FOR IMMEDIATE RELEASE:

Harvest Health & Recreation Extends Breadth & Depth of Dominant U.S. Footprint with Acquisitions in Four East Coast States

- ***New assets and licenses in New Jersey, Pennsylvania, Maryland and Delaware extend Harvest's unrivaled national U.S. presence allowing up to 213 facilities in 17 states and territories.***

- ***Harvest to quickly bring leading brands/product lines, logistics and infrastructure from Falcon, CBx Enterprises and Verano to eastern retail and wholesale markets.***

- ***Move comes as a result of recent $500MM financing that will continue to be used entirely for purchase of subsequent strategic assets.***

April 9, 2019—PHOENIX—Harvest Health & Recreation, Inc. (CSE: HARV, OTCQX: HRVSF) ("Harvest"), a vertically integrated cannabis company with one of the largest and deepest footprints in the U.S., is pleased to announce it has entered into a binding, definitive agreement to acquire CannaPharmacy, Inc. ("CannaPharmacy"), subject to satisfaction of customary closing conditions, including receipt of regulatory approvals in the relevant states. CannaPharmacy owns or operates (through management companies) cannabis licenses in Pennsylvania, Delaware, New Jersey, and Maryland and holds a minority interest in a pending licensee in Colombia. Harvest expects that the transaction will be accretive to Harvest's 2020 revenue and EBITDA.

"All of our efforts back up our three core objectives; to expand and deepen our retail and wholesale footprint, build national brands and continue our path to profitable growth, and this CannaPharmacy deal is no different," said Jason Vedadi, Executive Chairman of Harvest. "Harvest has led the cannabis market in the Western United States for years, and this acquisition will similarly widen and extend our U.S. foothold to the East Coast. When you add that to our existing dominant position in the Pennsylvania and Maryland markets, acquisition of CBx and its suite of brands, as well as our pending acquisitions of Falcon and Verano, with its holdings throughout the eastern seaboard and brands and infrastructure to leverage, we are looking at Harvest becoming a household name throughout the region in a matter of months."

Expanding Unrivaled National Footprint

CannaPharmacy has operations in four contiguous northeastern U.S. states. The licenses and assets of CannaPharmacy will add to Harvest's extensive national footprint, already the country's largest and deepest in terms of licenses and facilities permitted across 17 states and Puerto Rico. Upon closing of this transaction and closing of its previously announced acquisition of Verano Holdings LLC ("Verano") Harvest will hold licenses that allow it to operate up to 213 facilities, including 130 retail dispensaries.

"We're seeing significant M&A activity across our industry, but the most important factors are the price one pays for an acquisition, strength of the assets relative to the market size and synergies between the companies," said Steve White, CEO of Harvest. "Harvest was already fully funded to build out our entire footprint, inclusive of the significant assets that come with the Verano acquisition. Our recent $500 million financing, secured in $100 million traunches for new accretive acquisitions like CannaPharmacy, continues to solidify Harvest's position as the leading company in the cannabis industry in reach, brands, infrastructure, assets and footprint."

This acquisition includes:

<u>New Jersey</u>

- One of six operational (and 12 awarded) fully vertical licenses, permitting cultivation, retail sales and manufacturing.
- Woodbridge, NJ flagship store open and operational on a major highway since 2013, one of six in the state, 20 miles from NYC. According to the most recent NJ Dept. of Health annual report in April 2018, this dispensary has served more patients and completed more cannabis transactions since inception than any other dispensary.
- A satellite store is approved and under construction in Union, NJ, 17 miles from NYC, on one of the most heavily trafficked highway corridors in the state at the intersection of the Garden State Parkway, NJ Turnpike, Route 22, and Route 78.
- Approval pending for a third dispensary in densely populated Monmouth County, NJ (the "Jersey Shore"), which presently does not have a single dispensary.
- 43.4% year-over-year revenue growth from 2017 to 2018.
- New Jersey has 42,000 medical patients and growing 60 percent annually.

<u>Pennsylvania</u>

- One 46,800 square foot cultivation and processing facility in the fifth most populous state in the country, with a statutory cap of 25 grower-processors;
- Facility is a former Pepsi bottling plant employing local Pennsylvanians.
- Harvest currently has seven state licenses allowing up to 21 retail stores throughout the state.
- Pennsylvania currently has 116,000 medical patients as of February 2019 and growing at 10 percent month over month.

<u>Maryland</u>

- Rights to one dispensary in Prince George's County.

<u>Delaware</u>

- One of three fully vertical licenses, permitting cultivation, manufacturing, and three retail dispensaries.
- Newark, DE flagship open and operational on a major highway leading into the heart of downtown, one of four stores statewide, in the county that hosts 60 percent of the state's population.
- Two additional dispensaries expected to open in 2019-2020.

- Delaware currently has 7,104 medical patients, a 53 percent increase from 2017, and is experiencing rapid growth in a state with one of the most liberal lists of qualifying conditions in the country.

Harvest recently won every license it applied for in Pennsylvania, giving the company the ability to open up to 21, the largest retail network in the state. Harvest received the highest scores on all but one of its regional applications (where it placed 2nd overall) based on its responses to the criteria developed by the Pennsylvania Department of Health.

Building the First National Brands & Infrastructure

"The acquisitions of Falcon and Verano along with our already completed acquisition of CBx Enterprises will bring our proven best-in-class logistics and delivery model and suite of premium and best-selling brands to these vibrant markets to allow Harvest to quickly, safely and effectively provide the highest-quality cannabis to patients across the East Coast," continued White. "These transactions allow us to effectively reach more than 1,000 dispensaries across the country. This move will finally enable the first national brands to establish themselves coast-to-coast in cannabis."

Harvest's pending acquisition of Verano Holdings includes:

- Licenses and operations in 11 states and territories, including seven cultivation licenses, 37 retail licenses and potential to reach 150+ million Americans;
- Vertically integrated, cash-flow positive operations;
- Proven executive team with retail, manufacturing, branding, logistics and operational experience and 300 employees. Hiring for approximately 300 new positions in 2019 with a focus on hiring minorities, women and veterans;
- Game changing ethanol extraction technology at pharmaceutical grade levels providing new market opportunities for cannabis biotech, food and beverage verticals;
- Portfolio of premium proprietary brands with 150 + product SKUs sold in 150 + retail locations;
- Total cultivation expansion capacity of 900,000 sq. ft in Illinois, Nevada & Maryland;
- Ownership of an interest in nine Zen Leaf™ dispensaries with average annual revenues 2.5x higher than retail cannabis industry averages

Harvest's pending acquisition of Falcon International includes:

- A management team comprised of business and cannabis industry professionals with expertise managing high-growth companies.
- 16 cannabis licenses spanning across the industry's cultivation, manufacturing and distribution verticals.
- Falcon is one of the state's largest distribution platforms providing Harvest with access to over 80 percent of the California storefronts. Falcon's strong distribution network gives Harvest the ability to distribute its own high-quality brands to dispensaries across California.
- Sophisticated automation and production capabilities with capacity for over one million packaged units per month. The company is currently expanding their facility to triple

capacity, which includes additional space for joint ventures or other colocated manufacturing relationships.
- Deep cultivation expertise and a robust supply chain supporting indoor, greenhouse and outdoor flower brands.
- A portfolio of top-selling California brands including: Cru Cannabis™, Littles™ and High Garden™.

Continued Path to Profitable Growth
Harvest recently announced the private placement of US$500 million in convertible debentures to continue to finance acquisitions and corporate growth. The company is one of the only U.S. multi-state operators with a track record of profitability.

Harvest expects the CannaPharmacy transaction will be accretive to the company's 2020 revenue and EBITDA.

Closing of the acquisition of CannaPharmacy and the previously announced acquisition of Verano and Falcon are subject to applicable regulatory approvals, applicable shareholder or unitholder approvals, approval of the Canadian Securities Exchange, as well as any other approvals that are customary for transactions of this nature. There can be no assurances that the transactions will be completed as proposed or at all.

About Harvest Health and Recreation
Harvest Health & Recreation Inc. is one of the first consistently profitable, vertically integrated cannabis companies with one of the largest footprints in the U.S. Harvest's complete vertical solution includes industry-leading cultivation, manufacturing, and retail facilities, construction, real estate, technology, operational, and brand building expertise — leveraging in-house legal, HR and marketing teams, along with proven experts in writing and winning state-based applications. The company has more than 750 employees with proven experience, expertise and knowledge of in-house best practices that are drawn upon whenever Harvest enters new markets. Harvest's executive team is comprised of leaders in finance, compliance, real estate and operations. Since its founding in 2011, Harvest has grown its footprint every year, has been ranked as the third largest cultivator in the U.S. and currently owns licenses for more than 210 facilities across the U.S. Harvest shares timely updates and releases as part of its regular course of business with the media and the interested public. For more information, visit: https://www.harvestinc.com/.

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) the closing of the acquisitions of CannaPharmacy and Verano, including satisfaction of the conditions to closing of such acquisitions; (ii) expectations regarding the size of the U.S. cannabis market, (iii) the ability of the Company to successfully *achieve its business objectives, (iv) plans for expansion of Harvest, and (v) expectations for other economic, business, and/or competitive factors; and* (vi) *expectations for future revenue and EBITDA.*

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 potential impact of an announcement of a going public transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; and in particular in the ability of the Company to raise debt and equity capital in the amounts 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 the Company operates in; adverse changes in applicable laws; or adverse changes in the application or enforcement of current laws, including those related to taxation; the inability to locate and acquire suitable companies, properties and assets necessary to execute on the Company's business plans; 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.

Non-IFRS Financial and Performance Measures

In this press release, Harvest refers to certain non-IFRS financial measures such as EBITDA, being Earnings Before Interest, Taxes, Depreciation and Amortization. EBITDA measures do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. “EBITDA” is defined as income from operations before depreciation and amortization and certain other charges. Harvest uses EBITDA as an indicator of its principal business activities prior to consideration of how its activities are financed and the impact of taxation and non-cash depreciation and amortization. EBITDA is used by many analysts as one of several important analytical tools and management of Harvest believes it is useful for providing readers with additional clarity on Harvest’s operational performance prior to consideration of how its activities are financed, taxed, amortized or depreciated. For a quantitative reconciliation, please refer to the Company's MD&A filed from time to time.

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