



Harborside Inc. Provides Update on Financial Statement Filings

OAKLAND, CA and TORONTO, July 10, 2020 /CNW/ - Harborside Inc. ("**Harborside**" or the "**Company**") (CSE: HBOR), a California-focused, vertically integrated cannabis enterprise, is providing an update in respect of the filing of the Company's restated annual financial statements for the years ended December 31, 2017 and 2018 (the "**Restated Audit**"), restated interim financial reports for the periods ended March 31, 2019, June 30, 2019, and September 30, 2019 (collectively, the "**Restated Interims**"), audited annual financial statements and corresponding management's discussion and analysis for the year ended December 31, 2019 (collectively, the "**Annual Filings**"), and interim financial report for the three months ended March 31, 2020 and related management's discussion and analysis (collectively, the "**Interim Filings**" and together with the Restated Audit, Restated Interims and Annual Filings, the "**Financial Statements**").

The Company continues to work diligently and expeditiously with its auditors to finalize the Financial Statements. Despite significant effort and progress to date, the Company does not expect to complete the filing of the Restated Audit and Annual Filings by its previously expected filing date of July 10, 2020. As previously disclosed, the delay in completing the filing of the Financial Statements is due to the unprecedented impact of the COVID-19 pandemic on the Company, its employees, and its ability to rely on timely information in relation to its financial reporting obligations.

In the interim, the Company continues to be subject to the previously disclosed cease trade order (the "**CTO**"). The Company expects trading to resume on the CSE shortly after the revocation of the CTO.

After careful consideration, the Company has also decided to postpone its annual meeting of shareholders to a later date in 2020. The Company intends to rely on the temporary blanket relief provided by the Canadian Securities Administrators, including the exemptive relief contained in Ontario Instrument 51-504 – *Temporary Exemptions from Certain Requirements to File or Send Securityholder Materials* of the Ontario Securities Commission to postpone the public filing of its executive compensation disclosure until such time as it is filed and delivered to shareholders as part of the Company's information circular relating to its 2020 annual meeting of shareholders. The Company will provide further information on its annual meeting when an appropriate date has been determined.

As required under Canadian securities laws, the Company will provide a further update on or about July 24, 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 Financial Statements, and revocation of the MCTO and the CTO.

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 Financial Statements can be completed and filed, and the MCTO and CTO can be revoked; 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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