

November 2, 2020



TerrAscend Preannounces Strong Third Quarter 2020 Results - Net Sales of \$51.0 Million and Adjusted EBITDA of \$17.8 Million

Adjusted EBITDA increased to \$17.8 Million, a 56% improvement quarter-over-quarter

Adjusted EBITDA Margin expands sequentially to 35% from 24%

Q3 2020 earnings call scheduled for November 19, 2020 will include increased 2020 and preliminary 2021 guidance

NEW YORK and TORONTO, Nov. 2, 2020 /CNW/ - TerrAscend Corp. ("TerrAscend" or the "Company") (CSE: TER) (OTCQX: TRSSF), a leading North American cannabis operator, today announced preliminary financial results for its third quarter ending September 30, 2020. All amounts are in Canadian dollars. Based on a preliminary (unaudited) review, the Company anticipates:

- Net Sales of \$51.0 million, representing 8% sequential and 90% year over year growth
- Adjusted EBITDA of \$17.8 million, an increase of 56% sequentially
- Adjusted EBITDA margin expanded to 35% in Q3 from 24% in Q2 and 14% in Q1

"We're driving strong revenue growth and margin expansion by focusing on operational excellence, controlled SG&A spending, and strategically allocating our capital to generate the greatest returns and industry leading EBITDA margins," said Jason Ackerman, CEO and Executive Chairman of TerrAscend. "Leveraging the skills of our of best-in-class operating team, we are focused on rapidly building scale in growing limited license markets."

Mr. Ackerman added, "This strategy has led to further expansion of our footprint in the northeast, including an additional 25% expansion at our Pennsylvania cultivation facility in Q3 which began selling into the market in October. In New Jersey, where I believe we will be a major player, sales from our cultivation facility are expected to begin imminently and our first retail location in Phillipsburg is set to open in November. I look forward to realizing the full benefit of our substantially larger cultivation and manufacturing capacities across our system to further accelerate our revenue and adjusted EBITDA growth in Q4 and beyond."

TerrAscend will host a scheduled conference call to discuss the results for its third quarter ended September 30, 2020 on Thursday, November 19th, 2020 at 8:30 a.m. Eastern Time. The Company will report its financial results for the third quarter as well as increased 2020 and preliminary 2021 guidance in advance of the call.

CONFERENCE CALL DETAILS

DATE: Thursday, November 19th, 2020

TIME: 8:30 a.m. Eastern Time

WEBCAST: [Click to Access](#)

DIAL-IN NUMBER: 1-888-664-6392

CONFERENCE ID: 65635544

REPLAY: (416) 764-8677 or (888) 390-0541
Available until 12:00 midnight Eastern Time Thursday, December 3rd, 2020

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 multi-state operator with vertically integrated operations in Pennsylvania, New Jersey, and California in addition to operating as a licensed producer in Canada. TerrAscend operates an award-winning chain of Apothecarium dispensary retail locations as well as scaled cultivation, processing and manufacturing facilities on both the East and West coasts. TerrAscend's best-in-class cultivation and manufacturing practices yield consistent, high-quality cannabis, providing industry-leading product selection to both the medical and legal adult-use market. The Company owns a number of synergistic businesses and brands, including The Apothecarium, Ilera Healthcare, State Flower, Valhalla Confections, and Arise Bioscience Inc. For more information, visit www.terrascend.com.

Forward Looking Information

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, and include statements with respect to future revenue and profits. 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, 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 the Company's annual information form dated May 31, 2019, management's discussion and analysis dated April 23, 2020 for the year ended December 31, 2019 and other filings with the Canadian securities regulators available under the Company's profile on SEDAR at www.sedar.com.

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.

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