

HARVEST

Harvest Health & Recreation Inc. Announces Proposed Offering of Senior Secured Notes and Units

Canaccord Genuity and A.G.P./Alliance Global Partners to Lead Offering of Secured Notes and Units

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PHOENIX, December 6, 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., today announced that it intends to offer (the “**Offering**”), on a private placement basis, (a) senior secured notes (the “**Coupon Notes**”) and (b) units (the “**Units**”), with each Unit being comprised of (i) US\$1,000 aggregate principal amount of senior secured notes (together with the Coupon Notes, the “**Notes**”) and (ii) 109 subordinate voting share purchase warrants (the “**Warrants**”), with each Warrant enabling its holder to purchase one subordinate voting share in the capital of Harvest for a period of three years.

The Offering will be subject to market and other conditions and led by Canaccord Genuity Corp. and A.G.P./Alliance Global Partners, with the selling group including AltaCorp Capital Inc., Eight Capital, INFOR Financial Group and other parties. In connection with the Offering, Harvest has received signed commitments from a group of lead investors to subscribe for an aggregate principal amount of US\$90 million.

“This growth capital will add to Harvest’s existing financial position and will enable us to deliver on our commitment to enhance shareholder value,” said Jason Vedadi, Harvest Executive Chairman. “This financing will position Harvest with greater financial flexibility, the ability to scale with agility and to best drive profitability through our retail and wholesale footprint across the U.S.”

The Notes will mature three years after their issuance and will also contain certain covenants and restrictions on the business of Harvest, including restrictions on the incurrence of debt, asset sales and dividends and other distributions and will require Harvest to repurchase the Notes from holders at a premium in certain circumstances. The Notes are to be secured by a first-priority security interest in specified assets of Harvest and certain of its subsidiaries. The Offering proceeds, when completed, will enable Harvest to expedite its expansion and operational efforts.

Completion of the Offering is subject to definitive agreements to be entered into by the parties. The terms of the Notes and the Warrants are subject to change as the parties negotiate definitive documentation. The closing of the Offering will be subject to certain conditions being satisfied

including, but not limited to, the receipt of all necessary approvals and the absence of material adverse changes.

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 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

This press release contains forward-looking statements. Such statements include, without limitation, statements regarding our expectations, hopes or intentions regarding the future. These forward looking statements can often be identified by their use of words such as "will", "might", "predict", "continue", "forecast", "expect", "believe", "anticipate", "outlook", "could", "would", "target", "project", "intend", "plan", "seek", "estimate", "pursue", "should", "may" and "assume", or the negative thereof, as well as variations of such words and similar expressions referring to the future, and may include (without limitation) statements regarding the terms and conditions and timing of the notes offering. 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 Harvest. Factors that could cause actual results to differ

include (without limitation) the possibility that the notes offering will not be consummated at the expected time, on the expected terms, or at all; and the Company's financial performance. Additional factors are discussed in Harvest's current and periodic reports filed from time to time on SEDAR. All forward-looking statements in this document are made based on information available to the Company as of the date hereof, and, except as specifically required under applicable securities laws, the Company assumes no obligation to update any forward-looking statement.

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