

October 6, 2020



TerrAscend Commences Sales from Newly Expanded State Flower Cultivation Facility

San Francisco Based Cultivation Facility Achieves 500% Increase in Output of Super-Premium, Indoor Grown Flower

NEW YORK and TORONTO, Oct. 6, 2020 /CNW/ - TerrAscend Corp. ("TerrAscend" or the "Company") (CSE: TER) (OTCQX: TRSSF), a leading North American cannabis operator, today announced that it has successfully commenced sales from its newly expanded, State Flower cultivation facility located in San Francisco.

TerrAscend has now completed the expansion of its State Flower facility, increasing the square footage from 5,000 to 20,000 square feet while also implementing automation to improve the facilities annual production of super-premium craft flower. This has resulted in a 500% increase in total output, enabling TerrAscend to significantly increase the supply of State Flower products to the California wholesale market as well as its award winning Apothecarium dispensaries in the state.

In 2015 State Flower became one of the first cultivators in California to receive a municipal permit, then in 2017, became the first to successfully achieve certification from Envirocann Certification Services for its sustainable practices and clean grow methods, free of synthetic pesticides. With TerrAscend's support, State Flower has become the largest cultivator in San Francisco, furthering its legacy as an industry leader.

"State Flower has earned a reputation for producing ultra-premium cannabis products and we're thrilled to be expanding the availability of these products throughout California," said Jason Ackerman, CEO and Executive Chairman of TerrAscend. "Through the strategic combination of best-in-class technology and the elite team of State Flower cultivators, we are well positioned to improve consumer access to our in-demand products while also improving the breadth of our offering. This is an important milestone in the vertical integration of our west coast operations, and I'd like to congratulate the team on this achievement."

Daniel Wacks, President of State Flower added, "Since joining with TerrAscend in 2019, we have been focused on scaling up our indoor cultivation capacity. With this expansion complete, we can finally begin to address the high demand for our products statewide. I'd like to thank the team for their hard work and support in completing this project and I look forward to continuing to expand State Flower throughout California and beyond."

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 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, TerrAscend 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. TerrAscend was the first cannabis company with sales in the US, Canada, and Europe. TerrAscend operates a number of synergistic businesses, including The Apothecarium, an award-winning cannabis dispensary with retail locations in California and Pennsylvania; Arise Bioscience Inc., a manufacturer, and distributor of hemp-derived products; Ilera Healthcare, Pennsylvania's premier medical cannabis cultivator, processor and dispenser; State Flower, an ultra-premium cannabis brand focused on the cultivation of truly exceptional flowers; and Valhalla Confections, a manufacturer of premium cannabis-infused edibles. TerrAscend holds a cultivation permit in the State of New Jersey and is pending approval for a vertically integrated medical cannabis operation with the ability to operate up to 3 Alternative Treatment Centers. Additionally, TerrAscend holds a Medical Cannabis Processor License in the State of Utah. 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 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. 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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