

Harborside Inc. Announces Final Resolution in San Jose Wellness 280E Case

Company reduces actual liability associated with San Jose Wellness to less than prior provision

OAKLAND, CA and TORONTO, ON, Feb. 18, 2021 /CNW/ - Harborside Inc. ("Harborside", or the "Company") (CSE: HBOR), (OTCQX: HBORF), a California-focused, vertically-integrated cannabis enterprise, announced the final outcome of the tax case involving the Company's subsidiary, San Jose Wellness ("SJW"). The United States Tax Court ("the Court"), ruled in favor of the Commissioner of Internal Revenue with respect to Docket Nos. 12313-15, 12353-15, and 15714-18 (the "Cases") to disallow all of SJW's deductions pursuant to I.R.C. sec. 280E for all the years at issue. The Company's accrued liabilities in connection with its SJW dispensary will now be less than the provision previously set aside.

"Since our new Board of Directors was seated on November 24th, we have committed to resolving all 280e disputes with the IRS and more importantly, the end of federal prohibition," said Matt Hawkins, Chairman of Harborside. "I'm encouraged to report that our provision more than accounts for the potential liability with respect to the Cases. Harborside has developed a strong reputation for providing high quality products and retail experiences to the California market and will continue to support the legal cannabis industry."

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. 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.

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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