



# STATEHOUSE

H O L D I N G S

## StateHouse and Stinson Brands, Inc. Enter Into Strategic Sales Agency Agreement

October 2, 2023

### StateHouse to begin selling a portfolio of Kikoko branded products through its in-house sales team and Harborside and Urbn Leaf dispensaries in California

SAN DIEGO and TORONTO, Oct. 02, 2023 (GLOBE NEWSWIRE) -- [StateHouse Holdings Inc.](#) ("StateHouse" or the "Company") (CSE: STHZ) (OTCQX: STHZF), a California-focused, vertically integrated cannabis enterprise, today announced that it has entered into a sales agency agreement with [Stinson Brands, Inc.](#), a management company that consults, and holds IP, for the development premium food and beverage brands with an emphasis on fine herbal tea blends.

Under the terms of the strategic sales agency agreement, StateHouse will begin selling Stinson Brands products through its sales team and in its Harborside and Urbn Leaf dispensaries across California. StateHouse will work with its valued distribution partner, Nabis, to develop this new line of business, and expects to expand into new product categories while growing Stinson's well-known portfolio of brands including [Kikoko](#), a cannabis botanical wellness company focused on offering women plant-based, scientifically proven alternatives to pharmaceuticals and alcohol, to new levels of success.

"Kikoko is a top-selling California brand that continues to innovate its product offerings across multiple categories," said Ed Schmults, CEO of StateHouse. "StateHouse welcomes Kikoko to its roster of brands and believes this partnership will catapult Kikoko to new levels of visibility in the market while simultaneously fulfilling our promise to our patients and customers to provide the highest-quality cannabis products."

"We could not be more thrilled to join StateHouse in this partnership," said Jennifer Chapin, CEO of Kikoko. "Our brand is poised for growth and we are confident that StateHouse and Nabis will guide us in the right direction as we continue to develop new products and champion our best-selling offerings."

### Option and RSU Grant

The Company granted a total of 4,600,000 options to purchase common shares of StateHouse to certain directors, officers and employees pursuant to the Company's Stock Option Plan. The options vest in equal annual installments over a period of four years from the date of grant and expire 5 years from the date of grant. In addition, the Company has issued a total of 784,000 restricted share units ("RSUs") to certain directors, officers and employees of the Company in accordance with the Company's Restricted Share Unit Plan. Each RSU represents the right to receive one common share of the Company or the equivalent cash value thereof, at the Company's discretion.

For more information on StateHouse's brands, retail locations and patient resources, please visit <https://www.statehouseholdings.com>.

### About Kikoko:

Kikoko is a cannabis botanical wellness company that was founded in 2015 by Jennifer Chapin and Amanda Jones for a friend with cancer. Since then, Kikoko's mission has been to offer women plant-based, scientifically proven alternatives to pharmaceuticals and alcohol. Kikoko's current product categories include cannabis-infused Herbal Teas, Mints, XTabs, Honeyshots, and Tinctures. For more information, please visit [www.kikoko.com](http://www.kikoko.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 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 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 development of new lines of business, expanding into new product categories, growing Stinson's portfolio of brands, and increasing Stinson's level of brand visibility in the market, 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](http://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.

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