



STATEHOUSE

HOLDINGS

StateHouse Celebrates One-Year Anniversary

April 6, 2023

California-focused enterprise is on track to double harvest yields, achieve higher-quality biomass while reducing expenses and COGs

SAN DIEGO and TORONTO, April 06, 2023 (GLOBE NEWSWIRE) -- [StateHouse Holdings Inc.](#) ("StateHouse" or the "Company") (CSE: STHZ) (OTCQX: STHZF), a California-focused, vertically integrated cannabis enterprise, highlighted key achievements and planned product launches in celebration of its one-year anniversary.

StateHouse was created following the merger of four forward-thinking legacy companies with a rich history in California cannabis: Harborside, Loudpack, Urbn Leaf and Sublime. The Company's name reflects the shared history of the four companies and represents their commitment to activism and advocacy within the cannabis industry. Over the past year, the Company has utilized the expertise of its veteran staff to make significant advancements in retail, operations and cultivation.

StateHouse CEO Ed Schmults has recruited a team of industry-tested veterans who are committed to upholding high standards of quality, consistency and reliability within the cannabis industry. The team has utilized their leadership positions at StateHouse to create a culture of continuous improvement at the company, while effectuating efficiencies and cost cutting measures across all departments. By way of example, the combined four companies had approximately 900 employees at the date of the merger and at the end of March 2023 the total employees were approximately 400.

While enacting vital cost reductions, the Company never lost sight of its continued commitment to excellence and innovated across several key segments of the industry, including retail, operations and cultivation. At the forefront of those innovations are the Company's cultivation practices that are based on proven scientific principles and a weekly perpetual crop schedule that, when combined, have resulted in doubled yields. Additionally, StateHouse has achieved higher-quality biomass; validated by seven awards in 2022 including two from the Emerald Cup and two from California State Fair, effectively reducing the need to procure input from outside sources. As a result, when bulk prices rise in California, StateHouse is far less likely to suffer the margin squeeze that brands without cultivation will suffer.

In operations, the Company optimized manufacturing processes leading to a significant reduction in cost of goods. In retail, StateHouse introduced the TOPS rewards program, an industry-leading loyalty program that offers 10% cashback on future purchases. As a result, StateHouse's database has grown to 925,000 customers and nearly 250,000 loyalty members, with further growth expected.

In keeping with the Company's longstanding commitment to consumer experience leadership, the Company expanded its open floor sales concept to include other stores in its portfolio and opened its newest Urbn Leaf store on the Sunset Strip in West Hollywood.

"I am extremely proud of the work that we have accomplished this year," said Ed Schmults, CEO of StateHouse. "The cannabis industry, like any other, has its fair share of ups and downs. Fortunately, we have built a talented team of thinkers, creators and go-getters who are fiercely passionate about their work and cultivating a cannabis company that is at the forefront of innovation and opportunity. I am more than excited about what we can accomplish together."

Looking ahead, StateHouse plans to expand its collection of product offerings with the introduction of Dime Bag DVPs; Which are expected to be available in early May, 2023. The disposable vape pen will include nearly a dozen strains, including Peach Rings, Strawberry Cough, Berries & Cream, Rainbow Kush, Magic Melon and Apple Fritter. Also, StateHouse is developing new products to meet the growing interest in minor cannabinoids. The Company has begun crafting new products featuring THCV in edibles, pre-rolls and beverage. To stay up to date with StateHouse's product offerings, retail locations, patient resources and endeavors in California, please visit <https://www.statehouseholdings.com>.

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 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 cultivation and harvest yields, the introduction of Dime Bag DVPs, the introduction of new strains and new products, loyalty program discounts, reduction of expenses and costs of goods, and the potential benefits of these changes to StateHouse.

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 March 31, 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.

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://shopharborside.com> and <https://urbanleaf.com> and connect with us on LinkedIn and Twitter.

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