

# Disclaimer

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# sndl

Corporate Presentation

**FIRST QUARTER 2026**

April 2026

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

# Q1 2026 Company Highlights



## INVESTMENTS IN GROWTH PLATFORMS

SNDL assumed exclusive Canadian production and commercialization of Jeeter, a leading U.S. Cannabis brand, enhancing its positioning in the premium pre-roll category



## RETAIL GROSS MARGIN EXPANSION

Through continued promotional efficiency, pricing, mix management and productivity initiatives



## PROFIT ENHANCEMENT INITIATIVES

Deployment of several initiatives aimed to boost profitability and improve commercial execution to drive >\$20 million incremental Operating Income over the remainder of the year

# Q1 2026 Financial Highlights

Net Revenue	\$196MM	\$(9.0)MM Decrease YOY	(4.4)% Decrease YOY
Gross Profit	\$53MM	\$(3.8)MM Decrease YOY	(6.8)% Decrease YOY
Gross Margin	27.0%	(0.7)pp Decrease YOY	
Adj. Operating Income <sup>1</sup>	\$(8.9)MM	\$0.1MM Increase YOY	1.0% Increase YOY
Free Cash Flow <sup>2</sup>	\$(7.6)MM	\$(6.5)MM Decrease YOY	>(100)% Decrease YOY

**SNDL overall results impacted by market headwinds**

Profitability and Free Cash Flow impacted by net revenue decline, unadjusted one-time charges and working capital investments

<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.

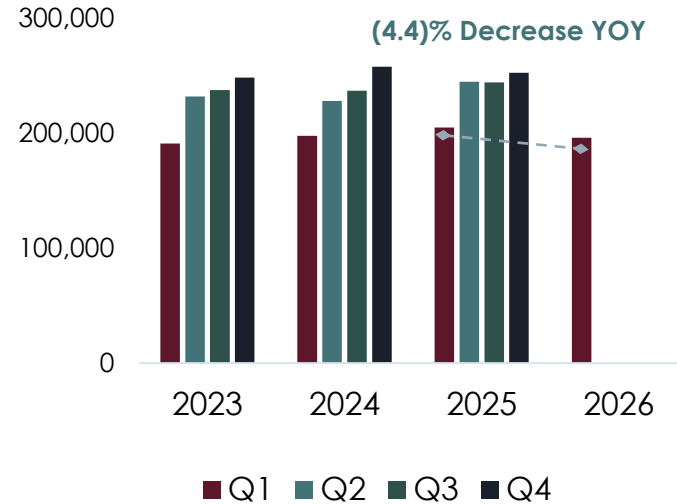
<sup>2</sup>Free cash flow is defined as the total change in cash and cash equivalents less cash used for common share repurchases, dividends (if any), changes to debt instruments, changes to long-term investments, net cash used for acquisitions plus cash provided by dispositions (if any)

# First Quarter 2026 Financial Performance

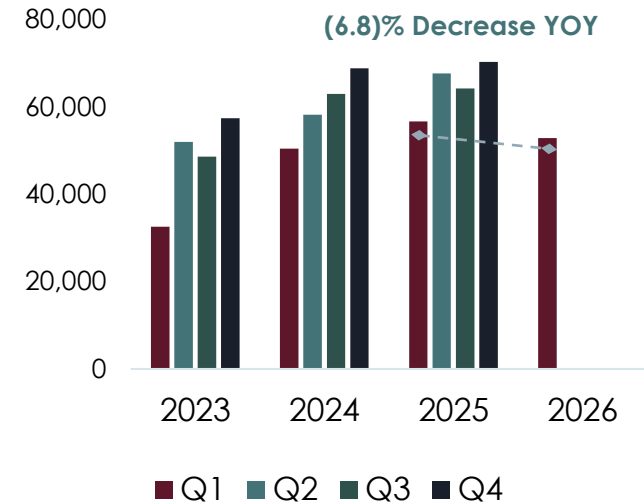
SNDL results impacted by market headwinds, with Net Revenue and Gross Profit decline in both Liquor and Cannabis segments. Adjusted Operating Income slight growth driven by the absence of prior year equity-accounted investees valuation reductions and continued financial discipline and relentless focus on spend management

SNDL focus continues to be towards driving sustained profitability and Free Cash Flow growth, while investing in our strategic growth agenda and shareholder value creation

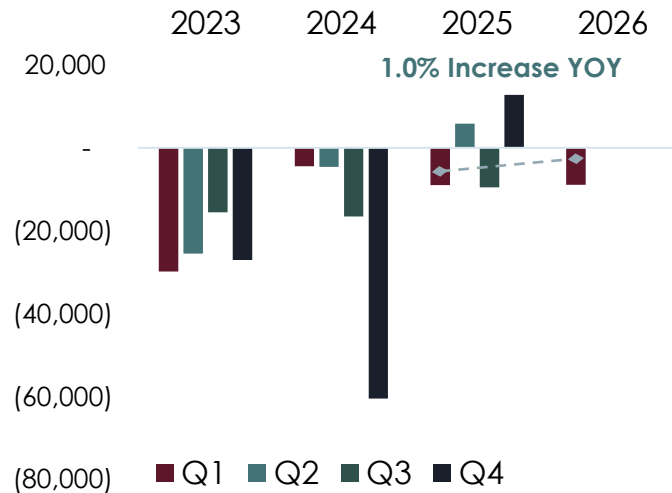
### Net Revenue (\$000s)



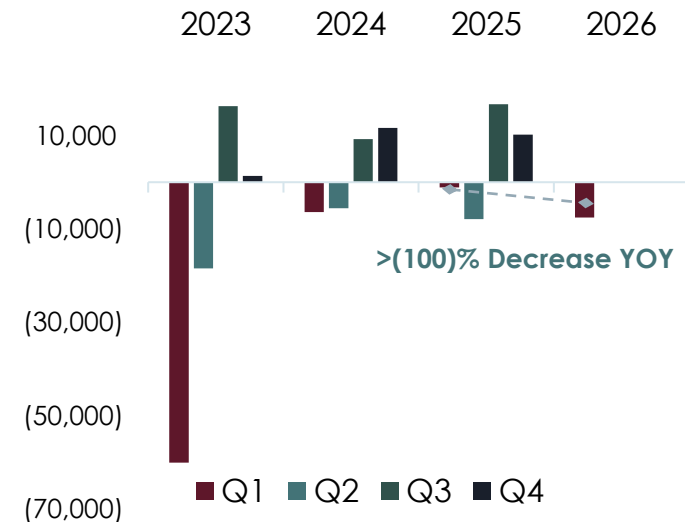
### Gross Profit (\$000s)



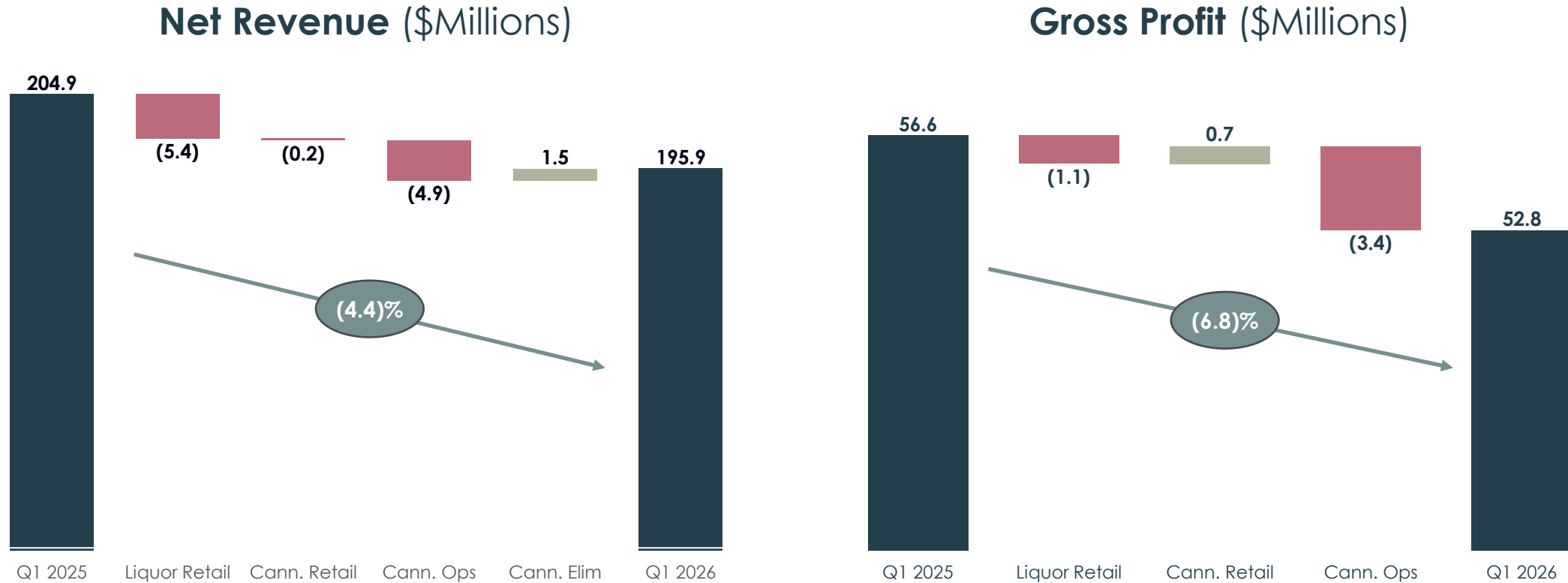
### Adj. Operating Income (\$000s)



### Free Cash Flow (\$000s)



# Net Revenue and Gross Profit Contribution by Segments



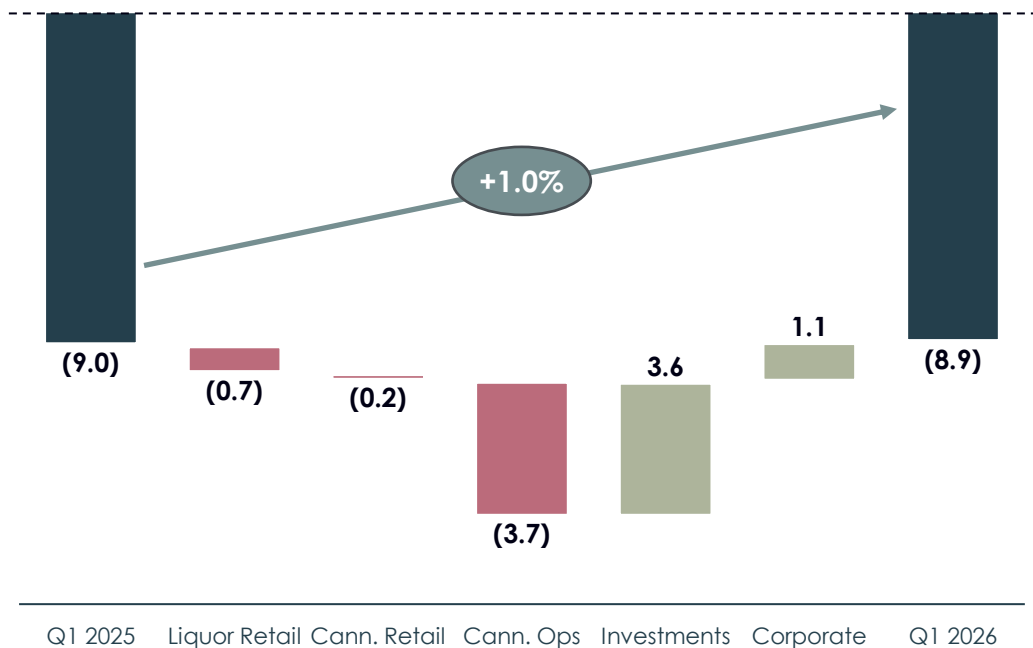
**NOTES**

All numbers are for the first quarter of 2026, ending March 31, 2026

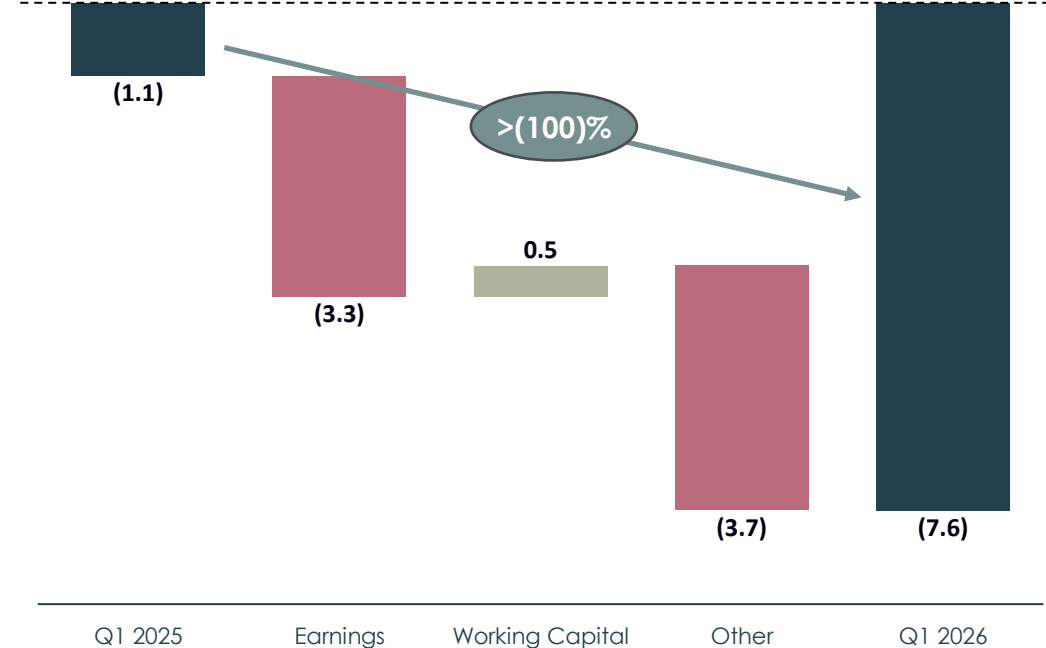
Cannabis Elimination Net Revenue reflects elimination associated with the Cannabis Operations sales to the provincial boards that are expected to be subsequently repurchased by the Company's licensed retail subsidiaries for resale

# Adjusted Operating Income Contribution by Segment and Free Cash Flow drivers

Adj. Operating Income (\$Millions)



Free Cash Flow (\$Millions)



NOTES  
All numbers are for the first quarter of 2026, ending March 31, 2026

# Q1 2026 Free Cash Flow impacted by lower earnings, Cannabis inventory build up and capex investments

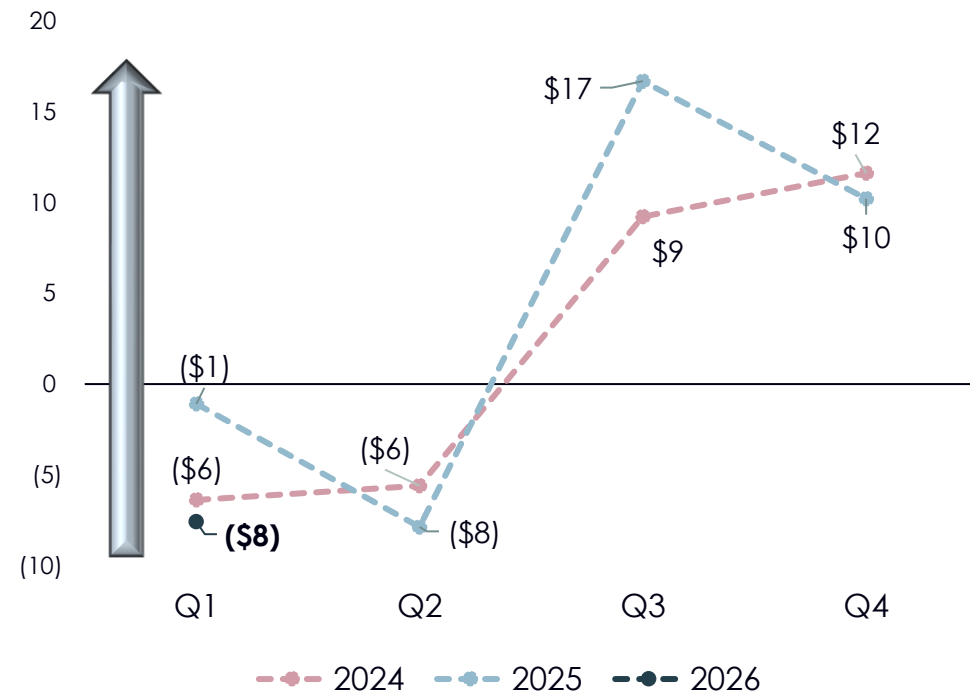
## FCF Breakdown (\$Millions)

	Q1'26	Q1'25	Variance
Net Income	(9.9)	(14.7)	4.8
Non-Cash add backs	15.1	23.2	(8.1)
Inventory Change (Inc)/Dec	(9.2)	(6.3)	(2.9)
Other WC change (Inc)/Dec	9.0	5.8	3.2
Capex & Lease payments	(12.7)	(9.1)	(3.6)
<b>Total Free Cash Flow</b>	<b>(7.6)</b>	<b>(1.1)</b>	<b>(6.5)</b>

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

	Q1'26	Q1'25	Variance
Depreciation & Amortization	14.1	14.2	(0.1)
Share-based Compensation	0.6	1.4	(0.8)
Inventory and fixed asset impairment	1.5	1.5	(0.0)
Finance cost / other (*)	(1.1)	6.2	(7.2)
<b>Total Non-cash add backs</b>	<b>15.1</b>	<b>23.2</b>	<b>(8.1)</b>

## Free Cash Flow trend (\$Millions)



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

# Q1 2026

## Liquor Retail Results

- **Net Revenue** continued to decline, despite two new Wine & Beyond stores opened in Q4'25, as market demand softness impacted same-store-sales
- Improvement in gross margin driven by **product mix management, pricing** and **procurement productivity** initiatives



Net Revenue

**\$104.1** MM

Decrease of \$(5.4) million  
(4.9)% decrease year-over-year



Gross Profit

**\$26.7** MM

Decrease of \$(1.1) million  
(4.1)% decrease year-over-year



Gross Margin

**25.6%**

Up by 0.2pp from Q1 2025



Adj. Operating Income

**\$(3.2)** MM

Decrease of \$(0.7) million  
(31)% decrease year-over-year



# Q1 2026

## Cannabis Retail Results

- **Slight Net Revenue decline** driven by negative same-store-sales of (2.5)%, partially offset by new store openings and Value Buds store conversions
- **Gross margin expansion** from promotional efficiencies, pricing and mix management
- Operating Income result driven by **prior year larger asset impairment reversals**, offsetting the benefit of **margin expansion**, and **overhead efficiency**



Net Revenue

**\$77.3<sub>MM</sub>**

**Decrease of \$(0.2) million**  
(0.3)% decrease year-over-year



Gross Profit

**\$20.4<sub>MM</sub>**

**Increase of \$0.7 million**  
3.7% increase year-over-year



Gross Margin

**26.3%**

**Up by 1.0pp from 2025**



Adj. Operating Income

**\$1.1<sub>MM</sub>**

**Decrease of \$(0.2) million**  
(16)% decrease year-over-year

# Q1 2026

## Cannabis Operations Results

- Net revenue decline driven by market headwinds, inventory destocking and temporary adjustments in B2B order phasing, partially offset by **international sales growth** (reaching \$3.5 million in Q1)
- Operating Income decline driven by gross margin compression attributable to inventory adjustments and under-absorption from lower production volumes, and asset impairment related to the idle Stellarton facility



Net Revenue

**\$29.4**MM

**Decrease of \$(4.9) million**

(14)% decrease year-over-year



Gross Profit

**\$5.8**MM

**Decrease of \$(3.4) million**

(37)% increase year-over-year



Gross Margin

**19.7%**

**Down by (7.1)pp from 2025**



Adj. Operating Income

**\$(6.9)**MM

**Decrease of \$(3.7) million**

(112)% decrease year-over-year



# 2026 Strategic Priorities



## GROWTH

*Drive sustainable growth in our core segments*

- Grow and optimize store footprint
- Grow private label
- E-commerce and Loyalty
- Grow market share
- Become a Top 5 Cannabis LP



## PROFITABILITY

*Consistent Free Cash Flow and Operating Income growth*

- Accelerate Productivity Programs
- Optimize working capital management
- Enhance Revenue Streams & Pricing
- Retail excellence and Mix Management



## PEOPLE

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

- Enhance Performance management
- Upgrade talent management and engagement
- Drive cross-functional collaboration

# Strategic Priorities

Q1 2026 Highlights



## GROWTH

Drive sustainable growth  
in our core segments

## Jeeter Contract

SNDL assumed exclusive Canadian production and commercialization of Jeeter, a leading U.S. Cannabis brand, enhancing its positioning in the premium pre-roll category

## Retail Expansion

Addition of 5 Cost Cannabis stores and targeted CAPEX investments in support of one new Wine & Beyond store in SK, to be opened in the second quarter 2026

# +3.5M

## Cannabis International Sales

Represents a 94% increase compared to the same period of the prior year through continued partnership expansion

## Liquor Loyalty Program

Launched Liquor "Rise Reward" loyalty program providing a key enhancement to shopping experience and customer engagement

# Strategic Priorities

Q1 2026 Highlights



## PROFITABILITY

Consistent Free Cash  
Flow and Operating  
Income growth

**+0.5pp**

**Retail Gross Margin  
expansion**

Through continued promotional efficiency,  
pricing, mix management and productivity

**~\$20<sub>M</sub>**

**Profit Enhancement  
initiatives**

Deployment of several initiatives to drive  
incremental Operating Income over the  
remainder of the year

**\$4.2<sub>M</sub>**

**Data Licensing Revenue**

Combined Revenue from proprietary data  
licensing program from both Cannabis Retail and  
Liquor Retail

**~\$2<sub>M</sub>**

**G&A Savings**

Combined G&A Savings and efficiencies across  
all segments

# Strategic Priorities

## Q1 2026 Highlights



### PEOPLE

Create engagement & alignment through focus on performance & talent development



### Strategic Talent Development

Launched our annual SMART goal-setting process, a foundational component of our STR program, to align individual goals and incentives with company priorities, strengthening strategic alignment and cross-functional collaboration across the SNDL network for 2026

### Employee Value Proposition

Informed by our annual employee engagement survey, we developed frameworks for enhanced capacity building, leadership development, employee incentives, and cross-functional collaboration to elevate SNDL's employee experience and EVP



### Employee Incentives

Completed our annual performance-to-pay cycle, recognizing employees' contributions through short-term incentives, long-term incentives, and annual merit increases, reinforcing SNDL's investment in competitive total rewards

### Recruitment Efficiencies

Building on the recruitment efficiencies introduced in Q3 2025, we continue to optimize our hiring processes by leveraging Workday automation to enhance the recruiter and candidate experience, strengthen our talent pipeline, and better align talent acquisition with business priorities

# Analyst Q&A

