

# HARVEST

NEWS RELEASE

## Harvest and Verano Announce Mutual Termination of Business Combination Agreement

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PHOENIX, March 26, 2020 /PRNewswire/ -- Today **Harvest Health & Recreation Inc.** (CSE: HARV, OTCQX:HRVSF) ("**Harvest**") and Verano Holdings, LLC ("**Verano**") announced the mutual termination of the Business Combination Agreement dated April 22, 2019 (the "BCA").

Prolonged obstacles in meeting requirements for state and local regulatory authorities needed to transfer ownership and operational licenses, adverse capital market conditions, a challenging environment for asset sales, all contributed significantly to the decision not to move forward with the pending acquisition. No breakup fees or other considerations are owed by either party as a result of the termination of the BCA.

"Given the persistent challenges in consummating this deal and current market conditions both companies felt it was prudent to move forward separately at this time," said Steve White, Harvest CEO. "We have tremendous respect for the entire team and operations at Verano Holdings. We wish them well and look forward to possibly working together in the future."

Mr. White continued, "We remain focused on continued development of assets in our core markets including Arizona, Florida, Maryland, and Pennsylvania. Recent capital raising efforts have afforded the company sufficient resources to continue to invest in strategic projects while moving toward profitability."

"This decision was not taken lightly," said George Archos, Verano Holdings CEO. "While both organizations worked very hard to consummate this transaction, significant delays in closing started with the Hart-Scott-Rodino antitrust review process. Those were followed by state and local regulatory complexities in multiple states. Now with the COVID-19 pandemic often being dealt with in the very agencies that must approve the transaction, it has become clear that this combination would not be completed within the established timeframe. We look forward to continuing to grow our operations as one of the largest privately held multi-state operators in the U.S."

Harvest will provide an in-depth corporate update on capital, M&A, strategy and outlook during its fourth quarter

earnings call on Tuesday, April 7th at 5 PM EDT.

## 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 one of the largest footprints in the U.S., with rights to operate or support over 140 facilities, including more than 100 potential retail locations across 13 states. 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

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.

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