



## Stem Holdings Announces Filing of Final Prospectus

### **/NOT FOR DISSEMINATION IN THE UNITED STATES OR FOR DISTRIBUTION TO U.S. WIRE SERVICES/**

BOCA RATON, FL, April 19, 2021 – Stem Holdings, Inc. (OTCQX: STMH, CSE: STEM) (“**Stem**” or the “**Company**”) the first multi-state, integrated cultivation and omnichannel technology cannabis company, announced today that it has obtained a receipt for its final prospectus filed in each of the provinces of Canada, other than Québec (the “**Final Prospectus**”), and has entered into an agency agreement for its previously announced marketed public offering (the “**Offering**”) of units of the Company (the “**Units**”). Pursuant to the Offering, the Company will issue a minimum of 16,363,636 and a maximum of up to 17,272,728 Units at a price of \$0.55 per Unit for minimum gross proceeds of \$9,000,000 and maximum gross proceeds of up to \$9,500,000, subject to the exercise of the Over-Allotment Option (as defined herein). The Company also announced that its registration statement on Form S-1, which was filed with the United States Securities and Exchange Commission in respect of the Offering, was declared effective on April 16, 2021.

Each Unit shall be comprised of one share in the common stock of the Company (each a “**Unit Share**”) and one share purchase warrant of the Company (each, a “**Warrant**”). Each Warrant will be exercisable to acquire one share in the common stock of the Company (each, a “**Warrant Share**”) for a period of 24 months following the Closing Date (as defined herein) at a price per Warrant Share of \$0.68, subject to adjustment in certain events.

The Offering is being led by Canaccord Genuity Corp. (the “**Agent**”) on a ‘commercially reasonable efforts’ basis.

The Company has granted the Agent an option (the “**Over-Allotment Option**”) to purchase such number of additional Units as is equal to 15% of the number of Units sold pursuant to the Offering at the Offering Price, which Over-Allotment Option will be exercisable at any time and from time-to-time, for a period of 30 days following the Closing Date.

The net proceeds raised under the Offering will be used for working capital and in furtherance of some or all of the business objectives described in the Final Prospectus.

The Offering is expected to close on April 23, 2021 (the “**Closing Date**”) and is subject to certain conditions including, but not limited to the receipt of all necessary regulatory approvals including the approval of the Canadian Securities Exchange (the “**Exchange**”) and the applicable securities regulatory authorities.

The Company has given notice to list the Unit Shares and the Warrant Shares (including the Unit Shares and Warrant Shares issuable upon due exercise of the Over-Allotment Option) on the Exchange. Listing will be subject to the Company fulfilling all of the requirements of the Exchange.

## **About Stem Holdings, Inc.**

Stem is a leading omnichannel, vertically-integrated cannabis branded products and technology company with state-of-the-art cultivation, processing, extraction, retail, distribution, and delivery-as-a-service (DaaS) operations throughout the United States. Stem's family of award-winning brands includes TJ's Gardens™, TravisxJames™, and Yerba Buena™ flower and extracts; Cannavore™ edible confections; Doseology™, a CBD mass-market brand launching in 2021; as well as DaaS brands Budee™ and Ganjarunner™ through the acquisition of Driven Deliveries. Budee™ and Ganjarunner™ ecommerce platforms provide direct-to consumer proprietary logistics and an omnichannel UX (user experience)/CX (customer experience).

## **Cautionary Note Regarding Forward-Looking Information**

This press release contains statements which constitute "forward-looking information" within the meaning of applicable securities laws, including statements regarding the plans, intentions, beliefs and current expectations of the management of Stem with respect to future business activities. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions and include, without limitation, expectations and assumptions regarding timing and potential completion of the Offering; satisfaction of regulatory requirements in various jurisdictions; the listing of the Unit Shares and Warrant Shares on the Exchange; distribution arrangements; and the use of the net proceeds of the Offering.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflects the management of Stem's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made. Although Stem believes that the expectations reflected in such forward-looking information are reasonable, such information involves risks and uncertainties, and undue reliance should not be placed on such information, as unknown or unpredictable factors could have material adverse effects on future results, performance or achievements of the Company. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information are the following: changes in general economic, business and political conditions, including changes in the financial markets; adverse changes in the public perception of cannabis; decreases in the prevailing prices for cannabis and cannabis products in the markets that the Company operates in; adverse changes in applicable laws; adverse changes in the application or enforcement of current laws, including those related to taxation; political risk; and increasing costs of compliance with extensive government regulation, and other factors described in the Final Prospectus. This forward-looking information may be affected by risks and uncertainties in the business of Stem and market conditions.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although Stem has attempted to identify important risks, uncertainties and factors which could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. Stem does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

No securities regulatory authority has in any way passed upon the merits of the proposed transactions described in this news release or has approved or disapproved of the contents of this news release.

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