



# Harborside Inc. Announces Mandatory Conversion of all Multiple Voting Shares to Subordinate Voting Shares

OAKLAND, Calif. and TORONTO, Feb. 23, 2022 /CNW/ - Harborside Inc. ("Harborside", or the "Company") (CSE: HBOR), (OTCQX: HBORF), a California-focused, vertically-integrated cannabis enterprise, is pleased to announce that, further to its news release dated September 27, 2021, it will undergo a mandatory conversion of all of its issued and outstanding multiple voting shares (the "MVS") to Subordinate voting shares (the "SVS") (the "Mandatory Conversion"). This announcement follows on the implementation of certain amendments to the articles of Harborside, removing certain restrictions relating to the conversion of MVS to SVS, approved at the Special Meeting of Shareholders held February 22, 2022 (the "Meeting").

The Mandatory Conversion will result in each holder of MVS being entitled to 100 SVS for each MVS it holds, subject to providing the Company with certain requested information, which will be requested from each holder of MVS in due course. In addition, each holder of warrants exercisable for MVS (the "MVS Warrants"), will now be entitled to 100 SVS for each MVS underlying its MVS Warrants, upon exercise of such MVS Warrants. The Mandatory Conversion is set to occur on March 31, 2022.

"This Mandatory Conversion reflects feedback from the Company's shareholders indicating that they want both increased liquidity and a simplified capital structure," said Matthew Hawkins, Chairman of the Board and Interim CEO of Harborside. "As we continue the process of transitioning from Harborside to StateHouse Holdings Inc. following the resolutions passed at the Meeting, we are confident that this new capital structure will help position the Company as increasingly attractive to the investment community."

Once the Mandatory Conversion is completed, the Company will no longer meet the definition of "foreign private issuer" under U.S. securities laws and the Company will be required to register under the Securities Exchange Act of 1934, as amended. The Company will eventually be subject to the U.S. Securities and Exchange Commission's ("SEC") reporting requirements applicable to U.S. domestic companies. The SEC's reporting requirements will require, among other things, Harborside's financial statements and financial data to be presented under U.S. GAAP.

**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](#) and [Twitter](#).**

## About Harborside:

Harborside, a vertically integrated enterprise with cannabis licenses covering retail, distribution, cultivation, nursery and manufacturing, is one of the oldest and most respected cannabis companies in California. Founded in California in 2006, Harborside was awarded one of the first six medical cannabis licenses granted in the United States. Today, the company operates three 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, a manufacturing facility in Oakland, California, distribution facilities in San Jose and Los Angeles, California and an integrated cultivation/production facility in Salinas, California. Harborside is a publicly listed company, trading on the CSE under the ticker symbol "HBOR" and the OTCQX under the ticker symbol "HBORF", and the Company continues to play an instrumental role in making cannabis safe and accessible to a broad and diverse community of California and Oregon consumers. Additional information regarding Harborside is available under Harborside's SEDAR profile at [www.sedar.com](http://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 and United States 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 relating to the Mandatory Conversion on the terms described herein, if at all, and the timing to complete the Mandatory Conversion.

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: whether the Company will receive additional voting support agreements for matters to be considered by shareholders at the Meeting; implications of the ongoing 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 and acquisitions; political and social uncertainties; inability to obtain adequate insurance to cover risks and hazards; employee relations; 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; and the risk factors set out in the Company's management discussion and analysis for the period ended September 30, 2021 and the Company's listing statement dated May 30, 2019, which are available under the Company's profile on [www.sedar.com](http://www.sedar.com). 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, 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 US 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 United States federal money laundering legislation.

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 recreational and medicinal 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 United States 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 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.*

View original content to download multimedia:

<https://www.prnewswire.com/news-releases/harborside-inc-announces-mandatory-conversion-of-all-multiple-voting-shares-to-subordinate-voting-shares-30148906>

SOURCE Harborside Inc.

View original content to download multimedia: <http://www.newswire.ca/en/releases/archive/February2022/23/c9457.html>

%SEDAR: 00013218E

**For further information:** Company Contact: Harborside Inc., Roman Stahl, VP Investor Relations, Mergers & Acquisitions, ir@hborgroup.com; Investor Contact: Bay Street Communications, Philip Koven, Managing Partner, pkoven@baystreetcommunications.com, 647-496-7858

CO: Harborside Inc.

CNW 17:00e 23-FEB-22