

StateHouse Holdings Appoints Zed Schlott as Vice President of Retail

Cannabis industry veteran brings over a decade of experience in retail operations, leadership and business analysis

SAN DIEGO and TORONTO, Sept. 28, 2023 -- [StateHouse Holdings Inc.](#) ("StateHouse" or the "Company") (CSE: STHZ) (OTCQX: STHZF), a California-focused, vertically integrated cannabis enterprise, today announced the appointment of Zed Schlott to the role of Vice President of Retail.

Schlott is a cannabis industry innovator with more than a decade of experience in retail operations, management and sales. He joins the California-focused enterprise after spending more than six years at LivFree Wellness, LLC and its parent company, Ayr Wellness Inc., a leading vertically integrated U.S. multi-state cannabis operator. In his most recent role as the Vice President of the West Region, Schlott helped integrate 800 employees across Nevada and Arizona with 200,000 square feet of cultivation, 4 manufacturing facilities and 9 retail operations.

"We look forward to having Zed join our team as we begin the next chapter of our journey," said Ed Schmults, CEO of StateHouse. "StateHouse has successfully merged the shared history of the four companies through cannabis production, activism and advocacy in a unique manner. This would not be possible without the commitment and talent of our invaluable team members. Zed's vast experience and insight will bring an added dimension that is helpful as we take our company to the next level."

"I am thrilled to begin my journey with a forward-thinking company like StateHouse that is committed to excellence," said Zed Schlott, Vice President of Retail at StateHouse. "I began my journey within the cannabis industry as a budtender. Throughout my career, I have remained connected to those on the ground level of retail and sales as a way to understand every level of the retail experience. Using this philosophy, I aim to embrace every member of the StateHouse family and build a unified collective of cannabis professionals who are committed to elevating the cannabis industry one sale at a time."

Schlott joins StateHouse in their mission to innovate every aspect of the emerging and dynamic cannabis sector. In Q2 of 2023 the Company secured additional capital from Pelorus Capital Group ("Pelorus") to execute its long-term growth plan, restructured its marketing department to enhance digital and granular marketing efforts, resulting in the Company's Dime Bag brand growing by 41%, and saw improved the quality and quantity of its flower grown at its Salinas, California facility through strategic cultivation advancements lead by Vice President of Cultivation, Travis Higginbotham. In addition, the Company recently entered into a managed service agreement with Pelorus to manage the operations at Willow Creek located in Humboldt County, California for an initial 18-month term.

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

For further information:

MATTIO Communications

statehouse@mattio.com