



Harborside Announces Refreshed Slate of Directors for Upcoming Annual Meeting

OAKLAND, Calif and TORONTO, Oct. 26, 2020 /CNW/ - Harborside Inc. ("**Harborside**" or the "**Company**") (CSE: HBOR) (OTCQX: HBORF), a California-focused, vertically-integrated cannabis enterprise, announced today that, in response to feedback from a group of shareholders, including the Company's largest shareholder, with respect to the Company's upcoming annual and special meeting of shareholders scheduled for November 24, 2020 (the "**Meeting**"), the Company will propose an alternate slate of nominees (the "**Nominees**") for election as directors of Harborside at the Meeting.

The desire for board renewal is focused on maximizing shareholder value and aligning the strategic vision for Harborside, including a review of the Company's management team. The Company, under the direction of the new board of directors, to be chaired by Matthew Hawkins, will establish a new committee chaired by Mr. Hawkins to immediately begin the process of identifying a new permanent Chief Executive Officer. The committee will conduct a comprehensive review of potential candidates and is seeking a sophisticated and experienced executive based in California. Peter Bilodeau will remain as interim Chief Executive Officer of the Company during this search process.

The Company and the Nominees are confident that a clearly defined strategic vision with new leadership, focused on execution and growth, both organically and through transformative M&A, will create long-term value for all Harborside shareholders.

The Nominees consist of the following cannabis industry and capital markets professionals:

- Matthew K. Hawkins (*member of the current board*) and *Chairman*
- Kevin K. Albert
- Michael Dacks
- Peter Kampian (*member of the current board*)
- Alexander Norman
- James E. Scott
- Andrew Sturmer

Biographies of each of the Nominees are provided below.

"The opportunity in the legal U.S. cannabis market is immense, and it is time to implement positive changes at Harborside to leverage its iconic brand and high-quality products to drive long-term growth," said Matthew K. Hawkins, Board member and incoming Chairman of Harborside. "With legalization accelerating across the country, we must focus our attention on our strategic vision and capitalizing on transformative M&A targets. Together with Harborside's strengthened management team, the newly refreshed Board and I look forward to delivering strong shareholder value creation through a renewed focus on execution."

Harborside expects to file a supplement to its previously filed management information circular (the "**Circular**") in due course, a copy of which will be available under the Company's profile on SEDAR at www.sedar.com. The Circular will include information required by applicable securities laws on the Nominees.

Biographies

Matthew K. Hawkins

Matt Hawkins is the founder and managing principal of Cresco Capital Management, LLC, a manager of Entourage Effect Capital, formerly known as Cresco Capital Partners, a private investment firm focused specifically on investing in the legalized cannabis industry. Prior to the founding of Cresco, he was a partner and President of a private real estate investment company which acquired REO and NPL from banks and financial institutions across the country. The company completed more than 55 bank-direct acquisitions, deploying over \$500 million of capital since Q4 2008. At the end of 2013, Matt and his partners sold their interest. Prior to this, Matt was a Principal/Co-founder of San Jacinto Partners, a fund focused on the bulk acquisition of single-family residential assets and the Managing General Partner of Adjacent Capital, L.P., a private equity/specialty lending fund. He was earlier affiliated with Treadstone Partners, L.L.C., a distressed debt and equity fund. He has an extensive background in both turnaround management and private equity. Prior to joining Treadstone and forming Adjacent Capital and San Jacinto Partners, was associated with Hull & Associates, a regional turnaround management firm. Matt is a graduate of The University of Texas at Austin.

Kevin K. Albert

Kevin is currently managing private investments he has made during the last decade, the majority of which are in the cannabis industry, and is as an independent director on the board of NorCal Cannabis Company. Previously, Kevin was a Senior Partner of Pantheon Ventures LLC and a member of its six-person Partnership Board. He was responsible for the firm's global business development, including all capital raising and M&A for ten years. During this period, Pantheon's assets under management increased from \$25 billion to \$50 billion. Prior to joining Pantheon, he was a Managing Director and co-founder of Elevation Partners, a private equity firm that made large-scale investments in market-leading consumer-tech businesses such as Facebook. Prior to Elevation, Kevin worked in the investment banking division of Merrill Lynch & Co. for 24 years where, for most of this period, he served as a Managing Director and the Global Head of the Private Placement Group managing a market leading private equity fund placement business. In this role he led the Merrill Lynch effort to launch "first-time" funds for several of the most enduring manager franchises in the private equity industry including TPG Capital, Silver Lake Partners, Cinven and Triton. From 2006 until 2017, Kevin served as an independent director on the board of Merrill Lynch Ventures, LLC, a series of private equity partnerships offered to key Merrill Lynch employees aggregating over \$1.8 billion of original committed capital. Kevin has a BA and an MBA from the University of California, Los Angeles where he continues to be involved as the Chair of the Board of Visitors of the Economics

Department.

Michael Dacks

Mike is Founder and President of Type 2 Ventures Ltd. a global advisory firm where he is an investor in, and advisor to, a number of ventures across the global cannabis and plant-based medicines industries. Mike serves on the advisory board of Kanabo, an Israeli cannabinoid formulation company where he advises on global strategy. Prior to founding Type 2 Ventures, Mike was SVP Global Affairs at Plena Global Holdings Inc., working with large scale cultivation assets in South America to provide raw materials and cannabis derived active pharmaceutical ingredients to global manufacturing partners. Prior to that, Mike was VP Legal & International Business Affairs at Canadian Licensed Producer MedReleaf Corp. He held this position with MedReleaf through a variety of industry pioneering milestones both operationally and in the capital markets through to its acquisition by Aurora Cannabis for C\$3.2 Billion, the largest cannabis industry exit to date. Mike has been licensed to practice law in Canada and Israel where he articulated in the IP and Technology Licensing department of Meitar, Israel's leading international law firm where he worked with some of the world's leading technology companies and is a former international law clerk to the Hon. Justice Asher Grunis at Supreme Court of Israel.

Peter Kampian

Mr. Kampian CPA, CA, ICD.D, has a long track record as a financial executive with a number of Canadian public companies and has over 30 years of financial management experience. Mr Kampian is currently the Chief Executive Officer of Edge Financial Consulting Services Corp where he is acting as Chief Restructuring Officer for Muskoka Grown Inc and PharmHouse Inc, both Canadian Cannabis Licensed Producers. Mr Kampian has served as Chief Financial Officer of DionyMed Brands Inc and Chief Financial Officer of Mettrum Health Corp., which was acquired by Canopy Growth Corp in early 2017. Previously Mr Kampian was Chief Financial Officer of Algonquin Income Fund (now Algonquin Power and Utilities) where he led and supported debt and equity capital raising. Mr Kampian also served on the Board of James E. Wagner Cultivation Corporation, where he was on the special committee during its restructuring process. Mr Kampian also serves on the Board of Red Pine Exploration Ltd where he is Chair of the Audit Committee. He previously served on the boards of Grenville Strategic Royalty Corp (currently Flow Capital Corp.) and CannaRoyalty Corp where he was the Chair of the Audit Committee for both companies. Mr. Kampian is a Chartered Accountant and a member of the Charter Professional Accountants of Ontario and the Institute of Corporate Directors.

Alexander Norman

Alex is focused on building the Canadian technology ecosystem and has several active roles. Alex is the Canadian Partner of AngelList, the most successful start-up investing platform in the world with over \$2 billion of assets under management. Alex launched the platform in Canada in early 2017 and is responsible for \$90 million in assets under management. Alex is the founder and managing director of Tech Toronto, an organization that develops the technology and innovation economy in Canada. Alex is also the Managing Partner of N49P, a venture fund that invests in early stage Canadian technology companies. Prior to his current activities, Alex has extensive operating experience having worked for technology companies in Canada, the United States and the United Kingdom. This includes co-founding HomeSav which was acquired by Rebellion Media, and helping launch Simply Business which was acquired by The Travelers Cos. Alex also has significant professional services experience having worked for McKinsey & Company and for Lehman Brothers in their technology mergers and acquisition group. Alex has a BCom from McGill University and an MBA from The Wharton School of the University of Pennsylvania.

James E. Scott

Jim Scott is an accomplished entrepreneur and investor with a unique blend of transaction, operating and leadership experience and a passion for business. He has nearly 30 years of investing and advisory experience and has completed successful transactions for clients of all sizes – from start up to multibillion dollars. In 2018 and 2019, Jim invested in and led Receptra Naturals, one of the fastest growing hemp and CBD product companies in the US. As its President, CEO and Board Member, Jim oversaw the hypergrowth of the company experiencing a six time increase in revenue. Jim is also the Managing Partner of Littlehorn Investments, LLC, a Denver-based investment fund focused on investing in, or buying, lower market operating businesses. Jim began his career in investment banking in 1992 with Salomon Brothers Inc. in their domestic mergers and acquisitions group. He moved to London to assist in launching Warburg's global chemicals investment banking group. Once successfully launched, Jim transitioned back into mergers and acquisitions in London, with a specific focus on cross border transactions. During his tenure at Salomon Brothers and UBS Warburg, Jim advised clients on over \$20 billion in transactions in multiple industries and worked with companies such as The Dow Chemical Company, Metallgesellschaft AG, Swiss Air, General Motors, Roadmaster Industries, Inc. and British Petroleum. Jim graduated Summa Cum Laude from Boston University School of Management in finance and operations management.

Andrew Sturner

Andrew Sturner is the co-founder and managing principal of Entourage Effect Capital, LLC, a private investment firm focused specifically on investing in the legalized cannabis industry. Andy is also an investor in, and advisor to, Cresco Capital Management, LLC. Prior to the co-founding of Entourage Effect Capital, Andy has been a seasoned senior executive, C-suite officer, founder, serial entrepreneur, consultant, angel investor and board member with nearly 30 years of success across technology, media, internet, real estate, cannabis and nonprofits. A seasoned executive with a proven track record of creating innovative partnerships and joint ventures, he has significant experience growing and expanding companies with an emphasis on leadership development. In his executive career, Andy has founded, co-founded and held leadership positions at many successful venture backed companies including two publicly traded companies: CBS SportsLine.com (NASDAQ: SPLN) and MovieFone (NASDAQ: MOFN). Andrew earned a B.S. in Business Administration from Washington University, Saint Louis; and a Juris Doctor (J.D.) from Brooklyn Law School. While no longer a practicing attorney, he worked as a workout and restructuring attorney at Stroock & Stroock & Lavan LLP a US-based law firm providing transactional and litigation guidance to leading multinational corporations, investment banks and private equity firms in the U.S. and abroad and was admitted to the New York, Connecticut, and Washington, D.C. bar associations.

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 include, among other things, statements with respect to the anticipation that the renewal of the board of directors of the Company will create long-term value for all shareholders; and the expectation that the Company will file a supplement to its previously filed Circular in due course.

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; risks related to federal, state, provincial, territorial, local and foreign government laws, rules and regulations, including federal and state laws in the United States relating to cannabis operations in the United States; 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.

Caution Regarding Cannabis Operations in the United States

Investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the United States. Cannabis remains a Schedule I drug under the U.S. Controlled Substances Act, making it illegal under federal law in the United States to, among other things, cultivate, distribute or possess cannabis in the United States. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable U.S. federal money laundering legislation.

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.

While the approach to enforcement of such laws by the federal government in the United States has trended toward non-enforcement against individuals and businesses that comply with medical or adult-use cannabis programs in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. The enforcement of federal laws in the United States is a significant risk to the business of the Company and any proceedings brought against the Company thereunder may adversely affect the Company's operations and financial performance.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The Company's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

The Canadian Securities Exchange (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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