

StateHouse Launches New, High-Value Customer Loyalty Program “TOPS”

Confirms extension on Series A debt obligations to February 28th, 2023

SAN DIEGO, CA and TORONTO, ON / ACCESSWIRE / January 26, 2023 / StateHouse Holdings Inc. ("StateHouse" or the "Company") (CSE:STHZ)(OTCQX:STHZF), a California-focused, vertically integrated cannabis enterprise, today announced the launch of its new industry leading high-value customer loyalty program "TOPS". Customers enrolled in TOPS will receive 1 point per \$1 dollar spent (taxes excluded), as well as 1.5 points per \$1 dollar spent on in-house brands, including Kingpen/Kingroll, Fuzzies/Sublime, Urbn Leaf, Loudpack, Smokiez, Harborside Farms, Dime Bag, and Key.

Subject to certain terms and conditions, TOPS members can receive \$10 in savings for every 100 points earned and qualifying participants can also earn bonus points, including 100 points for new sign-ups, 100 points on their birthday, in addition to other ongoing promotion activities. TOPS members can accrue and redeem points in-store at all Harborside & Urbn Leaf locations, as well as online and delivery. To receive more information on the benefits of the TOPS rewards programs and begin accruing points, customers are encouraged to enroll either in-person at a retail location or online at www.Shopharborside.com/tops-loyalty-rewards or www.UrbnLeaf.com/tops-loyalty-rewards.

"We are incredibly excited to roll-out TOPS, one of the industry's highest value loyalty programs," said Ed Schmults, Chief Executive Officer of StateHouse. "We have a significant opportunity to engage with our valued customer base, which following the integration of our Harborside and Urbn Leaf dispensaries represents in excess of 800,000 unique customers. We are proud to offer our customers one of the best incentives to trust us with their business, especially during this time of rising costs, and look forward to continuing to exceed their expectations for both quality and value."

Financing Update

As previously disclosed on December 30, 2022, the Company continues to engage in discussions related to potential future financing options. In addition, the Company's series A debtholders have granted StateHouse a further one-month extension to February 28th, 2023, on repayment of the Company's outstanding debt obligations in respect of its Series A Indebtedness.

About StateHouse:

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, and cultivation and 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 the Company's future performance, potential future financing, the customer service experience, and TOPS loyalty program.

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 September 30, 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.

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