



STATEHOUSE

HOLDINGS

StateHouse Continues to Innovate Through Launch of 'Dime Bag' Branded Liquid Diamond Infused Pre-Rolls

March 2, 2023

Confirms extension of Series A debt obligations to April 20th, 2023

SAN DIEGO, CA and TORONTO, ON / ACCESSWIRE / March 2, 2023 / StateHouse Holdings Inc. ("StateHouse" or the "Company") (CSE:STHZ) (OTCQX:STHZF), a California-focused, vertically integrated cannabis enterprise, today announced that its Dime Bag brand recently launched a new line of Liquid Diamond Infused Pre-Rolls in pocket-friendly packs of three, for an affordable experience on-the-go. The new liquid diamond pre-rolls are available across all of the Company's 14 dispensaries, and in the California wholesale market.

The new pre-rolls provide an elevated and smooth experience with flower that is ground and infused with liquid diamonds to deliver higher potencies. Liquid diamonds are developed through a process where whole nug cannabis is flash frozen, live resin is extracted and then converted to THCa as it begins to crystallize. These crystals, referred to as diamonds, are then melted down into its active form to liquid THC. THCa diamonds contain approximately 96-99% pure THCa, generating higher potency.

"Consumers are stretching the power of every dollar without compromising on quality. It is essential that we continue to deliver high-quality and innovative products to our customers," said Ed Schmults, Chief Executive Officer of StateHouse. "These pre-rolls deliver a convenient and higher potency experience at an affordable price within the Dime Bag brand family that is trusted to deliver true value. We believe this latest addition to our product line-up will be very popular with both new and experienced consumers."

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 extension to April 20, 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, 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 the Company's future performance, potential future financing, the availability of liquid diamond products, the potential consumer experience, potency level, and popularity of the product line.

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.

For further information:

StateHouse Holdings Inc.,
Ed Schmults, CEO,

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Angela Pih
Head of Marketing
800-892-4209

Investor Contact:

MATTIO Communications
Rob Kelly
statehouse@mattio.com