



Stem Holdings Inc. (OTCQB:STMH CSE:STEM), Receives Final Construction Permit in preparation of the Grand Opening of TJ's on Powell, a Portland Dispensary.

BOCA RATON, September 4, 2018 - Stem Holdings Inc. (OTCQB: STMH CSE: STEM), (the "Company" or "Stem") a publicly traded real estate company specializing in acquiring and improving properties for the cannabis industry, has received final approvals from the authorities necessary to complete construction for its newest dispensary location in Portland, Oregon.

The new dispensary is a 1,300 square foot building ideally situated right on a busy commuting corridor. Work will begin immediately, and the renovation will include, structural improvements, modern interior design, exterior landscaping and improved ADA access. An advanced security system will be installed to ensure the safety of customers, employees, and products.

Upon the completion of construction (anticipated to be finished in approximately two months), Stem will lease the location to award-winning cannabis operator TJ's Gardens and the dispensary will hold the name of "TJ's on Powell". TJ's Gardens currently operates two other reputable licensed cannabis dispensaries in the city of Eugene, Oregon. "Both TJ's on Willamette and TJ's Provisions are known for offering a welcoming environment and providing the best customer experience whether you're a first-time customer or knowledgeable cannabis consumer," says TJ's Gardens' co-founder, Travis MacKenzie. "We are excited to bring our dispensary concept to Portland," exclaimed James Orpeza, co-founder of TJ's Gardens.

In light of legalization in 2015 combined with the exponential increase in population in Oregon (specifically, in Portland), Oregon's cannabis market has also experienced significant growth in recent years, but particularly in this past calendar year. Per the Oregon's Department of Revenue, for the month of July 2018, the state collected \$8.57 million in sales tax. This total amount represents a 66% increase in state tax revenue compared to July 2017.

"We are excited to be launching a destination dispensary in the city of Portland," says Stem's CEO Adam Berk. "This retail location will help position our partners, TJ's Gardens to better capture a much larger share of Oregon's cannabis market and its consumers."

TJ's on Powell will also serve as a hub for community building and education as there are plans to host events to be held in a separate, dedicated event space area outside the dispensary. "Our ultimate mission is multi-faceted in that we strive to sell the highest-quality cannabis while being a dedicated and active participant of the community contributing to the overall well-being of each neighborhood we serve." says MacKenzie

The address of the new dispensary is:
TJ's on Powell
7827 SE Powell Blvd.
Portland, Oregon 97206

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About Stem Holdings Inc.

Stem has positioned itself as a leader in the U.S. cannabis industry by building state-of-the-art licensed solutions that include: cultivation, processing and retail properties across multiple U.S. markets. As an innovative real estate company, Stem acquires and improves properties for the cannabis industry and licensed operators. Because traditional institutional lenders have not directly participated in the financing of cannabis-related real estate, there has been a shortage of available capital. Stem has set itself apart by acquiring buildings, investing in leasehold improvements, providing turn-key solutions and partnering with compliant, cannabis businesses, including a variety of edibles, hemp cultivation, extraction, and processing companies. Stem has developed an extensive portfolio of award-winning consumer-facing brands, partnering with well known, branded cannabis operators with a proven track record of success, such as TJ's Gardens, Cannavore, incredibles, Dose-ology and Green T-Farms. *For more information, visit www.stemholdings.com*

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) plans for expansion of Stem, and (iii) expectations for other economic, business, and/or competitive factors.

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; and in particular in 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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