

# Harborside Inc., Leading California Retailer, Announces New California Store Openings in San Francisco and La Mesa

– New stores opened in San Francisco's Haight-Ashbury district and in La Mesa, California –

OAKLAND, Calif. and TORONTO, May 11, 2022 /CNW/ - Harborside Inc. ("Harborside" or the "Company") (CSE: HBOR) (OTCQX: HBORF), a California-focused, vertically integrated cannabis enterprise, today announced it opened two new retail stores in California, bringing its total retail store count to 13. In addition, the Company has provided 2021 pro forma sales information.

## Retail Store Openings

The Company is pleased to announce that it has opened a new Harborside-branded store in San Francisco, and a new Urbn Leaf-branded store in La Mesa, located in San Diego County.

The San Francisco store is located at 768 Stanyan Street and comprises 1,690 square feet. It is situated in the historic Haight-Ashbury district, which was an epicenter of the hippie and counterculture movements of the 1960s that helped pave the way for cannabis legalization. The store is across the street from Golden Gate Park and a short walk from many popular restaurants and other local attractions.

The La Mesa store, located at 8939 La Mesa Blvd., comprises 1,606 square feet. It is situated near major highways and is a short walking distance from the large Grossmont Center shopping mall and many other local attractions.

"Expanding our retail footprint in both northern and southern California with these attractive new stores in excellent locations is an important step forward," said Ed Schmults, Chief Executive Officer of Harborside. "It is particularly notable that these stores have significantly less square footage compared to many cannabis dispensaries in the state. This smaller footprint reflects a much more sustainable approach to cannabis retail in an evolving market. We believe that both stores are well positioned for long-term success."

## Pro Forma Sales

Harborside provided further information about its estimated pro forma 2021 sales, which include the full-year sales for the Company and its three recent acquisitions: Sublimation Inc. ("Sublime"), UL Holdings Inc. ("Urbn Leaf"), and LPF JV Corporation ("Loudpack") (together, the "Acquisitions"). Excluding bulk sales, which Harborside has discontinued since completing the Acquisitions, management estimates that the Company's pro forma 2021 sales would have totaled approximately \$190 million.<sup>(1)</sup>

## About Harborside

Harborside, a vertically integrated enterprise with cannabis licenses covering retail, major brands, distribution, cultivation, nursery and manufacturing, is one of the oldest and most respected cannabis companies in California. Founded in 2006, Harborside was awarded one of the first six medical cannabis licenses granted in the United States. Today, the Company operates twelve dispensaries covering Northern and Southern California and one in Oregon, as well as a manufacturing facility in Oakland, California, distribution facilities in San Jose and Los Angeles, California and integrated cultivation/production facilities in Salinas and Greenfield, California. Harborside is a publicly listed company, currently trading on the Canadian Securities Exchange ("CSE") under the ticker symbol "HBOR" and the OTCQX under the ticker symbol "HBORF". 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.

### Note:

(1) Certain financial information included in this press release is neither audited nor reviewed. Where possible, the information has been constructed by management from available audited or audit reviewed financial statements. Where no audited or audit reviewed information has been available, additional management accounting information has been utilized to construct financial information. Financial statements have not been prepared in accordance with the same standards. Harborside and Loudpack prepare their financial statements in accordance with International Financial Reporting Standards. Urbn Leaf prepares their financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. Sublime for the period prior to acquisition by Harborside on July 2, 2021 prepared their financial statements in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. Readers are cautioned not to place undue reliance on such information.

## 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. To the extent any forward-looking information in this news release constitutes "financial outlooks" or "future-oriented financial information" within the meaning of applicable Canadian securities laws, the reader is cautioned not to place undue reliance on such information. 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 Company's future performance and success of the new store openings.

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 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 December 31, 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.*

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