

**Flower One Announces Record Quarterly Revenue as the Top Flower Producer in the State of Nevada**

*First Quarter 2021 Guidance Reflects Record-Breaking Company Performance* Following Successful Restructuring

Las Vegas, Nevada & Toronto, Ontario - May 10, 2021 - Flower One Holdings Inc. ("Flower One" or the "Company") (CSE: FONE) (OTCQX: FLOOF) (FSE: F11), the leading cannabis cultivator and producer in Nevada, is pleased to announce its record-breaking first quarter 2021 performance, including unaudited preliminary first quarter revenue guidance and operational highlights the Company has achieved in 2021 thus far.

“We are extremely proud of our team and the tremendous collaborative effort put forth by so many to successfully restructure Flower One and become the top producer in Nevada,” said Kellen O’Keefe, Flower One’s President and Interim CEO. “For us to have accomplished what we have under the circumstances was nothing short of remarkable and something our entire team can be very proud of. As a company, we have never been in a stronger position and will emerge from the pandemic a different company on an entirely new trajectory. We continue to break records month after month, ending April with all-time high monthly sales and the highest average selling price per pound in our company’s history. We are extremely well positioned for future growth as Vegas comes back online; and, we welcome the first Cookies store to the strip this week.”

**First Quarter 2021** **Performance Highlights:**

* The Company announces its first quarter 2021 preliminary unaudited revenue guidance of more than USD$13.5M, representing a record revenue quarter for the Company, surpassing the Company’s previous record revenue quarter of USD$11.9M in the third quarter of 20201.
* As of March 2021, the Company is now the top flower provider in the state of Nevada, recognizing both the number one (Cookies) and number two (NLVO, the Company’s in-house brand) as top-selling flower brands in the state2;
* In addition to holding the two top-selling flower brands, the Company is also the leading producer of distillate, bulk and white label flower sales in the state of Nevada;
* The Company’s yielding cultivation analytics are reported up to 135.7 grams per plant through the first quarter of 2021, at an average cost per gram of USD$0.58. The Company has historically has reported its average cost per gram to be between USD$0.40-0.69;
* Through updates to its post-harvesting process (drying, curing, trimming and packaging), the Company has recognized over 300% growth in its processing capacity in the first quarter of 2021, in comparison to fourth quarter of 2020.

**Completion of Debt Restructuring:**

The Company announced, on [April 14, 2021](https://flowerone.com/feed-posts/flower-one-announces-the-approval-of-its-convertible-debenture-amendments-and-intended-exercise-of-early-conversion-right/), the approval of its convertible debenture resolutions and corresponding debenture amendments (the **“Debentures”**). As a result of the approved amendments, the Company has exercised its right (the **“New Conversion Right”**) to convert 60% of the principal amount of the Debentures for units comprised of one common share and ⅚ of a warrant (each, a **“Unit”**) - resulting in the total principal amount of the 9.5% unsecured debentures due March 28, 2022 being reduced from CAD$42,471,000 to CAD$16,988,400; and, the total principal amount of the 9.5% unsecured convertible debentures due November 15, 2022 being reduced from CAD$9,276,000 to CAD$3,710,400.

**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](https://cts.businesswire.com/ct/CT?id=smartlink&url=https%2525252525252525252525253A%2525252525252525252525252F%2525252525252525252525252Fflowerone.com&esheet=52370977&newsitemid=20210201005299&lan=en-US&anchor=https%2525252525252525252525253A%2525252525252525252525252F%2525252525252525252525252Fflowerone.com&index=2&md5=cb01c0d77340eb766af0d4d3b4a26cb8).

**Note Regarding Preliminary Results**

The results for the first quarter of 2021 are preliminary and have been prepared by management solely for the purpose of providing a preliminary update to shareholders and remain subject to final review by the Company’s Audit Committee and approval by the Company’s Board of Directors. The Company’s auditor has not audited the preliminary results, nor have they expressed any opinion or any other form of assurance on the preliminary results. The Company will release its unaudited financial statements and accompanying management’s discussion and analysis for the first quarter of 2021, once approved by its Audit Committee and Board of Directors, in due course.

**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, timing of filing the unaudited interim consolidated financial statements and accompanying management’s discussion and analysis on SEDAR in due course, approval of the Q1 results by the Company’s Audit Committee and Board of Directors, total revenue, anticipated timing of store openings, statements relating to the Company’s position as a leader in the Nevada cannabis market and anticipated sales and record revenue, the Company’s leadership as a cannabis cultivator, producer, innovator and full-service brand fulfillment partner, and the production of a wide range of products for the nation’s top-performing brands. ..

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 the Company’s management’s discussion and analysis for the nine and three months ended September 30, 2020 (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.

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Although the Company believes that any forward-looking information and statements herein are

reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent

in such information and statements, there can be no assurance that any such forward-looking

information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. 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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