

June 6, 2019



TerrAscend Announces Closing of Previously Announced Transactions with The Apothecarium in California

--- Establishes the Company's retail footprint in the US with the integration of The Apothecarium's operations (including all employees)

--- Transactions include three San Francisco dispensaries, two additional retail locations, and Valhalla Confections

--- New locations in Berkeley, California and Phillipsburg, New Jersey expected to open in the fourth quarter of 2019

TORONTO, June 6, 2019 /PRNewswire/ - TerrAscend Corp. (CSE: TER; OTCQX: TRSSF) ("TerrAscend" or the "Company") has closed a series of transactions to acquire the California operations of the award-winning retail dispensary brand known as "The Apothecarium" for consideration comprised of US\$36.8 million in cash and proportionate voting shares in the equity of TerrAscend equivalent to 6.7mm common shares of the Company. The transactions include three entities operating the San Francisco locations of The Apothecarium, two additional retail locations, and Valhalla Confections, a leading provider of premium edible products. The Company plans to close the full acquisition of the Apothecarium's California entities as well as the acquisition of The Apothecarium's Nevada entities following receipt of final regulatory approvals, which are expected in the second or third quarter of 2019. The Company initially announced the transaction in a press release dated February 11, 2019.



"The Apothecarium is the model for operational excellence and represents a key element in our strategy to become the leading North American Operator in the cannabis sector,"

said Matthew Johnson, President of TerrAscend Corp., and TerrAscend USA, Inc. "Ryan Hudson and the rest of The Apothecarium team share our relentless commitment to integrity, quality, and trust in every aspect of the business. Together we will bring The Apothecarium to more patients and customers while potentially creating substantial shareholder value."

"We are delighted to be joining forces with TerrAscend," said Ryan Hudson, CEO and co-founder of The Apothecarium. "Our shared focus on health, education, and community are what brought us together last year. What's become clear over the last several months is that we also share a core set of values. We've forged strong personal connections and we share a vision for the future of our combined organization. Personally, I'm excited about the opportunities that we can provide to our team members, each of whom will continue in their current roles, providing excellent service to our guests and helping to open new Apothecarium locations."

The Company plans to open new Apothecarium locations in Berkeley, California and Phillipsburg, New Jersey in the fourth quarter of 2019.

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 US, the Company 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. Additionally, TerrAscend will soon be the first and only cannabis company with sales in the US, Canada, and Europe as it has received EU GMP certification for its manufacturing facility in Mississauga, Ontario. 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 (DPP) focused on the development of novel formulations and delivery forms.

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 educational events that are open to the public. The Apothecarium's flagship San Francisco dispensary was named one of the best-designed dispensaries in the country by Architectural Digest. Patients and customers may order their medicine in the dispensaries or online for pickup or delivery. The Apothecarium in California is comprised of RHMT, LLC, Deep Thought, LLC, Howard Street Partners, LLC, PNB Noriega, LLC, and BTHHM Berkeley, LLC. *CA Licenses: A10-18-0000122-TEMP, A10-18-0000132-TEMP, A10-18-0000137-TEM.* More information at apothecarium.com

Valhalla (V Products, LLC; CA Licenses: *CDPH-T00000753 & CDPH-T00000178*) is a premier manufacturer of select cannabis-infused artisan edibles that are gluten free, and made with ingredients free of chemically formulated fertilizers, growth stimulants, antibiotics, or pesticides, 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, 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. 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 of the Nevada entities set out in the definitive documentation in a timely manner or at all; TerrAscend's ability to complete the opening of the Berkeley, California and Phillipsburg, New Jersey dispensaries on schedule 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).



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