



Harborside Inc. Provides Update to Management Cease Trade Order and Cease Trade Order

Reaffirms Expectation to File Annual Filings and Restated Audit by July 10, 2020

OAKLAND, Calif. and TORONTO, June 22, 2020 /CNW/ - Harborside Inc. ("Harborside" or the "Company") (CSE: HBOR), a California-focused, vertically integrated cannabis enterprise, is providing an update to its previously disclosed management cease trade order ("**MCTO**") in respect of the audited annual financial statements and corresponding management's discussion and analysis for the year ended December 31, 2019 (collectively, the "**Annual Filings**") and cease trade order (the "**CTO**") in respect of the refiling of certain historical financial statements for the fiscal years ended December 31, 2017 and 2018 (the "**Restated Audit**"), and the interim periods ended March 31, 2019, June 30, 2019, and September 30, 2019, and any corresponding management's discussion and analyses (collectively, the "**Restated Interims**").

As previously disclosed, the delay in completing the Annual Filings occurred due to the impact of COVID-19. The Restated Audit and Restated Interim are due primarily to changes in the application of accounting treatments related to certain transactions by its reverse takeover acquirer, FLRish, Inc. Notwithstanding the delays in completing the filings, there is not expected to be a material impact to the assets currently owned by the Company, its current cash position or the positive financial performance the Company has reported so far this year.

The Company continues to expect to file the Annual Filings and Restated Audit no later than July 10, 2020 and will apply to have the CTO revoked. Although the CTO resulted in trading in the subordinate voting shares of the Company being suspended on the Canadian Securities Exchange (the "**CSE**"), the CTO is not expected to result in the Company being delisted from the CSE and the Company expects trading to resume on the CSE shortly after the revocation of the CTO.

The Company expects that a MCTO will remain in place until the Restated Interims are filed. The Company continues to work diligently with its auditor to file the Annual Filings, Restated Audit and Restated Interims as quickly as possible.

"While I don't want to minimize the significance of the delayed filing and restatement, our current financial performance remains positive and improving," said Peter Bilodeau, Chairman and Interim CEO of the Company. "Harborside has continued to perform well, despite the additional challenges we have all experienced as a result of COVID-19 and recent social unrest, and as I previously stated, 2020 is expected to be a banner year for our company."

As required under Canadian securities laws, the Company will provide a further update on or about June 30, 2020. Additionally, to the knowledge of the Company, there have been no material business developments as of the date of this news release that have not been generally disclosed.

For the latest news, activities, and media coverage, please visit the Harborside corporate website at 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 Desert Hot Springs outfitted with Southern California's only cannabis drive-thru window, a dispensary 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.

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 timing of filing the Annual Filings, the Restated Audit and the Restated Interims, revocation of the CTO and MCTO and resumption of trading .

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: management's perceptions of the anticipated timeline in which the Annual Filings, the Restated Audit and the Restated Interims can be completed and filed; 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; 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; litigation risk; 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, 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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For further information: Company Contact: Harborside Inc., Peter Bilodeau, Chairman, Interim CEO, (519) 919-6500; Investor Contact: MATTIO Communications, Matt Chesler, CFA, hbor@mattio.com; Media Contact: MATTIO Communications, harborside@mattio.com

CO: Harborside Inc.

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