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TerrAscend Closes Acquisition of Pinnacle

Accretive Acquisition of Five High-Performing Dispensaries Expands TerrAscend's Retail Footprint to 17 in Michigan and 32 Nationwide

DETROIT and TORONTO, Aug. 24, 2022 /CNW/ - [TerrAscend Corp.](#) ("TerrAscend" or the "Company") (CSE: TER) (OTCQX: TRSSF), a leading North American cannabis operator, today announced that it has completed the [previously announced](#) acquisition of KISA Enterprises MI, LLC ("Pinnacle"), a dispensary chain operator in Michigan, and related real estate assets from KISA Holdings, LLC, for total consideration of US\$28.5 million. The acquisition is immediately accretive to TerrAscend on both a Sales and EBITDA basis.

The acquisition includes six dispensary licenses, five of which are currently operational and located in the cities of Addison, Buchanan, Camden, Edmore, and Morenci. The addition of Pinnacle expands TerrAscend's retail footprint to 17 in Michigan and 32 nationwide.

"We are excited to strengthen our Michigan footprint with the acquisition of Pinnacle," said Jason Wild, Executive Chairman of TerrAscend. "This acquisition strategically expands our presence along Michigan's border, to areas that previously had limited access to Gage and Cookies branded retail locations and products. We look forward to introducing our premier brands to new customers and solidifying our position as a top-tier retailer in the state, while continuing to scale and improve margins and profitability."

The Company intends to rebrand each of the newly acquired dispensaries under either the Gage or Cookies retail brand. Each dispensary will carry the entire selection of Cookies and Gage branded products including, but not limited to Cookies, Lemonnade, Runtz, PowerzzzUp, Minntz and Grandiflora lines.

About TerrAscend

TerrAscend is a leading North American cannabis operator with vertically integrated operations in Pennsylvania, New Jersey, Michigan and California, licensed cultivation and processing operations in Maryland and licensed production in Canada. TerrAscend operates The Apothecarium and Gage dispensary retail locations as well as scaled cultivation, processing, and manufacturing facilities in its core markets. TerrAscend's cultivation and manufacturing practices yield consistent, high-quality cannabis, providing industry-leading product selection to both the medical and legal adult-use markets. The Company owns several synergistic businesses and brands, including Gage Cannabis, The Apothecarium, Ilera Healthcare, Kind Tree, Prism, State Flower, Valhalla Confections, and Arise Bioscience Inc. For more information, visit www.terrascent.com.

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 acquisition being immediately accretive to TerrAscend on both a Sales and EBITDA basis; and TerrAscend solidifying its position as a top-tier retailer in the state while continuing to scale and improve margins and profitability. Actual results and developments may differ materially from those contemplated by these statements. Such forward-looking statements are based on certain assumptions regarding expected growth, results of operations, performance, industry trends and growth opportunities. While TerrAscend considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect. 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; and the risk factors set out in TerrAscend's management information circular dated October 4, 2021, and TerrAscend's most recently filed MD&A, both filed with the Canadian securities regulators and available under TerrAscend's profile on SEDAR at www.sedar.com.

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