

March 18, 2021



TerrAscend New Jersey Awarded Permit to Process Cannabis

— License Allows for Extraction, Processing, and Manufacturing —

— Production of Ilera, Kind Tree, and Prism Brands and Form Factors to Commence Immediately —

NEW YORK and TORONTO, March 18, 2021 /CNW/ - TerrAscend Corp. ("TerrAscend" or the "Company") (CSE: TER) (OTCQX: TRSSF), a leading North American cannabis operator, today announced that TerrAscend NJ, LLC ("TerrAscend NJ") has been issued a permit to process cannabis by the New Jersey Department of Health ("NJ DOH") which allows the Company to engage in the extraction, processing and manufacturing of a wide range of branded form factors including, vaporizables, concentrates, topicals, tinctures and edibles under the Ilera Healthcare, Kind Tree, and Prism brands.

"We are pleased to receive our processing permit from the NJ DOH and we look forward to introducing TerrAscend's house of brands and form factors to medical-use patients through our ATCs¹ and the wholesale channel," said Jason Ackerman, CEO and Executive Chairman of TerrAscend. "Our medical cannabis business in New Jersey is performing well and we are prepared to meet customer demand once adult-use sales are permitted."

TerrAscend's 16-acre site is located in Boonton Township in Morris County. Construction of a 140,000 sq. ft. production facility is complete, and the Company has completed several harvests from its 40,000 square foot greenhouse with sales commencing late in the fourth quarter. In addition, the first harvests are currently underway at the Company's newly completed 80,000 square foot indoor grow facility with first sales into the market anticipated in the coming weeks. The scaled cultivation, processing, and manufacturing capacity of the Boonton facility will allow for the supply of a wide range of branded form factors to TerrAscend's ATCs, as well as other dispensaries across the state.

The Company is leveraging the strong brand equity and operational expertise of The Apothecarium as its retail banner in New Jersey. The Apothecarium has nine locations in California, Pennsylvania, and New Jersey, and is recognized as one of the nation's premier chains of dispensaries. The Phillipsburg, New Jersey location is now open and the second Apothecarium branded ATC is expected to open in Maplewood in Q2 2021, followed by an additional ATC in Q3 2021.

In December 2018, TerrAscend applied for one of six permits, out of 146 applications, for a vertically integrated permit to cultivate, process and dispense medical cannabis in the State of New Jersey. Having secured cultivation and dispensing approvals, TerrAscend is now vertically integrated in the highly populous northern New Jersey region where the Company is one of four permittees. Currently a medical-use market, New Jersey recently finalized legislation that legalized adult-use cannabis sales in the state. New Jersey is the 11th

largest state in the U.S. with nearly 9 million residents. According to the NJ DOH, as of January 2021, over 100,000 patients have gained access to the state's medical marijuana program with the highest density of patients concentrated in northern New Jersey. The number of registered medical marijuana patients in the state has quadrupled since the beginning of 2018.

¹Alternative Treatment Center

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, Kind Tree, Prism, and Arise Bioscience Inc. 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.

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 most recently filed MD&A, filed with the Canadian securities regulators and 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.

SOURCE TerrAscend