

# Disclaimer

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Corporate Presentation

**THIRD QUARTER 2026**

October 2026

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

# Q3 2026 Company Highlights



## IMPROVEMENTS IN UNDERLING PERFORMANCE

Record quarterly and positive year-to-date free cash flow (partially driven by initial one-time contributions from the captive insurance dissolution). Record quarterly Cannabis Retail revenue and record gross margins in both Liquor and Cannabis Retail. Cannabis Operations remained challenged



## ACCELERATE SHARE REPURCHASES

Continued share repurchases adding up to >23 million shares year-to-date, equivalent to ~9% of shares outstanding at the start of 2026, alongside recently announced potential \$50 million substantial issuer bid (SIB)



## STRATEGIC INVESTMENTS IN USA

Increased indirect equity and debt ownership in Parallel and funded investments in a new cultivation facility to enhance Parallel's cost structure; as we explore feasibility to transition to direct ownership and consolidation

# Q3 2026 Financial Highlights

|                                    |                 |                                  |                               |
|------------------------------------|-----------------|----------------------------------|-------------------------------|
| Net Revenue                        | <b>\$238MM</b>  | <b>\$(6.2)MM</b><br>Decrease YOY | <b>(2.5)%</b><br>Decrease YOY |
| Gross Profit                       | <b>\$57.9MM</b> | <b>\$(6.3)MM</b><br>Decrease YOY | <b>(9.8)%</b><br>Decrease YOY |
| Gross Margin                       | <b>24.3%</b>    | <b>(2.0)pp</b><br>Decrease YOY   |                               |
| Adj. Operating Income <sup>1</sup> | <b>\$5.2MM</b>  | <b>\$14.8MM</b><br>Increase YOY  | <b>155%</b><br>Increase YOY   |
| Free Cash Flow <sup>2</sup>        | <b>\$20.0MM</b> | <b>+\$3.3MM</b><br>Increase YOY  | <b>+19.5%</b><br>Increase YOY |

**SNDL delivered record Free Cash Flow and positive Adjusted Operating Income**

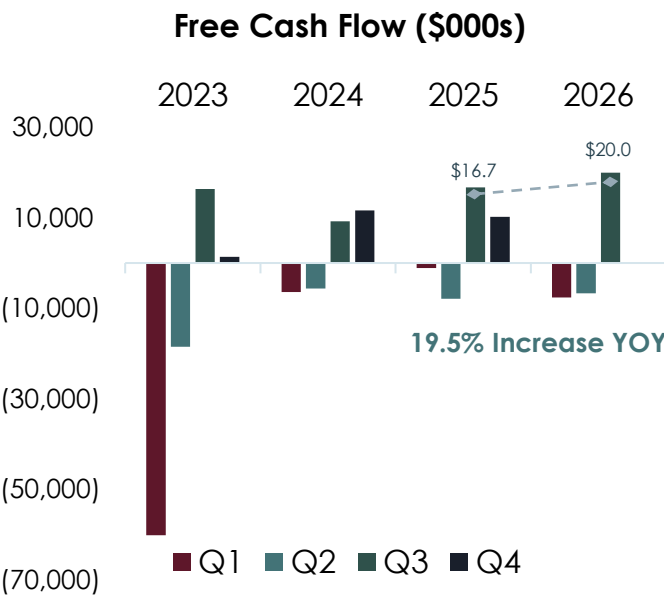
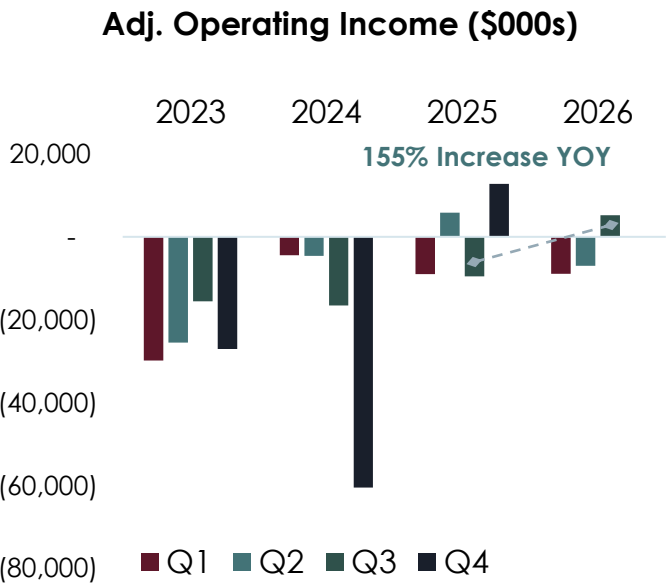
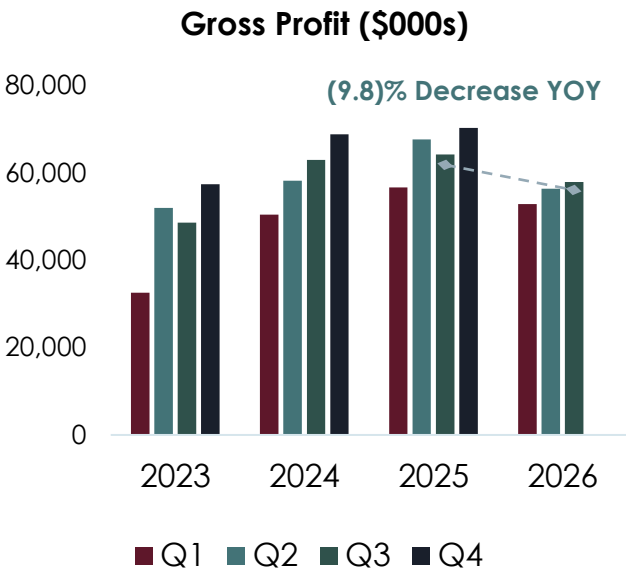
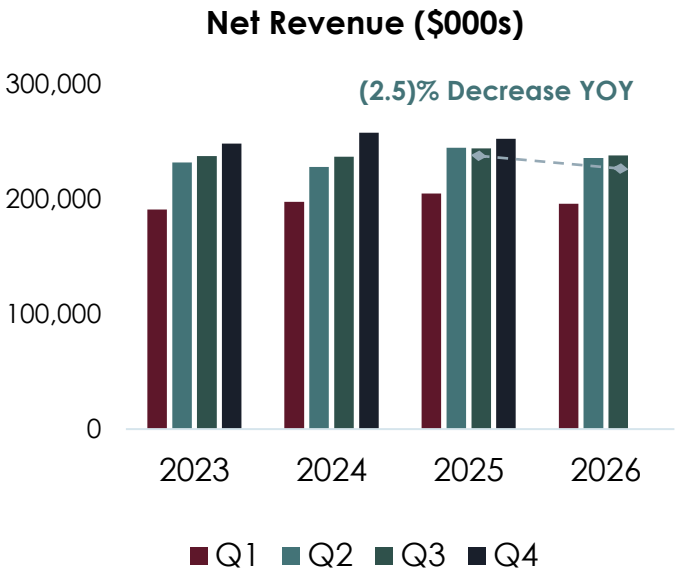
Q3 Results demonstrate improvement in underlying financial performance, with new records in Free Cash Flow, Cannabis Retail net revenue and Liquor and Cannabis Retail gross margin, combined with valuation increase of equity accounted investees drove positive Adj. Operating Income

<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.

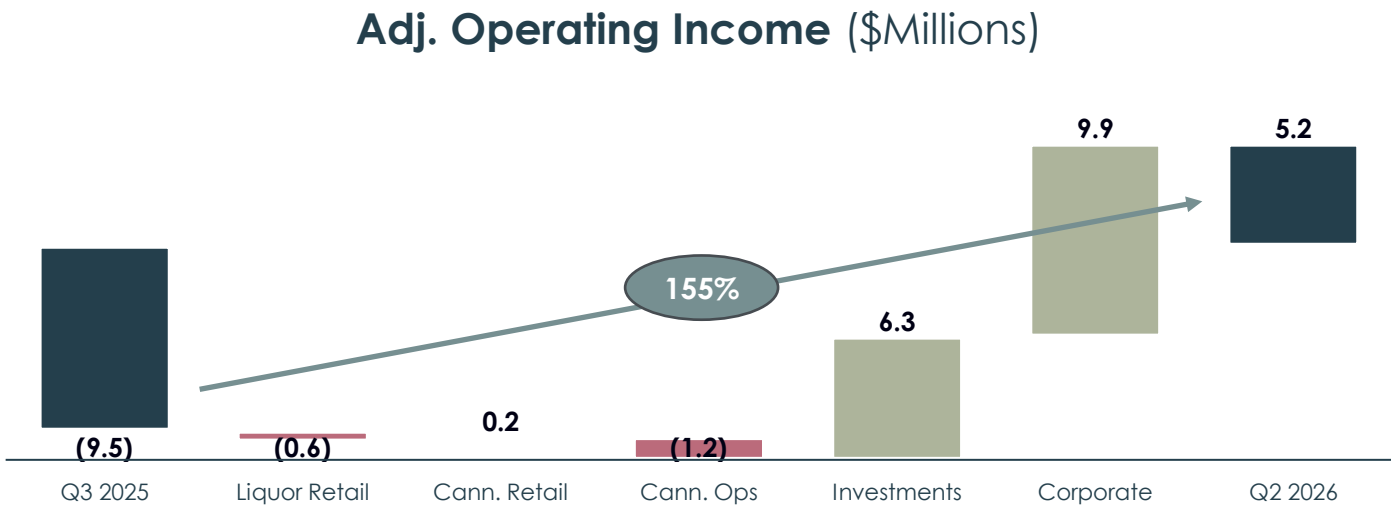
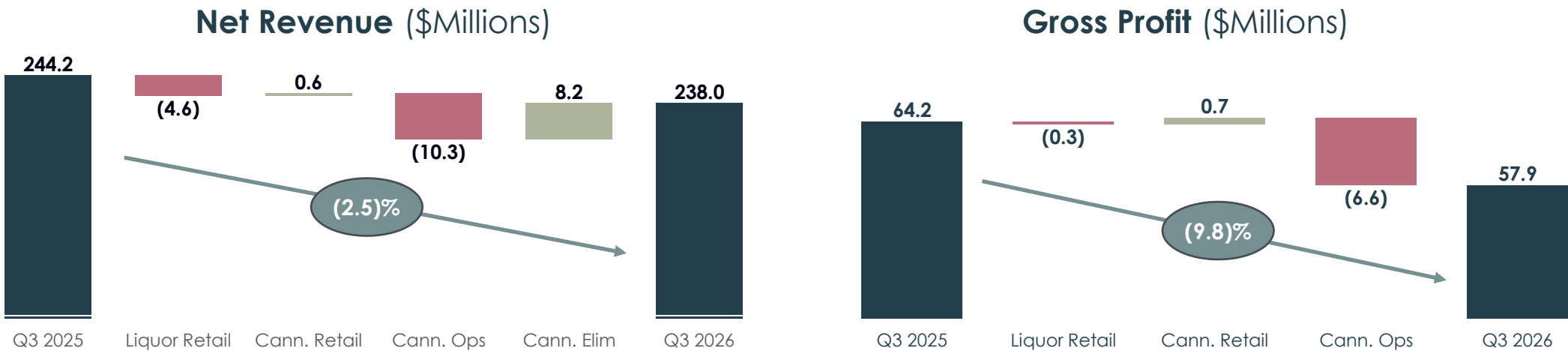
<sup>2</sup>Free cash flow is defined as the total change in cash and cash equivalents less cash used for common share repurchases, dividends (if any), changes to debt instruments, changes to long-term investments, net cash used for acquisitions plus cash provided by dispositions (if any)

# Third Quarter 2026 Financial Performance

- SNDL delivered positive Adjusted Operating Income with 155% year-over-year growth along with a record-breaking quarter \$20.0 million in Free Cash Flow; this milestone was driven by the initial unwinding of the company's insurance captive arrangement, continued financial discipline and relentless focus on spend management, combined with equity accounted investees valuation increase
- 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

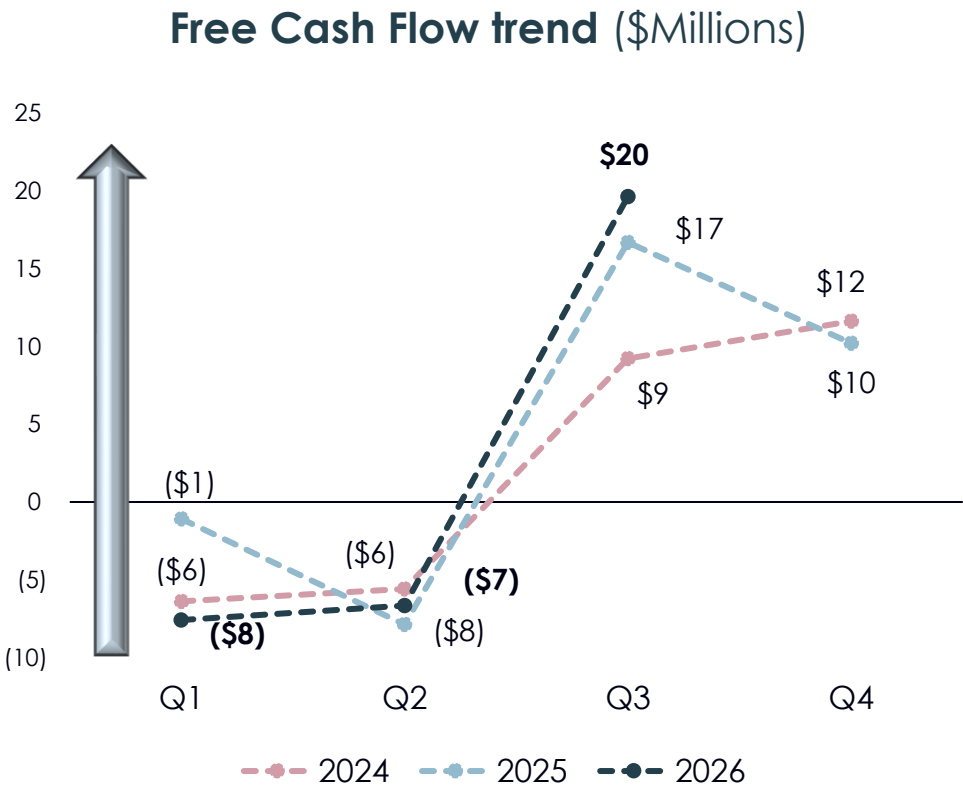
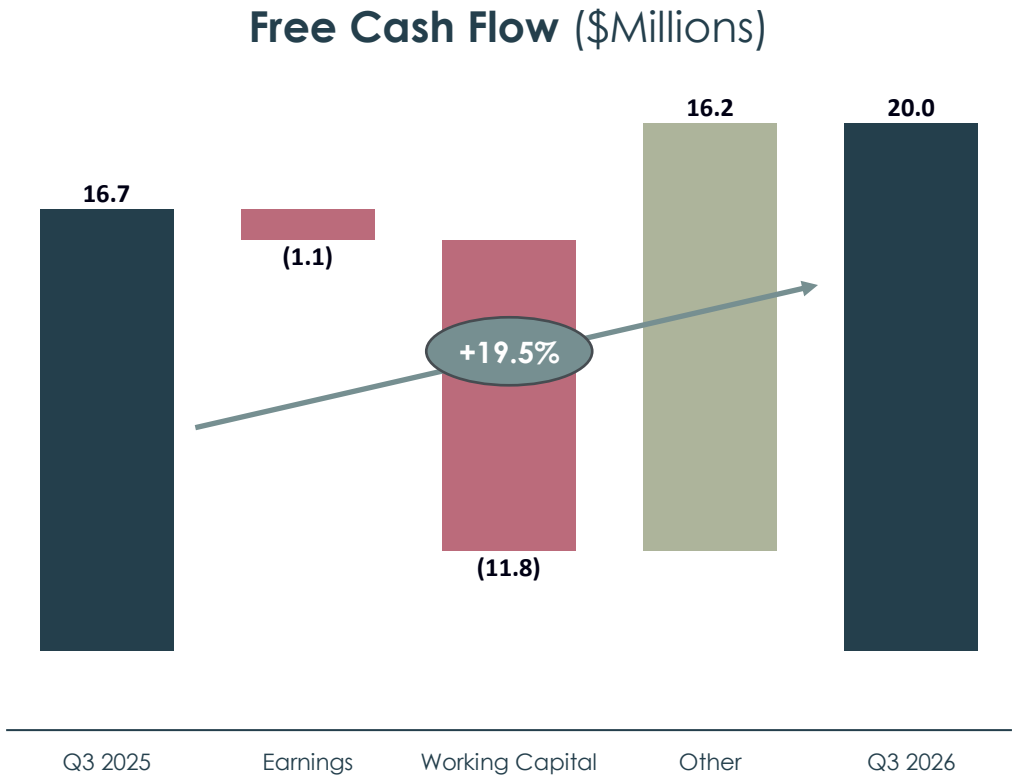


# Net Revenue, Gross Profit and Adj. Operating Income Contribution by Segments



NOTES  
All numbers are for the Third quarter of 2026, ending September 30, 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

# Q3 record Free Cash Flow includes \$10.6 million benefit from the initial unwinding of the Company's captive insurance arrangement



NOTES  
All numbers are for the Third quarter of 2026, ending September 30, 2026

# Q3 2026

## Liquor Retail Results

- **Net Revenue** continued to decline, despite **three new Wine & Beyond stores** opened in the last 12 months and strong **Private Label sales** outperforming national brands by 8.5pp in Q3, as demand headwinds impacted same-store-sales
- **Record gross margin** driven by pricing, mix management and procurement productivity; with Adj. Operating Income impacted by higher SG&A expenses associated with new stores openings



Net Revenue

**\$134.8<sub>MM</sub>**

**Decrease of \$(4.6) million**  
(3.3)% decrease year-over-year



Gross Profit

**\$36.4<sub>MM</sub>**

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



Gross Margin

**27.0%**

**Up by 0.7pp from Q3 2025**



Adj. Operating Income

**\$6.0<sub>MM</sub>**

**Decrease of \$(0.6) million**  
(8.4)% decrease year-over-year



# Q3 2026

## Cannabis Retail Results

- **Net Revenue returned to growth** reaching a new quarterly record driven by new stores and Value Buds store conversion, partially offset by negative same-store-sales of (3.8)%, reflecting market contraction in AB and ON
- Strong Adj. Operating Income result driven by **Gross margin expansion** from promotional and mix management efficiencies, increased data revenue, more than offsetting higher prior year **asset impairment reversals**



Net Revenue

**\$85.6**MM

**Increase of \$0.6 million**

0.7% increase year-over-year



Gross Profit

**\$23.1**MM

**Increase of \$0.7 million**

2.9% increase year-over-year



Gross Margin

**27.0%**

**Up by 0.6pp from Q3 2025**



Adj. Operating Income

**\$5.3**MM

**Increase of \$0.2 million**

4.7% increase year-over-year



# Q3 2026

## Cannabis Operations Results

- **Net Revenue decline** mostly attributed to our exit from the **unprofitable domestic dried flower** category as we reshape the segment focusing on higher value product categories
- Adj. Operating Income declined primarily due to **inventory adjustments** related to the exit of dried flower category and Jetter cost variances



Net Revenue

**\$27.0**MM

**Decrease of \$(10.3) million**  
(27.7)% decrease year-over-year



Gross Profit

**\$(1.6)**MM

**Decrease of \$(6.6) million**  
(132)% decrease year-over-year



Gross Margin

**(6.0)%**

**Down by (19.4)pp from Q3 2025**



Adj. Operating Income

**\$(11.4)**MM

**Decrease of \$(1.2) million**  
(11.5)% decrease year-over-year



# Share Repurchase Program

Returning capital to shareholders while maintaining balance sheet flexibility, **announced a potential substantial issuer bid (SIB) for an aggregate price of up to \$50 million at a price per share not exceeding USD\$1.35**

**\$100 Million  
Authorization**

Up to 10% of public float during program year (\*)

**8%  
Share Reduction**

Since Q4 2024

**Accretive to  
EPS**

## Program Execution since Q4'24

- Number of Shares repurchased 33.8 Million 
- Repurchased value (CAD) \$73.2 Million 
- Average price per share (USD) \$1.54 

|                                  | # of Shares<br>(Millions) | \$ CAD<br>(Millions)  | Avg. Price<br>(USD)  |
|----------------------------------|---------------------------|-----------------------|----------------------|
| Q4'24                            | 5.0                       | \$13.1M               | \$1.84               |
| 2025                             | 5.9                       | \$15.1M               | \$1.79               |
| H1'26                            | 16.2                      | \$32.8M               | \$1.46               |
| <b><u>Q3'26</u></b>              | <b><u>5.4</u></b>         | <b><u>\$10.0M</u></b> | <b><u>\$1.31</u></b> |
| Oct'26                           | 1.5                       | \$2.6M                | \$1.25               |
| <b>Total</b>                     | <b>34.0</b>               | <b>\$73.5M</b>        | <b>\$1.54</b>        |
| <b>Total Current<br/>Program</b> | <b>23.2</b>               | <b>\$45.5M</b>        | <b>\$1.41</b>        |

Note: figures reflect repurchases as of October 22, 2026

- ✓ Enhances shareholder returns through disciplined capital allocation
- ✓ Offsets dilution from employee equity compensation
- ✓ Executed opportunistically subject to market conditions

(\*) SNDL has reached the maximum of 5% repurchase limit in NASDAQ under the Share Repurchase Program, and can continue in the CSE for up to 10% (~24.5 million shares)

# Parallel Restructuring: Transformational Milestone for SNDL

SNDL is evaluating a path to direct ownership and financial consolidation of Parallel's medical cannabis business

**State Operations**  
Florida (FL)  
Texas (TX)  
Massachusetts (MA)

**Product Categories**  
Flower Beverage  
Pre-roll Topical  
Vape Tincture  
Edible Concentrate

**Net Revenue (USD)**  
~\$150 million

**Retail Locations**  
56

**Manufacturing and Cultivation Sites** 3

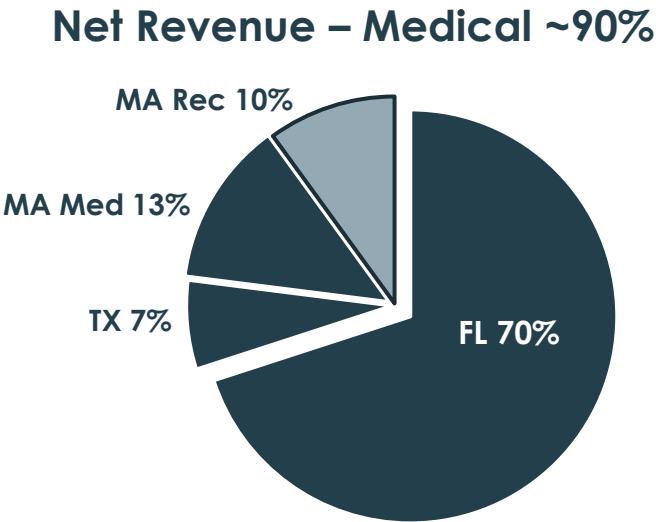
**Headcount** ~800

## Strategic Investments in Q3

- Rights offering increased SNDL indirect equity ownership from ~67% to ~92%:
  - ✓ Provided critical liquidity to support inventory levels, product availability and essential supply chain infrastructure
- SNDL Funded investments by SunStream Bancorp:
  - ✓ Support the buildout of a new cultivation facility in Gainesville, Florida
  - ✓ Acquired an additional portion of Parallel's takeback debt at 75% of face value, increasing ownership from 39.4% to 69.4%

## Path to Industry Leadership

- Scale and growth opportunity
- Accretive margin profile
- Leading vertically integrated North American cannabis operator



# Ontario Regulatory Matters

Path to regulatory resolution expected to normalize franchise operations

| From                                                                                                                                                                                                                                                                                                                                                               | To                                                                                                                                                                                                                                                                                                                                                                                                             |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"><li>• Long-standing regulatory matters involving the AGCO</li><li>• Regulatory uncertainty constraining franchise expansion</li><li>• Debt financing provided by SNDL</li><li>• Broad management and administrative services provided by SNDL</li><li>• Ontario franchise operations consolidated in SNDL's financials</li></ul> | <ul style="list-style-type: none"><li>• Resolution subject to definitive documentation and payment of a \$200k monetary penalty</li><li>• Path toward normalized franchise operations</li><li>• Transition to third-party financing by tier-1 financial institution</li><li>• Modified franchise structure (administrative services only)</li><li>• Deconsolidation from SNDL's financial statements</li></ul> |

**Financial impact to SNDL from deconsolidation**

| (\$MM)           | LTM (*)  |
|------------------|----------|
| Net Revenue      | \$(105)M |
| Gross Profit     | \$(27)M  |
| Operating Income | \$(2)M   |

(\*) Based on trailing twelve months

**Expected \$30 million third-party secured financing to repay existing SNDL debt**  
*(Proceeds received by SNDL expected to remain restricted as collateral)*

# Analyst Q&A

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