategic growth agenda and shareholder value creation

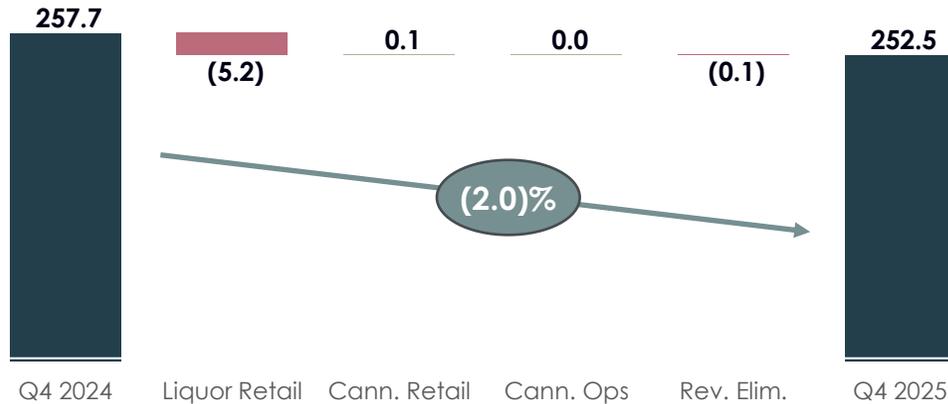


NOTES  
 (\*) Adj. Op. Income and Free Cash Flow CAGR calculated using 2022 absolute number and applying the 3-year absolute growth to address shift from a starting negative number to a positive

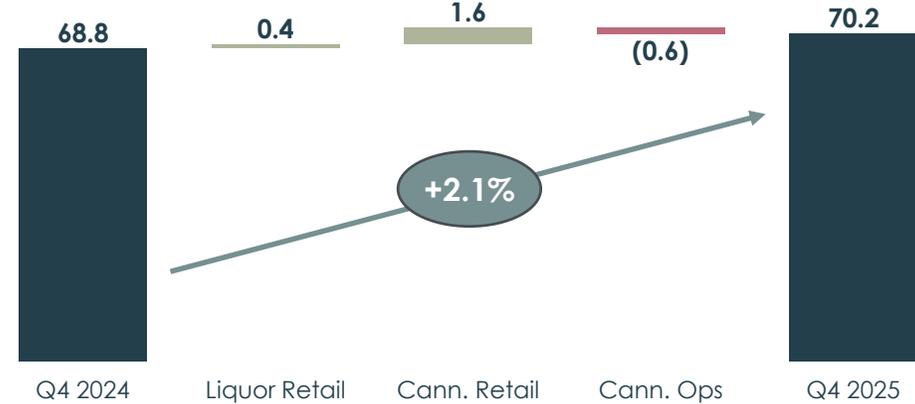
# Net Revenue and Gross Profit Contribution by Segments

Q4

Net Revenue (\$Millions)

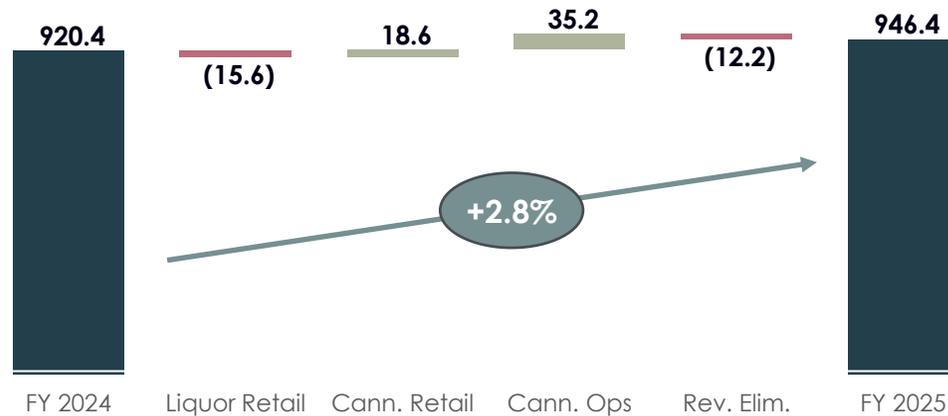


Gross Profit (\$Millions)

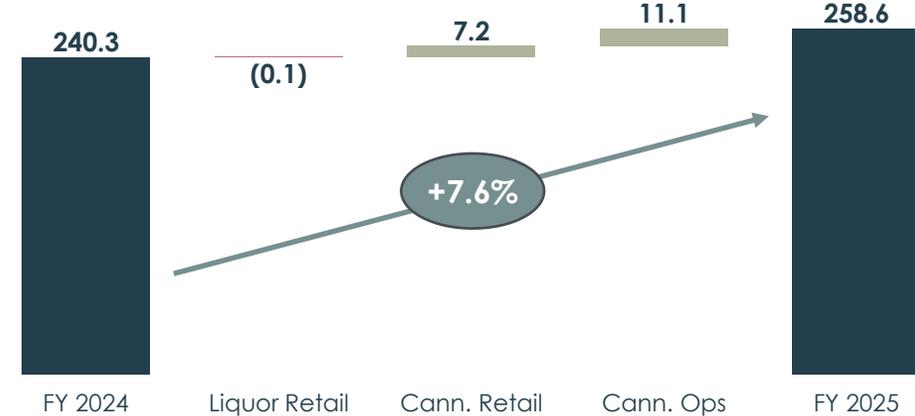


Full Year

Net Revenue (\$Millions)



Gross Profit (\$Millions)



NOTES

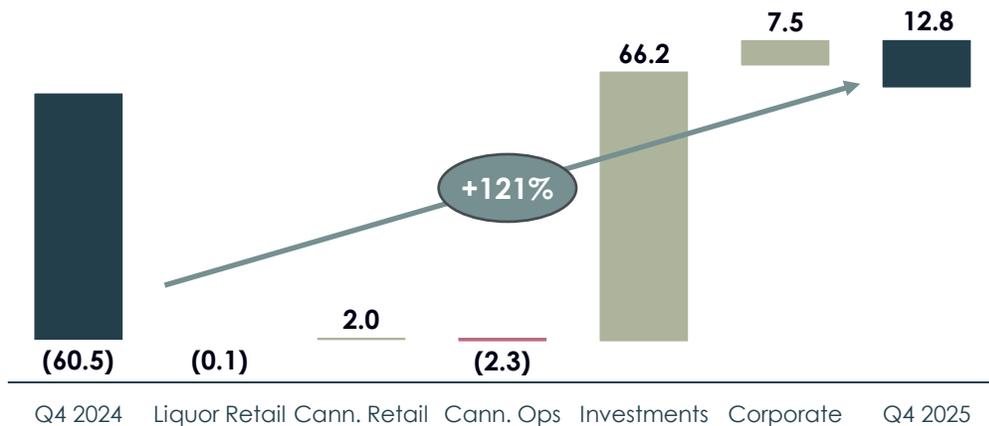
All numbers are for the fourth quarter and full year of 2025, ending December 31, 2025

Rev. Elim. is the intersegment Net Revenue elimination associated with the Cannabis Operations sales to the provincial boards that are expected to be subsequently repurchased by the Company's licensed retail subsidiaries for resale

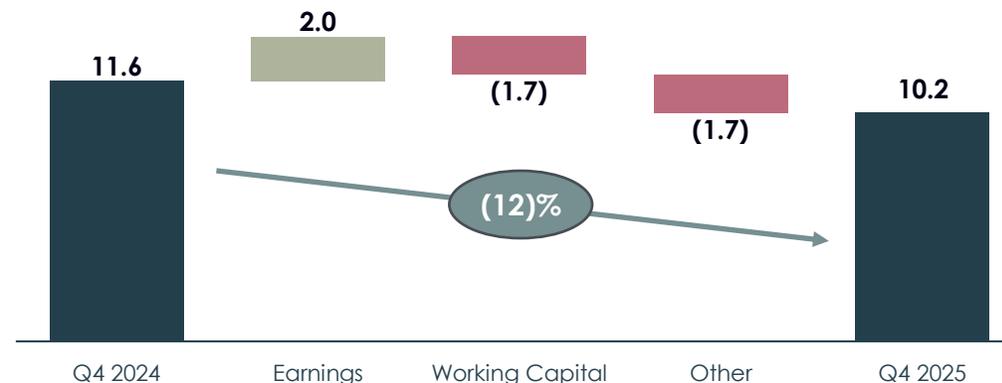
# Adjusted Operating Income and Free Cash Flow Contribution by Segments

Q4

Adj. Operating Income (\$Millions)

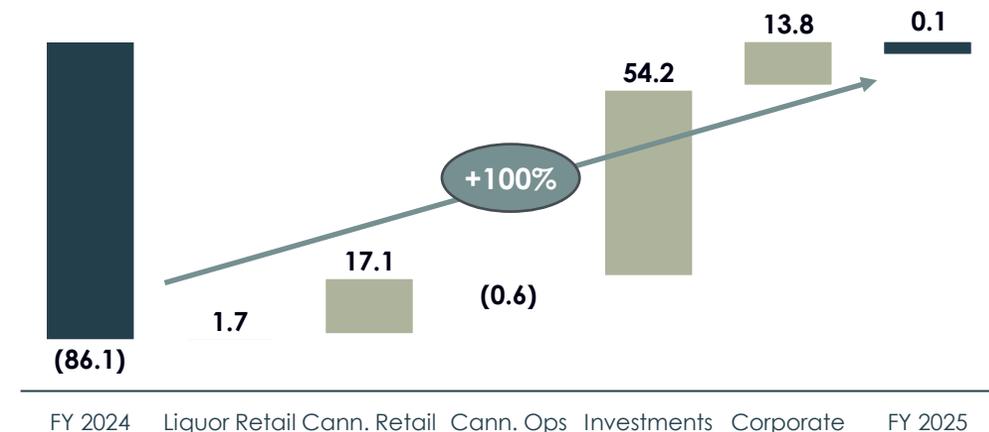


Free Cash Flow (\$Millions)

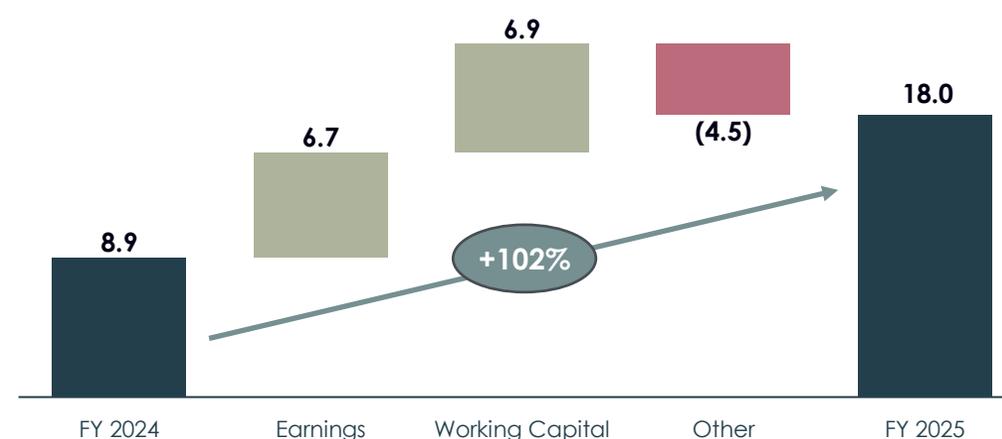


Full Year

Adj. Operating Income (\$Millions)



Free Cash Flow (\$Millions)



NOTES  
All numbers are for the fourth quarter and full year of 2025, ending December 31, 2025

# Strong Q4 2025 Free Cash Flow driven by higher earnings. Delivered full year positive FCF for the second year in a row

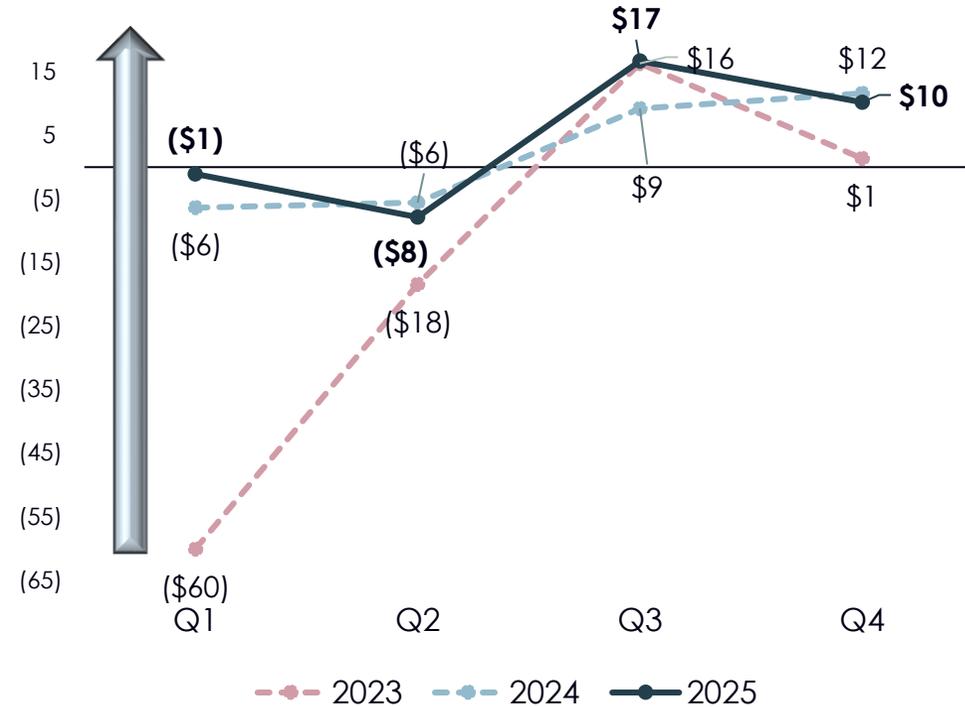
## FCF Breakdown (\$Millions)

	Q1'25	Q2'25	Q3'25	Q4'25	FY'25
Net Income	(14.7)	2.9	(13.3)	9.4	(15.8)
Non-Cash add backs	23.2	16.7	30.8	14.1	84.8
Inventory Change (Inc)/Dec	(6.3)	(1.2)	6.3	(1.3)	(2.5)
Other WC change (Inc)/Dec	5.8	(12.4)	7.9	1.7	3.0
Capex & Lease payments	(9.1)	(13.8)	(15.1)	(13.6)	(51.6)
<b>Total Free Cash Flow</b>	<b>(1.1)</b>	<b>(7.9)</b>	<b>16.7</b>	<b>10.2</b>	<b>18.0</b>

## Non-Cash add backs breakdown (\$Millions)

	Q1'25	Q2'25	Q3'25	Q4'25	FY'25
Depreciation & Amortization	14.2	13.9	14.0	14.2	56.3
Share-based Compensation	1.4	2.9	10.9	(1.3)	13.9
Inventory and fixed asset impairment	1.5	(1.5)	4.4	(0.2)	4.2
Finance cost / other (*)	6.2	1.3	1.6	1.5	10.6
<b>Total Non-cash add backs</b>	<b>23.2</b>	<b>16.7</b>	<b>30.8</b>	<b>14.2</b>	<b>84.9</b>

## Free Cash Flow trend (\$Millions)



(\*) Q1'25 finance cost / other includes \$4.5M adjustment of SunStream portfolio

# 2025

## Liquor Retail Results

- **Wine & Beyond growing 1.6%**, despite market decline, with two new stores opened in Q4'25
- Full year **Private label sales** increased 2.9% year-over-year, growing +6.2pp faster than national brands
- Improvement in gross margin driven by **product mix management, pricing** and **procurement productivity** initiatives

### Q4

(\$ Millions)

	2025	Change vs 2024	
		Abs	%
Net Revenue	148.8	(5.2)	(3.4)%
Gross Profit	38.7	0.4	1.1%
Gross Margin	26.0%	1.2pp	
Adj. Operating Income	12.2	(0.1)	(0.7)%

### Full Year

(\$ Millions)

	2025	Change vs 2024	
		Abs	%
Net Revenue	539.6	(15.6)	(2.8)%
Gross Profit	139.7	(0.1)	(0.0)%
Gross Margin	25.9%	0.7pp	
Adj. Operating Income	36.5	1.7	5.0%



# 2025

## Cannabis Retail Results

- Full year **Same store sales growth** of 3.9% year-over-year, with market slow down throughout the year and declining in Q4
- **Gross margin expansion** from promotional efficiencies, pricing and mix management
- Strong Operating Income result driven by **business growth**, **margin expansion**, and **overhead optimization** along with impairment reversals

### Q4

(\$ Millions)

	2025	Change vs 2024	
		Abs	%
Net Revenue	83.3	0.1	0.1%
Gross Profit	22.1	1.6	7.8%
Gross Margin	26.5%	1.9pp	
Adj. Operating Income	8.0	2.0	33.3%

### Full Year

(\$ Millions)

	2025	Change vs 2024	
		Abs	%
Net Revenue	330.2	18.6	6.0%
Gross Profit	86.1	7.2	9.2%
Gross Margin	26.1%	0.8pp	
Adj. Operating Income	30.3	17.1	129%



# 2025

## Cannabis Operations Results

- Strong net revenue growth as a result of **Indiva acquisition** along with **increased international sales** (reaching \$12.6 million in FY), and a continued focus on consumer innovation and quality
- Gross margin improvement was driven by the impact of a **holistic productivity program**, operational planning improvements and **efficiencies**

Q4

(\$ Millions)

2025	Change vs 2024	
	Abs	%
Net Revenue	37.1	0.0 0.1%
Gross Profit	9.5	(0.6) (5.8)%
Gross Margin	25.6%	(1.6)pp
Adj. Operating Income	2.2	(2.3) (51.5)%

Full Year

(\$ Millions)

2025	Change vs 2024	
	Abs	%
Net Revenue	144.7	35.2 32.1%
Gross Profit	32.9	11.1 51.1%
Gross Margin	22.8%	2.9pp
Adj. Operating Income	2.5	(0.6) (20.6)%



# 2025 Strategic Priorities



## GROWTH

*Drive sustainable growth in our core segments*

- Grow and convert store count
- Grow private label
- Expand digital programs
- Grow market share
- Become a Top 5 LP by the end of 2025



## PROFITABILITY

*Consistent Free Cash Flow and Operating Income growth*

- Enhance Revenue Streams & Pricing
- Optimize Mix Management
- Accelerate Productivity Programs
- Optimize overhead spend



## PEOPLE

*Create engagement & alignment through focus on Performance & Talent Development*

- Enhance Performance management
- Upgrade talent management and engagement
- Solidify SNDL's 5 core behaviors

# Strategic Priorities

## Q4 2025 Highlights



### GROWTH

Drive sustainable growth in our core segments

# +0.2pp

## Cannabis Retail Share Gain

Through quality of execution, store openings and Value Buds store conversions

## Retail Expansion

Targeted CAPEX and working capital investments in support of three additional Cannabis store openings and two new Wine & Beyond stores, in the fourth quarter

# +0.2pp

## Liquor Retail Share Gain

Supported by Private Label and resilient Wine & Beyond banner in a declining category

# +32%

## Cannabis Operations Full year Revenue Growth

Driven by Edibles leadership with Indiva acquisition and International sales

# Strategic Priorities

## Q4 2025 Highlights



## PROFITABILITY

Consistent Free Cash  
Flow and Operating  
Income growth

# ~\$13<sub>M</sub>

### Adj. Operating Income

Continued operational improvements and focus on cost management to deliver positive Adjusted Operating Income

# +\$10<sub>M</sub>

### Free Cash Flow

Through disciplined working capital management and continued operational improvements

# \$7.1<sub>M</sub>

### G&A Savings in Retail

Full year combined G&A savings and efficiencies from both Cannabis Retail and Liquor Retail

# >\$20<sub>M</sub>

### G&A Annualized Savings

Achieved through the execution of the Corporate restructuring program launched in Q3 2024

# Strategic Priorities

## Q4 2025 Highlights



### PEOPLE

Create engagement & alignment through focus on performance & talent development



### Strategic Talent Development

Launched our annual "Performance to Pay" process, a key component of SNDL's Strategic Talent Review (STR), supporting employee development and the execution of incentive programs aligned with our total rewards philosophy

### Employee Value Proposition

Executed our second annual employee engagement survey to identify opportunities to strengthen SNDL's Employee Value Proposition, with action planning aligned to our 2026 Strategic Priorities to maximize impact



### Frontline Merit

Delivered frontline merit increases across facility and retail teams, ensuring market competitiveness and a consistent compensation approach

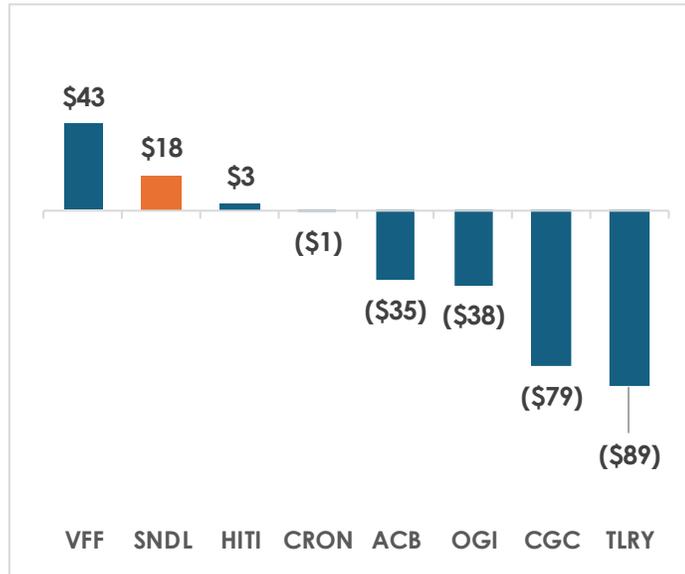
### Cultural Competencies

Expanded employee engagement initiatives to include mental and physical wellbeing, as well as diversity, equity, and inclusion, reinforcing our commitment to safe, inclusive spaces and overall employee wellbeing

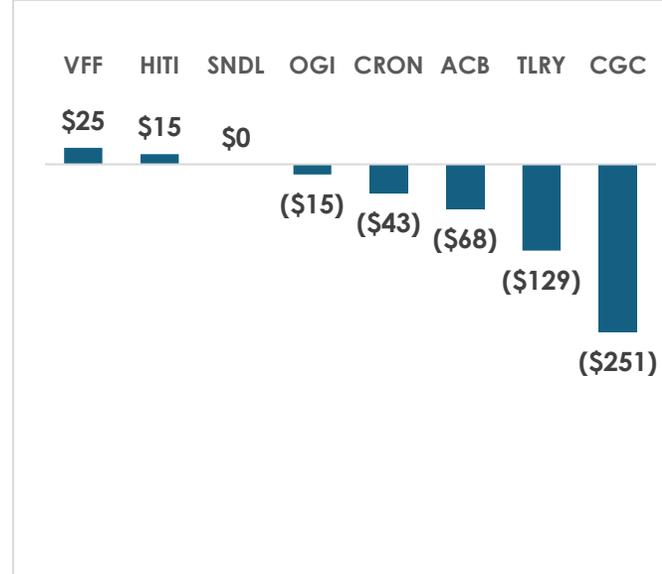
# FINANCIAL PERFORMANCE VS COMPETITORS

Trailing 4 quarters reported

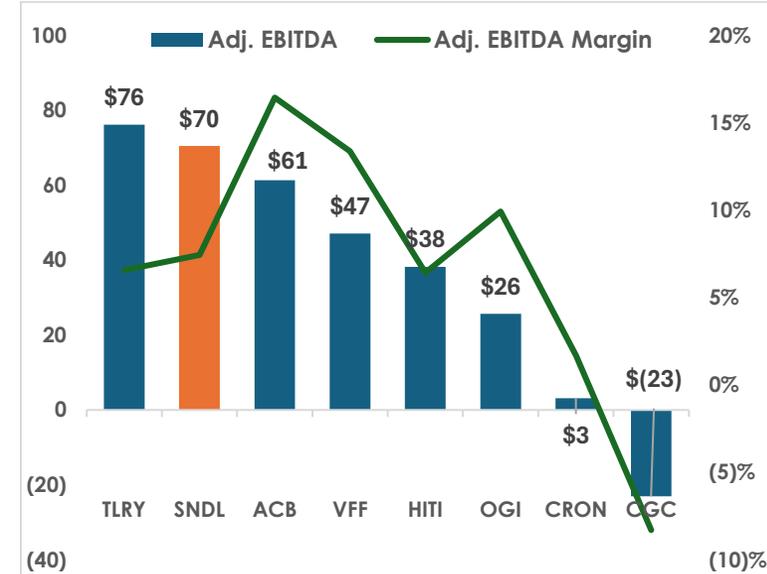
Free Cash Flow<sup>2</sup> (\$Millions)



Adjusted OI<sup>1</sup> (\$Millions)



Adj. EBITDA (\$Millions)



- SNDL well positioned across peers given its scale, business footprint and financial health
- SNDL has a best-in-class balance sheet, and is one of the few peers delivering positive Free Cash Flow
- Significant cash position providing flexibility and opportunities for profitable growth acceleration

**Notes:**  
 Figures from last public disclosures available as of March 6, 2026  
 USD reported figures translated to CDN at the prevailing FX rate at respective quarter end. Reported results, Adjusted OI and Free Cash Flow based on SNDL definition: <sup>1</sup>Adjusted operating income (loss) is defined as operating income (loss), less restructuring costs (recovery), goodwill and intangible asset impairments and asset impairments triggered by restructuring activities.  
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**Key:**  
 ACB - Aurora Cannabis Inc.  
 CGC - Canopy Growth Corporation  
 CRON - Cronos Group Inc  
 VFF - Village Farms  
 HITI - High Tide Inc.  
 OGI - Organigram Holdings Inc.  
 TLRY - Tilray Brands Inc.

# Analyst Q&A

