

TerrAscend Enters Into Amendment to the Membership Interest Purchase Agreement to Acquire Gage's Licensed Operators and Extends Proxy Cut-Off for Voting at Special Meeting

NEWS PROVIDED BY

TerrAscend →

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Amendment is expected to facilitate and potentially expedite the timeframe in which the conditions for the closing of the Acquisition of Gage may be completed

Deadlines to accept proxies and revocations extended to 12:00 p.m. (Eastern time) on the date of the special meeting, November 11, 2021

TerrAscend encourages all minority shareholders to submit their votes in advance of the extended proxy cut-off; over 99% of the votes submitted by minority shareholders have been voted FOR the ordinary resolution submitted to shareholders for consideration at the TerrAscend meeting

NEW YORK and TORONTO, Nov. 9, 2021 /CNW/ - TerrAscend Corp. ("TerrAscend" or the "Company") (CSE: TER) (OTCQX: TRSSF), a leading North American cannabis multi-state operator, today announced that, as part of its previously announced acquisition of Gage Growth Corp. ("Gage") (CSE: GAGE, OTCQX: GAEGF), a leading high-quality premium cannabis brand and operator, TerrAscend's wholly-owned subsidiary (the "TerrAscend Subsidiary") entered into

an amendment (the "MIPA Amendment") to the membership interest purchase agreement (the "MIPA") with the owners of the licenses that Gage supports in the State of Michigan (the "Licensed Operators").

As announced on September 1, 2021, TerrAscend entered into an arrangement agreement as amended (the "Arrangement Agreement") for the proposed acquisition of all of the issued and outstanding securities of Gage by way of a court-approved plan of arrangement under the *Canada Business Corporations Act* (the "Transaction"). As set out in TerrAscend's management information circular dated October 4, 2021 (the "TerrAscend Circular"), concurrent with TerrAscend and Gage entering into the Arrangement Agreement, the TerrAscend Subsidiary entered into the MIPA with the Licensed Operators and the direct or indirect owner of the Licensed Operators which hold cannabis licenses and permits in connection with the Gage business (the "Seller").

The 'First Closing' under the MIPA is a condition precedent for the completion of the Transaction. The purpose of entering into the MIPA Amendment is to potentially expedite achieving the 'First Closing' and, in turn, the completion of the Transaction, as described in more detail below. No other amendments are being made to the MIPA, the plan of arrangement or the Arrangement Agreement at this time. The parties to the MIPA continue to have the ability to waive conditions in their favour as they may so determine. A copy of the MIPA Amendment will be filed under TerrAscend's profile on SEDAR at www.sedar.com.

The MIPA 'First Closing'

As set out in the TerrAscend Circular, prior to entering into the MIPA Amendment, the 'First Closing' was conditional upon the transfer of cannabis licenses and permits representing 70% of Gage's revenue to Thrive Enterprises, LLC (among other conditions that must be satisfied or waived and described in more detail in the TerrAscend Circular). The MIPA Amendment allows for the 70% revenue condition to now be achieved through AEY Holdings, LLC, in addition to Thrive Enterprises, LLC. Both entities are Licensed Operators owned directly or indirectly by the Seller which hold cannabis licenses and permits in connection with the Gage business.

The MIPA Amendment was recommended by the Special Committee to the TerrAscend board of directors having determined that the MIPA Amendment is in the best interests of TerrAscend. The disinterested members of TerrAscend's board of directors unanimously

approved the MIPA Amendment.

Completion of the Transaction remains subject to court approval and the requisite approval of Gage's and TerrAscend's shareholders. If the requisite approvals are obtained, the Transaction will be completed as soon as possible after satisfaction or waiver of all remaining conditions precedents, including required regulatory and licensing approvals.

TerrAscend Shareholder Meeting and Extension of Deadline to Submit Proxies and Revocations

TerrAscend's special meeting of shareholders will continue to be held virtually at <https://web.lumiagm.com/235154159> (password "terrascend2021spc") on Thursday, November 11, 2021, at 1:00 p.m. (Eastern Time) (the "TerrAscend Meeting").

In order to permit TerrAscend shareholders the maximum opportunity to have their vote represented at the TerrAscend Meeting, the deadline for the submission of proxies or revocations of a previously submitted proxy will be extended to 12:00 p.m. (noon) Eastern time on Thursday, November 11, 2021. Shareholders are referred to the TerrAscend Circular for detailed instructions on how to vote as a registered or beneficial shareholder.

Over 99% of the votes submitted to date by minority shareholders have been voted FOR the ordinary resolution submitted to shareholders for consideration at the TerrAscend Meeting as set out in the TerrAscend Circular. TerrAscend continues to encourage all minority shareholders to submit their votes in advance of the extended proxy cut-off.

Shareholder Questions

If shareholders have any questions or require assistance with voting, please contact Laurel Hill Advisory Group, TerrAscend's proxy solicitation agent, by telephone at 1-877-452-1784 toll-free in North America (1-416-304-0211 Outside North America) or by e-mail at assistance@laurelhill.com, or your professional advisor.

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, licensed cultivation and processing operations in Maryland and licensed production in Canada. TerrAscend operates an award-winning chain of The 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 several synergistic businesses and brands, including The Apothecarium, Ilera Healthcare, Kind Tree, Prism, State Flower, Valhalla Confections, and Arise Bioscience Inc.

For more information about TerrAscend, visit www.terrascend.com.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

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. 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.

Forward-looking statements in this news release include, but are not limited to: statements with respect to the anticipated completion of the Transaction and the timing for its completion and fulfilling certain closing conditions related to the transfer of License Assets; the timing of the TerrAscend Meeting; and the satisfaction of closing conditions which include, without limitation, approvals and closing conditions contained in the Arrangement Agreement and the MIPA (as amended). Actual results and developments may differ materially from those contemplated by these statements.

Such forward-looking statements are based on certain assumptions regarding TerrAscend and Gage, including the successful completion of the Transaction, anticipated benefits from the Transaction, and expected growth, results of operations, performance, industry trends and growth opportunities. While TerrAscend considers these assumptions to be reasonable, based on information currently available, they may prove to be incorrect.

Among other things, there can be no assurance that the Transaction will be completed or that the anticipated benefits from the Transaction will be achieved. Readers are cautioned not to place undue reliance on forward-looking 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; with respect to TerrAscend and the risk factors set out in the TerrAscend Circular, TerrAscend's most recently filed MD&A, filed with the Canadian securities regulators and available under TerrAscend's profile on SEDAR at www.sedar.com, and with respect to Gage, the risk factors set out in Gage's management information circular dated October 12, 2021, Gage's most recently filed MD&A, filed with the Canadian securities regulators and available under Gage's profile on SEDAR at www.sedar.com.

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.

Cautionary Note 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 or Gage of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against TerrAscend or Gage. The enforcement of federal laws in the United States is a significant risk to the respective business of TerrAscend and Gage and any proceedings brought against TerrAscend or Gage thereunder may adversely affect their respective operations and financial performance.

SOURCE TerrAscend

For further information: Keith Stauffer, Chief Financial Officer, IR@terrascend.com; Rob Kelly, MATTIO Communications, terrascend@mattio.com

Related Links

<https://www.terrascend.com/>