

February 11, 2019



TerrAscend Establishes US Retail Footprint

ANNOUNCES SIGNING OF SECURITIES PURCHASE AGREEMENTS WITH THE APOTHECARIUM

All of The Apothecarium team members will continue in their current roles and join TerrAscend's rapidly expanding US operations

TORONTO, Feb. 11, 2019 /PRNewswire/ - TerrAscend Corp. (CSE: TER; OTCQX: TRSSF) ("TerrAscend") today announced the signing of definitive securities purchase agreements facilitating a significant investment in three entities in California operating the award-winning retail dispensary brand known as "The Apothecarium" (the "Apothecarium"). The purchase agreements also include the acquisitions of a vertically integrated operation in Nevada with cultivation, edible manufacturing and an Apothecarium retail location, as well as Valhalla Confections, a provider of leading premium edible products.



The Apothecarium's four retail dispensaries in California and Nevada provide quality cannabis to both medical patients and adult-use customers. The company's flagship location has been named the best-designed dispensary in the country by Architectural Digest. TerrAscend has agreed to pay cash consideration of US\$73.7mm plus proportionate voting shares in the equity of TerrAscend equivalent to 7.325mm TerrAscend common shares, which, based on the price of TerrAscend common shares from Friday's close, would represent total consideration of approximately US\$118.4mm. Such consideration is payable by TerrAscend in stages, subject to regulatory approvals by various local and state authorities in each of the markets where the assets and licenses are held, as well as certain customary closing conditions. The combined California and Nevada operations had 2018 revenues in excess of US\$45mmⁱ.

"Today's news is another major step in executing TerrAscend's US strategy. Ryan Hudson and his team have done a tremendous job building The Apothecarium and Valhalla into successful, world-class brands in the most sophisticated and coveted US markets," said Matthew Johnson, President of TerrAscend Corp., and TerrAscend USA, Inc. "Their strong management team brings best-in-class cultivation, distribution, retail, branding, design, and regulatory expertise, which are well aligned with and further supplement TerrAscend's existing strategy and operations. We believe The Apothecarium is the model for operational

excellence and will set the tone for our US cultivation and retail expansion, and we admire their philanthropic dedication and local community engagement. We look forward to working together with the members of the current team to bring the Apothecarium's unique experience to more communities and improve patient access to quality cannabis products and services."

"We couldn't be more excited to come together with TerrAscend," said Ryan Hudson, CEO, and co-founder of The Apothecarium. "TerrAscend's focus on health and science is a great fit with our focus on patient education and serving the needs of the community. We chose to work with TerrAscend because they understand the essence of the Apothecarium experience and have the means necessary to bring it to a national audience. Additionally, TerrAscend recognized the value of all our team members continuing in their current roles. We want to continue doing what we do best and they want the same thing," concluded Hudson.

About TerrAscend Corp.

TerrAscend is a biopharmaceutical and wellness company that is committed to quality products, brands and services for the global cannabinoid market. The Company's wholly-owned subsidiary, TerrAscend Canada Inc., is a licensed producer of cannabis that provides medical cannabis, education and support to patients through Solace Health, its online sales and support platform. The Company also participates in the legal adult-use market in Canada and in US states where cannabis has been legalized for therapeutic or adult-use. TerrAscend operates a number of synergistic businesses, including Arise Bioscience Inc., a manufacturer and distributor of hemp-derived products, Ascendant Laboratories Inc., a biotechnology and licensing company committed to the continuous improvement of cannabinoid expressing plants, and Solace RX Inc., a proposed drug preparation premises focused on the manufacturing of novel pharmaceutical products.

About the Apothecarium and Valhalla Confections

The Apothecarium is recognized as one of the nation's premier cannabis dispensaries, with an emphasis on education via in-depth one-on-one consultations from highly trained cannabis consultants. The company was founded by three first cousins and two family friends in 2011. The dispensaries are known for providing free cannabis education events that are open to the public. The Apothecarium's flagship Castro dispensary was named the best-designed dispensary in the country by Architectural Digest. Patients and customers may order their medicine in the dispensaries or online for pickup or delivery. *CA Licenses: A10-18-0000122-TEMP, A10-18-0000132-TEMP, A10-18-0000137-TEM.* More information at apothecarium.com

Valhalla (CA Licenses: *CDPH-T00000753 & CDPH-T00000178*) is a premier manufacturer of select cannabis-infused artisan edibles that are gluten free, and made with organic ingredients, all while maintaining eco-friendly practices. Valhalla was formed in 2014 in connection with The Apothecarium principals.

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 may contain "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 completion of the transactions discussed herein and the anticipated benefits thereof. 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 of the parties to satisfy the conditions to closing set out in the definitive documentation in a timely manner or at all; 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 rate.

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).

i Based on unaudited financial statements prepared in accordance with U.S. GAAP.

 View original content to download multimedia <http://www.prnewswire.com/news-releases/terrascend-establishes-us-retail-footprint-300793041.html>

SOURCE TerrAscend