



Harborside Announces Acquisition of Salinas Production Campus

OAKLAND, Calif., June 2, 2021 /CNW/ - [Harborside Inc.](#) ("Harborside" or the "Company") (CSE: HBOR),(OTCQX: HBORF) a California-focused, vertically integrated cannabis enterprise, today provided an update on its previously announced plan to purchase the Company's 47-acre production campus, which includes 200,000 sq. ft. of licensed cultivation space, including 155,000 sq. ft. of flower canopy space and 45,000 sq. ft. of nursery space in Salinas, California (the "Production Campus"). On June 1st, 2021, the Company completed the purchase of the Production Campus using approximately \$10.84 million in funds drawn from its existing credit facility.

In November 2020, the Company announced it had engaged in a substantial upgrade of one of its approximately 45,000 square foot greenhouses at the Production Campus. The upgrades will be completed in Q2 2021, and include, among other things, the installation of blackout curtains, supplemental LED grow lights and new flooring in the greenhouse.

"We are thrilled to have completed the acquisition of our Salinas cultivation and production facility," said Peter Bilodeau, Interim CEO of Harborside. "With a soon to be expanded ecosystem of Harborside brands, including our recently announced acquisition of Sublime and their award-winning Fuzzies branded pre-rolls, this transaction will enable us to further expand our operations in Salinas to keep up with increasing consumer demand. In addition, with our newly lowered cost of capital, we will improve cash flow and decrease our overall costs of production from the facility, driving long term margin expansion."

"We are excited to have been able to put together a such favorable credit deal", added Tom DiGiovanni, CFO of Harborside. "The close working relationship we've developed with our bank over the past five quarters ultimately provided the Company with an industry leading cost of funds and the ability to better manage our working capital. We are looking forward to expanding our banking relationship as we continue to grow the business."

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 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 since 2006, when it was awarded one of the first six medical cannabis licenses granted in the United States. Today, the Company holds cannabis licenses for retail, distribution, cultivation, nursery, and manufacturing. Harborside is a publicly listed company on the Canadian Securities Exchange ("CSE") trading under the ticker symbol "HBOR" and on the OTCQX Best Market under the ticker symbol "HBORF". 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.

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; fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the cannabis markets where the Company operates; changing consumer habits; the ability of the Company to successfully achieve its business objectives; plans for expansion; political, social and

environmental uncertainties; inability to obtain adequate insurance to cover risks and hazards; employee relations 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 markets where the Company operates. 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, through several of its subsidiaries, 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 September 30, 2020, 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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