



**TERRASCEND ANNOUNCES US\$30 MILLION NON-BROKERED PRIVATE PLACEMENT WITH INDICATIVE LEAD ORDERS OF APPROXIMATELY US\$28 MILLION**

- *CAPEX fully funded to complete all planned strategic growth projects*

NEW YORK and TORONTO, May 19, 2020 // - TerrAscend Corp. ("TerrAscend" or the "Company") (CSE: TER, OTCQX: TRSSF), a leading North American cannabis operator, today announced a non-brokered private placement for gross proceeds of approximately US\$30.0 million ("the "Offering"), with the ability, at the Company's discretion, to upsize the amount of the Offering to aggregate gross proceeds of between US\$35.0 and US\$40.0 million. The Company has received initial investor commitments totaling US\$28.0 million, including a US\$20.0 million lead order from JW Asset Management LLC ("JW Asset Management") which is expected to close on or about May 21, 2020, subject to customary closing conditions.

The Company intends to use the proceeds from the Offering to fund TerrAscend's growth initiatives including its U.S. expansion strategy, capital expenditures, working capital, and general corporate purposes.

"This planned funding positions TerrAscend with a strong balance sheet that enables us to continue to build depth in the high-quality markets where we operate," said Jason Ackerman, CEO and Executive Chairman of TerrAscend. "We are now fully funded to complete all of our CAPEX projects, which will fuel the growth of both the cultivation and dispensary sides of our business. We're fortunate to have developed a strong partnership with JW Asset Management and appreciate their support, and the support of the other investors, as we capitalize on the opportunities ahead."

The Offering consists of a number of units of the Company (each, a "Unit") issued at the price of \$2,000 per Unit (the "Purchase Price"). Each Unit will be 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"). Each Warrant will entitle the holder thereof to purchase one Convertible Preferred Share in the capital of the Company (each, a "Warrant Share") at a price of \$3,000 per 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 the date that is 36 months from the date of issuance of the Units. The Convertible Preferred Shares convert to 1,000 common shares (for non-U.S. investors) and the economic equivalent in proportionate voting shares (for U.S investors).

*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 TerrAscend**

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 U.S., TerrAscend participates in the medical and legal adult use market across Canada and in several U.S. states where cannabis has been legalized for therapeutic or adult use. TerrAscend was the first cannabis company with sales in the U.S., 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 three 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).

### **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 US 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.

### **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 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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