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TERRASCEND ANNOUNCES SECOND QUARTER 2018 FINANCIAL RESULTS

TORONTO, ONTARIO – August 28, 2018 – TerrAscend Corp. (CSE:TER) (“**TerrAscend**” or the “**Company**”) today reported financial results for the second quarter, ending June 30, 2018. Financial results and analyses are available on the Company’s website (www.terrascend.com) and SEDAR (www.sedar.com).

“TerrAscend continued to execute on its business plan as we prepare for the sale of adult-use cannabis in Canada” said Michael Nashat, TerrAscend’s President and Chief Executive Officer. “Our emphasis remains focused on investing in strategic assets and completing construction of the company’s flagship EU-GMP compliant facility in Ontario. It’s an exciting time at TerrAscend as we lay the groundwork for anticipated near-term sales growth with the long-term vision of becoming a leader in the global cannabinoid market.”

SECOND QUARTER 2018 COMPANY HIGHLIGHTS

- The Company continued to build inventory, with over 2,300 kg on hand, in anticipation of the upcoming legalization of the adult use market.
- The Company continued to expand its cultivation capacity at its flagship facility which is expected to be completed by the fourth quarter of 2018. The Company continues to leverage key strategic bulk suppliers to meet anticipated demand.
- Solace Health, the Company’s wholly-owned subsidiary, launched Solace Health Marketplace, in April 2018. Solace Health Marketplace is a centralized online destination for Canadian cannabis patients to access information, support and a diverse selection of dried cannabis products. Sales of dried cannabis and accessories to Canadian patients were initiated and the company is anticipating its oil sales license over the next few months which will broaden the company’s product offering.
- The Company formed a strategic joint venture with Cistron Corp. (“**Cistron**”) with the launch of Ascendant Laboratories Inc. (“**Ascendant Lab**”), a science and innovation enterprise dedicated to the advancement of cannabinoid expressing plant biology. Ascendant Labs brings together leaders in plant sciences and cannabis production, with a unified vision of elevating the cannabis industry through the development of advanced plant genetics.
- The Company made a strategic investment in Think AHLOT Corporation (“**AHLOT**”), an award-winning cannabis innovation company that creates groundbreaking cannabis products and accessories. TerrAscend will provide fulfillment and distribution services on behalf of AHLOT as they commence sales of a unique portfolio of licensed cannabis products.
- The Company made an investment for a minority stake in Fire & Flower Inc., (“**Fire & Flower**”), a soon to launch private retailer for adult use cannabis sales in select provinces. Fire & Flower aims to bring consumers a contemporary, educated and exciting experience with locations across Canada.



COMPANY HIGHLIGHTS SUBSEQUENT TO THE SECOND QUARTER 2018

- The Company secured supply agreements with the provinces of Ontario (25 SKUs), British Columbia (22 SKUs), Nova Scotia (15 SKUs) and Prince Edward Island (4 SKUs), to provide a variety of premium branded cannabis products for the adult-use cannabis market, commencing in October 2018.
- The Company appointed a new CFO, Adam Kozak, effective August 27, 2018. Mr Kozak's appointment replaces departing interim CFO, Roland Nimmo.

FINANCIAL HIGHLIGHTS

- The Company incurred a net loss of \$5.2M or \$0.05 per share for the second quarter, compared with a net loss of \$3.5M or \$0.12 per share for the same period last year.
- Capital expenditures were \$2.6M for the second quarter for the build out of the Company's facility.
- The company deployed \$11.2M in cash to further build inventory in preparation for adult use sales in October.
- \$26.1M in cash and cash equivalents were held by the company at quarter end.



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 provides support to medical consumers through its wholly-owned subsidiaries, Solace Health Inc., a licensed producer of medical cannabis under the Access to Cannabis for Medical Purposes Regulations and Solace Health Network Inc., a clinical support program and education platform led by healthcare professionals.

Forward Looking Information

This news release contains “forward-looking information” within the meaning of applicable securities laws. Although TerrAscend believes that the experience of its officers and directors, current conditions and expected future developments and other factors have been considered appropriate, that the expectations reflected in this forward-looking information are reasonable, undue reliance should not be placed on them because TerrAscend can give no assurance that they will prove to be correct. Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. The statements in this press release are made as of the date of this release. 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). TerrAscend disclaims any intent or obligation to update publicly 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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