



## **TERRASCEND CLOSES INITIAL TRANCHE OF US\$30 MILLION NON-BROKERED PRIVATE PLACEMENT**

NEW YORK and TORONTO, May 25, 2020 // - TerraAscend Corp. ("TerraAscend" or the "Company") (CSE:TER, OTCQX: TRSSF), a leading North American cannabis operator, today announced the closing of the first tranche of its previously announced non-brokered private placement ("the Offering"), issuing 13,646 Units at an issue price of US\$2,000 per Unit resulting in proceeds to the Company of US\$27.3 million.

Each noninterest-bearing Unit is comprised of one convertible preferred share in the capital of the Company (each, a "Convertible Preferred Share") and one convertible preferred share purchase warrant (each, a "Warrant"). The Convertible Preferred Shares convert to 1,000 common shares (for non-U.S. investors) at an issue price of US\$2.00 per common share and the economic equivalent in proportionate voting shares (for U.S. investors). Each Warrant will entitle the holder thereof to purchase one Convertible Preferred Share in the capital of the Company at an exercise price of US\$3,000 per share, or the equivalent of US\$3.00 per common share, as adjusted from time to time pursuant to the terms of the Warrants, at any time prior to 5:00 p.m. (Toronto time) on May 22, 2023.

Subject to the satisfaction of customary closing conditions, the Company currently anticipates a second closing of approximately USD\$3.8mm on or around May 29, 2020. For further details concerning the Offering, please refer to the Company's news release dated May 19, 2020.

As previously announced, the initial closing included a US\$20 million lead order from funds advised by JW Asset Management, LLC, affiliates of Mr. Jason Wild, Chairman of TerraAscend. This investment may therefore constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 – Protection of Minority Shareholders in Special Transactions ("MI 61-101"). TerraAscend relied on exemptions from the formal valuation and minority approval requirements of MI 61-101 contained in Section 5.5(a) and Section 5.7(1)(a), respectively, on the basis of the fair market value of the transaction being not more than 25% of the market capitalization of TerraAscend. The terms of the Offering were unanimously approved by the disinterested members of TerraAscend's Board of Directors, with Mr. Wild abstaining in light of his disclosed interest in the transaction. TerraAscend was not in a position to file a material change report 21 days prior to closing because the terms of the Offering and insider participation were not yet established by that time, and TerraAscend elected to expedite closing of the Offering for sound business reasons.

*The securities to be issued pursuant to the Offerings have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "1933 Act"), or under any state securities laws, and may not be offered or sold, directly or indirectly, or delivered within the United States absent registration or an applicable exemption from the registration requirements. This news release does not constitute an offer to sell or a solicitation to buy such securities in the United States.*

***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 TerraAscend**

TerrAscend provides quality products, brands, and services to the global cannabinoid market. As the first North American Operator (NAO), with scale operations in both Canada and the US, TerrAscend participates in the medical and legal adult use market across Canada and in several US states where cannabis has been legalized for therapeutic or adult use. TerrAscend was the first cannabis company with sales in the US, Canada, and Europe. TerrAscend operates a number of synergistic businesses, including The Apothecarium, an award-winning cannabis dispensary with several retail locations in California; Arise Bioscience Inc., a manufacturer and distributor of hemp-derived products; Ilera Healthcare, Pennsylvania's premier medical marijuana cultivator, processor and dispenser; and Valhalla Confections, a manufacturer of premium cannabis-infused edibles. TerrAscend holds a cultivation permit in the State of New Jersey and is pending approval for a vertically integrated medical cannabis operation with the ability to operate up to 3 Alternative Treatment Centers. Additionally, TerrAscend holds a Medical Cannabis Processor License in the State of Utah. For more information, visit [www.terrascend.com](http://www.terrascend.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", "forecast", "project", "estimate", "outlook" and other similar expressions, and include statements with respect to future revenue and profits. 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.

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, 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 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](http://www.sedar.com). The Offering is subject to customary conditions including applicable regulatory approvals and the execution of definitive agreements, and no assurances are given as to whether the additional tranches of the Offering will be completed on the terms or timeline set forth herein or at all.

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.

*For more information regarding TerrAscend:*

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