

FOR IMMEDIATE RELEASE

EARLY WARNING REPORT DISCLOSURE

Salinas, CA, August 23, 2022 – This press release is being issued pursuant to National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issuers* in connection with the filing of an Early Warning Report by George Allen, Chairman of Lowell Farms Inc. (the “**Issuer**”), as a result of the purchase of convertible debentures (“**Debentures**”) of Indus Holding Company (“**Indus**”), a wholly-owned subsidiary of the Issuer, which are convertible into subordinate voting shares (“**Shares**”) of the Issuer.

On August 19, 2022, Mr. Allen (through the George Allen Revocable Trust (the “**Trust**”), of which Mr. Allen is a trustee) acquired beneficial ownership and/or control or direction over US\$650,000 of Debentures (which is equivalent to CAD\$844,415.00 (based on the Bank of Canada exchange rate of US\$1.00 = CAD\$1.2991 on August 19, 2022)). The Debentures are convertible into Shares at a conversion price of US\$0.2313, with the result that the Debentures may be converted into 2,810,203 Shares. A warrant (the “**Warrant**”) for the purchase of 2,810,203 Shares was also acquired, as well as a warrant for 4,215,304 non-voting Class D common shares of Indus (“**Indus Shares**”) which are not redeemable for Shares, both of which are exercisable at any time until February 19, 2026 at an exercise price of US\$0.2613 per share, subject to customary anti-dilution adjustments.

Prior to the acquisition of the Debentures and Warrant, Mr. Allen had beneficial ownership and/or control or direction over 467,000 Shares (which represented approximately 0.5% of the then issued and outstanding Shares) and securities convertible or exercisable, as applicable, into 61,905,412 Shares, representing an aggregate of 38.4% of the Shares (on a partially diluted basis, including the Shares referred to above).

Following the acquisition of the Debentures and Warrant, Mr. Allen has beneficial ownership and/or control or direction over 40.4% of the Shares (on a partially diluted basis, including the Shares referred to above), which includes the Debentures held by the Trust (which are convertible into 2,810,203 Shares), the Warrant held by the Trust (which is exercisable to acquire 2,810,203 Shares), the 50,000 options granted to Mr. Allen (which are exercisable to acquire 50,000 Shares), the warrant held by Mr. Allen (which is exercisable to acquire 133,500 Shares), the convertible debentures held by Geronimo Central Valley Opportunity Fund, LLC (“**Geronimo Central**”) (which are convertible into 22,682,155 Shares), the warrant held by Geronimo Central (which is exercisable to acquire 22,682,155 Shares), the convertible debentures held by Geronimo VCOF Manager, LLP (“**Geronimo Manager**”) (which are convertible into 800,063 Shares), the warrant held by Geronimo Manager (which is exercisable to acquire 800,063 Shares), the convertible debentures held by Geronimo Capital, LLC (“**Geronimo Capital**”) (which are convertible into 7,428,738 Shares), and the warrant held by Geronimo Capital (which is exercisable to acquire 7,428,738 Shares).

The Debentures and Warrant were acquired for investment purposes. In the future, Mr. Allen may acquire additional Shares and/or other equity, debt or other securities or instruments in the open market or otherwise, and reserves the right to dispose of any or all of such securities in the open market or otherwise at any time and from time to time, and to engage in similar transactions with respect to such securities, the whole depending on market conditions, the business and prospects of the Issuer and other relevant factors.

The Issuer is located at 19 Quail Run Circle, Suite B, Salinas, California 93907. Mr. Allen is located at 54 Bentley Lane, Clinton Corners, New York 12514. A copy of the Early Warning Report can be obtained from Nicole Sanchez (408.605.2774) or on the SEDAR profile of the Issuer at www.sedar.com.