



STATEHOUSE

H O L D I N G S

StateHouse Launches Intercanopy Lighting Validation Study

August 29, 2023

Commercial cannabis cultivator partners with other growers, Grow Light Design and The Cannabis Research Coalition to examine the impact of Flower Direct Cannabis Cultivation strategies on cannabis flower yield, biomass category ratio and secondary metabolite production.

SAN DIEGO and TORONTO, Aug. 29, 2023 (GLOBE NEWSWIRE) -- [StateHouse Holdings Inc.](#) ("StateHouse" or the "Company") (CSE: STHZ) (OTCQX: STHZF), a California-focused, vertically integrated cannabis enterprise, today announced the launch of the Intercanopy Lighting Validation Group ("ICLVG") study. Initiated by Statehouse and conducted in partnership with the Cannabis Research Coalition ("CRC"), and a group of anonymous global growers ("Growers"), the study will determine the impact of Flower Direct Cannabis Cultivation ("FDC²") lighting principles through the application of Grow Light Design, LLC ("GLD") fixtures.

GLD systems are patented, two-level fixtures that create a cube of light surrounding the crop that can be rotated or tilted to maximize efficiency and photon capture. As crops grow, cultivators can adjust the placement and direction of the light to channel it directly on the crop's flowers. This ICLVG will each examine the application of the same daily light integral ("DLI"), a measure of total photosynthetically active radiation "light" plants receive during a 24 hour day, using top lighting alone and top lighting combined with GLD's system. The study will determine each lighting system's impact on cannabis crop biomass yield, biomass category ratio and finished flower quality with results expected in late Q3 2023.

"In partnership with scientists and growers, we together will now explore new lighting technology that has the potential to redefine our approach when applying light in Cannabis production," says Travis Higginbotham, VP of Cultivation at StateHouse Holdings. "We stand committed to probing the validity of this innovative three dimensional lighting approach with these specific surround fixtures. Our joint endeavor aims not only to increase yields, resulting with a reduced cost per pound, but also showing how one can achieve an increased energy use efficiency per gram produced in combination. This project may reveal a path where growers now consider square foot optimization further, rather than square foot expansion when considering business growth."

During the study of FDC² lighting principles, StateHouse will share insights into additional principles of Flower Direct Cannabis Cultivation including the importance and impact of airflow, supplemental CO₂, water use efficiency and the homogenization of the growing environment in general. For more information on StateHouse's cultivation endeavors, product offerings, retail locations and patient resources, 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 year ended December 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://shoparborside.com> and <https://urbanleaf.com> and connect with us on LinkedIn and Twitter.

For further information:

Travis Higginbotham
VP, Cultivation
800-892-4209

MATTIO Communications
statehouse@mattio.com