

November 30, 2022



TerrAscend Reduces Outstanding Debt by US\$30 Million

Elects to pay down \$30 million of its maturing \$55 million senior secured Michigan loan, refinancing the remaining \$25 million

TORONTO, Nov. 30, 2022 /CNW/ - [TerrAscend Corp.](#) ("**TerrAscend**" or the "**Company**") (CSE: TER) (OTCQX: TRSSF), a North American cannabis operator, today announced that its subsidiary, WDB Holding MI, Inc. (DE), and all subsidiaries of TerrAscend (collectively, the "Borrowers"), refinanced the existing senior secured term loan of \$55.0 million previously announced on November 22, 2021 (the "Michigan Loan"), pursuant to an amendment (the "Amendment"). The Amendment provides for a senior secured term loan with a principal amount of \$25.0 million, plus incremental term loans of \$30.0 million at the option of TerrAscend and subject to consents from the required lenders for an aggregate amount of \$55.0 million. On November 29, 2022, the Borrowers repaid \$55.0 million outstanding principal amount under the original Michigan Loan, using \$30.0 million of cash on hand and \$25.0 million through borrowing pursuant to the Amendment. Chicago Atlantic Admin, LLC serves as administrative agent for the lenders under the Michigan Loan and as collateral agent for the secured parties thereto.

Pursuant to the Amendment, the Michigan Loan bears interest on \$25.0 million at a per annum rate equal to the greater of (i) the U.S. "prime rate" plus 6.00%, and (ii) 13.0%. The Michigan Loan, as amended, matures on November 1, 2024. No prepayment fees are owed if the Company voluntarily prepays the loan after 18 months. The additional \$30.0 million incremental term loans available under the amendment have not been drawn at this time.

"We appreciate Chicago Atlantic's flexibility in helping structure an optimal outcome for TerrAscend," said Jason Wild, Executive Chairman of TerrAscend. "This refinancing exemplifies TerrAscend's focus on reducing expenses, including interest expense, while driving sales growth and continued positive cash flow from operations."

John Mazarakis, Partner at Chicago Atlantic, added, "Since the beginning of Chicago Atlantic and TerrAscend's relationship upon the Gage business combination, we have been impressed with TerrAscend management's execution and vision, and we are pleased to continue our relationship with them through this facility."

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 Chicago Atlantic and Green Ivy Capital, LLC

Chicago Atlantic Advisers, LLC is an asset management firm specializing in direct lending and opportunistic private credit investing. Founded in 2018 by Tony Cappell, John

Mazarakis, and Andreas Bodmeier, the firm seeks to capitalize on North American investment opportunities that are time-sensitive, complex, or in dislocated markets, where risk is fundamentally mispriced. Through its affiliate Green Ivy Capital, LLC, the firm manages a diversified portfolio of credit investments in the cannabis space and is actively investing across the value chain.

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.

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 ability to utilize the amended Michigan Loan. 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, and in the section titled "Risk Factors" in TerrAscend's Annual Report on Form 10-K for the year ended December 31,

2021 filed with the Securities and Exchange Commission on March 17, 2022 and as amended on March 24, 2022.

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.

SOURCE TerrAscend