



Harborside Inc. Announces Positive Preliminary Third Quarter 2020 Financial Results

OAKLAND, CA and TORONTO, Ontario – October 12, 2020 – Harborside Inc. (“Harborside” or the “Company”) (CSE: HBOR), (OTCQX: HBORF), a California-focused, vertically integrated cannabis enterprise, today announced preliminary unaudited third quarter 2020 financial results for the period ending September 30, 2020 (“Q3 2020”). All dollar amounts in this press release are in U.S. dollars.

“I’m thrilled with the ongoing performance of our business and proud to have seen the whole Harborside team rally together this year,” said Peter Bilodeau, Chairman and Interim CEO of Harborside. “We have come a long way in just 9 months and today more than ever, we are well positioned to take advantage of the opportunities ahead of us while continuing to provide our customers with the highest quality products and driving strong returns for our shareholders.”

Preliminary Third Quarter 2020 Financial Results Highlights

Gross Revenue for Q3 2020 is expected to exceed \$18.5 million (excluding any previously unaccounted for adjustments for reserves). Growth in the quarter continues to be driven by improved harvest yields and production of premium flower varieties combined with higher sales volumes and higher average prices per pound of the Company’s farm operation in Salinas, California combined with the strength of the Company’s retail operations, where enhanced merchandising and pricing initiatives have resulted in, amongst other things, improved product mix, selected pricing changes and higher sell-through of internally produced products. .

In addition, the Company expects to continue to report positive adjusted EBITDA in Q3 2020, due largely to the strategic initiatives implemented earlier this year, which resulted in improved operating efficiencies and headcount reductions across the Company.

These preliminary and unaudited operating metrics and financial results are subject to the Company’s customary annual and interim closing, as well as financial statement procedures by the Company and its auditors. Actual results could be affected by subsequent events or determinations. While the Company believes there is a reasonable basis for these preliminary financial results, the results involve known and unknown risks and uncertainties that may cause actual results to differ materially. These preliminary fiscal results represent forward-looking information. See “Cautionary Note Regarding Forward-Looking Information” and “Assumptions” below. See “Non-IFRS Financial Measures, Reconciliation and Discussion.

For the latest news, activities, and media coverage, please visit the Harborside corporate website at <http://www.investharborside.com> or connect with us on [LinkedIn](#), [Facebook](#), and [Twitter](#).

About Harborside:

Harborside Inc. is one of the oldest and most respected cannabis retailers in California, operating three of the major dispensaries in the San Francisco Bay Area, a dispensary in the Palm Springs area outfitted with Southern California’s only cannabis drive-thru window, a dispensary in Oregon and a cultivation/production facility in Salinas, California. Harborside has played an instrumental role in making cannabis safe and accessible to a broad and diverse community of California consumers. Co-founded by Steve DeAngelo and dress wedding in 2006, Harborside was awarded one of the first six medical cannabis licenses granted in the United States and today holds cannabis licenses for retail, distribution, cultivation, nursery and



manufacturing. Harborside is currently a publicly listed company on the CSE trading under the ticker symbol "HBOR". Additional information regarding Harborside is available under Harborside's SEDAR profile at www.sedar.com.

Cautionary Note Regarding Forward-Looking Information

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate to, among other things, the Company's expectations for Q3 2020 revenue and adjusted EBITDA profitability, harvest yields, production of premium flower varieties, higher sales volumes and higher sales prices, the company's retail operations, merchandising and pricing initiatives.

These forward-looking statements are based on reasonable assumptions and estimates of management of the Company at the time such statements were made. Actual future results may differ materially as forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to materially differ from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors, among other things, include: implications of the COVID-19 pandemic on the Company's operations; fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the California cannabis market and changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; and the presence of laws and regulations that may impose restrictions on cultivation, production, distribution and sale of cannabis and cannabis related products in the State of California; and employee relations. Although the forward-looking statements contained in this news release are based upon what management of the Company believes, or believed at the time, to be reasonable assumptions, the Company cannot assure shareholders that actual results will be consistent with such forward-looking statements, as there may be other factors that cause results not to be as anticipated, estimated or intended. Readers should not place undue reliance on the forward-looking statements and information contained in this news release. The Company assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

The Company is indirectly involved in the manufacture, possession, use, sale and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States. Local state laws where the Company operates permit such activities however, these activities are currently illegal under United States federal law. Additional information regarding this and other risks and uncertainties relating to the Company's business are contained under the heading "Risk Factors" in the Listing Statement dated May 30, 2019 and in the Company's management's discussion and analysis for the period ended June 30, 2020, filed under the Company's profile on SEDAR at www.sedar.com.



The CSE has neither approved nor disapproved the contents of this news release. Neither the CSE nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

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