



TERRASCEND ENTERS US HEMP-DERIVED PRODUCTS MARKET

Signs definitive agreement to acquire the assets of Grander Distribution, industry leader in development, manufacturing and distribution of hemp-derived products

TORONTO, ONTARIO – December 24, 2018 – **TerrAscend Corp. (CSE: TER; OTCQX: TRSSF)** (“TerrAscend”) today announced the signing of a definitive agreement (the “Agreement”) to acquire substantially all of the assets of Grander Distribution, LLC (“Grander” or the “Seller”). Grander is an industry leader in the production and distribution of innovative hemp-derived wellness products. Their whole-plant hemp extract products are made in the USA and are available for sale in ~10,000 retail locations worldwide. Grander expects 2018 sales to exceed US\$10,000,000 with the most recent one month run rate of over US\$14,000,000 on an annualized basis. The US\$13,000,000 purchase price is 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. The transaction is expected to close by January 15, 2019, upon completion of standard closing requirements.

“We are thrilled to welcome the Grander team and look forward to leveraging their expansive distribution and branding expertise as we complete the first acquisition of our US strategy. In addition to their seasoned sales force, Grander has a proven track-record of driving the development, manufacturing and processing of innovative hemp-derived cannabinoid products. With the passing of the 2018 US Farm Bill, and the closing of this transaction, TerrAscend will be well positioned to take advantage of the substantial hemp-derived product opportunity,” said Matthew Johnson, President TerrAscend Corp., and TerrAscend USA, Inc.

“We couldn’t be more excited to join forces with TerrAscend” said Scott Frohman, CEO of Grander. “The collaboration of talent and expertise across the combined organization will give TerrAscend a significant competitive advantage in developing, marketing, and supplying the most cutting-edge products in the hemp-derived cannabinoid market,” concluded Frohman.

About TerrAscend Corp.

TerrAscend is a biopharmaceutical and wellness company that is committed to quality products, brands and services for the global cannabinoid market. TerrAscend provides support to patients and consumers through its wholly-owned subsidiaries, TerrAscend Canada Inc., a licensed producer of cannabis pursuant to the *Cannabis Regulations* under the *Cannabis Act* (Canada) that provides medical cannabis to patients through its online medical marketplace Solace Health, and Solace Health Network Inc., a clinical support program and education platform led by healthcare professionals. TerrAscend participates in the legal adult-use market in Canada through direct and indirect supply agreements in several provinces and intends to expand into the US market in states where cannabinoids have been legalized for therapeutic or adult-use. TerrAscend also launched Ascendant Labs, a company committed to the continuous improvement of cannabinoid expressing plants, which is a strategic joint venture with leading researchers Cistron Corp.

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 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, and include statements with respect to the terms of the credit facility, the expected use of proceeds of the credit facility and TerrAscend's intention to pursue business opportunities in the United States. 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 to settle definitive documentation relating to the credit facility, the inability to satisfy any conditions to draw down on the credit facility, TerrAscend's ability to deploy the funds for the purposes intended, TerrAscend's ability to source attractive investment opportunities in the United States and execute on such opportunities, including being able to finance any such opportunities; 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 rates.

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).

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