



# STATEHOUSE

## HOLDINGS

### StateHouse Appoints Felicia Snyder as Independent Chair of the Board

April 16, 2024

#### Provides Update on Annual Filings Timing

SAN DIEGO and TORONTO, April 15, 2024 (GLOBE NEWSWIRE) -- [StateHouse Holdings Inc.](#) ("StateHouse" or the "Company") (CSE: STHZ) (OTCQB: STHZF), a California-focused, vertically integrated cannabis company, today announced that Felicia Snyder has been appointed as independent Chair of the Board of Directors of the Company (the "Board") effective April 14th, 2024. In connection with the appointment, Matthew K. Hawkins has stepped down from the Board effective April 12th, 2024, to focus on capital raising activities ahead of Entourage Effect Capital's upcoming fourth fund launch.

"Felicia has provided a wealth of strategic guidance and leadership as a Board Member and we are thrilled to see her take on the role of Chair," said Edward Schmults, Chief Executive Officer and Director of StateHouse. "We have already benefited immensely from her experience and expertise and look forward to all she will contribute as we enter our next phase of growth and development. The California market has experienced several shifts over the years; we have built a strong team that has risen to meet these challenges and opportunities. As a result of their hard work, we have improved our results and continue to capture market share as we navigate this consolidating and contracting landscape."

Mr. Schmults continued, "Additionally, on behalf of all of us at StateHouse I want to sincerely thank Matt for his invaluable contributions as Chair. He has been a tremendous asset, and we wish him all the best in his future endeavors."

"It is a privilege working with the talented StateHouse team and witnessing firsthand their passion to create high-quality products that resonate with today's consumers," said Felicia Snyder, Chair of the Board. "California is at the center of the cannabis industry and StateHouse uniquely has the optimal platform of high-demand consumer brands and attractive retail footprint to scale and grow as the market advances."

"The team at StateHouse has done a fantastic job bringing together premier assets into one unified company and it has been a pleasure working with them," said Matt Hawkins, Former Chair of the Board. "I'm proud of the work we have done together to create one of the most well-established platforms in California."

#### Corporate Update on Annual Filings Timing

The Company anticipates delays in filing its audited annual financial statements for the year ended December 31, 2023 (the "**Annual Financial Statements**"), the related management's discussion and analysis and CEO and CFO certifications (collectively, the "**Annual Filings**") due to a combination of factors, including: (i) delays attributed to identifying and onboarding of Davidson & Company LLP as the new auditors of the Company in the fourth quarter of 2023. The Company's former auditor resigned in September 2023 in conjunction with its decision to discontinue providing certain services to public companies (ii) turnover of staff at the Company; . The Company will work with its auditors to complete the audit of the Annual Financial Statements and anticipates that, subject to current conditions remaining the same, it will require approximately an additional month to complete the process of preparing the Annual Filings and in any event will use its best efforts to complete the process within the next two months.

As a result of the anticipated delay in filing the Annual Filings, the Company has applied to the Ontario Securities Commission to request a management cease trade order (the "**MCTO**") be issued in accordance with National Policy 12-203 – *Management Cease Trade Orders* ("**NP 12-203**").

During the period in which the MCTO is in effect, the general investing public will continue to be able to trade in the Company's common shares listed on the Canadian Securities Exchange (the "**CSE**") or the OTCQB. However, for the duration of the MCTO, the Company's Chief Executive Officer and Chief Financial Officer will not be able to trade in the Company's common shares, nor will the Company be able to, directly or indirectly, issue securities to or acquire securities from an insider or employee of the Company except in accordance with legally binding obligations to do so existing as of April 29, 2024, being the date of the Company's anticipated continuous disclosure default. The Company has also imposed an insider trading blackout pending filing of the Annual Filings. The Company confirms that it will comply with the alternative information guidelines set forth in NP 12-203 for so long as it remains in default of the requirement to file the Annual Filings. The Company is not subject to any insolvency proceedings. The MCTO will remain in effect until the Company files the Annual Filings or the MCTO is otherwise revoked or varied.

#### About StateHouse Holdings Inc.

StateHouse, 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, its predecessor company Harborside was awarded one of the first six medical cannabis licenses granted in the United States. Today, the Company operates 13 dispensaries covering Northern and Southern

California and one in Oregon, an integrated cultivation facility in Salinas and manufacturing in Greenfield, California. StateHouse is a leading brand house in California by market share, with a diversified product across multiple brands, form factors, and price points. StateHouse sells its six popular house brands to over 600 retailers across California including Kingpen, Dime Bag, Loudpack, Fuzzies, Sublime, Urbn Leaf and Smokiez line of products. StateHouse is a publicly listed company, currently trading on the Canadian Securities Exchange ("CSE") under the ticker symbol "STHZ" and the OTCQB under the ticker symbol "STHZF". 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 Annual Filings, including the anticipated delay in filing the Annual Filings the timing to complete the Company's audit, the ability of the Company to file the Annual Filings by the timelines set out in this news release, the potential granting of an MCTO as well as the ability of the Company to be in compliance with NP 12-203, and expectations for other economic, business, and/or competitive factors.

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: the Company may not complete its audit and file the Annual Filings as currently anticipated, or at all; the Company will be subject to a general cease trade order in the event that the MCTO is not granted and/or the Annual Filings are not completed and filed; the Company may not be able to comply with NP 12-203; 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 three and nine months ended September 30, 2023 and the Company's listing statement dated May 30, 2019, which are available under the Company's profile on [www.sedarplus.ca](http://www.sedarplus.ca). 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 directly 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.

For the latest news, activities, and media coverage, please visit <https://www.statehouseholdings.com>, <https://shoparhorside.com> and <https://urbnleaf.com> and connect with us on LinkedIn and Twitter.

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