

# Harvest Announces Initial Closing of Divestment of Select California Retail Assets to High Times

PHOENIX, June 23, 2020--[Harvest Health & Recreation Inc.](#) (CSE: HARV, OTCQX: HRVSF) (“Harvest”), a vertically integrated cannabis company and multi-state operator in the U.S., today announced the completion of the initial closing of the divestment of select retail assets in California to Hightimes Holding Corp. (“Hightimes”), previously announced on April 28, 2020 and June 12, 2020. Per the terms of the most recently revised agreement, at the initial closing, Harvest and its affiliates sold a portfolio of equity and assets with respect to eight operational and planned dispensaries in California for total consideration of \$61.5 million, consisting of \$1.5 million in cash and \$60.0 million in Series A Preferred Stock issued by Hightimes. At a second closing, which is subject to various closing conditions and contingencies including third party and regulatory approvals, Harvest and its affiliates intend to sell additional equity and assets with respect to two planned dispensaries in California for total consideration of \$6 million in Series A Preferred Stock issued by Hightimes.

Harvest will retain four operating dispensaries located in Grover Beach, Napa, Palm Springs, and Venice and select licenses for potential retail locations in California following completion of this planned divestment. As such, the previously announced full year 2020 revenue target remains unchanged.

## ***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., with the potential to more than double the number of revenue generating facilities. 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**

*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 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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