# The Flowr Corporation Announces Close of Sale of Flowr Forest for $3.4M Completing Phase One of the Transformation Plan

**Toronto, Ontario — August 15, 2022** — The Flowr Corporation (TSX.V: FLWR; OTC: FLWPF) (“**Flowr**” or the “**Company**”) announces the closing of the previously announced sale of the Flowr Forest property to an arm’s length third party for aggregate proceeds of $3.4 million. The Company used a portion of the proceeds from the sale of this non-core asset to repay the outstanding balance of its ATB-led credit facility in full. The Company, now bank debt free, intends to the use the remaining proceeds for working capital.

The sale of Flowr Forest marks the completion of first phase of the Company’s transformation plan which saw the organization make governance and management changes, divest a series of non-core asset and cut costs to further right-size the organization. Significant recent milestones exclusive of the sale of Flowr Forest include:

- Completing a headcount reduction necessary in order to flatten its organizational structure and right-size SG&A with revenue. The Company has eliminated 40% of its workforce, largely in senior and middle management, resulting in anticipated annual savings of over $4M.
- Selling its Kelowna Research Station R&D Facility to Hawthorne Canada Limited for an aggregate purchase price of $15.9M
- Selling its indirect wholly-owned subsidiary, Holigen Limited which, through its ownership of RPK Biopharma Unipessoal, Lda., owns and operates the E.U. GMP facility located in Sintra, Portugal, and the outdoor medical facility located in Aljustrel, Portugal for gross proceeds of $3.0 M and 1.9 M shares in Akanda Corp.
- Becoming bank debt free with the payment in full of the ATB credit facility that once stood at $23.77 M

Darren Karasiuk, Chief Executive Officer of Flowr commented, “The completion of phase one of the transformation plan better positions the Company for the current competitive landscape. The Company is now focused on maximizing operational efficiencies, strengthening its balance sheet and levering its global commercial relationships to provide high-quality cannabis for both international and domestic markets.”

**About The Flowr Corporation**

The Flowr Corporation is a Canadian cannabis company with its operating campus, located in Kelowna, British Columbia. Flowr aims to support improving outcomes through responsible cannabis use and, as an established expert in cannabis cultivation, strives to be the brand of choice for consumers and patients seeking the highest-quality craftsmanship and product consistency across a portfolio of differentiated cannabis products.

For more information, please visit flowrcorp.com or follow Flowr on Twitter: @FlowrCanada and LinkedIn: The Flowr Corporation.

On behalf of The Flowr Corporation:

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**Forward-Looking Information:**

Certain statements made in this press release may constitute “forward-looking information”, “ (collectively, “**forward-looking information**”) within the meaning of applicable securities laws. Forward-looking information may relate to anticipated events or results including, but not limited to: the Company’s expectation that it will build on its achievements as it continues to invest in sales and marketing;; Flowr’s business, production and products; Flowr’s plans to provide premium quality cannabis to adult use recreational and medical markets;; the Company’s ability to obtain and maintain licensing from Health Canada and other regulatory authorities with respect to its properties and facilities; future legislative and regulatory developments in Canada and elsewhere; the cannabis industry in Canada generally; the ability of Flowr to implement its business strategies; and the ability of Flowr to produce or sell premium quality cannabis. Particularly, information regarding our expectations of future results, targets, performance achievements, prospects or opportunities is forward-looking information. Often, but not always, forward-looking statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “believe”, “estimate”, “plan”, “could”, “should”, “would”, “outlook”, “forecast”, “anticipate”, “foresee”, “continue” or the negative of these terms or variations of them or similar terminology. Forward-looking information is current as of the date it is made and is based on reasonable estimates and assumptions made by us at the relevant time in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate and reasonable in the circumstances. We do not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada. There can be no assurance that such estimates and assumptions will prove to be correct. Many factors could cause our actual results, level of activity, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking information as discussed in the Company’s other publicly filed documents, which can be accessed under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at www.sedar.com, Readers are urged to consider the risks, uncertainties and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such information.

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