

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): June 27, 2025

TerrAscend Corp.

(Exact name of Registrant as Specified in Its Charter)

Canada
(State or Other Jurisdiction
of Incorporation)

000-56363
(Commission File Number)

Not applicable
(IRS Employer
Identification No.)

77 City Centre Drive Suite 501
Mississauga, Ontario, Canada
(Address of Principal Executive Offices)

L5B 1M5
(Zip Code)

Registrant's Telephone Number, Including Area Code: 844 628-3100

(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))
- ☐ 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:

Title of each class	Trading 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. ☐

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

Item 2.05 Costs Associated with Exit or Disposal Activities.

On June 27, 2025, the board of directors of TerrAscend Corp. (together with TerrAscend Corp.’s consolidated entities, the “Company”) approved certain restructuring actions related to the Company’s exit from the Michigan market, aimed at enabling the Company to focus on its operations in its more profitable markets. As part of the exit plan, the Company intends to sell or divest all of the Company’s Michigan assets, including four cultivation and processing facilities, twenty retail dispensaries, and real estate. The actions are expected to include an overall reduction of approximately 21% of the Company’s workforce of approximately 1,200 as of June 30, 2025, with most of this reduction expected to occur by the end of the fourth quarter of fiscal year 2025. The Company expects the workforce reduction to comply with applicable laws.

The Company is unable to make a good faith determination of an estimate or range of estimates for any additional charges that it will incur in connection with the exit plan, required by paragraphs (b), (c) and (d) of Item 2.05 of Form 8-K, including charges related to held-for-sale or discontinued operations, asset impairments, or accelerated depreciation and amortization. The Company will file an amendment to this report after it makes a determination of such estimates or range of estimates, if any.

Forward-Looking Statements

This Current Report on Form 8-K contains information that includes or is based upon “forward-looking statements” within the meaning of the Securities Litigation Reform Act of 1995, including, without limitation, statements with respect to the Company’s expectations regarding the anticipated timing, occurrence, outcome and impacts of the Company’s restructuring actions, those regarding its estimated costs and restructuring charges associated with, and the timeframe for completion of and recognition of charges associated with, its restructuring actions. and all other statements that are not historical facts. Forward-looking statements may or may not include identifying words such as “plan,” “will,” “expect,” “anticipate,” “intend,” “believe,” “potential,” “continue,” and similar terms. These statements are subject to known or unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such statements, including but not limited to: the Company’s ability to execute on its strategic exit plans in Michigan; the Company’s ability to attract, motivate, and retain key employees and manage its growth; regulatory developments and macroeconomic issues; and other risks and uncertainties as described under the heading “Risk Factors” in the Company’s filings with the U.S. Securities and Exchange Commission, including the most recent Annual Report on Form 10-K, and 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.sedarplus.ca. All forward-looking statements are based on management’s current estimates, projections, and assumptions, and the Company undertakes no obligation to correct or update any such statements, whether as a result of new information, future developments, or otherwise, except to the extent required by applicable law.

Item 7.01 Regulation FD Disclosure.

The Company issued a press release on June 30, 2025, announcing the restructuring actions to exit the Michigan market. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in Item 7.01 of this Current Report on Form 8-K, including Exhibit 99.1 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be 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 June 30, 2025.
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: June 30, 2025

By: /s/ Ziad Ghanem
Ziad Ghanem
President & Chief Executive Officer



TerrAscend Announces Strategic Exit from Michigan Market

Net Proceeds from divestitures to pay down Company debt

Enables concentrated growth and improved profitability in core markets

TORONTO, June 30, 2025 – TerrAscend Corp. (“TerrAscend”) (TSX: TSND, OTCQX: TSNDF), a leading North American cannabis company, today announced that it has completed a strategic review of its Michigan business operations and decided to exit the Michigan market. As part of the exit plan, TerrAscend and its consolidated entities (collectively, the “Company”) intend to sell or divest all of the Company’s Michigan assets, including four cultivation and processing facilities, twenty retail dispensaries, and real estate. Net proceeds from the divestitures will be used to pay down existing Company debt. The Michigan exit is expected to be substantially completed in the second half of 2025. The Company’s business in Michigan will be reported as discontinued operations beginning with the Company’s financial results for the second quarter of 2025.

Following the completion of the Michigan exit, the Company will operate nineteen dispensaries and four cultivation and processing facilities across five states, including New Jersey, Maryland, Pennsylvania, Ohio, and California, and in Toronto, Ontario. The strategic move is expected to meaningfully enhance TerrAscend’s financial profile. The Company anticipates improvements across key metrics on a consolidated basis, including gross margin, adjusted EBITDA, and cash flow conversion, in addition to a strengthened balance sheet.

“After an extensive evaluation, we have made the strategic decision to exit the Michigan market,” said Jason Wild, Executive Chairman of TerrAscend. “Michigan is an extremely difficult market and we have come to the realization that our resources can be better utilized in our other markets. This move will unlock value for TerrAscend and its shareholders. By concentrating our efforts and resources in the Company’s core northeastern U.S. markets—New Jersey, Maryland, Pennsylvania, and Ohio—I am confident that we are now positioned to deliver stronger financial performance including improved margins and operational efficiencies.”

The actions associated with the Michigan exit plan are expected to include a reduction of approximately 21% of the Company’s overall workforce, which consists of about 1,200 employees as of June 30, 2025. Most of this reduction is expected to occur by the end of the third quarter of fiscal year 2025.

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. 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 U.S. 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.

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, and includes, but is not limited to, statements with respect to the Company's expectations with respect to the anticipated outcome and impacts of the Michigan exit plan, including the amount and use of net proceeds resulting from intended divestitures; the amount of prepayment of existing Company debt that may be achieved; the likelihood that the divestitures will lead to improvements in the key financial metrics; the impact of the divestitures on the Company's balance sheet; the anticipated timing and occurrence of substantially completing the Michigan exit plan; the estimated timing and scope of the Company's anticipated workforce reduction; the potential increase in value for the Company and its shareholders; or improvements to the Company's financial position and performance, operational efficiency, and opportunities for strategic acquisitions. 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.

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, the financial and operational outcomes resulting from the Michigan exit plan, or the future financial profile or key metrics of the Company.; 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.sedarplus.ca and in the section titled "Risk Factors" in the Company's Annual Report for the year ended December 31, 2024 filed with the Securities and Exchange Commission on March 6, 2025.

The statements in this press release are made as of the date of this release. The Company 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.

For more information regarding TerrAscend:

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