

September 17, 2019



TerrAscend Completes Acquisition of Ilera Healthcare

--- Expands licensed cannabis footprint to four U.S. states, in addition to global reach into Canada and Europe.

--- Ilera's current revenue run-rate is over US\$43 million¹, up from total sales in 2018 of less than US\$8 million¹.

--- TerrAscend's revenue guidance in excess of C\$141 million for 2019 reaffirmed².

TORONTO, Sept. 17, 2019 /PRNewswire/ - TerrAscend Corp. (CSE: TER; OTCQX: TRSSF) ("TerrAscend" or "the Company"), the first and only global cannabis company licensed for sales in Canada, the US, and the EU, today announced it has closed on its previously announced acquisition of Pennsylvania-based Ilera Healthcare, one of five permitted vertically-integrated cannabis cultivator, processor, and dispensary operators in the state. With the completion of this transaction, TerrAscend's licensed cannabis footprint expands to four U.S. states, in addition to its global reach into Canada and Europe.



"As one of only 5 holders of Super Licenses in a limited license state with approximately 13 million people, Ilera is an ideal partner for TerrAscend to enter the Pennsylvania market with," said Matthew Johnson, President of TerrAscend Corp., and TerrAscend USA, Inc. "We welcome Greg and the rest of the Ilera team to the TerrAscend family, and we look forward to partnering together as we continue to build the leading North American Operator (NAO) in the cannabis space."

Greg Rochlin, CEO of Ilera, said, "By combining forces with TerrAscend, we see clear opportunities ahead for our stakeholders, employees and patients. We look forward to accelerating the growth of Ilera's brands and formulations by leveraging TerrAscend's platform in other markets. I can't wait to introduce our wholesale customers and patients to the California-born Valhalla and State Flower brands, as well as Haven Street, a leading premium Canadian brand."

Osagie Imasogie, Chairman of the Board for Ilera Healthcare added, "We know that Ilera's original mission to deliver consistent premium cannabis medicines to patients throughout Pennsylvania will be carried on by TerrAscend, who shares our culture, and above all, our commitment to the highest standards of quality and patient service."

Ilera currently operates a retail dispensary in Plymouth Meeting, PA, with plans to open two additional dispensary sites in the Philadelphia area within the next six months. The operations include a 67,000 square foot site for cultivation and processing in Waterfall, PA with planned expansion to over 120,000 square feet in 2020. In addition to selling its products in its own dispensary, Ilera distributes its dried flower, concentrates, tinctures, and topicals to over 60 dispensaries throughout Pennsylvania. Ilera's current revenue run-rate is over US\$43 million¹, up from total sales in 2018 of less than US\$8 million¹. For more information about Ilera Healthcare, visit <http://www.ilerahhealthcare.com>.

The Pennsylvania medical marijuana program has more than 180,000 registered patients and 20,000 registered caregivers as of August 2019, and covers 23 qualifying medical conditions including anxiety disorders, cancer, and opioid use disorder³. Those seeking more information about Pennsylvania's medical marijuana program can visit www.medicalmarijuana.pa.gov.

Transaction Details: The transaction closed at previously disclosed terms.

TerrAscend reiterates its current 2019 guidance of revenue in excess of C\$141 million, which includes contribution from the Ilera transaction and pending disclosed transactions, as previously announced on August 22, 2019.

About TerrAscend

TerrAscend provides quality products, brands, and services to the global cannabinoid market. As the first North American Operator (NAO) with scale operations in both Canada and the US, the Company participates in the medical and legal adult use market across Canada and in several US states where cannabis has been legalized for therapeutic or adult use. Additionally, TerrAscend will soon be the first and only cannabis company with sales in the US, Canada, and Europe as it has received EU GMP certification for its manufacturing facility in Mississauga, Ontario. TerrAscend operates a number of synergistic businesses, including The Apothecarium, an award-winning cannabis dispensary with several retail locations in California and Nevada; Arise Bioscience Inc., a manufacturer and distributor of hemp-derived products; Ilera Healthcare, Pennsylvania's premier medical marijuana cultivator, processor and dispenser; Ascendant Laboratories Inc., a biotechnology and licensing company committed to the continuous improvement of cannabinoid expressing plants; Solace RX Inc., a proposed Drug Preparation Premises (DPP) focused on the development of novel formulations and delivery forms; and Valhalla Confections, a manufacturer of premium cannabis-infused edibles. For more information, visit <https://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 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 US federal law, nor will it provide a defense to any federal proceeding which may be brought against TerrAscend. Due to any investments made by TerrAscend in operations in the United States, 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 news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking statements 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 include statements with respect to the anticipated benefits of the transaction, as well as future plans for Ilera (including additional dispensaries) and sales by TerrAscend into Europe. Forward-looking statements are not a guarantee of future performance and are 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 TerrAscend believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because TerrAscend 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 statements are 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 statements. Such risks and uncertainties include, but are not limited to, TerrAscend's ability to fund any future earn-out consideration payments that may become payable as part of the transaction; 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; TerrAscend's ability to successfully integrate Ilera and any other acquired businesses in the future; and fluctuations in foreign currency exchange rates.

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.

Financial Outlook

This press release contains a financial outlook within the meaning of applicable Canadian securities laws. The financial outlook has been prepared by management of TerrAscend to provide an outlook for calendar year 2019 and may not be appropriate for any other purpose. The financial outlook has been prepared based on a number of assumptions

including the assumptions discussed under the heading "Forward Looking Information" above and assumptions with respect to production, pricing, and demand, and that the acquisition of the Nevada operations of The Apothecarium will be completed late in the third quarter of 2019. The actual results of TerrAscend's operations for any period will likely vary from the amounts set forth in these projections and such variations may be material. TerrAscend and its management believe that the financial outlook has been prepared on a reasonable basis. However, because this information is highly subjective and subject to numerous risks, including the risks discussed under the heading "Forward Looking Information" above, it should not be relied on as necessarily indicative of future results. Except as required by applicable Canadian securities laws, TerrAscend undertakes no obligation to update the financial outlook.

TerrAscend undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of TerrAscend, its securities, or financial or operating results (as applicable).

¹ Based on unaudited financial statements prepared in accordance with U.S. GAAP.

² Revenue guidance for 2019 as previously announced on August 22, 2019, exclusive of expenses.

³ Sourced from Commonwealth of Pennsylvania Department of Health.

 View original content to download multimedia <http://www.prnewswire.com/news-releases/terrascend-completes-acquisition-of-ilera-healthcare-300919527.html>

SOURCE TerrAscend