



STATEHOUSE

H O L D I N G S

StateHouse Issues Consideration for Increased Interest In Haight-Ashbury Dispensary

November 1, 2023

SAN DIEGO and TORONTO, Nov. 01, 2023 (GLOBE NEWSWIRE) -- [StateHouse Holdings Inc.](#) ("StateHouse" or the "Company") (CSE: STHZ) (OTCQB: STHZF), a California-focused, vertically integrated cannabis company, today announced that the Company has completed the issuance of shares related to its acquisition of a further 29.9% interest in FGW Haight, Inc. ("FGW" or "Harborside San Francisco"), a cannabis dispensary in San Francisco's historic Haight-Ashbury district (the "FGW Acquisition"), as previously announced on February 15, 2022. The FGW Acquisition has increased the Company's interest in Harborside San Francisco to 80%.

Since its grand opening on May 21, 2022, Harborside San Francisco has participated in a variety of community engagement activities, including:

- Volunteering and assisting with the execution of the Haight-Ashbury Street Fair in 2023;
- Leveraging its retail licensing to support cannabis sales at Grass Lands at OSL 2023;
- Participating in the San Francisco community toy drive for the 2022 holidays;
- Aiding in medical consultations for patients from neighboring hospitals;
- Cross promotional activity with neighboring businesses;
- Sponsoring post 420 clean-up at Golden Gate Park, and much more.

"We are thrilled to consolidate our ownership in Harborside San Francisco and cement our position as the leading operator in Northern California," said Ed Schmults, Chief Executive Officer of StateHouse. "The Haight-Ashbury district is an iconic area and an integral piece of San Francisco's culture that is frequented by tourists and locals alike. Despite the challenging cannabis retail environment, Harborside San Francisco has continued to perform quite well, with sales in September up 33% and transactions up an astounding 59%, compared to September of last year."

Mr. Schmults added, "Our social equity partner, Damien Posey and the team have done a fantastic job of creating an elevated, welcoming experience for cannabis consumers while integrating and actively engaging in the community. We look forward to continuing and expanding on this mission to ensure we leverage our position to support neighboring businesses, charities, and local residents."

Mr. Posey added, "Harborside SF is quickly becoming a valued part of the Haight neighborhood and I'm excited to see it continue to grow and serve this important community."

StateHouse acquired the additional interest in FGW through the execution of a securities purchase agreement (the "Agreement"), following the previously announced acquisition of 50.1% interest in FGW that closed on December 18, 2020. Pursuant to the Agreement, StateHouse has issued 1,170,584 common shares in the Company at a price of US \$1.50 per share in consideration for the remaining ownership interest. The Company also retains the right of first refusal to purchase, in its discretion, in whole or in part and in one or more closings, the remaining 20% of FGW, subject to regulatory approvals.

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.

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://urbnleaf.com> and connect with us on LinkedIn and Twitter.

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