



## Stem Holdings Announces Closing of Public Unit Offering

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

BOCA RATON, FL, April 23, 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 the closing of its previously announced marketed public offering (the “**Offering**”) of units of the Company (the “**Units**”). The Offering was led by Canaccord Genuity Corp. (the “**Agent**”) on a ‘commercially reasonable efforts’ basis and consisted of the sale of 18,744,019 Units (including 1,471,291 Units pursuant to the partial exercise of the over-allotment option by the Agent) at a price of \$0.55 per Unit for aggregate gross proceeds of \$10,309,210 (including \$809,210.05 pursuant to the partial exercise of the over-allotment option by the Agent).

Each Unit is 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 is exercisable to acquire one share in the common stock of the Company (each, a “**Warrant Share**”) until April 23, 2023 at a price per Warrant Share of \$0.68, subject to adjustment in certain events.

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 short form prospectus of the Company dated April 19, 2021 (the “**Final Prospectus**”).

The Company has given notice to list the Unit Shares and the Warrant Shares on the Canadian Securities Exchange (the “**Exchange**”). Listing will be subject to the Company fulfilling all of the requirements of the Exchange.

Concurrent with the Offering, the Company also conducted a non-brokered offering in the United States of 972,092 units of the Company at a price of US\$0.43 per unit for aggregate gross proceeds of approximately US\$420,000 under the terms of a registration statement on Form S-1, as amended, filed with the United States Securities and Exchange Commission under the U.S. Securities Act on January 5, 2021.

### **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™, TravisJames™, 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, 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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