



LOWELL FARM SERVICES BEGINS PROCESSING THIRD-PARTY CANNABIS AT NEW SALINAS FACILITY

Following the June 2021 acquisition of the licensed facility, Lowell has commenced B2B operations serving regional cultivators with processing services.

SALINAS, Calif. – Lowell Farms Inc. (CSE:LOWL; OTCQX:LOWLF), a California-based vertically-integrated cannabis company with advanced production capabilities including cultivation, extraction, manufacturing, brand sales, marketing and distribution, has begun accepting third-party cannabis for processing at its newly-commissioned and fully operational processing facility in the Salinas Valley.

The inaugural batch of cannabis was accepted for processing on July 19, and is an exciting milestone for Lowell Farms, which acquired the facility in the latter part of June. Since announcing, there has been an outpour of requests and interest from other cultivators and farmers, allowing the team to show results right from the launch and onward.

Lowell Farms new business unit is called Lowell Farm Services (“LFS”), which engages in fee-based processing services for regional growers from the Salinas Valley area, one of the largest and fastest growing cannabis cultivation regions in the country. The 40,000-square-foot facility includes eight state-of-the-art, environmentally-controlled drying rooms, and is capable of processing \$400 million dollars of cannabis flower annually. With 90 flexible trimming stations utilizing a combination of mechanized and hand trimming services in the bucking and trimming area, the facility delivers consistent results while resolving a major pain-point for growers that outsource drying services.

“To have this facility active and successfully processing cannabis products so quickly speaks to the commitment and passion that our team has for our industry and cannabis consumers,” says Lowell Farms Co-Founder and Chief Executive Officer Mark Ainsworth.

“This adds an entirely new revenue stream to Lowell Farms and will only increase what we will be able to achieve in the future.”

In the coming weeks, Lowell Farms will begin utilizing the facility for its own cannabis product, and the company is developing one of the country’s first end-to-end, fully automated pre-roll manufacturing lines to be housed at the facility.

ABOUT LOWELL FARMS INC.

Lowell Farms Inc. (CSE:LOWL; OTCQX:LOWLF)(the “Company”) is a California-based vertically-integrated cannabis company with advanced production capabilities supporting every step of the supply chain, including cultivation, extraction, manufacturing, brand sales, marketing, and distribution. Founded in 2014 as Indus Holdings, Inc, Lowell Farms grows artisan craft cannabis with a deep love and respect for the plant, and prides itself on using sustainable materials – from seed to sale – to produce an extensive portfolio of award-winning original and licensed brands, including Lowell Herb Co, Cypress Cannabis, MOON, and Kaizen Extracts, for licensed retailers statewide.

Lowell Farms Inc. Media Contact

Renata Follmann
pr@lowellfarms.com

Lowell Farms Inc. Investor Relations Contact

Bill Mitoulas
416.479.9547
ir@lowellfarms.com

Lowell Farms Inc. Company Contact

Mark Ainsworth
ir@lowellfarms.com

Forward-Looking Information and Statements

This news release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company’s beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company’s control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking

terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved." The forward-looking information and forward-looking statements contained herein may include, but are not limited to, the ability of the Company to successfully achieve its business objectives, including as a result of the described acquisition, and expectations for other economic, business, and/or competitive factors. There can be no assurance that such forward-looking information and statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information and statements. This forward-looking information and statements reflect the Company's current beliefs and are based on information currently available to the Company and on assumptions the Company believes are reasonable.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; operating and development costs; competition; changes in legislation or regulations affecting the Company; the timing and availability of external financing on acceptable terms; the available funds of the Company and the anticipated use of such funds; favorable production levels and outputs; the stability of pricing of cannabis products; the level of demand for cannabis product; the availability of third-party service providers and other inputs for the Company's operations; lack of qualified, skilled labor or loss of key individuals; and risks and delays resulting from the COVID-19 pandemic. A description of additional assumptions used to develop such forward-looking information and a description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's disclosure documents, such as the Company's annual information form filed on the SEDAR website at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information contained in this news release is expressly qualified by this cautionary statement.

The forward-looking information contained in this news release represents the expectations of the Company as of the date of this news release and, accordingly, is subject to change after such date. However, the Company expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

Neither the Canadian Securities Exchange nor its Regulation Service Provider has reviewed, or accepts responsibility for the adequacy or accuracy of, the content of this news release.