



Stem Holdings Announces Approval of Debenture Repricing

November 30, 2023 BOCA RATON, Fla. – Stem Holdings, Inc. (OTCQB: STMH CSE: STEM) (the “**Company**” or “**Stem**”), a leading vertically-integrated cannabis and hemp company with state-of-the-art cultivation, processing, extraction, retail, and distribution operations, is pleased to announce that the Company has received the approval of the holders (the “**Debentureholders**”) of the 8.00% unsecured convertible debentures of the Company (the “**Convertible Debentures**”) to amend the terms of the Convertible Debentures. As of the date hereof, a total principal amount of approx. US\$2.56 million of Convertible Debentures were outstanding.

The Debentureholders have approved amendments to the terms of the Convertible Debentures to: (i) reprice the Convertible Debentures from the current conversion price of C\$0.10 per share of Common Stock of the Company (the “**Common Shares**”) to US\$0.01 per Common Share (the “**New Conversion Price**”); and (ii) permit the Company to force the conversion of the principal amount of the then outstanding Convertible Debentures and any accrued and unpaid interest thereof at the New Conversion Price at any time, in the sole discretion of the Company (collectively, the “**Debenture Amendments**”).

The Debenture Amendments will be implemented pursuant to the terms of a supplemental indenture to be entered into between the Company and Olympia Trust Company (the “**Supplemental Indenture**”). A copy of the Supplemental Indenture will be available on the Company’s profile on SEDAR+.

The Company intends to convert the entire principal amount of the Convertible Debentures and any accrued and unpaid interest thereon at the New Conversion Price on or around December 1, 2023. Assuming the conversion of the entire principal amount of Convertible Debentures and any accrued and unpaid interest thereon at the New Conversion Price, approximately 264 million Common Shares will be issued, representing approximately 48.5% the Common Shares outstanding following such conversion.

About Stem Holdings, Inc.

Stem Holdings, Inc. (OTCQB:STMH CSE: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; and e-commerce delivery 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. Forward-looking information is often identified by the words “may”, “would”, “could”, “should”, “will”, “intend”, “plan”, “anticipate”, “believe”, “estimate”, “expect” or similar expressions and includes information relating to Stem’s intention to convert the Convertible Debentures and the approximate number of Common Shares issuable in connection with such conversion.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflects the expectations of Stem’s management concerning future results or events based on the opinions, assumptions and estimates considered reasonable by management 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. 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. 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.