



STATEHOUSE

HOLDINGS

StateHouse Announces Opening of Urbn Leaf West Hollywood Dispensary

January 9, 2023

Expands retail presence with prominent location on Sunset Boulevard

SAN DIEGO and TORONTO, Jan. 9, 2023 /CNW/ - StateHouse Holdings Inc. ("StateHouse" or the "Company") (CSE: STHZ) (OTCQX: STHZF), a California-focused, vertically integrated cannabis enterprise, today announced the opening of its first Urbn Leaf dispensary in West Hollywood ("Urbn Leaf WeHo"). The introduction of Urbn Leaf WeHo expands the Company's retail footprint to 14 dispensaries in California.

Conveniently located at 8477 Sunset Boulevard, West Hollywood, CA 90069 on the iconic Sunset Strip, Urbn Leaf WeHo includes 60 parking spaces, offering premium quality service to both adult-use and medical consumers. Customers can embark on their latest cannabis adventure by exploring a highly curated selection of flower, pre-rolls, edibles, and accessories, including a full assortment of the Company's owned brands such as Dimebag, Kingpen, and Smokiez. The dispensary's knowledgeable staff will assist consumers at each step, providing valuable information that ensures a safe, welcoming experience for all.

"We are thrilled to open the doors to our Urbn Leaf WeHo dispensary and serve the people of West Hollywood," said Ed Schmults, Chief Executive Officer of StateHouse. "Urbn Leaf WeHo is our 14th dispensary in California and 15th on the West Coast. We continue to expand our presence and to consolidate the state's highly fragmented cannabis industry, thanks to the hard work of our retail, production, and distribution teams. We are proud of what we have accomplished together thus far and are excited to begin the year with this positive development."

Urbn Leaf WeHo will begin serving customers on January 9th, 2023 with ongoing operating hours of 9:00 a.m. to 9:45 p.m, Monday through Sunday. For more information on StateHouse's retail locations, patient resources and endeavors in California and Oregon, please visit <https://www.statehouseholdings.com>.

In connection with the opening the Company has finalized a Management Services Agreement ("MSA") between UL Management LLC and PDLP JV, LLC, for an initial term of five years, with up to three automatic renewals of five years for a total period of twenty years.

About StateHouse:

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 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. StateHouse is a publicly listed company, currently trading on the Canadian Securities Exchange ("CSE") under the ticker symbol "STHZ" and the OTCQX 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 Company's future performance, the customer service experience, and success of the new store opening.

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 September 30, 2022 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 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.

SOURCE StateHouse Holdings Inc.



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