

HARVEST

Harvest Acquires Franklin Labs, LLC Adding Supply and Enhancing Margins in Pennsylvania

PHOENIX, March 27, 2020 – [Harvest Health & Recreation Inc. \(CSE: HARV, OTCQX: HRVSE\)](#) (“Harvest”), a vertically integrated cannabis company with one of the largest and deepest footprints in the U.S., today announced the closing of the acquisition of Franklin Labs, LLC, a subsidiary of CannaPharmacy, for approximately \$25.5 million payable with \$15.5 million in cash and a \$10 million promissory note.

The acquisition includes a 46,800 sq. ft. cultivation and manufacturing/processing facility in Reading, Pennsylvania. Pending necessary approvals, Harvest expects to expand the existing cultivation operation this year and potentially complete further expansion in the future to support market growth. Manufacturing and processing operations are projected to commence this year during the second quarter. The Franklin Labs facility is the only cultivation facility owned by Harvest in Pennsylvania and is expected to supply significant product to retail dispensaries across the state.

“This accretive acquisition helps to alleviate supply constraints in a fast-growing market while contributing to improved financial performance,” said Harvest CEO Steve White. “This investment in Pennsylvania is an important milestone in our plan to expand operations in key states and return to profitability.”

Harvest affiliated entities own and operate five retail dispensaries in Pennsylvania: two in Reading, and one each in Harrisburg, Johnstown, and Scranton. Harvest affiliated entities are permitted for up to 15 total retail locations across the state.

About Harvest Health & Recreation Inc.

Headquartered in Tempe, Arizona, Harvest Health & Recreation Inc. is 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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