

Stem Holdings, Inc. to Bring Willie's Reserve to Oregon

BOCA RATON, Fla., July 15, 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 GCH, Inc. to produce and distribute WILLIE'S RESERVE™ ("Willie's Reserve"), a nationally recognized brand inspired by legendary musician and cannabis-rights activist, Willie Nelson. The agreement will enable Stem to provide live-resin vape cartridges and pre-rolled flower pre-packs.

"Willie's Reserve is a national cannabis brand we are very eager to partner with," said Stem's CEO, Adam Berk. "Founder Willie Nelson may be known to most for his incredible musical talent, but also he has led the way for widespread acceptance and understanding of the cannabis use in the U.S. and the world. We are proud to be able to partner with such an influential legend and historic brand."

Willie's Reserve will offer a curated line of cannabis flower-based products grown by award-winning Stem brands, TJ's Gardens and Yerba Buena. Each cultivar is grown in small batches with sustainable growing techniques developed by the cannabis cultivators.

"Stem represents a combination of highest quality cannabis production and best in class business practice. We're looking forward to growing the Willie's Reserve brand together," said GCH's CEO, Andrew Davison.

The brand will launch in mid-July. The products will be distributed throughout the state and will sell within Stem's retail properties in Portland and Eugene, Oregon.

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.

ABOUT WILLIE'S RESERVE

WILLIE'S RESERVE™ is a line of cannabis products inspired by American music legend and long-time marijuana advocate Willie Nelson. Launched in 2016, Willie's Reserve is now available in California, Colorado, Maryland, Nevada, Oregon and Washington. Willie's Reserve pays tribute to its namesake's tradition of sharing, caring and enjoying the positive effects of cannabis. Willie's Reserve promotes a collaborative cannabis culture, partnering with responsible producers around the country to offer best in class selections including a variety of strains, signature ready roll joints, concentrates, and Annie's Edibles. In 2019, Willie's Reserve is joined by sister brand Willie's Remedy, a line of non-intoxicating hemp-derived products. Willie's Remedy and Willie's Reserve brands are owned and operated by GCH Inc., a cannabis consumer products company founded with Willie Nelson to develop a portfolio of cannabis brands.

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 WILLIE'S RESERVE™ product line in Oregon; (ii) expectations for other economic, business, and/or competitive factors; and (iii) the types of WILLIE'S RESERVE™ 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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