

## **Stem Holdings, Inc. Opens its first Nevada Operation in North Las Vegas**

BOCA RATON, Jan. 8, 2018 – Stem Holdings, Inc. (OTCQB: STMH CSE: STEM) (the "**Company**" or "**Stem**"), a vertically-integrated cannabis corporation with operations throughout the United States, is thrilled to announce that the Company is opening a cultivation facility in Nevada. Located just a few miles off the Las Vegas strip, the opening of the Nevada facility marks an important milestone for the Company.

"We could not be more excited to launch our Nevada cultivation operation in Las Vegas," Mr. Berk explains. "We are very proud of the family of brands that we have developed under Stem's umbrella, and are confident that our high quality cannabis products will be well received in Nevada's cannabis market."

One of the brands that Stem will introduce to Nevada is the historic TJ's Gardens variety of cultivars. Utilizing an organic growing methodology known as regenerative no-till living soil, TJ's Gardens is recognized as the Pacific Northwest's premier cannabis cultivator. In addition to winning over 40 awards at numerous competitions throughout the past four years, one of TJ's Gardens most recognizable strains, TJ's Durban Poison, was named "Best Tasting Bud on Earth" by the renowned *High Times Magazine*. TJ's Gardens will introduce its proprietary products to the Nevada market through the Travis x James brand, which produces high-end flower and great tasting vaporizers.

Stem's new Nevada facility includes space for cultivation, an edibles kitchen, and an extraction lab enabling Stem to introduce other flowers, edibles, and extracts brands into the Nevada market. Through the Company's state of the art kitchen, edibles under the Cannavore brand will be manufactured including, but not limited to, products such as caramels, gummies, hard candies, honey, and soda. Additionally, Yerba Buena flower will be used in Stem's pre-rolled joint multipacks known as Fuegos. Also being introduced is Stem's extracts line named Doseology, which will provide consumers with CBD and THC tinctures.

"Opening our cultivation operations in North Las Vegas provides us with a unique opportunity to grow our brands," says Stem's National Director of Business Development, Dr. Geoff Ostrove. "Las Vegas receives over 44 million visitors each year. Combined with cannabis consumption from the local community, it is anticipated that Nevada is going to see over \$500 million in retail sales each year from the cannabis industry. We plan on playing a major role in helping Stem reach its sales forecast by producing some of the most recognizable cannabis brands on the Las Vegas strip."

Stay up to date on Stem's efforts in Nevada and other States 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) plans for expansion of Stem, (iii) expectations for other economic, business, and/or competitive factors, (iv) anticipated production volumes, (v) anticipated development and growth of Stem's portfolio brands; and (vi) the market for cannabis products in the State of Nevada and the United States generally.

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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