



TerrAscend Expands U.S. Footprint Via Acquisition of Maryland Based Grower Processor

-- Accretive Deal Paves the Way for Entry into Attractive Limited License State

-- Significant Opportunity to Expand Capacity of the Asset in 2021

NEW YORK and TORONTO, November 6, 2020 // - TerrAscend Corp. (“TerrAscend” or the “Company”) (CSE:TER, OTCQX: TRSSF), a leading North American cannabis operator, today announced the signing of a definitive agreement to acquire HMS Health, LLC and HMS Processing, LLC (collectively “HMS”) from Curaleaf Holdings, Inc (“Curaleaf”) (CSE: CURA, OTCQX: CURLF). HMS is a cultivator and processor of medical cannabis products in the state of Maryland. The acquisition is expected to be immediately accretive to TerrAscend on an EBITDA basis.

HMS currently operates a 22,000 square foot cultivation and processing facility in Frederick, Maryland. Today, HMS produces dried flower and oil products for the medical cannabis market and has the capability to produce edibles upon regulatory approval. TerrAscend plans to significantly expand this existing capacity in the coming year. The majority of HMS’ employees are expected to join TerrAscend's US operations.

“This acquisition enables TerrAscend to expand its footprint into another robust limited license medical cannabis market with strong, long-term growth potential,” said Jason Ackerman, Executive Chairman and Chief Executive Officer of TerrAscend. “By combining HMS with our industry leading scaled operations in the adjacent states of Pennsylvania and New Jersey, we will leverage our strong management team and corporate support functions to drive economies of scale. We will also standardize cultivation practices, brand portfolio, and formulations to provide patients in Maryland with the high-quality, medical-grade products that TerrAscend is known for producing.”

TerrAscend has agreed to acquire 100% of the equity of HMS from Curaleaf for a total consideration of \$27.5 million, comprised of \$25 million in cash and a \$2.5 million note which bears 5.0% annual interest, due April 2022. Upon closing in the first quarter of 2021, 100% of HMS’ economics will be retained by TerrAscend through full ownership of HMS Health, LLC and a master services agreement with HMS Processing, LLC. The transfer of 100% equity of HMS Processing is expected to close in April 2022.

The Proposed Acquisition is subject to certain closing conditions, including approvals from regulatory authorities and there can be no assurance that the transaction will be completed.

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, and California in addition to operating as a licensed producer in Canada. TerrAscend operates an award-winning chain of Apothecarium dispensary retail locations as well as scaled cultivation, processing, and manufacturing facilities on both the East and West coasts. TerrAscend’s best-in-class cultivation and manufacturing practices yield consistent, high-quality cannabis, providing industry-leading product selection to both the medical and legal adult-use market. The Company owns a number of



synergistic businesses and brands, including The Apothecarium, Ilera Healthcare, State Flower, Valhalla Confections, and Arise Bioscience Inc. 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 and other similar expressions, and include statements with respect to future revenue and profits. Forward-looking information is not a guarantee of future outcomes or 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 the accretive nature of the transaction to the Company, expansion of the Company’s footprint into another cannabis market, 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 satisfaction of closing conditions with respect to the transaction, the receipt of approvals from applicable regulatory authorities to complete the transaction, the ability to leverage the Company’s operations to drive economies of scale as a result of the transaction, the Company’s ability to standardize its cultivation practices upon completion of the transaction, 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 current regulatory regime in Maryland; 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 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.



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