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**Flower One Announces the Approval of its Convertible Debenture Amendments   
and Intended Exercise of Early Conversion Right**

*Following continued debentureholder support, the Company has cancelled the extraordinary meetings of debentureholders scheduled for April 15th*

Las Vegas, Nevada and Toronto, Ontario - April 14, 2021 - Flower One Holdings Inc. (“**Flower One**” or the “**Company**”) (CSE: FONE) (OTCQX: FLOOF) (FSE: F11), a leading cannabis cultivator and producer in Nevada, is pleased to announce that further to its press release dated March 25, 2021, holders of the Company’s 9.5% unsecured convertible debentures due March 28, 2022 (the “**March Debentures**”) and 9.5% unsecured convertible debentures due November 15, 2022 (the “**November Debentures**”, and together with the March Debentures, the “**Debentures**”) have approved, by way of written consent, certain resolutions (the “**Resolutions**”) to, among other things, amend the terms of the March Debentures and November Debentures (the “**Debenture Amendments**”).

**As a result of the approval of the Resolutions and corresponding Debenture Amendments, the extraordinary meetings of the holders of the March Debentures and the November Debentures scheduled to be held on April 15, 2021, have been cancelled.**

“We would like to thank all of our debentureholders for the overwhelming and continued support,” said Kellen O’Keefe, Flower One’s President & Interim CEO. “Reducing our debt and debt service obligations was a vital step towards a successful restructuring. With this completed, we can now continue to focus on the business, which continues to grow at an unprecedented pace.”

In accordance with the approval of the Resolutions by the holders of the March Debentures and November Debentures (together, the “**Debentureholders**”), the terms of the Debentures will be amended as follows:

1. the Company will be provided with the right (the “**New Conversion Right**”) to convert 60% of the principal amount of the Debentures, plus accrued interest thereon, for units of the Company (each, a “**Unit**”) at a conversion price of CAD$0.35 per Unit. Each Unit will be comprised of one Common Share and 5/6 of a warrant (each, a “**Warrant**”). Each whole Warrant will be exercisable for one common share in the capital of the Company (each, a “**Common Share**”) at an exercise price of CAD$0.70 per Common Share for a period of 36 months, provided that if, at any time prior to the expiry date of the Warrants, the volume weighted average trading price of the Common Shares on the Canadian Securities Exchange (“**CSE**”), or other principal exchange on which the Common Shares are listed, is greater than CAD$1.05 for 20 consecutive trading days, the Company will be entitled to, within 10 business days of the occurrence of such event, deliver a notice to the holders of Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice. The New Conversion Right shall be exercisable by the Company upon notice to holders of the Debentures and such conversion will be effective on the date specified by the Company in the notice, which date will be not more than 60 days and not less than 20 days after the date of such notice;
2. the maturity date of the Debentures will be extended to January 31, 2024;
3. the Debentures will bear interest from the effective date of the Debenture Amendments at the rate of, (i) if paid in Canadian dollars, 4.0% per annum, and (ii) if paid in Common Shares, 6.0% per annum, with the applicable method of payment at the sole discretion of the Company;
4. the conversion price for which each Common Share may be issued upon conversion of the Debentures will be reduced to CAD$0.385; and
5. the current market price (i.e. volume weighted average price of the Common Shares on the CSE for the 20 consecutive trading days preceding the applicable date) for which the Company will have the right to force the conversion of Debentures will be reduced to equal to or greater than CAD$1.05.

In addition to the Debenture Amendments, pursuant to the Resolutions, the holders the Debentures have approved certain related matters, including:

1. the waiver of the requirement for the Company to provide notice of exercise of the New Conversion Right (the “**Notice Waiver**”);
2. approval of the delisting of the Debentures from the CSE in order to implement the Debenture Amendments (the “**Debenture Delisting**”); and
3. approval of the listing of the amended Debentures on the CSE following the implementation of the Debenture Amendments (the “**Amended Debenture Listing**”).

The Company intends to complete the Debenture Delisting, implement the Debenture Amendments and exercise the New Conversion Right on April 19, 2021. As a result of the Notice Waiver, the New Conversion Right is expected to be effective on April 19, 2021. The Amended Debenture Listing is expected to occur April 20, 2021.

As a result of the exercise by the Company of the New Conversion Right, the Company will issue an aggregate of approximately 91,260,762 Units to Debentureholders, consisting of approximately 91,260,762 Common Shares and approximately 76,050,635 Warrants. Correspondingly, the total principal amount of March Debentures outstanding will be reduced from CAD$42,471,000 to CAD$16,988,400; and, the total principal amount of the November Debentures outstanding will be reduced from CAD$9,276,000 to CAD$3,710,400.

Management information circulars dated March 12, 2021 in respect of the Resolutions and corresponding Debenture Amendments were previously mailed to Debentureholders of record. Copies of such management information circulars can be viewed on the Company’s SEDAR profile at [www.sedar.com](http://www.sedar.com) and on the Company’s website at: <https://flowerone.com>.

**About Flower One Holdings Inc.**

Flower One is the largest cannabis cultivator, producer, and full-service brand fulfillment partner in the state of Nevada. By combining more than 20 years of greenhouse operational excellence with best-in-class cannabis operators, Flower One offers consistent, reliable, and scalable fulfillment to a growing number of industry-leading cannabis brands (Cookies, Kiva, 22Red Old Pal, Heavy Hitters, Lift Ticket’s, Huxton, The Clear, and Flower One’s leading in-house brand, NLVO, and more). Flower One currently produces a wide range of products from flower, full-spectrum oils, and distillates to finished consumer packaged goods, including a variety of: pre-rolls, concentrates, edibles, topicals, and more for top-performing brands in cannabis. Flower One’s Nevada footprint includes the Company’s flagship facility, a 400,000 square-foot high-tech greenhouse and 55,000 square-foot production facility, as well as a second site with a 25,000 square-foot indoor cultivation facility and commercial kitchen. Flower One has built an industry-leading team focused on becoming the first high-quality, low-cost brand fulfillment partner.

The Company’s common shares are traded on the Canadian Securities Exchange under the Company’s symbol “FONE”, in the United States on the OTCQX Best Market under the symbol “FLOOF” and on the Frankfurt Stock Exchange under the symbol “F11”. For more information, visit: [https://flowerone.com](https://cts.businesswire.com/ct/CT?id=smartlink&url=https%25252525252525252525252525252525252525252525252525253A%25252525252525252525252525252525252525252525252525252F%25252525252525252525252525252525252525252525252525252Fflowerone.com&esheet=52370977&newsitemid=20210201005299&lan=en-US&anchor=https%25252525252525252525252525252525252525252525252525253A%25252525252525252525252525252525252525252525252525252F%25252525252525252525252525252525252525252525252525252Fflowerone.com&index=2&md5=cb01c0d77340eb766af0d4d3b4a26cb8).

**Cautionary Note Regarding Forward-Looking Information** Statements in this press release that are not statements of historical or current fact constitute "forward-looking information" within the meaning of Canadian securities laws and "forward-looking statements" within the meaning of United States securities laws (collectively, "forward-looking statements"). Such forward-looking statements involve known and unknown risks, uncertainties, and other unknown factors that could cause the actual results of the Company to be materially different from historical results or from any future actual results expressed or implied by such forward-looking statements. In addition to statements which explicitly describe such risks and uncertainties, readers are urged to consider statements labeled with the terms "believes," "belief," "expects," "intends," "anticipates," "potential," "should," "may," "will," "plans," "continue" or other similar expressions to be uncertain and forward-looking.

Forward-looking statements may include, without limitation, the implementation of the Debenture Amendments, the Debenture Delisting and the Amended Debenture Listing; the exercise of the New Conversion Right; the Company’s leadership as a cannabis cultivator, producer, innovator and full-service brand fulfillment partner; the Company’s ability to offer consistent, reliable and scalable fulfilment to a growing number of industry-leading brand partners; and the production of a wide range of products for the nation’s top-performing brands.

The Company is indirectly involved in the manufacture, possession, use, sale and distribution of cannabis in the recreational and medicinal cannabis marketplaces in the United States through its subsidiary Cana Nevada Corp. Local state laws where Cana Nevada Corp. operates permit such activities; however, these activities are currently illegal under United States federal law. Additional information regarding this and other risks and uncertainties relating to the Company’s business are contained under the heading "Risk Factors" in the Company’s management’s discussion and analysis for the nine and three months ended September 30, 2020 (the "MD&A").

The forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement, the "Forward-Looking Statements" section contained in the MD&A. All forward-looking statements in this press release are made as of the date of this press release. The forward-looking statements contained herein are also subject generally to assumptions and risks and uncertainties that are described from time to time in the Company’s public securities filings with the Canadian securities commissions, including the Company’s MD&A.

Although Flower One has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: dependence on obtaining regulatory approvals; investing in target companies or projects that are engaged in activities currently considered illegal under United States federal law; changes in laws; limited operating history; reliance on management; requirements for additional financing; competition; hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry and; regulatory or political change.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. Flower One disclaims and does not undertake any intention or obligation to update or revise any such forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR THEIR REGULATIONS SERVICES PROVIDER HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

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