

March 18, 2019



TerrAscend Provides Business Update Including Preliminary Fourth Quarter Revenue

- 4th Quarter revenue increased to CAD\$4.8 millionⁱ--
- Awarded the right to a vertically-integrated license in New Jersey--
- Completed the acquisition of Grander Distribution--
- Entered multi-year supply agreement with PharmHouse--
- Audited year end results will be published on the morning of April 25th, 2019 followed by an Investor Day where the company will provide full year 2019 financial guidance--

TORONTO, March 18, 2019 /PRNewswire/ - TerrAscend Corp. (CSE: TER; OTCQX: TRSSF) ("TerrAscend" or "The Company") today announced preliminary *fourth quarter and full year revenue ending December 31st, 2018 of CAD\$4.8 millionⁱ and CAD\$6.6 millionⁱⁱⁱ, respectively*. "We are thrilled with what we accomplished in 2018, and we are seeing increasing momentum across our businesses thus far in 2019. Our sales in Canada have been strong since the October launch of the adult-use market, and our Haven St. Premium brand is clearly resonating with provincial distributors and consumers. Meanwhile, in just four months since the initiation of our US strategy, TerrAscend has positioned itself to be one of the industry's leading multi-state operators. We are excited by our progress towards becoming a leading global cannabinoid company and look forward to providing our full year 2019 outlook at the upcoming investor day on April 25th", said Matthew J. Johnson, President of TerrAscend Corp., and TerrAscend USA, Inc.



Details for the investor day will be forthcoming in a separate announcement.

FOURTH QUARTER 2018 HIGHLIGHTS

- Completed capital reorganization with the continued support of Canopy Growth Corp. (TSX: WEED) (NYSE: CGC), Canopy Rivers Corp. (TSXV: RIV) and funds controlled by Jason Wild, Chairman of the Company, allowing the Company to pursue US expansion.
- Awarded the right to a vertically integrated license in New Jersey, along with strategic

minority partners. The operations will be in Northern New Jersey and include approximately 80,000 sq. ft. of cultivation and 40,000 sq. ft. of processing on the 16-acre campus. In addition, the company will be opening its first East Coast Apothecarium location in Philipsburg, NJ in Q4 2019.

- Completed the purchase of Grander Distribution, subsequently renamed Arise Bioscience, an industry leader in the development, manufacture, and distribution of hemp-derived products. The US\$13,000,000 purchase price was an equal combination of cash and stock with the potential for additional consideration of up to US\$10,000,000 based on revenue targets of US\$35,000,000 in 2019 and US\$50,000,000 in 2020. Arise's innovative, whole-plant hemp extract products are made in the USA and are available for sale in ~10,000 retail locations worldwide.
- The Company continued to drive sales for its adult-use brand, Haven St. Premium Cannabis, a top-10 selling brand in the five Canadian provincial jurisdictions where it is sold.
- The Company secured a multi-year cannabis supply agreement with PharmHouse, a Canopy Rivers Joint Venture. PharmHouse will grow and supply cannabis to TerrAscend Canada from an existing 1.3 million square foot greenhouse where the production of flower, trim, and clones from 20% of the dedicated flowering space will be made available to TerrAscend Canada.
- Secured US\$75 million credit facility with certain funds managed by JW Asset Management LLC, where Jason Wild is the President and Chief Investment Officer. The credit facility gives TerrAscend access to non-dilutive capital for acquisitions in the United States, as well as for general corporate and working capital purposes.
- Appointed Matthew J. Johnson as President, TerrAscend Corp and TerrAscend USA responsible for the overall operations of the business. Mr. Johnson, a seasoned healthcare industry executive with over 25 years of experience, has held multiple senior-level positions with several large medical device and pharmaceutical companies including Baxter, Abbott, and AbbVie.
- Announced the appointment of Craig Collard to the board of Directors. Mr. Collard has over 20 years of experience in the pharmaceutical industry with a track record of leadership, managing organizational change, and driving successful merger and acquisition activity. Mr. Collard is the CEO of Veloxis Pharmaceuticals (NASDAQ OMX: VELO), a commercial-stage specialty pharmaceutical company committed to improving the lives of transplant patients.

SUBSEQUENT EVENTS

- On February 11, 2019, the Company announced a series of transactions to facilitate the acquisition of The Apothecarium, a multi-state award winning retail dispensary network. As part of the transactions the Company acquired a vertically integrated operation in Nevada with cultivation, processing, and an Apothecarium dispensary, as well as Valhalla Confections, a provider of leading premium edible products. The Apothecarium's four retail dispensaries in California and Nevada provide quality

cannabis to both medical patients and adult-use customers with combined 2018 revenues in excess of US\$45 million^[iv]. The Apothecarium's flagship location has been named the best-designed dispensary in the United States by Architectural Digest. The agreements are subject to regulatory approvals by various local and state authorities in each of the markets where the assets and licenses are held, as well as certain customary closing conditions.

- Construction of the Drug Preparation Premises (DPP) is now complete. The Company is pursuing provincial and federal licensing for the development and compounding of unique pharmaceutical formulations, including a manufacturer's designation for cannabis products under the Cannabis Act and the Food and Drug Act.
- German authorities recently completed the GMP certification inspection of the Mississauga facility. The Company is preparing to export to Germany and other international markets once GMP certification is obtained.
- Construction on the Mississauga facility will be completed in Q2 2019, expanding cultivation by 140% and processing capacity by 800%. The facility will include manufacturing and processing for additional product formats.

About TerrAscend

TerrAscend is a biopharmaceutical and wellness company that is committed to quality products, brands, and services for the global cannabinoid market. The Company participates in the medical and legal adult-use market in Canada and in US states where cannabis has been legalized for therapeutic or adult-use. TerrAscend operates a number of synergistic businesses, including Arise Bioscience Inc., a manufacturer and distributor of hemp-derived products, Ascendant Laboratories Inc., a biotechnology and licensing Company committed to the continuous improvement of cannabinoid expressing plants, and Solace RX Inc., a proposed drug preparation premises focused on the development of novel formulations and dosage forms.

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 cultivate, distribute or possess cannabis in the United States. Furthermore, 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. Following any investment made by TerrAscend in operations in the United States, enforcement of federal laws in the United States will be 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 may contain "forward-looking information" within the meaning of applicable securities laws. Forward-looking statements 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 the completion of the transactions discussed herein and the anticipated benefits thereof. Forward-looking statements are not a guarantee of future performance and are 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 TerrAscend believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because TerrAscend 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 statements are 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 statements. Such risks and uncertainties include, but are not limited to, the inability of the parties to satisfy the conditions to closing set out in the definitive documentation in a timely manner or at all; 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; TerrAscend's ability to successfully integrate any acquired businesses in the future; and fluctuations in foreign currency exchange rate.

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. TerrAscend undertakes no obligation to comment on analyses, expectations or statements made by third-parties in respect of TerrAscend, its securities, or financial or operating results (as applicable).

- i Based on unaudited financial statements prepared in accordance with IFRS.
- ii Based on unaudited financial statements prepared in accordance with IFRS.
- iii Based on unaudited financial statements prepared in accordance with IFRS.
- iv Based on unaudited financial statements prepared in accordance with U.S. GAAP.

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