

December 21, 2022



# TerrAscend Announces Amendment of Pennsylvania Credit Agreement

*Amendment will reduce Company debt by \$35 million and annual interest expense by \$5 million*

*Combined with recently announced debt retirement of \$125 million, Company debt will be reduced by a cumulative \$160 million and will result in total annual interest savings of \$15 million*

TORONTO, Dec. 21, 2022 /CNW/ - **TerrAscend Corp. ("TerrAscend")** (CSE: TER) (OTCQX: TRSSF), a leading North American cannabis operator, today announced that its subsidiary, WDB Holding PA, Inc., has completed an amendment (the "Amendment") to its existing \$115 million senior secured term loan in Pennsylvania (the "Loan").

"TerrAscend has taken significant measures recently to reduce its outstanding debt and interest expense, further strengthening our path to positive sustainable cash flow from operations," said Jason Wild, Executive Chairman of TerrAscend. "The Company has access to multiple additional sources of funds, many of which are non-dilutive and non-interest bearing in nature, and we intend to explore all options for continued debt reduction and balance sheet optimization," continued Mr. Wild.

The Amendment will reduce Company debt by \$35 million and annual interest expense by \$5 million. Combined with recently announced debt retirement of \$125 million, Company debt will be reduced by a cumulative \$160 million and will result in total annual interest savings of \$15 million. TerrAscend will make the \$35 million payment on March 15, 2023 at the original prepayment price of 103.22% to par. The Loan matures in December 2024 and originally could not be prepaid without penalty until June 2023.

Under the terms of the Amendment, TerrAscend will adjust collateral to more appropriately balance its debt with its assets. Included in this rebalancing will be the inclusion of the Company's Maplewood and Lodi, New Jersey dispensary assets as added collateral for the Pennsylvania Loan, upon satisfaction of certain conditions. Additionally, the Amendment now affords the Company flexibility to enter into a sale leaseback transaction or mortgage, at its discretion, on its cultivation facility in Pennsylvania, which has an estimated value of \$50 million.

***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, 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](http://www.terrascent.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 impact of the improvements to TerrAscend's balance sheet and other financial results. 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](http://www.sedar.com), and in the section titled "Risk Factors" in TerrAscend's Annual Report on Form 10-K for the year ended December 31, 2021 filed with the Securities and Exchange Commission on March 17, 2022 and as amended on March 24, 2022.

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