



## **Stem Holdings, Inc. Receives Ownership Approval Allowing Company to Cultivate, Produce and Distribute its Brands in Nevada Through its Partially Owned Subsidiary, YMY Ventures LLC**

BOCA RATON, February 28, 2019 – Stem Holdings, Inc. (OTCQB: STMH CSE: STEM) (the "Company" or "Stem"), a vertically-integrated cannabis company is excited to announce that the Nevada Department of Taxation has approved the Company's change of ownership application for four medical and recreational cultivation and production licenses held by YMY Ventures LLC ("YMY").

"Today is monumental for our Company. This approval for all four licenses was the final piece in our acquisition of 50% of the membership interests in YMY – an original Nevada cannabis licensee," said Stem's CEO, Adam Berk. "Stem's strategic expansion into Nevada not only increases shareholder value, but also solidifies the Company's reputation as a leader in the national cannabis industry."

Within the next quarter, it is expected that YMY will manufacture approximately 100,000 units of medical and recreational cannabis edibles under the Company's award-winning brand, Cannavore which will include organic and gluten free options for cookies, brownie bites, caramels and gummies created by award-winning, local cannabis and pastry chef, Jamie Lockwood.

We knew that partnering with Stem and launching Stem's portfolio of brands in Nevada would be significant for customers and patients in Nevada by providing them with a high-quality product, in a number of options, in a market where we believe those things are lacking," explains Elad Yerushalmi, YMY's Director of Nevada Operations. "We know that the quality, dosing accuracy and sophistication of Stem's products combined with our execution plan, will make for a strong impact in this major cannabis market."

YMY's Las Vegas facility will also produce high-quality flower utilizing cultivation expertise powered by TJ's Gardens and Yerba Buena – Stem's esteemed cannabis brands that, have taken home 36 cannabis cups combined. All flower will be produced using no-till, regenerative living soil. Nevada cannabis consumers will also be able to purchase Stem's premium extracts line Travis x James by TJ's Garden's and Yerba Buena's top-rated Fuego pack.

Stay up to date on Stem's efforts in Nevada and in other markets by visiting its website at [stemholdings.com](http://stemholdings.com).

**About Stem Holdings, Inc.**

As a vertically integrated cannabis company, Stem has positioned itself as a pioneer in the industry with its affiliated state-of-the-art cultivation, processing, extraction, retail, and distribution operations. Stem owns and manages affiliated 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 affiliated award-winning, nationally known, consumer-facing brands 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 ability of the Company to successfully achieve its business objectives, (ii) the ability for YMY to manufacture 100,000 units of medical and recreational cannabis edibles within the next quarter, (iii) expectations for other economic, business, and/or competitive factors, (iv) the ability of YMY's facility to produce high quality flower, and (v) anticipated development and growth of Stem's affiliated brands.

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; decreases in the prevailing prices for cannabis and cannabis products in the markets that the Company operates in; adverse changes in applicable laws; or 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; 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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