



Flower One Holdings' Third Quarter Highlighted by Several Transformational Milestones

TORONTO, Ontario, November 29, 2018 – Flower One Holdings Inc. (CSE: FONE) (OTCQB: FLOOF) (“Flower One” or the “Company”) today reported its financial and operating results for the three and nine month periods ended September 30, 2018. All amounts are expressed in U.S. dollars unless indicated otherwise.

Third quarter highlights:

- Fully acquired the greenhouse and production facility, which will be Nevada’s largest such facility at 455,000 square feet when construction is completed;
- Raised gross proceeds of approximately \$57.4 million Canadian through a non-brokered private placement with accredited investors;
- Completed the reverse takeover transaction with Theia Resources Ltd.;
- Received cultivation and production licenses from the State of Nevada for both medical and recreational cannabis.

“This is a very exciting time for Flower One and its shareholders,” said Ken Villazor, President and CEO of Flower One. “During the third quarter, we completed the acquisition of the largest commercial greenhouse in the State of Nevada, raised over \$57 million Canadian, and obtained key licenses for the cultivation and production of both medical and recreational marijuana. Since then, we have become a publicly-traded company on the Canadian Securities Exchange, obtained our OTCQB listing in the United States, including DTC eligibility, acquired a unique property zoned for mixed use, including retail, and acquired the assets of NLV Organics – which included a fully operational 25,000-square-foot cultivation and production facility in North Las Vegas, a well-branded cannabis product line, and supply relationships with over 30 dispensaries in the state.”

“We have made significant progress in a short amount of time, and we have many more exciting milestones on the near horizon,” added Mr. Villazor. “We expect to complete the conversion of our greenhouse and begin onboarding cannabis plants in the first quarter of 2019, with our first harvest expected in the second quarter of 2019. With these milestones, we will be the largest cannabis cultivator and producer in the Nevada market.”

Financial results

The Company's operational activities during the quarter were primarily focused on advancing the conversion of its 455,000 square foot greenhouse and production facility for cultivating high-quality cannabis at scale.

The Company was incorporated on December 18, 2017, and as such, no quarterly comparable information is available for the three month period ended September 30, 2017.

There was no revenue for the three months ended September 30, 2018.

For the quarter, the Company incurred a net loss of \$5,581,651. The most significant costs during the quarter, included listing expenses of \$3,803,581 attributable to the reverse takeover of Theia Resources Ltd., \$455,377 in professional fees, \$312,411 in share based compensation, \$284,651 in greenhouse rental fees (prior to the acquisition of the greenhouse), and \$209,129 in foreign exchange loss related to the Company's cash balances held in Canadian currency.

As at September 30, 2018, the Company had working capital of \$7,162,463, which included \$24,449,693 in cash and cash equivalents and \$18,000,000 in promissory notes due March 2019.

Flower One's complete third quarter 2018 financial statements and management's discussion and analysis will be issued and filed on SEDAR at www.sedar.com on Thursday, November 29, 2018 and will be available on the same day on Flower One's website at www.flowerone.com/investors/financial-reports.

Notice of conference call

Management of Flower One will host a conference call at 8:30 a.m. ET on Friday, November 30, 2018 to review recent and upcoming milestones. You can join the call by dialing 647-427-7450 or 1-888-231-8191. A live audio webcast of the call will be available at <https://event.on24.com/wcc/r/1888832/93D4A01B3A54D6273EC7E42EA12CB734>. An archived replay of the webcast will be available for 90 days.

About Flower One Holdings Inc.

Flower One Holdings is sharply focused on quickly becoming the leading cannabis cultivator, producer and innovator in the highly lucrative Nevada market. Flower One owns and operates a 25,000 square foot cultivation and production facility in North Las Vegas, with nine grow rooms capable of cultivating a total of 4,500 plants per cycle, and owns the established NLV Organics consumer brand of cannabis products. The Company is also rapidly converting its 455,000 square foot greenhouse and production facility, which is the largest in the State, for cultivating and processing high-quality cannabis at scale. Combined, the flagship greenhouse facility and production facility (once fully operational) and the North Las Vegas facility provide Flower One 480,000 square feet of capacity for cultivation and processing, production and high-volume

packaging of dry flower, cannabis oils, concentrates and infused products. The Company is licensed for medical marijuana cultivation and production, and recreational marijuana cultivation and production in the state of Nevada.

Leveraging the industry's leading agricultural technologies, combined with processing and high-volume packaging capabilities, Flower One is ideally positioned to support the needs of Nevada's cannabis retailers as well as those out-of-state cannabis brands looking to build important brand equity in this fast-growing market.

Flower One's common shares are traded on the Canadian Securities Exchange under the symbol "FONE" and in the United States on the OTCQB under the symbol "FLOOF."

For further information visit the Company's website at www.flowerone.com, or contact:

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This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the Flower One's securities to, or for the account or benefit of, persons in any jurisdiction.

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Cautionary note regarding forward-looking information

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in Flower One's public documents. When used in this news release, words such as "will, could, plan, estimate, expect, intend, may, potential, believe, should," and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements relating to the execution of the Company's strategy, new opportunities, future growth, future retail presence and potential benefits of retail strategy, potential capabilities of the cultivation and processing facility in Nevada, the ability of the Company to acquire further licenses, future demand for and pricing of cannabis, potential partnering opportunities with cannabis consumer brands and profitability of the cannabis market in the United States.

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.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

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 any intention or obligation to update or revise such information, except as required by applicable law.

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