

**Flower One Announces Closing of its Non-Brokered Private Placement**

Las Vegas, Nevada & Toronto, Ontario – September 27, 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 that it has closed the first tranche of its non-brokered private placement (the “Private Placement”), raising aggregate gross proceeds of US$5M. All amounts are in U.S. dollars unless indicated otherwise.

“We are grateful for the support and vote of confidence signaled by an above-market transaction,” said Kellen O’Keefe, Flower One’s President and CEO. “As we have indicated since the restructuring, there are critical improvements that need to be made to the facility in order to assure we are able to produce at the quality and consistency levels required to achieve our corporate objectives. With this closing, and enhanced financial position, we now can begin implementing these improvements and introduce further automation – all with the goals of increasing productivity and profitability. Additionally, this closing positions Flower One for long term success while driving value for shareholders.”

**Private Placement:**

In connection with the Private Placement, the Company issued a total of 50,000,000 units (the “Units”), each Unit comprised of one common share in the capital of the Company and one common share purchase warrant (each a “Warrant”). The Company has reserved an option at its sole discretion to increase the size of the Private Placement by $10M to an aggregate of $15M. The Company intends to use the net proceeds for implementing critical improvements to the facilities and for general corporate and working capital purposes.

Each Warrant entitles its holder to acquire one common share in the capital of the Company (each a “Warrant Share”) at an exercise price of $0.25 (the “Exercise Price”) at any time up to September 27, 2024, subject to adjustments in certain customary events, provided that if, at any time prior to the expiry date of the Warrants, the closing price of the underlying common shares on the Canadian Securities Exchange exceeds $0.29 (determined by converting the CAD$ closing price by the daily exchange rate published by the Bank of Canada for such date) to the Exercise Price for 20 consecutive trading days, the Company may within 10 business days of the occurrence of such event deliver a notice to the holders of such Warrants accelerating the expiry date of the Warrants to the date that is 90 days following the date of such notice. The Warrants are transferrable subject to written consent provided by the Company. The Warrants will provide for customary anti-dilution adjustments to protect their economic value, including corporate actions of the Company such as share splits or consolidations, reclassifications, non-cash distributions, and business combination transactions.

All securities issued are subject to a four month hold period expiring January 28, 2022.

**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, HUXTON, 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%25252525252525252525252525252525252525253A%25252525252525252525252525252525252525252F%25252525252525252525252525252525252525252Fflowerone.com&esheet=52370977&newsitemid=20210201005299&lan=en-US&anchor=https%25252525252525252525252525252525252525253A%25252525252525252525252525252525252525252F%25252525252525252525252525252525252525252Fflowerone.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, statements pertaining to the use of proceeds, potential to raise additional capital under this Private Placement and the amount (if any) of such additional capital to be raised, expectation of continued financial performance growth of the Company, 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 three and six months ended June 30, 2021 (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.

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 press 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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