

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Lowell Farms Inc. (formerly Indus Holdings, Inc.) (the “**Corporation**”)
19 Quail Run Circle, Suite B
Salinas, California
93907

Item 2 Date of Material Change

February 25, 2021

Item 3 News Release

News releases with respect to the material change referred to in this report were disseminated on February 25, 2021 and March 5, 2021 by way of GlobeNewswire and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On February 25, 2021, the Corporation (then named Indus Holdings, Inc.) announced the acquisition of substantially all of the assets of the Lowell Herb Co. and Lowell Smokes trademark brands, product portfolio, and production assets from The Hacienda Group (“**Hacienda**”) effective immediately and a contemplated corporate name change from “Indus Holdings, Inc.” to “Lowell Farms Inc.”

Item 5.1 Full Description of Material Change

On February 25, 2021, the Corporation (then named Indus Holdings, Inc.) announced the acquisition of substantially all of the assets of the Lowell Herb Co. and Lowell Smokes trademark brands, product portfolio, and production assets from Hacienda effective immediately.

The transaction is valued at approximately US\$39 million and was comprised of a cash payment of US\$4.1 million and the issuance of 22,643,678 Subordinate Voting Shares of the Corporation (of which 5,000,000 will be held in escrow to secure certain indemnification obligations undertaken by the sellers in the transaction). The share consideration was issued in a private placement transaction and the Corporation has agreed to register such shares for resale in the United States. Hacienda has agreed to continue to produce Lowell products for an interim period for the account of the Corporation pending completion of the transfer of certain regulatory assets.

On February 25, 2021, in connection with this acquisition, the Corporation also announced a contemplated corporate name change from “Indus Holdings, Inc.” to “Lowell Farms Inc.”

The Corporation completed this name change on March 1, 2021. The Corporation’s Subordinate Voting Shares and Warrants began trading on the Canadian Securities Exchange effective on March 5, 2021 under the new name and the ticker symbols LOWL and LOWL.WT, and the Subordinate Voting Shares

began trading on the OTCQX effective on March 5, 2021 under the new name and the ticker symbol LOWLF.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Brian Shure, Chief Financial Officer
(831) 998-8214

Item 9 Date of Report

March 8, 2021.