

August 6, 2020



TerrAscend Preannounces Strong Second Quarter Results

- NET SALES OF \$47.2 MILLION AND ADJUSTED EBITDA OF \$11.4 MILLION

- Net Sales increased 36% quarter-over-quarter and 169% year-over-year
- Adjusted EBITDA increased to \$11.4 Million, a 131% improvement quarter-over-quarter
 - Adjusted EBITDA Margin expands sequentially to 24% from 14%
 - Adjusted Gross Margin expands sequentially to 56% from 45%

NEW YORK and TORONTO, Aug. 6, 2020 /CNW/ - TerrAscend Corp. (CSE: TER) (OTCQX: TRSSF) ("TerrAscend" or the "Company") a leading North American cannabis operator, today announced preliminary financial results for its second quarter ending June 30, 2020. All amounts are in Canadian dollars. Based on a preliminary (unaudited) review, the Company anticipates:

- Net Sales increased 36% sequentially and 169% year over year to \$47.2 million
- US operations generated 90% of consolidated Net Sales
- Adjusted EBITDA of \$11.4 million, increasing 131% sequentially
- Adjusted Gross Margin of 56% (before gain on fair value of biological assets)
- Cash and Cash equivalents of \$75 million as of June 30th, 2020

"Our strong top and bottom-line performance reflects our unwavering commitment to achieve best-in-class results from our operations," said Jason Ackerman, CEO and Executive Chairman of TerrAscend. "We have been thoughtful in our approach to expanding our business, primarily focused on the areas of the U.S. market where we see the highest probability of sustained, long-term growth. With cultivation at our New Jersey production facility underway and our Pennsylvania operations continuing to track ahead of plan, I am confident we can continue this solid momentum into the second half of the year."

Later today, TerrAscend is scheduled to host an Investor and Analyst Day. The virtual event will include presentations by CEO and Executive Chairman, Jason Ackerman, CFO, Keith Stauffer as well as members of TerrAscend's senior leadership team who will provide updates on the Company's U.S. operating divisions. The Company will also host a moderated fireside chat with David Klein, CEO of Canopy Growth Corporation (TSX: WEED) (NYSE: CGC) and Jason Wild, TerrAscend's Chairman and founder of JW Asset Management. The event will conclude with a Q&A session. The event will be webcast live and all interested parties are invited to join by registering in advance using the below link:

VIRTUAL INVESTOR & ANALYST DAY DETAILS

DATE: Thursday, August 6th, 2020

TIME: 10:00 a.m. Eastern Time

REGISTRATION: [Click to Access](#)

REPLAY: A replay will be posted to TerrAscend's Investor Relations website and will be available until 12:00 midnight Eastern Time Thursday, August 20th, 2020

TerrAscend will publish its Q2 2020 results and host a conference call on August 20, 2020. The Company will issue a press release in advance with the details on how investors can access the call.

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 provides quality products, brands, and services to the global cannabinoid market. As the first North American Operator (NAO), with scale operations in both Canada and the US, TerrAscend participates in the medical and legal adult use market across Canada and in several US states where cannabis has been legalized for therapeutic or adult use. TerrAscend was the first cannabis company with sales in the US, Canada, and Europe. TerrAscend operates a number of synergistic businesses, including The Apothecarium, an award-winning cannabis dispensary with several retail locations in California; Arise Bioscience Inc., a manufacturer and distributor of hemp-derived products; Ilera Healthcare, Pennsylvania's premier medical marijuana cultivator, processor and dispenser; and Valhalla Confections, a manufacturer of premium cannabis-infused edibles. TerrAscend holds a cultivation permit in the State of New Jersey and is pending approval for a vertically integrated medical cannabis operation with the ability to operate up to 3 Alternative Treatment Centers. Additionally, TerrAscend holds a Medical Cannabis Processor License in the State of Utah. For more information, visit www.terrascent.com.

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, 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 annual information form dated May 31, 2019, management's discussion and analysis dated April 23, 2020 for the year ended December 31, 2019 and other filings with the Canadian securities regulators available under the Company's profile on SEDAR at www.sedar.com.

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.

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 US 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