



## **Flower One Reports Strong Monthly Sales for the Month of July**

***Sales Return to Pre-COVID-19 Levels with Current Weekly Sales Exceeding Q1 2020 Average Weekly Sales***

**Las Vegas, Nevada and Toronto, Ontario, August 5, 2020** – Flower One Holdings Inc. (the “Company”) (CSE: FONE) (OTCQX: FLOOF), a leading cannabis cultivator, producer and innovator in Nevada, today announced preliminary July gross sales of \$3.2 million, a 64% sequential increase over June 2020 and an indication that the Company’s market presence is rebounding strongly post the partial reopening of Nevada hotels and casinos on June 4, 2020. All amounts are expressed in U.S. dollars unless indicated otherwise.

### **Recent Sales Highlights:**

- Preliminary year-to-date gross sales, thru the month ending July 31, 2020, of approximately \$15.8 million;
- July 2020 preliminary monthly gross sales of \$3.2 million, representing the second highest company monthly sales behind March 2020 of \$3.9 million; and,
- July preliminary average weekly gross sales of approximately \$0.73 million were an increase of 60% over June average weekly gross sales of approximately \$0.46 million and an increase of 8% over Q1 2020 average weekly sales of approximately \$0.68 million.

“These past several months have been challenging, and Nevada continues to see the impact of COVID-19 on its economy and its residents. Our Company’s dedication to servicing the Nevada cannabis market and providing our retail partners with a consistent supply of some of the highest-quality product available, even in unprecedented circumstances, is evident in our July sales numbers. We are pleased to see the recent pace of our sales returning to pre-COVID-19 levels, even without a full recovery of tourism to Nevada,” said Ken Villazor, President and Chief Executive Officer of Flower One.

Villazor continued: “Throughout the past few months, Flower One has acutely focused on improving our operational efficiencies and increasing the market penetration of our growing brand portfolio, including premium brands Cookies and 22Red. We’ve also continued to diversify our revenue base and added 14 new retail accounts since the start of the second quarter for a total of 93 accounts. We look forward to continuing to support our brand and retail partners as the Nevada economy rebounds.”

## **Marking the First Anniversary of Flower One's Initial Sale from its Flagship Facility**

On August 6, 2019, Flower One generated its first official sale from its flagship 455,000 square foot facility. In honor of this milestone, the Company provided an update on its successes in navigating the complexities of large-scale, low-cost cultivation, extraction, product manufacturing and retail fulfillment to help leading cannabis brands efficiently and effectively gain notable retail shelf space in Nevada. These highlights include:

- California-based cannabis brand Old Pal received Flower One's inaugural inventory from its flagship facility. Old Pal therefore represented the Company's first sale. A year later, Old Pal is a mainstay in the Nevada market and has consistently maintained its place as one of the top-selling flower brands in the state based on total units sold according to Headset data as of June 30, 2020;
- Flower One successfully launched the premium cannabis brands Cookies and 22Red;
- Flower One currently provides manufacturing inputs for 4 of the top 10 edibles brands and 2 of the top 10 vape brands in Nevada according to third party June 2020 sales data for Nevada as provided by BDS Analytics, and Headset data, respectively;
- In terms of edibles specifically, as of the end of June 2020, BDS Analytics reports that Flower One produces 2 of the top 10 edible brands in Nevada; and
- Of all edibles sold in the state of Nevada, the gummy category accounts for 90% of sales according to BDS Analytics. Kiva's Camino gummies brand has captured increasing market share, moving from 9<sup>th</sup> place in Q1 2020 to 3<sup>rd</sup> place at the end of June amongst all gummies sold in the state. Further, 4 of 5 Kiva Camino SKUs are now in the top 20 edible items by dollar sales and 3 out of 5 SKUs in terms of units sold in Nevada.

### **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. Flower One's flagship 400,000 square-foot greenhouse and 55,000 square-foot production facility is used for large scale cannabis cultivation, processing, and manufacturing. Flower One also owns and operates a second production facility in Las Vegas, with 25,000 square-feet of indoor cultivation and a commercial kitchen that will produce several of the nation's top-performing edible brands. Flower One produces a wide range of products ranging from wholesale flower, full-spectrum oils, and distillates to finished consumer packaged goods including flower, pre-rolls, concentrates, edibles, and topicals for the top-performing brands in cannabis.

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>.

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**Forward Looking Statements**

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"). Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance, including but not limited to statements labeled with the terms "believes," "belief," "expects," "intends," "anticipates," "potential," "should," "may," "will," "plans," "continue" or other similar expressions may be forward-looking statements.

Forward-looking statements may include, without limitation, statements relating to the Company's market presence; the impact of COVID-19; future supply; expected quality of the Company's products; market penetration of our growing brand portfolio; expected gross margins; the performance of the Company's brand partners; 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, including COVID-19, are contained under the heading "Risk Factors" in the Company's Annual Information Form dated June 23, 2020 (the "Annual Information Form") filed on its issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

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. 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.

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 results, performance or achievements expressed or implied by such forward-looking statements. Such risks, uncertainties and other factors include, among other things: dependence on obtaining regulatory and other approvals and consents; risks associated with COVID-19 and other infectious diseases presenting as major health issues; fluctuations in general macroeconomic conditions; fluctuations in securities markets; expectations regarding the size of the Nevada cannabis market and changing consumer habits; fluctuations in securities markets; expectations regarding the size of the Nevada cannabis market and changing consumer habits; the ability of the Company to successfully achieve its business objectives; inability to obtain adequate insurance to cover risks and hazards; engaging in activities currently considered illegal under United States federal law; changes in laws; employee relations; 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, social, 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 Holdings 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.