



The Flowr Corporation Initiates Sale and Investment Solicitation Process & Receives Stalking Horse Bid

TORONTO, Nov. 01, 2022 -- On October 20, 2022, The Flowr Corporation and certain of its subsidiaries (collectively, "**Flowr**") were granted protection pursuant to an order, as amended, (the "**Initial Order**") issued under the *Companies' Creditors Arrangement Act* ("**CCAA**") by the Ontario Superior Court of Justice (the "**Court**") and Ernst & Young Inc. ("**EY**") was appointed Monitor. On October 28, 2022, the Court issued an order (the "**SISP Order**") authorizing and directing Flowr to undertake a sale and investment solicitation process (the "**SISP**").

Flowr is a licensed producer of cannabis in accordance with the *Cannabis Act* and the *Cannabis Regulations* that is licensed to cultivate, produce, distribute, and sell dried cannabis flower, pre-rolled cannabis and other cannabis products. Flowr currently supplies the Canadian markets, and has two international supply agreements, one for the EU and one for Israel, to support its vision for the future growth of the cannabis industry.

All qualified interested parties will be provided with an opportunity to participate in the SISP. The SISP is intended to solicit interest in an acquisition or refinancing of Flowr's business, or a sale of the assets and/or the business of Flowr on a going concern basis, which may include, among other things, a merger, reorganization, recapitalization, primary equity issuance or other similar transaction.

On November 1, 2022, Flowr executed a stalking horse purchase agreement to sell the shares of The Flowr Group (Okanagan) Inc. for \$3,888,888.88 plus an amount reasonably necessary to fund the cash requirements of Flowr to close the transactions, if any, plus the assumption of certain liabilities, as may be adjusted in accordance with its terms. The stalking horse purchase agreement is subject to approval of the Court in order for it to be accepted as the stalking horse bid under the SISP. If approved, the stalking horse purchase agreement ensures that the business of Flowr will emerge from its CCAA proceedings as a going concern.

The deadline to submit a binding offer is set for December 2, 2022 (Eastern Time).

Those who are interested in participating in this SISP can contact the Monitor to receive additional information at:

Ernst & Young Inc. – The Court-Appointed Monitor of Flowr

100 Adelaide Street West, P.O. Box 1
Toronto, ON, M5H 0B3
Canada
Hotline: 1-833-681-0537 or 416 932 4923
Email: flowr.monitor@ca.ey.com

Copies of the SISP Order, and the SISP Process may be obtained from the website of Ernst & Young Inc., at www.ey.com/ca/flowr.

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.

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: (i) the sale of the assets and/or business of Flowr under the SISP; and (ii) Flowr's emergence from CCAA as a going concern. 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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