# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

# FORM 8-K

# CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 10, 2023

# **TerrAscend Corp.**

(Exact name of Registrant as Specified in Its Charter)

Canada (State or Other Jurisdiction of Incorporation)

77 City Centre Drive Suite 501 Mississauga, Ontario, Canada

(Address of Principal Executive Offices)

000-56363 (Commission File Number) Not applicable (IRS Employer Identification No.)

> L5B 1M5 (Zip Code)

Registrant's Telephone Number, Including Area Code: 717 610-4165

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

□ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

□ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

D Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

- --

	Trading	
Title of each class	Symbol(s)*	Name of each exchange on which registered
N/A	TSNDF	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.  $\Box$ 

\* The registrant's common shares, no par value, trade over-the-counter on OTCQX Best Market under the trading symbol "TSNDF".

# Item 2.02 Results of Operations and Financial Condition.

On August 10, 2023, TerrAscend Corp. (the "Company") issued a press release announcing its financial results and business highlights for the quarter ended June 30, 2023. A copy of this press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated by reference.

The information in this Current Report on Form 8-K (including Exhibit 99.1) is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

# Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press Release, dated August 10, 2023.

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

# SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

# TerrAscend Corp.

Date: August 10, 2023

By: /s/ Keith Stauffer

Keith Stauffer Chief Financial Officer



# TerrAscend Reports Second Quarter 2023 Record Net Revenue of \$72.1 Million, an Increase of 12.7% Year-Over-Year and 3.9% Sequentially, Representing its 7<sup>th</sup> Consecutive Quarter of Sequential Revenue Growth

Gross profit margin increased to 50.2%, an improvement of 140 basis points sequentially

Reaffirms Net Revenue guidance for the full year of 2023 of at least \$305 million and Adjusted EBITDA from continuing operations<sup>1</sup> of at least \$58 million

TORONTO, August 10, 2023 - TerrAscend Corp. ("TerrAscend" or the "Company") (TSX: TSND) (OTCQX: TSNDF), a leading North American cannabis operator, today reported its financial results for the second quarter ended June 30, 2023. All amounts are expressed in U.S. dollars and are prepared under U.S. Generally Accepted Accounting Principles (GAAP), unless indicated otherwise.

The following financial measures are reported as results from continuing operations due to the shutdown of the licensed producer business in Canada, which is reported as discontinued operations for all of 2022. All historical periods have been restated accordingly.

#### Second Quarter 2023 Financial Highlights

- Net Revenue was \$72.1 million, an increase of 3.9% sequentially and 12.7% year-over-year.
- Gross Profit Margin was 50.2%, compared to 48.8% in Q1 2023 and 37.5% in Q2 2022.
- GAAP Net loss from continuing operations was \$12.9 million, compared to \$19.2 million in Q1 2023 and net income of \$16.9 million in Q2 2022.
- EBITDA from continuing operations<sup>1</sup> was \$6.5 million, compared to \$6.1 million in Q1 2023 and \$38.4 million in Q2 2022.
- Adjusted EBITDA from continuing operations<sup>1</sup> was \$12.8 million, compared to \$12.2 million in Q1 2023 and \$8.8 million in Q2 2022.
- Adjusted EBITDA Margin from continuing operations<sup>1</sup> was 17.8%, compared to 17.6% in Q1 2023 and 13.8% in Q2 2022.
- Net cash provided by (used in) operating activities continuing operations was \$1.8 million compared to \$10.5 million in Q1 2023 and (\$14.9) million in Q2 2022.
- Cash and Cash Equivalents, including restricted cash, totaled \$34.5 million as of June 30, 2023, of which \$2.5 million was long term restricted, as compared to \$33.5 million as of March 31, 2023.

## Second Quarter 2023 Business and Operational Highlights

- Announced three dispensary acquisitions in Maryland to reach the four store limit in the state
- · Closed on the acquisitions of Blue Ridge Wellness and Peninsula Alternative Health dispensaries in Maryland
- Closed Private Placements for total aggregate proceeds of \$21.0 million
- Closed on a \$25.0 million commercial loan with Stearns Bank carrying an interest rate of prime plus 2.25%, equivalent to 10.5%, with proceeds used to pay down higher interest debt
- Paid down \$37.0 million of senior secured term loan in Pennsylvania
- Completed sale of Mississauga facility for \$14.3 million
- Launched Legend brand in Michigan
- Introduced Wana infused gummies in New Jersey and Maryland

- Opened fifth Cookies dispensary in Michigan
- Expanded Cookies partnership into Maryland
- Completed a re-organization of the Company in order to list on the TSX

## Subsequent Events

- · Reached four dispensary limit in Maryland with the closing of the Herbiculture acquisition
- Commenced trading on the TSX under the symbol 'TSND' and announced symbol change on OTC markets to 'TSNDF'

"We are pleased to deliver results in the second quarter that exceeded our internal forecasts. We have made substantial progress over the last several months across virtually all facets of our business. We have significantly improved our margins, transformed our balance sheet, materially lowered our interest expense, delivered positive operating cashflow, acquired four dispensaries in Maryland and successfully listed on the TSX, all while driving sector leading revenue growth of 26% in the first half of 2023," stated Jason Wild, Executive Chairman of TerrAscend. "These achievements give us confidence in the remainder of the year, as evidenced by our full year revenue and Adjusted EBITDA guidance. We expect to deliver significant growth in revenue and profitability as we realize the benefits of our now vertically integrated operations in Maryland as well as continued strong execution in our other geographies."

# Financial Summary Q2 2023 and Comparative Periods

All figures are restated for the Canadian business recorded as discontinued operations.

(in millions of U.S. Dollars)	Q2 2023	Q1 2023	Q2 2022
Revenue, net	72.1	69.4	64.0
Quarter-over-Quarter increase	3.9%	0.6%	31.7%
Year-over-Year increase	12.7%	42.8%	21.9%
Gross profit	36.2	33.9	24.0
Gross profit margin	50.2%	48.8%	37.5%
General & Administrative expense	30.5	27.7	32.9
Share-based compensation expense (included in G&A expense above)	2.0	1.7	4.5
G&A as a % of revenue, net	42.3%	39.9%	51.4%
Net (loss) income from continuing operations	(12.9)	(19.2)	16.9
EBITDA from continuing operations <sup>1</sup>	6.5	6.1	38.4
Adjusted EBITDA from continuing operations 1	12.8	12.2	8.8
Adjusted EBITDA Margin from continuing operations	17.8%	17.6%	13.8%
Net Cash provided by (used in) operations- continuing operations	1.8	10.5	(14.9)

## Second Quarter 2023 Financial Results

Net revenue for the second quarter of 2023 was \$72.1 million as compared to \$69.4 million in the first quarter of 2023 and \$64.0 million in the second quarter of 2022, representing 3.9% growth sequentially and 12.7% growth year-over-year. The sequential growth was driven primarily by a full quarter of the Allegany dispensary acquisition in Maryland and same store sales growth in Michigan.

Gross margin for the second quarter of 2023 was 50.2% as compared to 48.8% in the first quarter of 2023 and 35.5% in the second quarter of 2022. The 140-basis point improvement in gross margin from the first quarter to the second quarter of 2023 follows a 420-basis point sequential improvement in the first quarter of 2023. These improvements

were driven by increased yields, optimization of mix and better utilization of capacity in New Jersey, Michigan and Maryland.

General & Administrative (G&A) expenses for the second quarter of 2023 were \$30.5 million as compared to \$27.7 million in the first quarter of 2023 and \$32.9 million in the second quarter of 2022. G&A expenses for the second quarter of 2023 included \$2.5 million of one-time items including M&A costs related to the acquisitions in Maryland, capital raising transaction costs, legal settlement fees, and TSX listing related costs.

Net loss from continuing operations in the second quarter of 2023 was \$12.9 million compared to \$19.2 million in the first quarter of 2023 and a net income of \$16.9 million in the second quarter of 2022.

Adjusted EBITDA from continuing operations for the second quarter of 2023, a non-GAAP measure, was \$12.8 million, representing a 17.8% margin, compared to \$12.2 million and a 17.6% margin in the first quarter of 2023 and \$8.8 million and a 13.8% margin in the second quarter of 2022.

#### **Balance Sheet and Cash Flow**

Cash and cash equivalents, including restricted cash, were \$34.5 million as of June 30, 2023, compared to \$33.5 million as of March 31, 2023. Net cash provided by continuing operations was \$1.8 million for the second quarter of 2023, representing the fourth consecutive quarter of positive cashflow from operations. No cash income tax payments were made during the quarter. Capital expenditure spending was \$2.2 million in the second quarter of 2023, primarily relating to store openings in Michigan. Free cashflow, a non-GAAP financial measure, was (\$0.4) million for the quarter.

During the quarter, the Company completed the sale of its facility in Canada for \$14.3 million, completed private placements for gross proceeds of \$21.5 million, closed on a \$25 million loan with Stearns bank at a rate of prime plus 2.25%, paid down \$43 million of higher interest debt on its Ilera term loan, and made cash consideration payments totaling \$4.9 million for two Maryland acquisitions which closed in the quarter.

As of August 10, 2023, there were 363 million basic shares outstanding, including 287 million common shares, 13 million preferred shares as converted, and 63 million exchangeable non-voting shares. Additionally, there are 51 million warrants and options outstanding at a weighted average price of \$4.44.

#### Outlook for 2023

The Company is reiterating its outlook for Net Revenue and Adjusted EBITDA from continuing operations<sup>1</sup> for 2023 to be at least \$305 million and at least \$58 million, respectively, representing year-over-year growth of 23% in Net Revenue and 49% in Adjusted EBITDA from continuing operations<sup>1</sup>.

#### **Conference Call**

TerrAscend will host a conference call today, August 10, 2023, to discuss these results. Jason Wild, Executive Chairman, Ziad Ghanem, Chief Executive Officer, and Keith Stauffer, Chief Financial Officer, will host the call starting at 5:00 p.m. Eastern time. A question-and-answer session will follow management's presentation. CONFERENCE CALL DETAILS

Date:	Thursday, August 10, 2023
Time:	5:00 p.m. Eastern Time
RapidConnect URL:	https://emportal.ink/44mrcy0
Webcast:	Click Here
Dial-in Number:	1-888-664-6392
Conference ID:	98441769
Replay:	416-764-8677 or 1-888-390-0541

Available until 12:00 midnight Eastern Time Thursday, August 24, 2023 Replay Entry Code: 441769#

Financial results and analyses are available on the Company's website (www.terrascend.com) and SEDAR (www.sedar.com).

#### About TerrAscend

TerrAscend is a leading TSX-listed cannabis company with interests across the North American cannabis sector, including vertically integrated operations in Pennsylvania, New Jersey, Maryland, Michigan and California through TerrAscend Growth Corp. and retail operations in Canada through TerrAscend Canada Inc. ("TerrAscend"). TerrAscend operates The Apothecarium, Gage and other dispensary retail locations as well as scaled cultivation, processing, and manufacturing facilities in its core markets. TerrAscend's cultivation and manufacturing practices yield consistent, high-quality cannabis, providing industry-leading product selection to both the medical and legal adult-use markets. The Company owns or licenses several synergistic businesses and brands including Gage Cannabis, The Apothecarium, Cookies, Lemonnade, Ilera Healthcare, Kind Tree, Legend, State Flower, Wana, and Valhalla Confections. For more information visit www.terrascend.com.

#### **Caution Regarding Cannabis Operations in the United States**

Investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the United States. Cannabis remains a Schedule I drug under the U.S. Controlled Substances Act, making it illegal under federal law in the United States to, among other things, cultivate, distribute or possess cannabis in the United States. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable US federal money laundering legislation.

While the approach to enforcement of such laws by the federal government in the United States has trended toward non-enforcement against individuals and businesses that comply with medical or adult-use cannabis programs in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve TerrAscend of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against TerrAscend. The enforcement of federal laws in the United States is a significant risk to the business of TerrAscend and any proceedings brought against TerrAscend thereunder may adversely affect TerrAscend's operations and financial performance.

## **Notice Regarding Forward-Looking Information**

This press release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information contained in this press release may be identified by the use of words such as, "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook" and other similar expressions. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment, and the availability of licenses, approvals and permits. Examples of forward-looking information contained in this press release include statements regarding the impacts of the listing on the TSX Listing; and expectations for other economic, business, and/or competitive factors.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking information. 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 the risk factors set out in the Company's most recently filed MD&A, filed with the Canadian securities regulators and available under the Company's profile on SEDAR at www.sedar.com and in the section titled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the Securities and Exchange Commission (the "SEC") on March 16, 2023, the Company's Annual Report on Form 10-K/A for the year ended December 31, 2022 filed with the SEC on May 4, 2023 and its subsequently filed quarterly reports on Form 10-Q.

The statements in this press release are made as of the date of this press release. TerrAscend disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

No stock exchange, securities commission or other regulatory authority has approved or disapproved the information contained herein.

## **Definition and Reconciliation of Non-GAAP Measures**

In addition to reporting the financial results in accordance with GAAP, the Company reports certain financial results that differ from what is reported under GAAP. Non-GAAP measures used by management do not have any standardized meaning prescribed by GAAP and may not be comparable to similar measures presented by other companies. The Company believes that certain investors and analysts use these measures to measure a company's ability to meet other payment obligations or as a common measurement to value companies in the cannabis industry, and the Company calculates Adjusted Gross Profit and Adjusted Gross Profit Margin as Gross Profit and gross profit margin adjusted for certain material non-cash items including the one-time relief of fair value of inventory on acquisition, non-cash write downs of inventory, sales returns and write downs of inventory as a result of a vape recall in Pennsylvania, and other one-time adjustments to gross profit that management does not believe are reflective of ongoing operations. We calculate Adjusted EBITDA from continuing operations and Adjusted EBITDA Margin from continuing operations adjusted for certain material non-cash items such as inventory write downs outside of the normal course of operations, share based compensation expense, impairment charges taken on goodwill, intangible assets and property and equipment, the gain or loss recognized on the revaluation of our contingent consideration liabilities, one-time write off of accounts receivable related to one customer that was deemed uncollectible, loan modification fees related to the modification of debt, the gain recognized on the extinguishment of debt, the gain or loss recognized on the realustion and performance. 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 GAAP. The Company believes this definition is a useful

For more information regarding TerrAscend: Keith Stauffer Chief Financial Officer ir@terrascend.com 855-837-7295

Briana Chester MATTIO Communications 424-465-4419 terrascend@mattio.com Unaudited Interim Condensed Consolidated Balance Sheets (Amounts expressed in thousands of United States dollars, except for share and per share amounts)

	Im	At ne 30, 2023		At er 31, 2022
Assets	54	10 50, 2025	Decemb	01 51, 2022
Current Assets				
Cash and cash equivalents	S	28,915	S	26,158
Restricted cash		3,106		605
Accounts receivable, net		9,478		22,443
Investments		1,932		3,595
Inventory		54,015		46,335
Assets held for sale				17,349
Prepaid expenses and other current assets		8,674		4,937
Current assets from discontinued operations		509		571
Non-Current Assets		106,629		121,993
		12/222		
Restricted cash - Non-current		2,500		-
Property and equipment, net		208,995		215,812
Deposits		406		837
Operating lease right of use assets		32,824		29,451
Intangible assets, net		269,594		239,704
Goodwill		99,952		90,328
Other non-current assets		848		3,462
The large		615,119	Ø	579,594
Total Assets	\$	721,748	\$	701,587
Liabilities and Shareholders' Equity				
Current Liabilities				
Accounts payable and accrued liabilities	\$	50,841	\$	44,286
Deferred revenue		3,092		2,935
Loans payable, current		23,928		48,335
Contingent consideration payable, current		4,434		5,184
Operating lease liability, current		1,911		1,857
Lease obligations under finance leases, current		275		521
Corporate income tax payable		45,934		23,077
Other current liabilities		1,608		2,599
Current liabilities from discontinued operations	<u>0</u>	1,466	<u>a</u>	9,111
Non-Current Liabilities		133,489		137,905
Loans payable, non-current		180,400		145,852
Operating lease liability, non-current		35,207		31,545
Lease obligations under finance leases, non-current		2,139		6,713
Derivative liability		5,750		711
Convertible debt		6,447		
Deferred income tax liability		35,596		30,700
Financing obligations		10,754		11,198
Other long term liabilities		16,367		15,792
		292,660	-03	242,511
Total Liabilities		426,149	-	380,416
Commitments and Contingencies				
Shareholders' Equity				
Share Capital Series A, converible preferred stock, no parvalue, unlimited shares a uthorized; 12,350 and 12,608 shares outstanding as of June 30,				
2023 and December 31, 2022, respectively				_
Series B, convertible preferred stock, no par value, unlimited shares a uthorized; 600 and 600 shares outstanding as of June 30, 2023 and December 31, 2022, respectively				_
Series C, convertible prefere d stock, no par value, unlimited shares a uthorized; nil and nil shares outstanding as of June 30, 2023 and December 31, 2022, as specifive ly				_
Series D, convertible preferred stock, no parvalue, unlimited shares authorized; nil and nil shares outstanding as of June 30, 2023 and				
December 31, 2022, a spec five ly Proportionate voting shares, no parvalue, unlimited shares authorized; nil and nil shares outstanding as of June 30, 2023 and				-
December 31, 2022, as specific ly				_
Exc hangeable shares, no par value, unlimited shares authorized; 63,492,038 and 76,996,538 shares outstanding as of June 30, 2023 and December 31, 2022, respectively				
Common shares, no par value, unlimited shares authorized; 286,807,780 and 259,624,531 shares outstanding as of June 30, 2023				
and December 31, 2022, respectively				014.072
Additional paid in capital		945,926		934,972
A coumulated other comprehensive income		1,330		2,085
A coumulated deficit		(653,623)		(618,260)
Non-controlling interest		1,966	4	2,374
Total Shareholders' Equity	-	295,599	æ	321,171
Total Liabilities and Shareholders' Equity	\$	721,748	\$	701,587

**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)

Interest claimbarture         Image         Image<			For the Three Months Ended		For the Six Months Ended				
bick and consistential0.00 0.0100.000 0.0100.000 0.010Benar, and72.140.000101.22Card follow3.2207.2007.200Card follow3.2207.2007.200Card following consex3.2202.2017.200Card following consex3.2022.0114.200Anticion and generation3.2022.0114.200Intradicional disposition3.2023.0000.002Intradicional disposition3.2023.0000.002Card following consex3.2023.0000.002Card following consex3.2023.0000.002Card following consex3.2023.0000.002Card following consex3.0000.0020.002Card following consex3.0000.0020.002Card following consex3.0000.0030.002Card following consex3.0000.0030.002Card following consex3.0000.0030.002Card following consex3.0000.0030.002Card following consex4.4010.4040.400Card following consex4.4010.4040.401Card following consex4.4010.4020.402Card following consex4.4010.4040.401Card following consex4.4010.4020.402Card following consex4.4010.4020.402Card following consex4.4020.4020.402 <tr< th=""><th></th><th>Jı</th><th>me 30, 2023</th><th>June 30,</th><th>2022</th><th>Ju</th><th>ine 30, 2023</th><th>Jı</th><th>ne 30, 2022</th></tr<>		Jı	me 30, 2023	June 30,	2022	Ju	ine 30, 2023	Jı	ne 30, 2022
Internation         Table         4.839         14.522         11.12           Control Sales         3.398         4.009         71.398         72           Control Sales         3.228         2.291         5.338         5.338           Control definition for control dependent         3.425         2.291         5.338         5.338           Control definition for control dependent         3.425         2.291         5.338         5.338           Internation dependent dependent         3.425         2.291         5.338         5.338           Internation dependent dependent         3.425         2.291         5.338         5.338           Internation definition dependent         3.425         3.3386         6.6327         9.938           Internation definition dependent         3.48         (11.53)         5.443         0.403           Internation definition dependent depe	Revenue	S	72,437	S	64,221	\$	142,157	s	113,2
Contribution         15.04         4.00         17.04         2.7           Generginal         3.054         3.054         7.055         7.055         7.055           Operating approxes         3.024         2.031         7.055         7.055         7.055           Generginal inforative         3.024         2.031         7.055         7.055         7.055           Information and proper and approxes         3.025         2.051         7.055         7.055         7.055           Information and proper and approxes         3.025         3.055         7.055	Excise and cultivation tax		(313)		(261)		(635)		C
Cons. print         NUMB         NUMB         NUMB         NUMB           Opening openses.         NUMB	Revenue, net		72,124		63,960		141,522		112,5
Apertain quences         Supers	Cost of Sales		35,898		40,009		71,396		72,9
General adaptinisative34,0532,0532,0543,0744Anarcisonia adapticition22,22,38144,2744Instanct of gray adaptions32,0235,0643,029Test pering regress32,0235,0643,029Test pering regress3,08(11,55)7,3940Other formany regress3,08(11,55)7,3940Gene in value formany adaptions infinity and(15)(47,154)00Gene in value formany adaptions infinity and(15)(47,154)000Transcrional distributing ositi3,08(101)113,03112113,03Transcrional distributing ositi1,0402,3442,300114,03112114,03Development1,0402,3442,3402,340112114,03114,03114,03Development1,0402,4442,440114,13 </td <td>Gross profit</td> <td>7</td> <td>36,226</td> <td></td> <td>23,951</td> <td></td> <td>70,126</td> <td></td> <td>39;</td>	Gross profit	7	36,226		23,951		70,126		39;
Anotaxis and depreciation         2.242         2.510         4.471         4           Impainted (uppopt) and (uppopt)         0         -         3.55         4.242         9           Data parating (uppopt) and (uppopt)         3.55         5.55         6.242         9           Interm (bon) Imm grantim         3.27         3.55         6.242         9           Interm (bon) Imm grantim         -         3.4         -         -           Cars of inform/chains and problem (bond inform cand)         (15)         1.045         1.045         .015           Therace and the problem (bond inform cand)         .017         1.1163         1.012         -           Therace and the problem (bond inform cand)         .019         .013	Operating expenses:								
Impainant of propose of equipants         ID         —         345           Test operating equests         3228         3556         6422         99           Interaction of contager equests         349         (1155)         7.34         (10           Interaction of contager contactation         —         91         —         —           Interaction of contager contactation         —         91         —         —           Interaction of contager contactation         —         91         —         —           Interaction of contager contactation         …         116         …         116         …	General and administrative		30,476		32,925		58,206		54,
Tate sperific sponses         32,23         35,565         6,032         9           Interaction of comparison         3,88         (11,55)         7,84         (0)           Other form operation         -         3,88         (11,55)         7,84         (0)           Other form operation of combined continues comparison of combined combined continues comparison         -         3,88         (11,55)         7,803         (0,50)           France and other copenes         8,171         13,460         142,58         2,30           Transaction of continues of continues of continues on investments         1,641         2,34         2,360         -           Ubrealized and indication fram continuing operations         6,647         2,157         (12,120)         0         1           Ubrealized rained form continuing operations         5         (12,55)         5         1,642         5         (22,10)         5         3           Ubrealized rained form continuing operations in minimum continues         5         (12,57)         5         (12,57)         5         (12,50)         5         (22,10)         5         4         4         1         8         9         3         3         3         3         3         3         3         3         <	Amortization and depreciation		2,242		2,581		4,271		4,
Tatal operating expanses         32,231         35,566         6,03,22         9           Interme (ins) from operation         3,848         (11,559)         7,844         (0)           Other (income) expanses         -         -         3,44         -         -           Loss for in backed matchines and predice option derivative and         CD15         (17,145)         (0,03)         (05)           France and other expanses         S,111         13,460         113,260         113,200         114,200	Impairment of property and equipment		10		<u>.</u>		345		1.
Oher forcumic quantical containger on derivative asset         -         -         4         -           Gains für strukter option derivative asset         (215)         (47.340)         (40.350)         (40.350)           Tranzen diod expansina al pucklase option derivative asset         (317)         13.660         13.023         (317)           Tranzen diod expansing bio assistements         (360)         (317)         (318)         (317)           Unadried and indus forsign exchange igna) loss         (360)         (317)         (318)         (318)           Unadried and indus forsign exchange igna) loss         (360)         (318)         (318)         (318)         (318)           Netword and indus forsign exchange igna) loss         (318) <td></td> <td></td> <td>32,728</td> <td></td> <td>35,506</td> <td></td> <td>62,822</td> <td></td> <td>59,</td>			32,728		35,506		62,822		59,
Les fon realinita decenting extensiolentia         一         34         一           Gan a fir vale of value of val	Income (loss) from operations		3,498		(11,555)		7,304		(19,
Gain a fir value of numeric option derivative asset.       (15)       (47.36)       (16.35)       (16.35)         Funce and obser oppines       3.171       13.66)       13.28       20.0         Tama action and restructing casis       3.60       0.41       21.40       10.20       10.11         Unreliable of make dive oppines       1.66       2.34       2.260       10.10       10.11       10.12       10.11       10.12       10.11       10.12       10.11       10.12       10.11       10.12       10.11	Other (income) expense								
Financ and other opanoss         N.171         13,663         18.289         200           Tanasciand other opanoss         389         6.07         592         1           Unredicat and and forting unchange (pair) loss         (100)         (115)         (112)         1           Unredicat and and forting unchange (pair) loss         16.01         2.244         2.360         -           Unredicat and and forting unchange (parations before provision from insome taxes         6.6470         2.1547         (12,20)         111           Provision from continuiting operations before provision from insome taxes         6.6488         4.6488         10101         8           Not (how (norme from continuing operations)         S         (12,20)	Loss from revaluation of contingent consideration				34		<u> </u>		
Tanaction and restructuring costs       389       607       702       1         Unreliated and ranked forign exchange gring loss       (001)       (105)       (103)         Unreliated and ranked forign exchange gring loss       1/66       224       2.360         Unreliated and ranked forign exchange gring loss       (647)       7(12)       7(12)         Provision for income taxes       6.448       4.468       19,112       8         Not loss perform continuing operations       5       (12)5       5       16.899       5       (2,203)       5       5         Boostintime documents       5       (12)5       5       16.499       5       (4,212)       5       (4         Not loss picture documents       5       (12)71       5       (4,212)       5       (4,212)       5       (4,212)       5       (4,123)       5       (12,135)       5       11.4162       5       062,245       5       (12,135)       5       11.4162       5       062,245       5       (12,135)       5       11.4162       5       0.612       5       (12,135)       5       11.4162       5       0.612       5       0.612       5       0.612       5       0.612       5       0.612	Gain on fair value of warrants and purchase option derivative asset		(215)		(47,345)		(653)		(53
Unredixed and ratiked foreign exchange gain) loss       (10)       (13)       (132)         Unredixed and ratiked foreign exchange gain) loss       1.64       2.44       2.30         (Cass) home from containing operations before prevision from inceme taxs       (6407)       21.547       (12221)       11         Devision from containing operations       6.448       4.468       9.112       8         Notion from containing operations       5       (12.55)       5       16.589       5       62.205)       5       6       6         Notion from containing operations       5       (12.17)       5       (4.217)       5       (4.217)       5       6       0         Notion from containing operations       5       (13.366)       5       1.31382       5       0.62.350       5       0.62         Comprehensive (two) locome       5       (13.366)       5       1.31382       5       0.63.620       5       0.12         Comprehensive (two) locome       5       (13.366)       5       1.31382       5       0.63.620       5       1         Not controlling operations attributable to:       5       2.144       5       9.45       5       4.149       5       0.63.620       5       1 </td <td>Finance and other expenses</td> <td></td> <td>8,171</td> <td></td> <td>13,663</td> <td></td> <td>18,258</td> <td></td> <td>20,</td>	Finance and other expenses		8,171		13,663		18,258		20,
Uncalied and railed loss on investments:       1.661       224       2.360         (Las) became from continuing operations before provision from income taxes       6.464       4.4688       19.112       3.8         Not (loss) income from continuing operations       5       10.639       5       0.22073)       5       3         Denominand operations: $6.448$ 4.4688       19.112       5       0.4         Denominand operations: $5$ 0.12071       5       0.4212)       5       0.4         Not (loss) income from continuing operations into the taxes $5$ 0.13.4761 $5$ 0.4212) $5$ 0.4         Not (loss) income $5$ 0.13.4761 $5$ 0.4212) $5$ 0.4         Denominand operations: $6$ $6$ $200$ 755 $5$ 0.5 $5$ 0.5 $5$ 0.5 $5$	Transaction and restructuring costs		389		627		392		1,
(Los) home from continuing operations before provision from income taxes       (6.607)       21.547       (1222)       11         Provision for none trans $6.448$ $4.688$ 91.012       8         Net (bis) income from continuing operations $5$ $(12.55)$ $5$ $(6.67)$ $5$ $(4.212)$ $8$ Net (bis) income from continuing operations $5$ $(0.21)$ $5$ $(4.212)$ $8$ $4.462$ $5$ $(4.212)$ $8$ $4.462$ $5$ $(4.212)$ $8$ $4.462$ $5$ $(4.212)$ $8$ $4.462$ $5$ $(4.212)$ $8$ $4.462$ $5$ $(4.212)$ $8$ $4.462$ $5$ $(4.212)$ $8$ $4.462$ $5$ $(4.212)$ $8$ $4.462$ $5$ $(4.212)$ $8$ $4.462$ $5$ $4.262$ $5$ $5$ $4.462$ $5$ $6.62,453$ $5$ $6.62,453$ $5$ $6.62,453$ $5$ $6.62,453$ $5$ $6.62,453$ $5$ $6.62,453$ $5$ $6.62,453$ $5$ $6.62,453$ $5$ $6.62,453$ $5$ $6.62,53$ $5$ $6.$	Unrealized and realized foreign exchange (gain) loss		(101)		(315)		(132)		
Provision for income tranes:       6.448       4.468       9112       8         Not (loso) income from continuing operations:       5       10.859       5       0.2003)       5       3         Decentinued operations:       5       (11,176)       5       (2407)       5       (4212)       5       (4         Not (loso) income       5       (11,176)       5       (14,162)       5       (05,100)       5       (12,175)       5       (4         Not (loso) income       5       (11,376)       5       14,162       5       (05,000)       5       (11,076)       5       (12,07)       5       (4212)       5       (11,070)         Not (loso) income       5       (11,376)       5       14,162       5       (05,000)       5       (11,070)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5       (12,07)       5	Unrealized and realized loss on investments		1,661		234		2,360		
Provision for income taxes:         6.448         4.468         9.112         8           Not (loss) income from continuing operations:         5         10.859         5         0.2033         5         3           Demonitured operations:         5         (12.855)         5         14.462         5         (42.12)         5         (4           Not (loss) income         5         (13.476)         5         14.462         5         (45.245)         5         (10.245)           Not (loss) income         5         (13.476)         5         14.462         5         (45.245)         5         (10.245)           Portigin currency translation         448         200         7.755         3         3           Comprehensive (loss) income         5         (13.889)         5         13.880         5         3         43         5         1           Not controlling operations attributable to:         5         (14.998)         5         1.5914         5         (43.259)         5         1           Comprehensive (loss) income from continuing operations attributable to:         5         (14.998)         5         1.5914         5         (43.259)         5         1         5         1 <t< td=""><td>(Loss) Income from continuing operations before provision from income taxes</td><td></td><td>(6,407)</td><td></td><td>21,547</td><td></td><td>(12,921)</td><td>-</td><td>11,</td></t<>	(Loss) Income from continuing operations before provision from income taxes		(6,407)		21,547		(12,921)	-	11,
S         (12,85)         S         16,899         S         (22,03)         S         3           Discontinuing operations         Loss from discontinued operations, net of tax         S         (62)         S         (2,67)         S         (42,12)         S         (4           Net (bos) income         S         (01,476)         S         (2,67)         S         (42,12)         S         (4           Net (bos) income         S         (01,476)         S         (2,67)         S         (42,12)         S         (4           Net (bos) income         S         (01,476)         S         14,162         S         (62,62)         S         (12,88)           Foreign currency translation         448         280         755         3 <t< td=""><td>Provision for income taxes</td><td></td><td></td><td></td><td>4,688</td><td></td><td>19,112</td><td></td><td>8,</td></t<>	Provision for income taxes				4,688		19,112		8,
Los fondiscontinuel operations, net of tax         S         (62)         S         (2,67)         S         (4,212)         S         (4,412)         S         (4,422)         S         (4,422)         S         (4,422)         S         (4,422)         S         (4,422)         S         (4,423)         S         (4,423)         S         (4,423)         S         (4,423)         S         (4,423)         S         (4,423)         S         (4,53)         S         (4,123)         S         (5,12)         S         (4,12)         S         (4,53)         S         (4,12)         S         (4,12)         S         (4,12)         S         (4,12)         S         (5,12)         S         (4,12)         S         (5,12)         S         (4,12)         S         (5,12)         S         (4,12)         S	Net (loss) income from continuing operations	\$	(12,855)	S	16,859	\$	(32,033)	S	3,
Loss from discontinuel operations, net of tax         S         (62)         S         (2,67)         S         (4,212)         S         (4           Net (loss) income         S         (13,76)         S         14,162         S         (42,12)         S         (4           Protein currency translation         488         280         755         3         3         0.02           Comprehensive (loss) income         488         280         5         10,376         5         10,376         5         3         6         5         3         6         5         3         6         5         3         5         3         5         3         5         3         5         3         5         3         5         3         5         1         5         5         1         5         1         5         1         5         1         5         1         5         1         5         1         5         1         5         1         5         1         5         1         5         1         5         1         5         1         5         1         5         1         5         1         5         1         5	Discontinued operations:								
Net (bos) income         S         (13,476)         S         14,162         S         (06,245)         S         (14,476)           Foreign currency translation         408         200         755         3           Comprehensive (bos) income         5         (13,884)         S         13,882         S         (07,000)         S         (6           Net (bos) income from continuing operations attributable to:		s	(621)	s	(2.697)	s	(4.212)	s	(4
Foreign currency translation         448         260         755         3           Comprehensive (loss) income         \$ (13,384)         \$ 13,882         \$ (37,000)         \$ (5         (5           Net (loss) income         \$ (14,398)         \$ 15,914         \$ (36,362)         \$ 1         \$         1         \$         (6,52)         \$         1         \$         \$         1         \$				-					(1,8
Comprehensive (loss) income         S         (13,884)         S         13,882         S         (37,000)         S         (5           Net (loss) income from continuing operations attributable to:           S         (14,998)         S         15,914         S         (36,362)         S         1           Non-controlling interests         S         2,143         S         945         S         4,229         S         1           Comprehensive (loss) income from continuing operations attributable to:         Comprehensive (loss) income from continuing operations attributable to:         Common and proportionale Shareholders of the Company         S         (16,027)         S         12,937         S         (41,329)         S         (7           Non-controlling interests         S         2,143         S         945         S         4,329         S         1           Non-controlling interests         S         2,143         S         945         S         4,329         S         1           Net (loss) income per share - basic:              0           Continuing operations         S         (0.05)         S         0.05         S         (0.13)         S         0 <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>									
Net (loss) income from continuing operations attributable to:         S         (14,998)         S         15,914         S         (36,362)         S         1           Non-controlling interests         \$         2,143         \$         945         \$         4,329         \$         1           Comprehensive (loss) income from continuing operations attributable to:         Comprehensive (loss) income from continuing operations attributable to:         Comprehensive (loss) income from continuing operations attributable to:         Common and proportionale Shareholders of the Company         \$         (16,027)         \$         12,937         \$         (41,329)         \$         (7           Non-controlling interests         \$         2,143         \$         945         \$         4,329         \$         1           Net (loss) income per share         \$         2,143         \$         945         \$         4,329         \$         1           Net (loss) income per share         \$         2,143         \$         945         \$         4,329         \$         1           Net (loss) income per share - basic:         Continuing operations         \$         0,005         \$         0,013         \$         0           Net (loss) income per share - basic:         \$         0,005	Foreign currency translation		408		280		755		3,
Net (loss) income from continuing operations attributable to:         S         (14.998)         S         15.914         S         (36.362)         S         1           Non-controlling intensis         \$         2.143         \$         945         \$         4.329         \$         1           Comprehensive (loss) income from continuing operations attributable to:         5         2.143         \$         945         \$         4.329         \$         1           Comprehensive (loss) income from continuing operations attributable to:         Common and proportionale Shareholders of the Company         \$         (16.027)         \$         12.937         \$         (41.329)         \$         (7           Non-controlling interests         \$         2.143         \$         945         \$         4.329         \$         1           Non-controlling interests         \$         2.143         \$         945         \$         4.329         \$         1           Net (loss) income per share - basic:         Continuing operations         \$         0.005         \$         0.013         \$         0           Discontinued operations         \$         0.005         \$         0.015         \$         0         0         0         0         0	Comprehensive (loss) income	s	(13,884)	s	13,882	s	(37,000)	s	(5,
Common and proportionate Shareholders of the Company         \$         (14,998)         \$         15,914         \$         (36,362)         \$         1           Non-controlling interests         \$         2,143         \$         945         \$         4,329         \$         1           Common and proportionate Shareholders of the Company         \$         (16,027)         \$         12,937         \$         (41,329)         \$         (7           Non-controlling interests         \$         2,143         \$         945         \$         4,329         \$         1           Non-controlling interests         \$         2,143         \$         945         \$         4,4329         \$         1           Non-controlling interests         \$         2,143         \$         945         \$         4,329         \$         1           Not-controlling interests         \$         2,143         \$         945         \$         4,329         \$         1           Net (loss) income per share - basic:            5         (0,05)         \$         (0,013)         \$         0           Discontinued operations				-					
Non-controlling interests       \$       2,143       \$       945       \$       4,329       \$       1         Comprehensive (0sc) income from continuing operations attributable to:         5       (16,027)       \$       12,997       \$       (41,329)       \$       (7)         Non-controlling interests       \$       2,143       \$       945       \$       4,329       \$       (7)         Non-controlling interests       \$       2,143       \$       945       \$       4,329       \$       (7)         Non-controlling interests       \$       2,143       \$       945       \$       4,329       \$       (1)         Net (0ss) income per share       \$       2,143       \$       945       \$       4,329       \$       1         Net (0ss) income per share - basic:              5       (0,13)       \$            5       (0,05)       \$       (0,05)       \$       (0,01)       \$            5       (0,01)       \$ <td>Net (loss) income from continuing operations attributable to:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Net (loss) income from continuing operations attributable to:								
Comprehensive (loss) income from continuing operations attributable to:         S         (16027)         S         12.937         S         (41,329)         S         (7           Non-controlling interests         \$         2,143         \$         945         \$         4,329         \$         1           Non-controlling interests         \$         2,143         \$         945         \$         4,329         \$         1           Not (loss) income per share         V         V         S         0.05         \$         0.013         \$         O           Not (loss) income per share - basic:	Common and proportionate Shareholders of the Company	S	(14,998)	S	15,914	\$	(36,362)	s	1,
Common and proportionate Shareholders of the Company         S         (16,027)         S         12,937         S         (41,329)         S         (7)           Non-controlling interests         S         2,143         S         945         S         4,329         S         1           Non-controlling interests         S         2,143         S         945         S         4,329         S         1           Net (loss) income per share         Net         Use         S         0.05         S         0.05         S         0.013         S         0.000           Discontinued operations            S         0.005         S         0.013         S         0.000           Not (loss) income per share - basic	Non-controlling interests	S	2,143	S	945	S	4,329	S	1,
Non-controlling interests       S       2,143       S       945       S       4,329       S       1         Net (loss) income per share       Net (loss) income per share - basic: </td <td>Comprehensive (loss) income from continuing operations attributable to:</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td>	Comprehensive (loss) income from continuing operations attributable to:								
Net (loss) income per share         S         0.05         S         0.013         S           Continuing operations           S         0.005         S         0.013         S           Discontinued operations           S         0.005         S         0.013         S         0.005           Net (loss) income per share - basic          S         0.005         S         0.015         S         0.015         S         0.010	Common and proportionate Shareholders of the Company	\$	(16,027)	S	12,937	\$	(41,329)	S	(7,
Net (loss) income per share - basic:       S       (0.05)       S       (0.05)       S       (0.13)       S	Non-controlling interests	\$	2,143	S	945	S	4,329	S	1,
Continuing operations         S         (0.05)         S         (0.13)         S	Net (loss) income per share								
Discontinued operations         -         -         S         (0.02)         S	Net (loss) income per share - basic:								
S         (0.05)         S         0.05         S         (0.15)         S <td>Continuing operations</td> <td>\$</td> <td>(0.05)</td> <td>S</td> <td>0.05</td> <td>\$</td> <td>(0.13)</td> <td>S</td> <td>(</td>	Continuing operations	\$	(0.05)	S	0.05	\$	(0.13)	S	(
Weighted average number of outstanding common and proportionate voting shares         275,186,279         252,305,425         271,223,233         231,809           Net (loss) income per share - diluted:	Discontinued operations	<u>.</u>	-		_	\$	(0.02)	S	(0
Stel (loss) income per share - diluted:           Continuing operations         \$         (0.05)         \$         (0.13)         \$           Discontinued operations	Net (loss) income per share - basic	s	(0.05)	S	0.05	\$	(0.15)	\$	(0
Continuing operations         \$         0.06         \$         (0.13)         \$           Discontinued operations	Weighted average number of outstanding common and proportionate voting shares		275,186,279	1	252,305,425		271,223,233		231,829,
Discontinued operations	Net (loss) income per share - diluted:								
Net (loss) income per share - diluted         \$         0.05         \$         (0.15)         \$         (0	Continuing operations	S	(0.05)	S	0.06	s	(0.13)	s	
	Discontinued operations		-	S	(0.01)	S	(0.02)	S	(
Weighted average number of outstanding common and proportionate voting shares, assuming dilution 275,186,279 257,883,711 271,223,233 231,829	Net (loss) income per share - diluted	\$	(0.05)	S	0.05	\$	(0.15)	s	(
	Weighted average number of outstanding common and proportionate voting shares, assuming dilution	<u>.</u>	275,186,279		257,883,711		271,223,233		231,829

Unaudited Interim Condensed Consolidated Statements of Cash Flows

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

Operating activities Net (loss) income from continuing operations	June 3	and the second sec		ie 30, 2022
Net (loss) income from continuing operations				
Adjustments to reconcile net (loss) income to net cash used in operating activities	S	(32,033)	\$	3,109
Non-cash write downs of inventory		1,081		8,49
Accretion expense		5,673		1.708
Depreciation of property and equipment and amortization of intangible assets		9,761		11,25
Amortization of operating right-of-use assets		932		1,074
Share-based compensation		3,694		7,819
Deferred income tax expense		815		(78)
Gain on fair value of warrants and purchase option derivative		(653)		(53,058
Gain on disposal of fixed assets		345		
Revaluation of contingent consideration Loss on derecognition of right of use assets				153
Loss on disposal of fixed assets				929
Release of indemnification asset				3,97
Unrealized and realized foreign exchange (gain) loss		(132)		4
Unrealized and realized loss on investments / derivatives		2,410		234
Changes in operating assets and liabilities				
Receivables		295		(44:
Inventory		(7,851)		208
Prepaid expense and other current assets		(319)		1,434
Deposits		431		200
Other as sets		714		46
Accounts payable and accrued liabilities and other payables		4,089		(7,840
Operating lease liability Other liability		(337)		(614 (10,353
Contingent consideration payable		1,085		(10,535)
Corporate income tax payable		22,127		5
Deferred revenue		157		766
Net cash provided by (used in) operating activities - continuing operations	5.	12,284	<u>82</u>	(31,639
Net cash (used in) operating activities- discontinued operations		(3,164)		(3,337
Net cash provided by (used in) operating activities	<u></u>	9,120		(34,976
Investing activities				
Investment in property and equipment		(4,504)		(12,500
Investment in intangible assets		(262)		(1,330
Principal payments received on lease receivable		104		392
Receipt of convertible debenture payment		738		(10.026
Deposits for property and equipment				(10,036
Deposits for business acquisition Payment for land contracts		(769)		(852)
Cash portion of consideration paid in acquisitions, net of cash of acquired		(14,469)		24,716
Net cash (used in) investing activities- continuing operations	-	(19,162)	-	(39
Net cash provided by investing activities- discontinued operations		14,285		
Net cash (used in) investing activities		(4,877)		(39
Financing activities				
Transfer of Employee Retention Credit		12,677		
Proceeds from loan payable, net of transaction costs		23,872 81		
Proceeds from options and warrants exercised Loan principal paid		(40,359)		24,158 (4,968
Loan amendment fee paid and prepayment premium paid		(40,339) (1,178)		(1,200
Cash distributions to partners		(3,415)		(1,436
Capital contributions paid to non-controlling interests		(5,415)		(448
Payments of contingent consideration				(6,630
Proceeds from private placement, net of share issuance costs		19,218		
Payments made for financing obligations and finance lease		(941)		(460
Net cash provided by financing activities- continuing operations		9,955		9,016
Net cash (used in) financing activities-discontinued operations		(5,539)		(235
Net cash provided by financing activities		4,416		8,781
		0.670		(26.02)
Net increase in cash and cash equivalents and restricted cash during the period Net effects of foreign exchange		8,659 (901)		(26,234
Net effects of foreign exchange Cash and cash equivalents and restricted cash, beginning of the period		26,763		(4,577) 79,642
Cash and cash equivalents and restricted cash, beginning of the period	s	34,521	s	49,031
		0.0000		
Supplemental disclosure with respect to cash flows				
Income taxes (refund received) paid	\$	(4,582)	S	9,213
Interest paid	s	9,259	s	14,641
Lease termination fee paid	S	1.4	\$	3,300
	ę	10.274	e	204 900
Non-cash transactions Equity and warrant liability issued as consideration for acquisition Shares issued for legal and liability settlement	S S	10,274 794	S S	294,800 22

# Reconciliation of GAAP to Non-GAAP Financial Measures

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

# GAAP to Adjusted EBITDA

	For the three months ended					
	June	e 30, 2023	Mar	ch 31, 2023	June	30, 2022
Revenue, net		72,124		69,398		63,960
Net (loss) income	\$	(13,476)	\$	(22,769)	\$	14,162
Net (loss) income margin %		-18.7%		-32.8%		22.1%
Loss from discontinued operations		621		3,591		2,697
(Loss) income from continuing operations		(12,855)		(19,178)		16,859
Add (deduct) the impact of:						
Provision for income taxes		6,448		12,664		4,688
Finance expenses		7,963		7,875		10,315
Amortization and depreciation	- <u> </u>	4,991		4,771		6,493
EBITDA from continuing operations		6,547		6,132		38,355
Add (deduct) the impact of:						
Relief of fair value upon acquisition						549
Non-cash write downs of inventory						5,894
Vape recall						1,071
Share-based compensation		1,981		1,713		4,463
Loss from revaluation of contingent consideration						34
Other one-time items		2,932		1,358		924
Employee Retention Credits Transfer Fee				2,235		
Loss on lease termination and derecognition of ROU asset				205		
Gain on fair value of warrants and purchase option derivative asset		(215)		(437)		(47,345)
Indemnification asset release				_		3,998
Impairment of property and equipment and loss on disposal of fixed assets		10		334		929
Unrealized and realized loss on investments		1,661		699		234
Unrealized and realized foreign exchange gain	14	(101)		(31)		(315)
Adjusted EBITDA from continuing operations	\$	12,815	\$	12,208	\$	8,791
Adjusted EBITDA Margin from continuing operations		17.8%		17.6%		13.7%

# GAAP to Adjusted Gross Profit

	For t	For the three months ended			
	June 30, 2023	March 31, 2023	June 30, 2022		
Revenue, net	72,124	69,398	63,960		
Gross profit	36,226	33,900	23,951		
Add the impact of:					
Relief of fair value of inventory upon acquisition	—	_	549		
Non-cash write downs of inventory	_	—	5,894		
Vape recall	—	_	1,071		
Other one time adjustments to gross profit		94	—		
Adjusted Gross Profit	36,226	33,994	31,465		
Adjusted Gross Profit Margin %	50.2%	49.0%	49.29		