

# Harvest Health & Recreation Inc. Announces Upsized Bought Deal Financing of C\$40,000,000

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PHOENIX, October 22, 2020 -- [Harvest Health & Recreation Inc.](#) (“Harvest” or the “Company”) ([CSE: HARV](#)), a vertically integrated cannabis company and multi-state operator in the U.S., is pleased to announce that it has entered into an amended agreement with Eight Capital, pursuant to which Eight Capital, together with Canaccord Genuity Corp., as co-lead underwriters and joint bookrunners, together with a syndicate of underwriters (collectively, the “**Underwriters**”), will now purchase on a “bought deal” basis 17,699,200 units of the Company (“the **Units**”) at a price of \$2.26 per Unit (the “**Offering Price**”) for aggregate gross proceeds to Harvest of \$40,000,192 (the “**Offering**”). (All figures are in Canadian dollars unless otherwise stated.)

Each Unit shall consist of one subordinate voting share of the Company (each, a “**Unit Share**”) and one-half of one subordinate voting share purchase warrant (each whole share purchase warrant, a “**Warrant**”). Each Warrant shall be exercisable into one subordinate voting share of the Company at an exercise price of \$3.05 per share for a period of 30 months from the Closing Date (as defined below) (the “**Warrant Shares**” or together with the Unit Shares, “**Shares**”). If the daily volume weighted average trading price of the subordinate voting shares of the Company on the Canadian Securities Exchange (the “**CSE**”) for any 10 consecutive days equals or exceeds \$4.97, the Company may, upon providing written notice to the holders of the Warrants, accelerate the expiry date of the Warrants to the date that is 30 days following the date of such written notice.

The Company has granted the Underwriters an option, exercisable, in whole or in part, at any time not later than the 30<sup>th</sup> day following the closing of the Offering, to purchase up to an additional 15% of the Offering at the Offering Price for market stabilization purposes and to cover over-allotments, if any (the “**Over-Allotment Option**”). If the Over-Allotment Option is exercised in full, the total gross proceeds of the Offering will be approximately \$46,000,000.

The Units will be offered by way of (i) a prospectus supplement (the “**Prospectus Supplement**”) to Harvest’s short form base shelf prospectus dated June 24, 2020, of which the Prospectus Supplement will be filed with the securities commissions and other similar regulatory authorities in each of the provinces of Canada, other than Quebec; (ii) in the United States by way of private placement pursuant to the exemption from registration provided for under Rule 144A of the United States Securities Act of 1933, as amended; and (iii) in jurisdictions outside of Canada and the United States as are agreed to by the Company and the Underwriters on a private placement or equivalent basis.

The net proceeds of the Offering are expected to be used for working capital and general corporate purposes.

The Offering is expected to close on or about October 28, 2020 (the “**Closing Date**”) and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the CSE.

*The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States or to, or for the account or benefit of, any person in the United States or U.S. persons absent registration or an applicable exemption from the registration requirements. 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.*

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

*Headquartered in Tempe, Arizona, Harvest Health & Recreation Inc. is a vertically integrated cannabis company and multi-state operator. 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 an operational footprint spanning multiple states in the U.S. 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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### **Cautionary Note Regarding Forward Looking Information**

*Neither the Canadian Securities Exchange nor its regulation services provider accepts responsibility for the adequacy or accuracy of this release.*

### **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 effects of the weather, natural disasters, and health pandemics, including the novel coronavirus (COVID-19), on customer demand, the Company's supply chain as well as its consolidated results of operation, financial position and cash flows, 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.*

*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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