

Harborside Inc. Reports First Quarter 2022 Financial Results

– Year over Year Net Revenues increased 38.8% to \$17.2 million, including one month contribution from Urbn Leaf and no contribution from Loudpack –

– Felicia Snyder appointed to board of directors –

OAKLAND, Calif. and TORONTO, May 26, 2022 /CNW/ - Harborside Inc. ("Harborside" or the "Company") (CSE: HBOR) (OTCQX: HBORF), a California-focused, vertically integrated cannabis enterprise, today filed its interim financial statements and management's discussion and analysis for the three months ended March 31, 2022 (collectively, the "Q1 2022 Financial Results") under the Company's profile on SEDAR at www.sedar.com.

The Q1 2022 Financial Results encompass a period reflecting only one month of contribution from UL Holdings Inc. ("Urbn Leaf"), which the Company acquired on March 1, 2022, and no contribution from LPF JV Corporation ("Loudpack"), which the Company acquired subsequent to quarter-end on April 4, 2022. The Loudpack and Urbn Leaf acquisitions have transformed the Company into one of the largest vertically integrated cannabis enterprises in California.

Board of Directors Appointment

Harborside also announced that Felicia Snyder has joined the board of directors of the Company (the "Board"), effective immediately. An entrepreneur, corporate strategist, seasoned cannabis executive and brand builder, Ms. Snyder is currently Founder and co-CEO of Arcana, an experiential hospitality brand. She was a founding executive at Tokyo Smoke, one of Canada's most recognized cannabis brands and a leading Canadian cannabis retailer, where she helped to scale the business through its merger with Doja Cannabis and eventual sale to Canopy Growth Corporation. Post-acquisition, she was Vice President at Canopy Growth, managing a portfolio of premium cannabis brands across all product categories. Prior to Tokyo Smoke, she worked for several years in South Korea with Samsung Electronics, where she oversaw a variety of projects related to business strategy, acquisitions, investments, partnerships, and development of new products and services. She is also a Google alum and started her career in Financial Services Management Consulting at Oliver Wyman, a global consulting firm. She holds an MBA from the Wharton School of the University of Pennsylvania.

"On behalf of the Board and management team of Harborside, I am delighted to welcome Felicia to the Harborside team," said Ed Schmults, Chief Executive Officer. "Her diverse skillset and significant cannabis industry experience are valuable additions to Harborside as we work to integrate our recent acquisitions and build the flagship California cannabis company."

The appointment of Ms. Snyder to the Board fills a vacancy created by the previously announced resignation of Michael Dacks.

Conference call

The Company intends to host a conference call for analysts and investors, during which it will review the ongoing progress of Harborside's business integration with Urbn Leaf and Loudpack:

Conference Call Date: May 31, 2022

Time: 11:00am ET

North American toll-free dial-in number: 1-888-664-6392

International dial-in number: 416-764-8659

Webcast: https://produceredition.webcasts.com/starthere.jsp?ei=1552975&tp_key=14131803f3

A telephonic replay of the conference call will also be available through June 14, 2022.

North American toll-free replay number: 1-888-390-0541

International replay number: 416-764-8677

Replay entry code: 193421#

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 14 dispensaries covering Northern and Southern California and one in Oregon, 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.

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 integration of Harborside with Urbn Leaf and Loudpack, the Company becoming one of the largest vertically integrated cannabis enterprises in California, and the Company's future performance.

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's 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. 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 United States 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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