

# HARVEST

NEWS RELEASE

## Harvest Announces Planned Divestment of Select California Retail Assets to High Times

4/28/2020

PHOENIX, April 28, 2020 /PRNewswire/ -- **Harvest Health & Recreation Inc.** (CSE: HARV) (OTCQX: HRVSF) ("Harvest"), a vertically integrated cannabis company and multi-state operator (MSO) in the U.S., today announced plans to divest select retail assets in California to Hightimes Holding Corp. ("High Times"). Harvest and its affiliates intend to sell a portfolio of equity and assets with respect to 13 operational and planned dispensaries in California for total consideration including up to \$5 million in cash, \$7.5 million as a one-year promissory note with 10% interest, and \$67.5 million in Series A Preferred Stock issued by High Times. Harvest will retain select retail dispensaries and licenses for potential retail locations in California following completion of this transaction.

"This planned divestment of select retail assets in California allows Harvest to focus on optimizing operations and expanding assets in core markets such as Arizona, Florida, Maryland, and Pennsylvania while retaining a smaller retail presence in California" said Chief Executive Officer Steve White. "We will continue to examine the strategic value of our assets and streamline operations as we move toward achieving our profitability goals."

The transaction is expected to close by June 30, 2020 subject to various closing conditions and contingencies including regulatory approvals and availability of capital consideration. Assets may be excluded from the divestment plan if required approvals are not obtained resulting in an adjustment to the total consideration.

### About Harvest Health & Recreation Inc.

Headquartered in Tempe, Arizona, Harvest Health & Recreation Inc. is a vertically integrated cannabis company and multi-state operator (MSO). Since 2011, Harvest has been committed to expanding its retail and wholesale presence throughout the U.S., acquiring, manufacturing, and selling cannabis products for patients and consumers in addition to providing services to retail dispensaries. Through organic license wins, service agreements, and targeted acquisitions, Harvest has assembled an operational footprint with cultivation, manufacturing and retail locations spanning multiple states in the U.S. Harvest's mission is to improve lives through the goodness of cannabis. We hope you'll join us on our journey: <https://harvesthoc.com>

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## Forward-looking Statements

This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of Harvest with respect to future business activities. Forward-looking information is often identified by the words "may," "would," "could," "should," "will," "intend," "plan," "anticipate," "believe," "estimate," "expect" or similar expressions and include information regarding: (i) expectations regarding the size of the U.S. cannabis market, (ii) the ability of the Company to successfully achieve its business objectives, (iii) plans for expansion of Harvest, and (iv) expectations for other economic, business, and/or competitive factors.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflects Harvest management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Harvest believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the combined Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: the ability of Harvest to open additional retail locations and meet its revenue growth and profitability objectives, the ability of Harvest to integrate recent acquisitions, the ability of Harvest to obtain and/or maintain licenses or other contractual rights to operate in the jurisdictions in which it operates or in which it expects or plans to operate; changes in general economic, business and political conditions, including changes in the financial markets; and in particular in the ability of Harvest to raise debt and equity capital in the amounts needed and at the costs that it expects; adverse changes in the public perception of cannabis; decreases in the prevailing prices for cannabis and cannabis products in the markets that Harvest operates in; adverse changes in applicable laws; or adverse changes in the application or enforcement of current laws, including those related to taxation; and increasing costs of compliance with extensive government regulation. This forward-looking information may be affected by risks and uncertainties in the business of Harvest and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Harvest has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Harvest does not intend, and does not assume any

obligation, to update this forward-looking information except as otherwise required by applicable law.

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