

Stem Holdings Announces Closing of Private Placement

BOCA RATON, Fla., April 6, 2022 (GLOBE NEWSWIRE) — **Stem Holdings, Inc.** (OTCQX: STMH) (CSE: STEM) (the “**Company**” or “**Stem**”), a vertically integrated cannabis operator, is pleased to announce that the Company has completed the private placement of a USD\$500,000 unsecured promissory note (the “**Note**”) and 500,000 common share purchase warrants (the “**Warrants**”) to an arm’s length lender (the “**Offering**”).

The Note becomes due and payable in three months, subject to extension by the Company for an additional three months upon payment of a USD\$5,000 extension fee to the lender. The Note bears interest at rate of 10% per annum payable at maturity. The Company may prepay the outstanding principal amount of the Note together with all accrued and unpaid interest, without penalty, at any time prior to the maturity date of the Note. Each Warrant entitles the holder thereof to purchase one (1) common share (“**Warrant Share**”) at a price of USD\$0.07 for a period of thirty-six (36) months after closing of the Offering. The net proceeds from the issuance will be used for working capital and for general corporate expenses. The Warrants and Warrant Shares are subject to a hold period of four months and one day from the date of closing of the Offering in accordance with applicable Canadian securities laws.

About Stem Holdings, Inc.

Stem is a multi-state, vertically integrated, cannabis company that, through its subsidiaries and its investments, is engaged in the cultivation, processing, packaging, distribution and branding of cannabis, hemp and their derivatives, including oils, edibles, concentrates. Additionally, the Company purchases, improves, leases, operates, and invests in properties for use in the production, distribution and sales of cannabis and cannabis-infused products licensed under the laws of the states of Oregon, Nevada, California, Massachusetts, and New York. As of December 31, 2021, Stem had ownership interests in 24 state-issued cannabis licenses including nine (9) licenses for cannabis cultivation, three (3) licenses for cannabis processing, two (2) licenses for cannabis wholesale distribution, three (3) licenses for hemp production and seven (7) cannabis dispensary licenses.

Forward-Looking Statements

This news release contains forward-looking statements and information (collectively, “forward-looking statements”) within the meaning of applicable Canadian securities laws. Forward-looking statements are statements and information that are not historical facts but instead include financial projections and estimates, statements regarding plans, goals, objectives, intentions and expectations with respect to the future business, operations, expected financial position as a result of the divestiture of Driven Deliveries, and phrases containing words such as “ongoing”, “estimates”, “expects”, or the negative thereof or any other variations thereon or comparable terminology referring to future events or results, or that events or conditions “will”, “may”, “could”, or “should” occur or be achieved, or comparable terminology referring to future events or results. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, political risks,

uncertainties relating to the availability and costs of financing needed in the future, changes in equity markets, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and the other risks involved in the mineral exploration and development industry. Forward-looking statements are subject to significant risks and uncertainties, and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and the Company assumes no responsibility to update them or revise them to reflect new events or circumstances other than as required by law.

Investor Contact:

KCSA Strategic Communications
Valter Pinto, Managing Director
+1 212.896.1254
valter@kcsa.com

Media Contact:

Mauria Betts
Director of Branding and Public Relations
971.266.1908
mauria@stemholdings.com