



# Harborside Inc. Addresses COVID-19 and Provides Business Update

OAKLAND, CA and TORONTO, March 25, 2020 /CNW/ - Harborside Inc. ("Harborside" or the "Company") (CSE: HBOR), a California-focused, vertically integrated cannabis enterprise, today provided a business update in response to the impact of the outbreak of COVID-19.

"Since Harborside's founding in 2006, we have been dedicated to our mission of providing safe and accessible wellness products to our community. The health and safety of our customers and employees has always been our priority, and we know how important this is now more than ever," said Interim CEO Peter Bilodeau. "We are committed to the important role that Harborside plays in providing our communities with essential cannabis products during this critical time, and to doing our part to slow the spread of this virus. This means providing products that are not just affordable and high quality, but also providing such products in a safe environment. It also means putting additional measures in place to allow our customers to access our products while limiting social interactions, and enforcing social distancing measures through our retail stores."

Bilodeau continued, "We are pleased that Governor Newsom has deemed cannabis to be an 'essential' part of the infrastructure of California which will protect access to cannabis products from Harborside and other cannabis operators throughout the State. We would like to assure you that all relevant Harborside operations and retail store locations remain fully operational, as we meet the significant customer activity levels across our retail 'footprint'."

"While the situation remains fluid, we are seeing record weekly revenues and average basket sizes across our California locations and significant improvement in profitability as our ongoing business transformation initiatives begin to take hold. We are confident that Harborside has the right focus and commitment to build sustainable shareholder value over the long-term."

## COVID-19 Update

The Company is closely monitoring the developments of COVID-19 and focusing its resources on navigating and adapting to the situation as it unfolds. As part of the essential infrastructure of the State of California, Harborside continues to operate mostly uninterrupted and has been implementing its business continuity plan. This includes the continued operation of the Company's four retail stores in California, the two Terpene Station stores in Oregon, and the Harborside Farms cultivation facility in Salinas, which has also been deemed as an essential service in medicinal crop production.

Harborside is committed to the important role it plays in providing communities with essential cannabis products during this critical time, and to doing their part to slow the spread of this pandemic. With that goal in mind, and in line with guidelines from the Center for Disease Control (CDC) and in compliance with state and local rules and regulations for infection control and prevention, Harborside has implemented additional safeguards and services to ensure that it fulfills this mission.

Amidst COVID-19, some of the measures Harborside is taking include:

- **Curbside Pick-Up and Drive-Thru Now Available.** The Company has lobbied the State and local municipalities to continue to operate and provide essential services, including receiving temporary relief and support from the Bureau of Cannabis Control (BCC) to allow for curbside pickup. The Company is now offering curbside pick-up at the Oakland, San Jose and San Leandro (medical only) locations. This is in addition to the drive-thru service that has been and continues to be available at the Desert Hot Springs location, which is one of only two dispensaries permitted for drive-thru service in the State of California.
- **Home Delivery Service.** The Company has added additional resources to their home delivery service, which is available to customers in Oakland, San Jose and the Greater East Bay and Peninsula areas at [shopharborside.com](https://shopharborside.com). Due to the high volume of home delivery orders Harborside is receiving, the Company has created a delivery-specific email address ([delivery@shopharborside.com](mailto:delivery@shopharborside.com)) to meet this demand and to manage customer service requests.
- **Updated Safety and Sanitation Protocols In-Store.** Within its stores, the Company has implemented a number of important measures, including but not limited to 1) limiting customer traffic inside stores, 2) maintaining social distancing requirements of at least six feet when customers are waiting in line or consulting with associates, 3) cleaning and disinfecting all frequently touched surfaces including doorknobs, countertops, ATM machines, debit terminals, and all other frequently used workplaces, 4) providing hand sanitizer throughout the store along with personal protective equipment such as gloves and masks, 5) encouraging staff to take temperatures regularly to ensure continued good health, and 6) where possible, employees are being asked to work from home. Harborside will continue to take every precaution to protect the health and safety of its customers and employees within all stores.

## Business Update

Harborside is committed to pursuing its California-focused growth strategy and will continue to execute and manage

operations in a disciplined manner that supports that effort. With deep industry expertise and prominent brands in Northern California's growing market, and a portfolio of operating assets from cultivation to retail, the Company believes that it is well-positioned to be the State's preeminent cannabis company. The Company is focused on expanding its market leadership throughout the State, retail excellence, branded products, and production capacity to capture shelf space and superior margins through increased scaled operations.

Harborside's executive team is actively managing costs as they relate to ongoing operations and revenue streams. Costs and expenses are being monitored on an ongoing basis to ensure the Company maximizes profitability.

The pressures brought on by the COVID-19 pandemic further reinforce Harborside's ongoing mandate to monitor all financial decision-making with the strictest vigor, which includes:

- Continuing to align labor costs with customer demand
- Reviewing expenses to ensure all non-essential operational expenses are cut
- Placing a near-term hold on non accretive operational and capital projects
- Suspending all non-essential supplier contracts

This financial management is with a goal of maintaining the strength of the ongoing operations and the long-term viability of Harborside.

**For the latest news, activities, and media coverage, please visit the Harborside corporate website at [www.investharborside.com](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 Palm Springs outfitted with Southern California's only cannabis drive-thru window, two dispensaries in Oregon and a cultivation 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. Harborside is currently a publicly listed company on the Canadian Securities Exchange ("CSE") trading under the ticker symbol "HBOR". Additional information regarding Harborside is available under Harborside's SEDAR profile at [www.sedar.com](http://www.sedar.com).

#### **Additional Information**

Additional information regarding Harborside is available under Harborside's SEDAR profile at [www.sedar.com](http://www.sedar.com), including in Harborside's Listing Statement dated May 30, 2019. This press release shall not constitute an offer to sell or the solicitation of an offer to buy securities.

#### **Forward-Looking Information**

Certain portions of this press release contain "forward-looking information" within the meaning of applicable Canadian securities legislation, which is also referred to as "forward-looking statements", which may not be based on historical fact. Wherever possible, words such as "will", "plans," "expects," "targets," "continues", "estimates," "scheduled," "anticipates," "believes," "intends," "may," "could," "would" or might, and the negative of such expressions or statements that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur or be achieved, have been used to identify forward looking information.

Forward looking statements should not be read as guarantees of future events, future performance or results, and will not necessarily be accurate indicators of the times at, or by which, such events, performance or results will be achieved, if achieved at all. The forward-looking statements and information are based on certain key expectations and assumptions made by Harborside. Although Harborside believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information because Harborside can give no assurance that they will prove to be correct. By its nature, such forward-looking information is subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward- looking information for anything other than its intended purpose. Harborside undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

**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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