

# HARVEST

## Harvest Successfully Closes \$94 Million with First Tranche of Debt Financing & Strengthens Financial Position

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PHOENIX, December 23, 2019 – [Harvest Health & Recreation Inc. \(CSE: HARV\)](#)

(“**Harvest**”), a vertically integrated cannabis company with one of the largest and deepest footprints in the U.S., announced the closing of the first tranche of its previously announced senior secured notes and units Friday, December 20, 2019. The first tranche resulted in the private placement of, (a) approximately US\$73 million 15% senior secured notes (the “**Coupon Notes**”) due 2022, and (b) approximately 21,000 units (the “**Units**”), with each Unit being comprised of (i) US\$1,000 aggregate principal amount of 9.25% senior secured notes (together with the Coupon Notes, the “**Notes**”) and (ii) 109 subordinate voting share purchase warrants (the “**Warrants**”).

“The closing of this initial tranche serves as the foundation for our 2020 growth objectives and expansion plans,” said Harvest Executive Chairman Jason Vedadi. “We believe this financing adds capital at a reasonable cost and will support Harvest as we continue on a path toward profitability.”

The debt financing is led by Canaccord Genuity Group Inc. (“**Canaccord**”) and A.G.P./Alliance Global Partners and closings of future tranches are subject to customary closing conditions.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or U.S. persons (as such terms are defined in Regulation S under the 1933 Act) absent registration or an applicable exemption from such registration requirements.

***About Harvest Health & Recreation Inc.***

*Headquartered in Tempe, Arizona, Harvest Health & Recreation Inc. is a multi-state cannabis operator (MSO) and vertically-integrated cannabis company. Subject to completion of*

*announced acquisitions, Harvest will have one of the largest footprints in the U.S., with rights to operate more than 210 facilities, of which approximately 130 are retail locations, and more than 1,700 employees across 18 states and territories. Since 2011, the company has been committed to expanding its Harvest House of Cannabis retail and wholesale presence throughout the U.S., acquiring, creating and growing leading brands for patients and consumers nationally and continuing on a path of profitable growth. Harvest's mission is to improve lives through the goodness of cannabis and is focused on its vision to become the most valuable cannabis company in the world. 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 develop Harvest's brand and meet its growth objectives, the ability of Harvest to complete planned acquisitions that are accretive to its revenue, 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 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.*

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