

Stem Holdings, Inc. Enters Licensing Agreement With Grön Chocolate and Confections For Nevada Market

BOCA RATON, Fla., June 11, 2019 (GLOBE NEWSWIRE) -- Stem Holdings, Inc. (OTCQB: STMH CSE: STEM) (the "Company" or "Stem") is pleased to announce that it has entered into a licensing agreement with Grön Chocolate and Confections ("Grön"), a top-selling edibles brand known for high-quality consumer packaged edible cannabis products. The agreement will enable Stem to supply the popular Grön gummy line to the Nevada cannabis market.

"We are thrilled to be working with Christine and the rest of the Grön team to bring the organization's offerings to the Nevada market," said Stem's CEO, Adam Berk. "Grön is known for creating some of the best cannabis confections in the cannabis and the hemp CBD space. The business' practices of conscientious ingredient sourcing and rigorous testing for consumer safety align with Stem's company values, which we believe will lead to a successful partnership."

Grön will launch in the Nevada market with a product line that will include THC as well as high CBD infused products. The cannabis candies will be created in Stem's Las Vegas property which houses a state-of-the-art commercial kitchen that can facilitate the production of over 200,000 gummies per day.

"Our agreement with Stem allows Grön to reach a larger audience of cannabis consumers," said Christine Smith, Founder, and CEO of Grön. "Expansion into the Nevada cannabis market furthers our goal of providing our customers with hand-crafted artisan cannabis edibles produced using sustainable and ethical business practices." Edible production will begin in July 2019, with an expected launch in cannabis retail stores by the end of Q3 of 2019. Grön currently produces approximately 20,000 gummies per day (100k gummies per week) at their Oregon facility and Stem anticipates being in a similar position to meet the Nevada market production needs from the current Las Vegas facility.

ABOUT STEM HOLDINGS, INC.

As a vertically integrated cannabis company, Stem has positioned itself as a pioneer in the industry with its state-of-the-art cultivation, processing, extraction, retail, and distribution operations. Stem owns cannabis facilities in Nevada, Oklahoma, and

Oregon, and also participates in a research project in collaboration with Cornell University. Utilizing proprietary, sustainable cultivation techniques, Stem develops exceptional products that are safe and consist of lab-tested cannabis and CBD. Stem's partner consumer brands are award-winning and nationally known, and include: cultivators, TJ's Gardens and Yerba Buena; retail brands, Stem and TJ's; infused product manufacturers, Cannavore and Supernatural Honey; and a CBD company, Dose-ology. Stem's mission in supporting the health and happiness of people and the safety of our planet is evident through the Company's continued recognition for its community involvement, employee diversification and a top place to work in cannabis, dedication to environmental causes and outstanding leadership in the cannabis industry.

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 information regarding: (i) the timing of the launch of the Grön product line in Nevada; (ii) expectations for the production capacity of Stem's Las Vegas property; (iii) expectations for other economic, business, and/or competitive factors; and (iv) the types of Grön products to be produced by Stem in Nevada.

Investors are cautioned that forward-looking information is not based on historical facts but instead reflect 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; the ability of the Company to raise debt and equity capital in the amounts and at the

costs that it expects; adverse changes in the public perception of cannabis; construction delays; 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; the inability to locate and acquire suitable companies, properties and assets necessary to execute on the Company's business plans; political risk; and increasing costs of compliance with extensive government regulation. 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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