

October 13, 2021



TerraAscend Issues Special Meeting Materials in Connection with Gage Cannabis Acquisition

NEW YORK and TORONTO, Oct. 13, 2021 /CNW/ - TerraAscend Corp. ("TerraAscend" or the "Company") (CSE:TER) (OTCQX: TRSSF), a leading North American cannabis operator, today announced that it has commenced mailing of materials to shareholders of TerraAscend (the "Shareholders"), including the management information circular of the Company dated October 4, 2021 (the "Circular"), for the special meeting of Shareholders (the "Meeting") to be held on November 11, 2021 at 1:00 p.m. (Eastern Time) for the purpose of obtaining minority shareholder approval from TerraAscend Shareholders of the proposed acquisition by TerraAscend of all of the issued and outstanding securities (the "Transaction") of Gage Growth Corp. ("Gage"). The Transaction was previously announced on September 1, 2021 and will be effected by way of a court-approved plan of arrangement under the *Canada Business Corporations Act*.

Materials for the Meeting, including the Circular, are available on SEDAR at www.sedar.com on the Company's website terraascend.com.

Transaction Benefits

The Transaction represents an outstanding opportunity for TerraAscend shareholders and will provide for various benefits post-completion, including:

- *Leadership in a top market:* Gage has established itself as a leader in the fast-growing Michigan cannabis market.
- *Access to premium brands:* The Transaction will provide TerraAscend with access to Gage's brand, proprietary library of genetics and Gage's exclusive licensing partnerships in Michigan.
- *Operating model:* The combined company will operate 7 cultivation facilities, including 3 cultivation facilities in Michigan, in addition to Gage's 9 contract grow agreements.
- *Expanding retail footprint:* Upon completion, TerraAscend will operate a retail network that is expected to reach 34 stores over the coming months.
- *A leader in experiential retail:* Gage's award-winning retail stores generate industry leading retail metrics. TerraAscend expects to leverage Gage's portfolio of over 40+ proprietary flower strains in addition to brand and marketing capabilities, at retail locations in other states.
- *Expert operating teams:* The Transaction combines management teams with similar core philosophies, strong track records of execution and operational expertise in building leading businesses in the most competitive cannabis markets in the country.

TerraAscend Special Committee and Board Recommendation

The special committee of the TerrAscend Board (the "TerrAscend Special Committee") after receiving fairness opinions from the TerrAscend Special Committee's independent financial advisors and independent legal and financial advice, unanimously recommended the Transaction having determined that the Transaction is in the best interests of TerrAscend and that the Transaction is fair to TerrAscend minority shareholders.

After receiving the recommendations of the TerrAscend Special Committee, the disinterested members of the TerrAscend Board unanimously determined (i) that the Transaction is in the best interests of TerrAscend and that the Transaction is fair to TerrAscend's minority shareholders; (ii) to approve and authorize the Transaction and the entering into of the arrangement agreement with Gage (the "Arrangement Agreement") and all ancillary agreements; and (iii) that in accordance with and subject to the terms of the Arrangement Agreement, to recommend to TerrAscend's minority shareholders that they vote in favour of the resolution to approve the Transaction at the shareholder meeting.

The Meeting

The Meeting will be held virtually at <https://web.lumiagm.com/235154159> (password "terrascend2021spc") on November 11, 2021, at 1:00 p.m. (Eastern Time). At the Meeting, TerrAscend's minority Shareholders will be asked to approve the Transaction. The Transaction also requires the approval of Gage's shareholders and Court approval. If the requisite approval of the TerrAscend and Gage shareholders and the Court is obtained, the Transaction will be completed as soon as possible after satisfaction or waiver of all remaining conditions precedents, including required regulatory and licensing approvals.

YOUR VOTE IS IMPORTANT – IN ORDER TO ENSURE YOUR VOTE IS RECEIVED, PLEASE VOTE AS SOON AS YOU RECEIVE YOUR MATERIALS

Shareholder Questions

If you have any questions or require assistance with voting, please contact Laurel Hill Advisory Group, TerrAscend's proxy solicitation agent, by telephone at 1-877-452-1784 toll-free in North America (1-416-304-0211 Outside North America) or by e-mail at assistance@laurelhill.com, or your professional advisor.

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, licensed cultivation and processing operations in Maryland and licensed production in Canada. TerrAscend operates an award-winning chain of The 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 several synergistic businesses and brands, including The

Apothecarium, Ilera Healthcare, Kind Tree, Prism, State Flower, Valhalla Confections, and Arise Bioscience Inc. For more information, visit www.terrascend.com.

Cautionary Note Regarding Forward-Looking Statements

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. 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.

Forward-looking statements in this news release include, but are not limited to: statements with respect to the anticipated completion of the Transaction; the satisfaction of closing conditions for the Transaction which include, without limitation (i) required court and Gage and TerrAscend shareholder approvals, (ii) obtaining the necessary approvals from the CSE for the listing of TerrAscend's common shares in connection with the Transaction, (iii) the required state and municipal regulatory approvals; and (iv) other approvals and closing conditions contained in the Arrangement Agreement; statements with respect to the anticipated effects of the Transaction on TerrAscend and its strategy going forward and statements with respect to the anticipated benefits associated with the acquisition of Gage. Actual results and developments may differ materially from those contemplated by these statements.

Such forward-looking statements are based on certain assumptions regarding TerrAscend and Gage, including the successful completion of the Transaction, anticipated benefits from the Transaction, and expected growth, results of operations, performance, industry trends and growth opportunities of the combined company post-closing of the Transaction. While TerrAscend and Gage consider these assumptions to be reasonable, based on information currently available, they may prove to be incorrect.

Among other things, there can be no assurance that the Transaction will be completed or that the anticipated benefits from the Transaction will be achieved. Readers are cautioned not to place undue reliance on forward-looking 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; risks related to obtaining the necessary court, shareholder and regulatory approvals to complete the Transaction on the anticipated timeline, or at all; with respect to TerrAscend, the risk factors set out in TerrAscend's Circular as well as those in TerrAscend's most recently filed MD&A, both of which have been filed with the Canadian securities regulators and are available under TerrAscend's profile on SEDAR at www.sedar.com, and with respect to Gage, the risk factors set out in Gage's most

recently filed MD&A, filed with the Canadian securities regulators and available under Gage's profile on SEDAR at www.sedar.com.

The statements in this press release are made as of the date of this release. TerrAscend and Gage 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