

Harvest Receives Santa Monica Dispensary License as Top Ranked Applicant

Harvest Adds to Growing National Footprint with Sixth License in California and More than 60 Across U.S.

PHOENIX-- December 21, 2018 -- [Harvest Health & Recreation, Inc.](#) (Harvest), a vertically integrated public cannabis company with one of the largest footprints in the United States and now listed publicly on the CSE in Canada (CSE:HARV), was awarded the highest score of all applicants and received one of only two licenses to operate a dispensary in Santa Monica, California. The final decision, by Santa Monica's Director of Planning and Community Development, came after 21 applicants were judged on a series of standards and merits including relevant experience across multiple verticals in the cannabis space, prior demonstration of compliance, financial viability and proposed community benefits. Harvest adds this license to its growing assets in California, more than 60 others nationally and its expanding footprint in 12 states across the US.

“Santa Monica has close to 100,000 residents and is a premiere destination for nearly nine million tourists annually and LA residents. Harvest is proud to add this coveted location to our ever-growing map, further expanding our California footprint, while continuing our goal to deliver unparalleled return on invested capital,” said Steve White, founder and CEO of Harvest. “This latest win is a testament to the experience and approach of our entire application team, which has won more than 50 licenses across the country. This is an application that represents a unique opportunity in California with only two retail licenses being awarded for the popular city. We look forward to bringing our leading products and award-winning storefronts to Santa Monica residents and visitors. California is the largest cannabis market in the world and a crucial part of our long-term expansion plans.”

Founded in 2011 in Arizona, Harvest is now one of the only consistently profitable, vertically integrated cannabis companies in the U.S. The company brings together in-house cultivation, manufacturing, retail facilities, construction, real estate and technologies, backed by experienced finance, compliance, operations, real estate, human resources, marketing and legal teams, who have a proven and trusted track record in writing applications and working in the cannabis industry. With more than 425 employees, Harvest plans to continue to grow its operations across the U.S. and in California throughout 2019.

About Harvest Health & Recreation, Inc.:

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 and operational 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 425 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 and now has more than 60 licenses in 12 states, with planned expansion into additional states by 2020. 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) 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 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.

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