

January 28, 2021



TerrAscend Announces Closing of Oversubscribed Non-Brokered Private Placement

Gross Proceeds of C\$224 Million, 80% coming from four large U.S. Institutional investors

Announces Departure of Co-Founder and former CEO Dr. Michael Nashat from the Board of Directors

NEW YORK and TORONTO, Jan. 28, 2021 /CNW/ - TerrAscend Corp. ("TerrAscend" or the "Company") (CSE: TER) (OTCQX: TRSSF), a leading North American cannabis operator, today announced the closing of its previously announced non-brokered private placement. In total 18,115,656 common shares in the capital of the Company (the "Common Shares") were issued at the price of C\$12.35 per Common Share ("the "Offering"), raising gross proceeds of C\$224 million with 80% coming from four large U.S. institutional investors. ATB Capital Markets Inc. acted as the Company's financial advisor on the Offering.

The Company intends to use the net proceeds of the Offering to accelerate organic expansion plans and to pursue M&A transactions.

"I'm thrilled with the strong demand we received during our recent oversubscribed offering and thankful for the continued support of our investors as we execute our growth strategy," said Jason Ackerman, CEO and Executive Chairman of TerrAscend. "With our strengthened balance sheet, our focus remains on continuing to go deep and build scale in our existing markets, while pursuing M&A transactions to further accelerate our growth and expansion."

The Company also announced today that Dr. Michael Nashat, Co-Founder and former CEO, has informed the Company of his decision to step down from the Board effective February 1st.

Jason Wild, Chairman of the Board of TerrAscend, commented, "On behalf of the entire team, I would like to thank Michael for his support and dedication to helping build TerrAscend into the company it is today, and we wish him the best in all of his future endeavors."

Dr. Nashat added, "As Co-Founder and former CEO of the Company, I am inspired by what TerrAscend has accomplished to date. Under the leadership of Jason Wild and Jason Ackerman, I believe that the company is well positioned to continue its success. I am excited to follow TerrAscend's future progress as a long-term shareholder."

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, 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" and other similar expressions, and include statements with respect to future revenue and profits. Forward-looking information is not a guarantee of future outcomes or 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 the anticipated terms and use of proceeds of the Offering. 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, the risk factors set out in the Company's annual information form dated May 31, 2019 as supplemented by 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. Furthermore, the forward-looking information contained in this press release are made as of the date hereof and the Company does not undertake any obligation to update or to revise any of the included forward-looking statements or information, whether as a result of new information, future events or otherwise, except as required by applicable law.

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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