

The Flowr Corporation

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Flowr Corp ramps up production and pushes flagship Kelowna campus forward in 2Q

The Flowr Corporation (CVE:FLWR) (OTCMKTS:FLWPF) announced Thursday that it continued to ramp up production in 2Q, while also advancing development at its flagship Kelowna Campus.

For the second quarter ended June 30 2019, the company posted gross revenue of \$2.8 million and net revenue of \$2.2 million, which excludes \$358,000 in design and construction fees from Hawthorne Canada Limited linked to the construction of the R&D facility on the company's Kelowna Campus.

"We delivered an increase in production as we continue to optimize our operational grow rooms and were able to translate the production increase into a similar percentage increase in sales volumes," said CEO Vinay Tolia in a statement. "Revenues and average selling prices in the quarter were impacted by our product mix, predominantly as we sold fewer pre-rolls than in the prior quarter."

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"We also advanced our outdoor and greenhouse grow, of which we completed initial planting, and are well-positioned for an initial harvest later this year to support the roll-out of new form factors," added Tolia. "Taken together, we are executing our plan to build a single operational base from which we will service the Canadian market and once fully operational, drive significant financial performance."

In 2Q, Flowr's production increased 61%, reporting production of 460 kilograms of cannabis, compared to 280 kilograms in the previous quarter. The firm reported net income of C\$11,010, compared to a net loss of C\$3,632 in the second quarter of 2018.

Kelowna campus advances

Flowr also continued to advance construction at its Kelowna campus (Kelowna 1), which is expected to be completed in 4Q 2019. The firm currently has 10 grow rooms propagated with plants.

During the quarter, the company said a portion of the indoor operating facilities were utilized for clone production, which supported a successful first planting of a crop at Flowr Forest, the company's outdoor and greenhouse grow areas.

When construction is completed, a total of 20 grow rooms will become available for operating activities beginning in the fourth quarter of 2019.

Flowr spent approximately C\$7.2 million on the development of Kelowna 1 during the second quarter. The total budget for the Kelowna 1 project is C\$36.3 million, with C\$9.2 million is expected to be spent in the second half of 2019.

Price: 0.44

Market Cap: \$62.5 m

1 Year Share Price Graph



September 2019 March 2020 September 2020

Share Information

Code: FLWR

Listing: TSX-V

52 week	High	Low
	3.08	0.315

Sector: Cannabis

Website: flowr.ca

Company Synopsis:

The Flowr Corporation is a vertically-integrated Canadian cannabis company with state-of-the-art production facilities in Kelowna, BC and head office in Toronto, ON. Flowr's advanced indoor grow facilities, experienced cultivation team and focus on Good Manufacturing Practices ensure consistent, high-quality supply of medicinal cannabis products.

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Flowr Forest expected to produce around 5,000 kilos

In July, Flowr received a second site cultivation license from Health Canada for its Flowr Forest project, an outdoor cultivation area of 150,000 sq/ft, plus 189,000 sq/ft across 42 greenhouses. The firm noted it completed planting its initial grow, which is expected to be harvested in the second half of 2019.

The firm is expecting 2019 production from Flowr Forest to be around 5,000 kilos of dried cannabis. The anticipated capital spending on Flowr Forest is \$9.5 million in 2019, of which \$7.2 million was spent year-to-date 2019.

Headquartered in Toronto with a production facility in Kelowna, British Columbia, Flowr builds and operates large-scale, cultivation facilities utilizing its own patented growing systems. When fully completed, Flowr's Kelowna campus is expected to produce over 50,000 kg of premium flower annually.

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