



TerrAscend Announces Third Quarter 2018 Financial Results

- Revenue increased to \$1.8 million--
- Haven St. brand successfully launched into Canadian adult-use market--
- Announced intention to explore and pursue U.S. growth strategy--

TORONTO, ONTARIO – November 21, 2018 - TerrAscend Corp. (CSE: TER; OTCQX: TRSSF) (“TerrAscend” or the “Company”), today reported financial results for the third quarter, ending September 30, 2018. For the three months ended September 30, 2018, revenue increased to \$1.8 million up from \$9,000 in the previous quarter.

“We are pleased with our progress in the Canadian market, having shipped both medical and adult-use cannabis in the quarter. The October launch of our premium-quality Haven St. brand was a major milestone, as we differentiate ourselves within the emerging adult-use cannabis market. With a month of adult-use sales behind us, we are thrilled to see that the Haven St. brand resonates not only with provincial buyers but with consumers as well,” said Michael Nashat, TerrAscend’s President and Chief Executive Officer.

“As previously announced in October, we intend to explore and pursue growth opportunities in the U.S., including potential acquisitions of operators in states that have legalized cannabis for therapeutic or adult use. We have identified acquisition prospects with significant market share, strong brand recognition and substantial global potential. With an experienced management team, engaged board and supportive shareholder base, TerrAscend’s goal is to become the leading multi-state operator in the U.S. cannabis industry while continuing to capitalize on sizeable opportunities in Canada and the rest of the world,” concluded Nashat.

Financial results and analyses are available on the Company's website (www.terrascent.com) and SEDAR (www.sedar.com).

THIRD QUARTER 2018 AND RECENT COMPANY HIGHLIGHTS

- Launched Haven Street, a premium cannabis brand for the Canadian adult-use market, with 48 unique SKUs in dry flower and pre-roll forms;
- Announced its intention to pursue growth opportunities in the U.S., including potential acquisitions of operators in states that have legalized cannabis for therapeutic or adult use; further to, the Company entered into a plan of arrangement with Canopy Growth Corp. (TSX: WEED) (NYSE: CGC), Canopy Rivers Corp. (TSXV: RIV) and entities controlled by Jason Wild, Chairman of the Company, to reorganize the capital of the Company and obtain waivers of certain contractual covenants currently restricting TerrAscend from operating in the U.S., subject to a shareholder vote to be held on November 27, 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, which commenced October 17, 2018;
- Began trading on OTCQX under the ticker symbol TRSSF;
- Entered into a multi-year off-take agreement with PharmHouse Inc., a joint venture between Canopy Rivers Inc., and the principals and operators of a leading North American greenhouse produce company; PharmHouse will supply dry cannabis to TerrAscend Canada from an existing 1.3 million square foot greenhouse located in Leamington, Ontario;
- Appointed Jeffrey J. Puglisi as Chief Corporate Officer responsible for the oversight and execution of the Company's U.S. strategy, and Adam Kozak as Chief Financial Officer;
- Solace Health, the Company's wholly owned subsidiary, entered into an agreement with MCI Medical Clinics Inc. – one of the largest primary medical care groups in Canada – to provide medical cannabis expertise to patients, and
- Entered into an agreement with MDM Insurance Services Inc. to establish a program for medical cannabis coverage and a framework for research on cannabis and medication utilization.

FINANCIAL HIGHLIGHTS

- For the three months ended September 30, 2018, revenue increased to \$1.8 million. The Company had no revenue for the same period last year as it was ramping up its operations. The Company commenced medical sales and bulk sales to other Licensed Producers in April 2018 and adult-use sales in September 2018;
- Net loss was \$2.8 million or \$0.03 per share for the three months ended September 30, 2018, compared with a net loss of \$1.5 million or \$0.04 per share for the same period last year; and
- As of September 30, 2018, the Company held \$15.1 million in cash and cash equivalents.

About TerrAscend Corp.

TerrAscend Corp. is a biopharmaceutical and wellness company that is committed to quality products, brands and services for the global cannabinoid market. On October 9, 2018, TerrAscend announced its intentions to expand into the U.S. market. The Company provides support to patients and consumers through its wholly-owned subsidiaries, TerrAscend Canada Inc., o/a Solace Health, a licensed producer of cannabis under the Cannabis Act, Solace Health Network Inc., a clinical support program and education

platform led by healthcare professionals and the online marketplace for the licensed producer, o/a Solace Health. The Company will also participate in the adult-use market in Canada following legalization through direct and indirect supply agreements in several provinces. The Company holds a partnership with leading researchers in Ascendant Laboratories Inc., a cannabis biotechnology and licensing company committed to the continuous improvement of the cannabis plant.

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 U.S. Cannabis remains a Schedule I drug under the United States Controlled Substances Act, making it illegal under federal law in the U.S. to cultivate, distribute or possess cannabis in the U.S. Furthermore, financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the U.S. may form the basis for prosecution under applicable U.S. federal money laundering legislation.

While the approach to enforcement of such laws by the federal government in the U.S. 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 the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. Following any investment made by the Company in operations in the U.S., enforcement of federal laws in the U.S. will be a significant risk to the business of the Company and any proceedings brought against the Company thereunder may adversely affect the Company's operations and financial performance.

Forward Looking Information

This news release contains "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. 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. 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). This release does not constitute an offer for sale of, nor a solicitation for offers to buy, any securities in the United States.

SOURCE TerrAscend

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