

December 31, 2019



# TerrAscend Provides Update and Closing Details for its Oversubscribed US\$20 million Private Placement

**/NOT FOR DISSEMINATION IN THE UNITED STATES OR THROUGH U.S. NEWSWIRE SERVICES/**

- ***Deal is upsized to US\$30 million based on strong investor demand***
- ***Initial tranche of approximately US\$24 million closed today; final (fully subscribed) tranche to close on January 7***

TORONTO, Dec. 30, 2019 /CNW/ - TerrAscend Corp. (CSE:TER) ("TerrAscend" or the "Company"), the first and only global cannabis company licensed for sales in Canada, the US, and the EU, today announced that its previously announced private placement (the "Private Placement") generated strong investor interest and oversubscribed demand. Correspondingly, the Company has increased the offering size to approximately US\$30 million which has been fully allocated and is anticipated to close in two tranches.



Today the Company closed the first tranche of the Private Placement, issuing 12,968,325 Units at an issue price of CAD\$2.45 per Unit resulting in proceeds to the Company of CAD\$31,772,412. Each Unit consists of one common share in the capital of the Company (the "Common Shares") and one Common Share purchase warrant (a "Warrant"). Each Warrant will be exercisable to acquire one Common Share (a "Warrant Share") prior to January 14, 2022 at an exercise price of CAD\$3.25 per Warrant Share.

The Company has received subscriptions for the entire US\$30 million, including significant participation from Chairman Jason Wild, Executive Chairman Jason Ackerman, and all of the Company's additional directors. Subject to the satisfaction of customary closing conditions, including the approval of the Canadian Securities Exchange, the final tranche of the Private Placement is expected to close on January 7.

The Company intends to use the proceeds from the Private Placement to accelerate the completion of the New Jersey cultivation and processing facilities, to satisfy the previously announced January 2020 contingent purchase price payment related to the acquisition of Ilera Healthcare, and for working capital and general corporate purposes.

For further details concerning the Private Placement, please refer to the Company's news

release dated December 10, 2019.

The securities to be issued pursuant to the private placement 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 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. TerrAscend is the first and only 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 and Nevada; Arise Bioscience Inc., a manufacturer and distributor of hemp-derived products; Ilera Healthcare LLC, Pennsylvania's premier medical marijuana cultivator, processor and dispenser; Ascendant Laboratories Inc., a biotechnology and licensing company committed to the continuous improvement of cannabinoid expressing plants; Solace RX Inc., a proposed Drug Preparation Premises (DPP) focused on the development of novel formulations and delivery forms; and Valhalla Confections, a manufacturer of premium cannabis-infused edibles. Additionally, TerrAscend has been chosen by the State of New Jersey to be one of six permit applicants for a vertically integrated medical cannabis operation. 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, risks related to closing subsequent tranches of the Offerings; the expected timing for completion of subsequent tranches of the Offerings, including the satisfaction of customary closing conditions; current and future market conditions, including the market price of the common shares of the Company; 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, filed with the Canadian securities regulators and available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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.

SOURCE TerrAscend