

June 8, 2023



TerrAscend Expands Retail Footprint in Maryland with Agreement to Acquire One of the Top Performing Dispensaries in the State

US\$22 million transaction, including minimal US\$1.5 million cash component, expected to be immediately accretive on an EBITDA and cashflow basis

8,500 square foot dispensary located in close proximity to Delaware, with no other dispensaries within a 25-mile radius

TORONTO, June 08, 2023 (GLOBE NEWSWIRE) --[TerrAscend Corp.](#) ("TerrAscend" or the "Company") (CSE: TER) (OTCQX: TRSSF), a leading North American cannabis operator, today announced that on June 7, 2023 it entered into a definitive agreement to acquire Derby 1, LLC (d/b/a "Peninsula Alternative Health"), a medical dispensary in Maryland. The transaction will add a second dispensary to the Company's Maryland footprint in advance of adult-use sales, which will begin on July 1, 2023. Under the terms of the agreement, TerrAscend will acquire Peninsula Alternative Health ("Peninsula") for total consideration of US\$22.1 million (the "Transaction"), including US\$1.5 million in cash, with the remainder in a combination of existing debt, a seller's note, and stock. The transaction, which is expected to be immediately accretive to TerrAscend on an EBITDA and cashflow basis, is subject to customary closing conditions, including regulatory approval.

Peninsula Alternative Health is one of the highest performing medical dispensaries in Maryland with a net revenue run rate in 2023 of approximately US\$14 million. Strategically located near the Delaware border in Salisbury, Maryland, this 8,500 square foot dispensary has no direct competitor within a 25-mile radius. TerrAscend expects to achieve significant sales and margin improvement by supplying a complete selection of its high-quality brands including Kind Tree, Gage, Cookies and Wana. Following the close of the Transaction, TerrAscend's retail footprint will increase to 35 dispensaries nationwide.

"Adding a second, high-performing medical dispensary in Maryland is an important step in our strategy to become a market leader in the state," said Jason Wild, Executive Chairman of TerrAscend. "We expect Peninsula to quickly become one of our highest performing dispensaries nationwide. With less than 30 days until the launch of adult use in Maryland, we are focused on additional acquisitions and reaching the four-dispensary cap as our northeast business unit will soon be operating in Maryland under the same successful business model we built in NJ."

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, Maryland, Michigan and California and retail operations 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, Legend, State Flower, and Valhalla Confections. For more information visit www.terrascent.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 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.

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, the success of the launch of adult use sales in Maryland and in the Peninsula transaction specifically, 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 and in the section titled "Risk Factors" in the Company's Annual Report on Form 10-K for the year ended December 31, 2022 filed with the Securities and Exchange Commission on March 16, 2023.

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.

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