



Suite 5 CPC, 145 Stirling Highway,
Nedlands WA Australia 6009
PO Box 3144
Nedlands WA Australia 6009
T +61 8 9389 3150
F +61 8 9389 3199
www.mmjphytotech.com.au
info@mmjphytotech.com.au
ABN 91 601 236 417

ASX RELEASE

4 May 2018

Harvest One to acquire Dream Water

MMJ PhytoTech Limited (ASX: MMJ) ("MMJ") is pleased to note the attached press release by Harvest One Cannabis Inc. (TSXV:HVT) ("Harvest One") confirming that Harvest One has entered into definitive agreements to acquire Dream Water, a consumer goods business with operations in the United States and Canada.

The acquisition will deliver to Harvest One a ready-made consumer goods marketing, distribution and product development division that is generating around \$6 million of annual revenue from its current product lines. Harvest One intends to expand the Dream Water brands and product lines into the cannabis base within federally regulated markets globally.

Investor and Media Enquiries:

Jason Conroy
Chief Executive Officer
jconroy@mmjphytotech.com.au



NEWS RELEASE

TSXV – HVT

May 3rd, 2018

Harvest One Enters into Definitive Agreement to Acquire Dream Water

Harvest One Cannabis Inc. (TSXV:HVT) ("**Harvest One**" or the "**Company**") is pleased to announce it has today entered into definitive agreements to complete the acquisition of all the outstanding shares of Dream Water Products Canada Inc. ("**Dream Water Canada**") and Sarpes Beverages, LLC (dba Dream Products, LLC) ("**Dream Water USA**") in exchange for a combination of US\$12.5 million in cash and C\$18.5 million in shares at a deemed price of C\$1.00 per share, representing total consideration of approximately C\$34.5 million (the "**Transaction**"). After closing, Harvest One will continue to hold a substantial cash position of approximately C\$62 million and zero debt. As part of this Transaction, the combination of Dream Water Canada and Dream Water USA will become Dream Water Global ("**Dream Water**") and own the worldwide rights and all intellectual property to and for Dream Water.

Strategic Rationale

The Transaction will deliver a ready-made consumer goods marketing, distribution and product development division to Harvest One.

Dream Water is the #1 selling natural, 2.5oz, 0-calorie, liquid sleep shot. Along with its sleep powder, Dream Water helps promote relaxation and support restful sleep. Dream Water is sold online and in over 30,000 North American retail outlets, while currently generating approximately \$6 million per annum in revenue from its current product lines. Harvest One sees significant potential to grow the Dream Water brand and proposition by:

- Scaling its current e-commerce and direct to consumer efforts;
- Bringing to market Dream Water's robust product innovation pipeline; and
- Expanding the Dream Water brand into the cannabis space; most notably, to produce additional cannabidiol ("**CBD**") and/or Full-Spectrum Hemp based product lines where said products can be manufactured and sold within federally regulated markets.

As a result of the Transaction, Harvest One expects to achieve its strategic goal to operate as a complete, vertically-integrated global group with cannabis cultivation (United Greeneries) plus the

manufacturing, marketing and distribution of both medical and pharmaceutical cannabis products (Satipharm) and consumer goods marketing, manufacturing and distribution with Dream Water.

Commenting on the Transaction, David Lekach, CEO of Dream Water USA shared the following, “We are thoroughly impressed with what Andreas and the whole Harvest One team have built to date. We feel that they are a great strategic partner. As the go-forward steward of the Dream Water proposition, Harvest One will help the brand reach its full potential.”

Description of Dream Water

Products

Dream Water produces natural, convenient, travel-friendly, single serving 2.5oz liquid sleep shots and sleep powder packets that you can take with or without water. The products help promote relaxation and support restful sleep. As part of its product innovation pipeline, Dream Water has recently introduced Dream Water Beauty, a nighttime liquid shot that helps with hair, skin, nail and collagen support.

In addition, Dream Water Canada has established a full cannabis-based product development program to include CBD and/or Full-Spectrum Hemp in oral spray, liquid suspension and soluble powder-based product lines for the Canadian recreational and over-the-counter cannabis markets when they are legalized at the federal level.

Distribution

Dream Water's products are available from over 30,000 retail outlets across the United States, Canada, Mexico and other foreign markets, including through industry leading grocery, drug and convenience retailers, major North American airports, along with various e-commerce platforms and a growing monthly online subscription service.

Dream Water is in the process of launching an international licensing and distribution division that Harvest One expects to expand rapidly over the next 2 years. Immediate international expansion with Dream Water's non-cannabis related products will aim to gain brand recognition and distribution footholds in countries where cannabis legalization is yet to be confirmed.

Dream Water will make use of Satipharm's existing distribution network, leveraging supply agreements already in place with large pharmacy chains in 12 different EU countries including Ireland, UK, Germany, Poland and Italy.

CEO comments

Andreas Gedeon, CEO of Harvest One: “Dream Water positions us as first movers in both the global cannabis and sleep markets, two robust industries that are expanding rapidly. The synergies between the two are expected to add significant value for our shareholders.”

The Transaction remains subject to customary closing conditions, including the approval of the TSX Venture Exchange, and is expected to close on or before May 31, 2018.

Mackie Research Capital acted as sole financial advisors to Harvest One for the purposes of the Transaction.

About Harvest One Cannabis Inc. (TSXV: HVT)

Harvest One is a global cannabis company focused on delivering high quality, innovative cannabis products and technology to regulated markets around the world. Shareholders have significant exposure to the entire cannabis value chain through three wholly owned operating subsidiaries: Horticultural arm and Canadian Licensed Producer United Greeneries Ltd., medical and pharmaceutical arm Satipharm AG in Switzerland and Dream Water, the Group's consumer goods division (subject to completion of the Transaction).

For more information about Harvest One, please contact:

Colin Clancy
Investor Relations
+ 1 (877) 915-7934
cclancy@mmj.ca

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the completion of the Transaction, including satisfaction or waiver of certain conditions precedent to the completion of the Transaction, TSX Venture Exchange approval of the Transaction, future international expansion, future product offerings, future entry into additional markets, changes to laws and regulations in Canada and internationally, and compliance with applicable regulations. The forward-looking information contained in this press release is made as of the date hereof, and the Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.

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