

October 12, 2022



# TerrAscend Announces Closing of US\$45.5 Million Non-Brokered Debt Financing

*Non-dilutive financing to strengthen balance sheet and fund growth initiatives*

TORONTO, Oct. 12, 2022 /CNW/ - [TerrAscend Corp.](#) ("**TerrAscend**" or the "**Company**") (CSE: TER) (OTCQX: TRSSF), a North American cannabis operator, today announced that its New Jersey and Maryland subsidiaries, TerrAscend NJ, LLC, HMS Hagerstown, LLC, HMS Processing, LLC, and HMS Health, LLC, have closed on a non-brokered senior secured term loan (the "Loan") for gross proceeds of approximately US\$45.5 million from funds managed by Pelorus Equity Group ("Pelorus"), a leading provider of commercial real estate loans for the cannabis sector. The Loan currently bears interest of 12.77% per annum and is based on a variable rate tied to the one month secured overnight financing rate (SOFR), with interest-only payments for the first 36 months. The maturity is 5 years from closing. There are no warrants being issued as part of the transaction. The Loan proceeds from this transaction will be used to fund the Company's growth initiatives.

"We are pleased to announce this non-dilutive financing at attractive terms given the current market environment," said Jason Wild, Executive Chairman of TerrAscend. "The Pelorus team has been a pleasure to work with, delivering exactly what they promised. We look forward to a long successful partnership as we continue to grow."

"With this agreement, we are excited to help fuel TerrAscend's growth and long-term business goals," said [Dan Leimel](#), CEO of Pelorus Equity Group and manager of the Pelorus Fund. "Our investment and lending philosophy is focused on being honest, upfront and doing what we say we're going to do for both our borrowers and our investors. As the demand for capital continues to increase in tandem with the growth of the cannabis industry, we plan to deliver even more innovative, flexible lending solutions and stabilized loans like this one to meet the needs of a wide range of clients, including MSOs, SSOs and ancillary businesses."

"We really enjoyed working with the TerrAscend team on our first deal together – they were great throughout the entire process," said Pelorus Equity Group Managing Partner Travis Goad. "As the largest privately held commercial real estate lender in cannabis, we are seeing an increase in deals coming through our pipeline, and are strategically closing on them – even during this time of market volatility. With the longest history in the space of deploying capital successfully and seeing it returned, we spend a lot of time underwriting the company we're working with, the real estate and the projections prior to making any loans. As more states come online and transition from medical to adult use, we remain excited about new opportunities in expanding markets like Maryland and New Jersey, and we are also closely following emerging markets like Alabama and Mississippi and will continue to look for strong sponsors, great projects and attractive markets."

***The Canadian Securities Exchange ("CSE") has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.***

## **About TerrAscend**

TerrAscend is a leading North American cannabis operator with vertically integrated operations in Pennsylvania, New Jersey, Michigan and California, licensed cultivation and processing operations in Maryland and licensed production in Canada. TerrAscend operates The Apothecarium and Gage 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 several synergistic businesses and brands, including Gage Cannabis, The Apothecarium, Ilera Healthcare, Kind Tree, Prism, State Flower, Valhalla Confections, and Arise Bioscience Inc. For more information, visit [www.terrascent.com](http://www.terrascent.com).

## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This news 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.

Forward-looking statements in this news release include, but are not limited to: statements with respect to TerrAscend's use of proceeds and its anticipated growth within key limited license states. Actual results and developments may differ materially from those contemplated by these statements. Such forward-looking statements are based on certain assumptions regarding expected growth, results of operations, performance, industry trends and growth opportunities. While TerrAscend considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. Readers are cautioned not to place undue reliance on forward-looking 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 TerrAscend's management information circular dated October 4, 2021, and TerrAscend's most recently filed MD&A, both filed with the Canadian securities regulators and available under TerrAscend's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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

## **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 US 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.

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