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ASX RELEASE

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Harvest One Reports Record Revenues for First Quarter 2020 and Outlines Enhanced Strategic Plan

MMJ Group Holdings Limited (ASX:MMJ) ("MMJ"), an Australian-listed company that specialises in managing a portfolio of investments along the cannabis value-chain, is pleased to advise that Harvest One Cannabis Inc. ("HVT") (TSX-V: HVT; OTCQX: HRVOF) today announced:

- a) the release of its financial and operating results for the three months ended September 30, 2019; and
- b) an enhanced strategic plan focusing on HVT's core strengths of brand development and distribution, including the development and manufacturing of infused products for Cannabis 2.0 and strengthening its consumer packaged goods division. The plan also incorporates immediate cost savings through reductions in workforce and operating overheads as it moves along the path to profitability.

HVT is a global consumer packaged goods company that develops and distributes premium health, wellness, and selfcare products to patients and consumers in regulated markets around the world with a specific focus on sleep, anxiety and pain.

MMJ holds 26%¹ of HVT which is one of the largest investments within the MMJ cannabis and hemp portfolio.

A copy of the HVT announcement is attached to this ASX announcement.

Investor and Media Enquiries

Announcement authorised for release to ASX by:
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About MMJ

MMJ is a global cannabis investment company (ABN 91 601 236 417). MMJ owns a portfolio of minority investments and aims to invest across the full range of emerging cannabis-related sectors including healthcare, technology, infrastructure, logistics, processing, cultivation, equipment and retail. For MMJ's latest investor presentation and news, please visit: <https://www.mmjgh.com.au/investors/>

Important Notice

This announcement contains reference to certain intentions, expectations, future plans, strategy and prospects of MMJ. Those intentions, expectations, future plans, strategy and prospects may or may not be achieved. They are based on certain assumptions, which may not be met or on which views may differ and may be affected by known and unknown risks. The performance and operations of MMJ may be influenced by a number of factors, many of which are outside the control of MMJ. No representation or warranty, express or implied, is made by MMJ, or any of its directors, officers, employees, advisers or agents that any intentions, expectations or plans will be achieved either totally or partially or that any particular rate of return will be achieved. Given the risks and uncertainties that may cause MMJ's actual future results, performance or achievements to be materially different from those expected, planned or intended, recipients should not place undue reliance on these intentions, expectations, future plans, strategy and prospects. MMJ does not warrant or represent that the actual results, performance or achievements will be as expected, planned or intended. Nothing in this material should be construed as either an offer to sell or

¹ MMJ holds 55,557,994 HVT shares as at 27 November 2019

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Harvest One Reports Record Revenues for First Quarter 2020; Outlines Enhanced Strategic Plan Focused on Brand Development and Distribution, Cost Savings and Achieving Profitability

November 26, 2019 – Vancouver, British Columbia - Harvest One Cannabis Inc. ("Harvest One" or the "Company") (TSX-V: HVT; OTCQX: HRVOF) today announced the release of its financial and operating results for the three months ended September 30, 2019, and an enhanced strategic plan focusing on the Company's core strengths of brand development and distribution, including the development and manufacturing of infused products for Cannabis 2.0, and strengthening its consumer packaged goods division. The plan also incorporates immediate cost savings through reductions in workforce and operating overheads as it moves along the path to profitability.

First Quarter Financial Highlights

- Achieved record net revenue of \$4.1 million for the three months ended September 30, 2019, representing a 34% increase over the previous quarter, and a 142% increase over the same period in 2018;
- Reported revenue growth of 125% and 42%, respectively, over the previous quarter in its cultivation and medical/nutraceutical divisions, while experiencing a slight decrease in its consumer division of 9%; and
- Reported an improved adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") loss of \$3.4 million representing a 39% improvement over the previous quarter, and a 15% improvement over the same period in 2018⁽¹⁾.

Subsequent Events to September 30

- Received permission from Health Canada to import Satipharm's CBD Gelpell® capsules into Canada for research and development purposes and began selling Satipharm's CBD Gelpell® capsules in Argentina for medical purposes; and
- Obtained a Cultivation Licence from Health Canada for Phase 1 of the Company's new Mission Road facility adjacent to its existing Duncan facility in British Columbia, bringing total production capacity to approximately 1,800 kg per year.

Management Commentary

Grant Froese, CEO of Harvest One, said, “we are very encouraged by strong revenue growth in the first quarter of fiscal 2020. Cannabis sales throughout the industry have been greatly impacted by provincial and regulatory challenges, particularly the slow roll out of retail stores in both Ontario and British Columbia. Unlike some other Canadian Licensed Producers, we are in a fortunate position of having a diverse product portfolio, where cultivation equates to approximately 50% of our revenue, with our remaining revenues coming from our medical and consumer divisions.”

Mr. Froese continued, “in light of recent challenges within the cannabis industry, the Company has made some difficult but necessary decisions to improve cash flows and reallocate capital to ensure the long-term growth of the Company. Harvest One has implemented significant cost saving measures across all its divisions and expects to realize these savings immediately and improve upon them in future quarters.”

Summary of Key Financial Results

Select Financial Information	Three months ended September 30	
	2019	2018
(\$000's, except share and per share amounts)	\$	\$
Net revenue	4,064	1,679
Gross profit	1,265	578
Expenses	6,456	6,395
Loss from operations	(5,191)	(5,817)
Net loss attributable to common shareholders	(5,261)	(5,795)
Net loss per share – basic and diluted	(0.02)	(0.03)
Weighted average number of common shares	213,666,344	173,621,452
Adjusted EBITDA ⁽¹⁾	(3,420)	(4,005)

⁽¹⁾Adjusted EBITDA is a non-GAAP measure defined as loss from operations before interest, taxes, depreciation and amortization adjusted for fair value items and other non-cash items, as reconciled in the Management's Discussion and Analysis for the three months ended September 30, 2019 (the "Q1 2020 MD&A").

Enhanced Strategic Plan

Management has implemented an enhanced strategic plan (the “Plan”) with an increased focus on the Company's core strengths of brand development and distribution. As part of this Plan, the Company is adapting its Lucky Lake facility to a state-of-the-art processing and manufacturing facility for value-added infused products, both for the Company's existing brands and future expansion. The repurposing of the Lucky Lake facility will also result in significant cost savings that will improve cash flows in the near and long terms.

Key Elements of the Enhanced Strategic Plan include:

Repurposing Lucky Lake Facility

In light of the accelerating and extreme oversupply of cannabis flower in the Canadian marketplace, the Company has recently undergone a redesign and repurposing of its Lucky Lake facility to focus on the Company's core strengths: namely, the development, production and distribution of the Company's value-added infused products, including the manufacture of its Satipharm Gelpell® capsules in Canada. Specifically, the repurposing of the Lucky Lake facility will allow the Company to produce cannabis-infused Dream Water and LivRelief™ products, vape and other derivative offerings, as well as offer expanded product development as Cannabis 2.0 gains traction in the consumer marketplace. The repurposing of the Lucky Lake facility will also result in sequential cost savings and reduced capital expenditures on the facility. Construction to complete the repurposing, and submission of the initial evidence package to Health Canada, is anticipated to be completed in early 2020.

Reduction in Overhead and Operating Expenses

Subsequent to quarter end, the Company initiated a reduction in its workforce by approximately 20% across all its divisions including the elimination of a number of senior level corporate positions. This reduction in headcount, along with other operating cost reduction initiatives, will result in cost savings of approximately 30% on an annualized basis.

Review of Non-Core Assets and Focus on Core Strengths

As the commoditization of cannabis cultivation accelerates, the Company is currently undergoing a review of its non-core assets in order to reduce its overall exposure to pure cultivation and redirect its efforts and resources on brand development, production and distribution. To this end, the Company is currently in discussions to divest its 50.1% interest in the Greenbelt Greenhouse facility and its outdoor growing site located in Lillooet, British Columbia. The sale of these non-core assets will provide cash proceeds to support the expansion of the Company's core business lines and operational strengths. The Company will continue to explore other strategic alternatives for its operations that are currently deemed not critical to the Company's brand development, production and distribution efforts.

The Company is evaluating various financing alternatives and intends to raise additional capital which together with cash generated from operations will fund the on-going operational needs and capital expenditure plans of the Company. Raising capital in the current capital markets remains challenging for many cannabis issuers. While the Company has been successful in obtaining financing in the past there can be no assurance that it will be able to obtain additional financing in the future.

Non-GAAP Measures, Reconciliation and Discussion

This press release contains references to "Adjusted EBITDA", which is a non-GAAP financial measure.

Adjusted EBITDA is a non-GAAP measure used by management that does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Management defines adjusted EBITDA as the loss from operations, as reported, before interest, taxes, depreciation and amortization and adjusted for share-based compensation, common shares issued for services, the fair value effects of accounting for biological assets and inventories, and non-cash write-downs of inventory and other non-cash items. Management believes that Adjusted EBITDA is a useful financial metric to assess the Company's operating performance on a cash basis before the impact of non-cash items, and on an adjusted basis as described above.

A reconciliation of the supplemental non-GAAP measure is presented in the Q1 2020 MD&A. The Company believes that the measure provides information useful to shareholders and investors in understanding its performance and may assist in the evaluation of the Company's business relative to that of its peers. For more information, please see "Non-GAAP Measures" in the Q1 2020 MD&A available on the Company's profile on SEDAR at www.sedar.com.

About Harvest One Cannabis Inc. (TSX-V: HVT; OTCQX: HRVOF)

Harvest One is a global cannabis company that develops and provides innovative lifestyle and wellness products to consumers and patients in regulated markets around the world. The Company's range of lifestyle solutions is designed to enhance quality of life. Shareholders have significant exposure to the entire cannabis value chain through its wholly-owned subsidiaries: [United Greeneries](#), a Licensed Producer; [Satipharm](#) (medical and nutraceutical); [Dream Water Global](#), and [Delivra](#) (consumer); as well as a controlling interest in Greenbelt Greenhouse (greenhouse cultivation and extraction), and a minority interest in [Burb Cannabis](#) (retail operations). For more information, please visit www.harvestone.com.

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This press release contains "forward-looking statements," which may be identified by the use of words such as, "may," "would," "could," "will," "likely," "expect," "anticipate," "believe," "intend," "plan," "forecast," "project," "estimate," "outlook" and other similar expressions, including statements regarding our growth potential, the sustainability of growth, development of new products, demand for our products and the medical and adult-use cannabis markets, execution of key elements and implications of the Plan, and our ability to find financing alternatives and raise additional capital. Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable in the circumstances, including assumptions in respect of current and future market conditions. Actual results, performance or achievement could differ materially from that expressed in, or implied by, any forward-looking statements in this press release, and, accordingly, you should not place undue reliance on any such forward-looking statements and they are not guarantees of future results. Forward-looking statements involve significant risks, assumptions, uncertainties and other factors that may cause actual future results or anticipated events to differ materially from those expressed or implied in any forward-looking statements. Please see the heading "Risks and Uncertainties" in our Q1 2020 MD&A which was filed on the Company's profile on SEDAR at www.sedar.com on November 26, 2019 for a discussion of the material risk factors that could cause actual results to differ materially from the forward-looking information. The Company does not undertake to update any forward-looking statements that are included herein, except in accordance with applicable securities laws.

All references in this press release to dollars, or "\$" are to Canadian dollars.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accept responsibility for the adequacy or accuracy of this release.
