

Flower One Announces Vendor Conversions To Equity

Company Receives Support from Vendors Amid Announced Restructuring

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LAS VEGAS & TORONTO--(BUSINESS WIRE)--February 23, 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 today that several vendors have agreed to convert their debt into equity shares of Flower One. These transactions are part of the Company's restructuring plan that was released in late January, when the Company announced various financial and operational restructurings – including the receipt of US\$10.1M on convertible-debt funding.

“We are very grateful for the support of our partners and their continued belief in Flower One. These conversions allow us to reduce our overall debt and better position the company for future success,” said Kellen O’Keefe, Flower One’s President and Interim Chief Executive Officer. “Additional vendors have also conveyed interest in converting all or part of their debt balances to equity in the coming weeks.”

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, Old Pal, Heavy Hitters, Lift Ticket’s, 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>.

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 listing of the Warrants, and the Warrant Shares of the Company issuable upon the exercise of the Warrants on the CSE; the use of proceeds; 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 fulfillment 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 Annual Information Form dated June 23, 2020 (the "Annual Information Form").

The forward-looking statements contained in this press release are expressly qualified in their entirety by this cautionary statement, the "Cautionary Statement regarding Forward-Looking Information" section contained in the Annual Information Form and the Prospectus Supplement. 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 Annual Information Form and the Prospectus Supplement.

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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