

Harvest One Cannabis Inc.

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Harvest One Cannabis cultivation and medical divisions drive record FY1Q revenue

Harvest One Cannabis Inc (CVE:HVT) (OTCMKTS:HRVOF) on Tuesday reported a 142% increase in revenue year-over-year for its fiscal first quarter of 2020.

The company took in a record \$4.1 million in revenue during the three months ending September 30. Revenue increased by 34% from the previous quarter.

In a statement, CEO Grant Froese said in the company's "diverse product portfolio," 50% of revenue comes from cultivation and remainder from its medical and consumer divisions. In fact, revenue growth in the first quarter was 125% and 42%, respectively, over the previous quarter in its cultivation and medical/nutraceutical segments.

READ: Harvest One Cannabis imports its Swiss-manufactured CBD capsules to Canada for R&D

"We are very encouraged by strong revenue growth in the first quarter of fiscal 2020," Froese said. "Cannabis sales throughout the industry have been greatly impacted by provincial and regulatory challenges, particularly the slow rollout of retail stores in both Ontario and British Columbia."

Harvest One also reported improved adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) loss of \$3.4 million, representing a 39% improvement over the previous quarter and a 15% improvement over the same period in 2018.

In other news, the company also released its enhanced strategic plan focusing on its 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 overhead as Harvest One moves along the path to profitability.

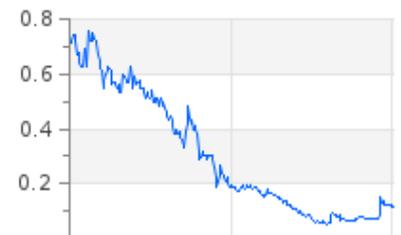
Here are some highlights of the company's enhanced strategic plan:

- 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.
- Subsequent to the end of the 1Q, the company initiated a reduction in its workforce by about 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 about 30% on an annualized basis.
- Harvest One is currently in discussions to divest its 50.1% interest in the Greenbelt Greenhouse facility and its

Price: 0.115

Market Cap: \$24.73 m

1 Year Share Price Graph



June 2019 December 2019 June 2020

Share Information

Code: HVT

Listing: TSX-V

52 week High Low
0.76 0.05

Sector: Cannabis

Website: www.harvestone.com

Company Synopsis:

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.

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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. Harvest One serves as an umbrella over three wholly-owned subsidiaries: United Greeneries, which is a licensed cannabis producer; Satipharm, which develops cannabis-based health products; and Dream Water, which offers consumer sleep aids.

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