UNITED STATES SECURITIES AND EXCHANGE COMMISSION WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 7, 2021

Lowell Farms Inc.

(Exact name of registrant as specified in its charter)

British Columbia, Canada (State or other jurisdiction of incorporation 000-56254 (Commission file number) NA (IRS Employer Identification Number)

19 Quail Run Circle, Suite B Salinas, California 93907 (Address of principal executive offices)

(831) 998-8214

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

□ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class N/A Trading Symbols N/A Name of exchange on which registered N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR§230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).

Emerging growth company \boxtimes

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01 Regulation FD Disclosure

The slide presentations attached hereto as Exhibits 99.1 and 99.2, and incorporated herein by reference, will be displayed on the website of Lowell Farms Inc. (the "Company") starting on July 7, 2021 and may be used by the Company in presentations to existing and prospective investors and to analysts on or after July 7, 2021.

The investor presentation has been updated for current financial and operational information. The harvest report reflects the monthly results of flower harvests at each of our greenhouses. The current month's results are preliminary pending actual results once the drying process has been completed. These preliminary results are adjusted to actual in the following month's report.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 7.01 of this Current Report on Form 8-K, including Exhibits 99.1, 99.2 and 99.3 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

Number	<u>Exhibit</u>
99.1	Investor Presentation as of July 7, 2021
99.2	Harvest Report as of July 7, 2021
99.3	Press Release dated July 7, 2021

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 7, 2021

Lowell Farms Inc.

By: /s/ H

/s/ Brian Shure Name: Brian Shure Title: Chief Financial Officer



DISCLAIMER

USE OF NON-GAAP MEASURES

USE OF NON-GAAP MEASURES This document refers to EBITDA because certain investors may use this information to assess the Company' performance and also determine the Company's ability to generate cash flow. This data is furnished to provide additional information and is a non-GAAP measure and does not have any standardized meaning prescribed by GAAP and therefore may not be comparable to similar data presented by other issuers. It should not be considered in isolation as a substitute for measures of performance prepared in accordance with GAAP and is not necessarily indicative of operating costs presented under GAAP. EBITDA is not income (loss), excluding the effects of income taxes (recovery), net interest expense, depreciation and amortization; and Adjusted EBITDA also includes non-cash fair value adjustments on investments, unrealized foreign currency gains/losses, share-based compensation expense and other transactional and special expenses, such as acquisition costs and expenses related to the markup of acquired finished goods inventory, which are inconsistent in amount and frequency and are not what we consider as typical of our continuing operations. Management believes this measure provides useful information as it is a commonly used measure in the capital markets and as it is a closse proxy for repetable cash generated by operations. We use Adjusted EBITDA to help plan and forecast future periods.

ON FORWARD-LOOKING STATEMENTS

ON FORWARD-LOCKING STATEMENTS
This document includes information, statements, beliefs and opinions which are forward-looking, and which reflect current estimates, expectations and projections about future events, referred to herein as
forward-looking statements" or "forward-looking information". Statements containing the words "believe", "expect", "intend", "should", "seek", "anticipate", "will", "positioned", "projet", "insk", "plan", "may",
"estimate" or, in each case, their negative and words of similar meaning are intended to identify forward-looking statements. By their nature, forward-looking statements in the Company's business and anticipated functions and projections about future events, referred to herein as
forward-looking statements. These risks, uncertainties and assumptions concerning, among other things, the Company's anticipated business strategies, anticipated tiends in the Company's business and anticipated functions and financial effects of the plans and events described herein are consistent with the forward-looking statements in subsequent periods. Athough Lowell Farms has attempted to identify important
risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking information and a description of assumptions used to develop such forward-looking information and a description of assumptions used to develop such forward-looking information and a description of assumptions used to develop such forward-looking information and projections, which the Company's disclosure documents, such as the Company's site and analysis, filed on the SEDAR
website at www.sedar.com. Forward-looking information contained in this presentation is able company's current estimates, expectations and projections, which the Company registration asterments to relate and the Company's estisticates attements to company as a projections, which the Company average as of the current date, and the Company's torons to estilate attements and projections. Which th

ON FUTURE-ORIENTED FINANCIAL INFORMATION

ON FUTURE-ORIENTED FINANCIAL INFORMATION To the extent any forward-looking information in this Presentation constitutes "financial information" or "financial outlooks" within the meaning of applicable Canadian securities laws, such information is being provided to demonstrate the anticipated market penetration of the Company's products and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out above under the heading "On Forward-Looking Statements". Indus' actual financial position and results of operations may differ materially from management's current expectations and, as a result, indus' revenue and expenses may differ materially from the revenue and expenses profiles provided in this Presentation, Such information is presented for illustrative purposes only and may not be an indication of Indus' actual financial position or results of operations.



COMPANY SNAPSHOT

- CSE Listed: Lowell Farms Inc. (CSE: LOWL; OTCQX: LOWLF)
- Formed by combination of Indus Holdings, Inc. and Lowell Herb Co. in February 2021
- Mission Highlights
 - Focus on California only
 - Leadership through scale and brands
 - Consolidate supply-side capacity
 - Build large-scale cultivation facilities
 - Brand differentiation
 - Preparing for federal legalization

	6/30/2021 (<u>\$USD)</u>		
Stock Price	\$1.21		
Market Cap ¹	\$281,775,590		
Net Working Capital ²	\$22,366,177		
Enterprise Value ³	\$259,409,413		

¹Based on Fully Diluted Shares of 232.9m as of 6/30/2021, using treasury method on in-the-money options and warrants. Convertible Debentures are treated as equity given in-the-money status.

2 As of 3/31/2021.

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³ Defined here as Market Cap minus net working capital.

LOWELL FARMS



LOWELL HERB CO

THE NEW LOWELL FARMS



•

Cultivation at massive scale growing high quality flower

- 225k sq ft greenhouse in operation
 - In planning phase for additional greenhouse
- Further expansion plans in development



Diversified manufacturing capabilities and infrastructure spanning across all product categories



Lowell, a rich brand with unparalleled reach, awareness and accessibility, anchoring a portfolio of diversified products



Distribution, a hub&spoke delivery infrastructure that services 85%+ of the dispensaries in the state

CULTIVATION	PROCESSING & MANUFACTURING	DISTRIBUTION	RETAIL
Outdoor ~950 operators 16m sq. ft. canopy	<u>950 Licensed</u> <u>Operators:</u>	Sales, Distribution and Collection	661 Licensed retail dispensaries
Greenhouse ~1200 operators	214 Flower brands 145 Vape brands	5+ independent distributors (Lowell)	301
17m sq. ft. canopy	142 Concentrate brands	Many brands doing self-distribution	Licensed non-storefront dispensaries
Indoor ~500 operators 4m sq. ft. canopy	39 Gummy brands 32 Beverage brands		





TRANSACTION OVERVIEW

- In June of 2021, Lowell acquired a unique 10 acre newly-licensed processing facility in Salinas design-built for downstream processing in the cannabis sector
- Property will house our newest business unit: Lowell Farm Services



Watch Video: https://vimeo.com/568620561

LAUNCHING OUR NEW BUSINESS UNIT: LOWELL FARM SERVICES

- LFS is a midstream processing service for local growers in the most fertile environment in America
- Facility is initially commissioned to process approximately 250,000 pounds of finished flower annually from diverse growers in the fertile Salinas Valley and surrounding areas
- Processing is a massive pain-point in California cannabis with complicated building-codes and facility requirements that are expensive to accommodate and difficult to staff
- Centralized services allows large-scale automation to give growers the best results for their harvests
- LFS is a unique service without any peers in Northern California

"We are commissioning LFS to answer a pressing need in the market for which we see no other solution in sight. We seek to <u>service</u> the massive and fast-growing cannabis cultivation industry in California, <u>not</u> to compete with it" said Chairman George Allen, "large-scale processing and automation are the missing pieces that will make California cannabis dominant in this exciting new frontier of agriculture."

SEVERAL DEMAND-DRIVERS POWER OUR FUTURE

- California: Grows an estimated 17 million pounds of cannabis annually, nearly 60% of total American supply
- Monterey County: With 4.1 million square feet, it is the third largest county in the state poised for explosive growth with recent expansion ordinances that are welcoming to large-scale cannabis
- Adjacent San Benito County: Previously closed to cannabis cultivation, opening with multiple operations pending approval
- Santa Cruz County: Dozens of outdoor operations and greenhouses



Monterey is the third highest county in California for agricultural output and adjacent to the other four counties that make up the top-five

BETTER FOR OUR BRANDS AND CONSUMERS

	Cultivation	 Compliments our cultivation with access to a massive and diverse raw material flow at compelling cost levels 	The transaction allows
Ŷ		without all the capex and commodity risk	us to use the diversity, skill and creativity of
ш	Processing	Investments in logistics and automation to drive affordability	thousands of California growers to make Lowei
BRAND	CPG Brands	• A brand that has selection of choice that no other brand can match	more affordable with a broader consumer assortment
€∰	Distribution	Prepared for a nationwide marketplace with scale that can truly support a nationwide brand	ussonment

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CULTIVATION IN CALIFORNIA: OVERLOOKED & FULL OF POTENTIAL

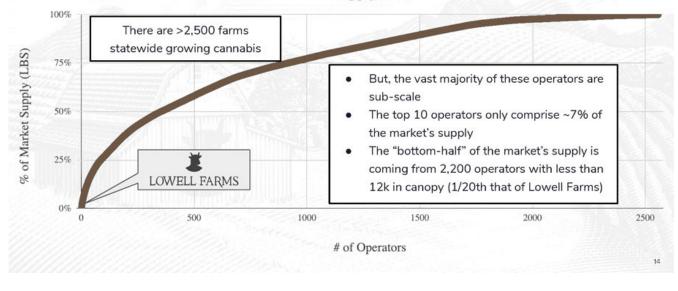
K America's home of cannabis, perfect opportunity to build brand and loyalty

- Supply is very fragmented: average players are very small with much higher cost structures
 Over 2,500 growers with average canopy of 19k sq. ft.
- ≯ The black market, while still a factor, is ineffective at competing for the Californian consumer
- K Increasing regulatory burden is adding pressure to sub-scale operators
 - o 85% of licensed canopy is provisional, at real risk with CEQA licensing requirements
 - METRC implementation adding burdens for smaller operators
- ☆ California: it's the long-term home of cannabis cultivation in America, perhaps the world

As legalization comes more into focus in the US, investors and consumers are increasingly expected to accept the pivotal role that California cultivation will play over the long-term

CALIFORNIA: A HIGHLY FRAGMENTED SUPPLY STACK

California Supply Stack



CULTIVATION STRATEGY

- ≯ Sourcing via LFS and our own cultivation
- * Strain diversification and leadership
- ✗ Cost through economies of scale
- * Quality leadership under a team of award-winning growers
- * Develop portfolio of facilities that each have sufficient scale

LOWELL FARMS: OUR EXISTING GREENHOUSE

🖄 225,000 sq. ft. retrofitted greenhouse in Monterey County, CA

- * Facilities upgrades allow us to improve output
- ≯ Targeted levels of 10,000+ lbs of flowers every quarter





DIVERSE MANUFACTURING CAPABILITIES

We produce nearly all types of products with highly acclaimed:











THE LOWELL BRAND



Lowell is a premium California cannabis brand with extremely rare levels of reach and audience

米

A reputation of authenticity and heritage that has become synonymous with quality and refinement

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Lowell is best known for its distinctive pre-rolls and unique logo

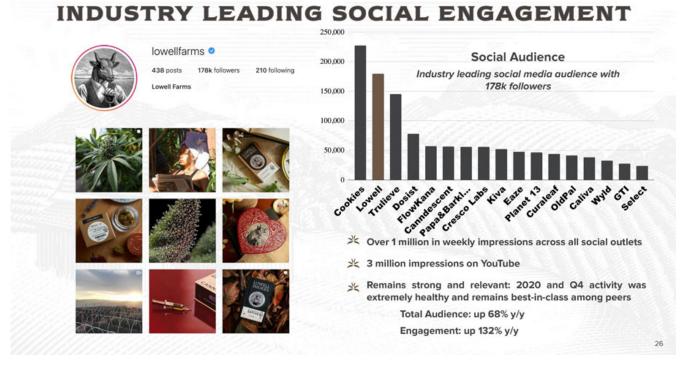
NATIONWIDE LICENSING

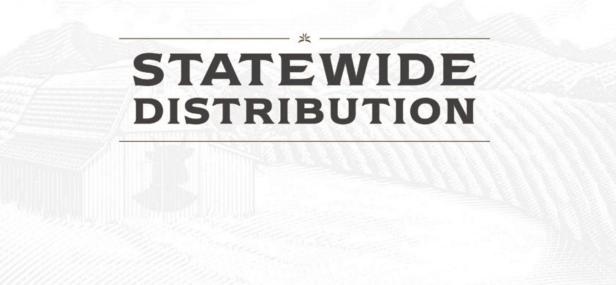
- Partnership with Ascend Wellness (AWH) to launch Lowell Smokes in Massachusetts and Illinois
- Industry leading economics: 15% of wholesale royalty arrangement, demonstrates the power of the brand
- More states to come

The walking billboard



Coming to a store near you





LOWELL DISTRIBUTION

Facility: 18,000 sq. ft. — all distribution-related inventory activity in the same building under one roof to include post-compliance labeling, retail flower packing, finished goods inventory, order pick/pack and delivery loading

Fleet: 22 delivery vans allowing for regular maintenance rotation and upkeep, in addition to flexibility on delivery routes, bulk deliveries, inventory pick-ups and transfers, etc.

Delivery Routes: 19 optimized delivery routes across California (10 in NorCal, 9 in SoCal) for maximum efficiency with 10 daily routes that are eligible for next day delivery — capacity for 152 B2B deliveries per day

KEY PERFORMANCE METRIC	S*
<u>Deliveries per day</u> = 42 (largest single day = 86)	<u>\$ value per van per route</u> = \$12,700
<u>Total stops per day</u> = 50 (including collection-only stops)	Unique delivery locations last 90 days = 452 (average customer orders 2x per month)
<u>Vans on the road per day</u> = 10.5	







FARM TO TABLE ECONOMICS

	Sellable Flower	→ Packaged Flower	
40-45k lbs Flower Annually	Preroll Flower	Individual & Packaged Prerolls	\$65M REVENUE OPPORTUNITY (B
	Fresh Frozen	→ Live Resin Vapes Live Resin Concentrates	
25-30k lbs	Dry Concentrate ——	Vape Carts Concentrates	\$40M REVENUE
Trim Annually	Distillate	Edibles Topicals	OPPORTUNITY (A

REPORTED FINANCIALS

Summary Income Statement (USD in thousands)

	Q2	Q3	Q4	Q1
Owned Products ¹	\$7,231	\$11,910	\$7,607	\$9,667
Agency Revs	\$1,981	\$1,733	\$1,355	\$1,230
Distribution Revs	\$682	\$487	\$190	\$130
Total Net Revs ¹	\$9,894	\$14,131	\$9,151	\$11,026
Gross Profit	(\$1263)	\$4,979	\$218	(\$1,477)
Gross Margin	(12.8)%	35.2%	2.4%	(13.4)%
Adj. EBITDA ²	(\$4,300)	\$1,402	(\$4,227)	(\$4,569

	3/31/2021
Cash	\$13,573
Current Assets	\$37,112
Current Liabilities	\$14,746
Net Working Cap	\$22,366

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102 Revenues included approximately \$789k in revenue related to Newada operations which have subsequently been discontinued due to termination of merger agreemen 2 Adjusted EBITDA defined as earnings before interest, taxes, depreciation, amortization, and transaction and other special charges as described in our Form 10-Q and 10-K

CAP TABLE & BALANCE SHEET HIGHLIGHTS

CAPITALIZATION TABLE

6/30/2021 BALANCE SHEET HIGHLIGHTS (e)

			('000)
Share Class	Shares ('000)	Cash	13,573
Super Voting Shares	203	Current Assets	37,112
Class A Subordinated Voting Shares	78,620		
Class B Subordinated Voting Shares	13,803	Current Liabilities	14,746
Basic Shares Outstanding	92,423	Debt (Convertible Debentures)	13,629
Issuable upon conversion/exchange of Convertible Debt	77,629 (a)	Shareholder's Equity	59,903
Pro Forma Shares Outstanding	170,052		
Warrants	93,093 (b)		
Options	7,567 (c)		
Stock Units	1,835 (d)		
Pro Forma Fully Diluted Shares	272,546		
Notes:			
(a) Convertible exchange share price of \$0.20			
(b) Warrant exercise price range from \$0.28 to \$11.75			
(c) Option excercie price range from \$0.35 to \$6.07			
(d) Share amounts will reduce if respective holders use shares in lie	eu of paying payroll taxes		
(e) Unaudited			







Lowell Farms Harvest Report Rower Production Summary

Status	Actual	Preliminar											
House 1 - 10 Rooms	Jun '20	Jul '20	Aug '20	Sep '20	Oct '20	Nov *20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun "21
Dry LBS	945	1,068	619	1,305	311	468	613	357	678	741	587	1,363	1,056
Average LBS per Harvest	236.1	213.6	154.9	217.4	103.7	117.0	122.6	118.9	135.7	148.2	195.6	227.1	211.2
# of Harvests	4	5	4	6	3	4	5	3	5	5	3	6	5
LBS per SF	0.07	0.06	0.04	0.06	0.03	0.03	0.04	0.03	0.04	0.04	0.06	0.06	0.06
House 2 ~ 10 Rooms	Jun '20	Jul '20	Aug '20	Sep '20	Oct '20	Nov "20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21
Dry LBS	949	716	669	697	622	386	385	354	291	497	895	1,244	1,326
Average LBS per Harvest	237.2	178.9	167.3	232.3	124.4	128.8	128.3	59.0	97.0	124.2	223.7	248.7	265.3
# of Harvests	4	4	4	3	5	з	з	6	3	4	4	5	5
LBS per SF	0.05	0.04	0.03	0.05	0.02	0.03	0.03	0.01	0.02	0.02	0.04	0.05	0.05
House 3 - 8 Rooms	Jun '20	Jul '20	Aug '20	Sep '20	Oct '20	Nov "20	Dec *20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21
Dry LBS	612		458	762	871	579	747	467	701	637	1,309	497	1,291
Average LBS per Harvest	153.0	nmt	229.0	254.0	217.8	192.9	248.9	155.8	175.3	212.3	261.8	248.3	258.2
¢ of Harvests	4	4	2	3	4	з	3	3	4	3	5	2	5
LBS per SF	0.03	nnif	0.05	0.05	0.04	0.04	0.05	0.03	0.04	0.04	0.05	0.05	0.05
House 4 - 1 Room	Jun "20	Jul '20	Aug '20	Sep '20	Oct '20	Nov '20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21
Dry LBS	-	27		-		-		-	1.2		146		
Average LBS per Harvest	nmf	nml	mmf	nml	nmT	nenf	rumf	nmf	renf	nmt	146.3	tmn	nenf
F of Harvests	-		-	-	-	-	-	-		-	1		-
LBS per SF	nmf	nmf	nmf	nml	nmf	nmf	nmt	nmf	nmf	hmn	0.03	hmf	nmf
Total - 29 Rooms	Jun '20	Jul '20	Aug '20	Sep '20	Oct '20	Nov '20	Dec '20	Jan '21	Feb '21	Mar '21	Apr '21	May '21	Jun '21
Dry LBS	2,506	1,784	1,747	2,764	1,804	1,433	1,745	1,178	1,671	1,875	2,937	3,103	3,674
Average LBS per Harvest	208.8	198.2	174.7	230.3	150.4	143.3	158.6	98.2	139.2	156.3	225.9	238.7	244.9
# of Harvests	12	9	10	12	12	10	11	12	12	12	13	13	15
LBS per SF	0.05	0.05	0.04	0.06	0.03	0.03	0.04	0.03	0.03	0.04	0.05	0.06	0.05

Note: For all harvests (or portions thereof) that are aboated to theirh hozen biemass for concentrates and vapes, we have assumed a dry-weight equivalent equal to 25% of the wet post-processed weight (#LBS of wet post-processed weight) (#LBS of w

Lowell Farms Celebrates Its Highest Ever Quarterly Harvest Yields With the Release of Preliminary Harvest Report

Cultivation operations exceed expectations following completion of electrical, mechanical, and environmental upgrades

SALINAS, Calif., July 07, 2021 (GLOBE NEWSWIRE) -- Lowell Farms Inc. (CSE:LOWL; OTCQX:LOWLF), a vertically-integrated cannabis company with advanced production capabilities supporting every step of the supply chain, including cultivation, extraction, manufacturing, brand sales, marketing, and distribution, celebrated record harvest yields in the second quarter upon the release of its preliminary June harvest report.

The preliminary report, which you can find on the <u>Investor Relations</u> section of our website, estimates over 9,700 pounds of dry cannabis flower was harvested during the second quarter, an increase of more than 105 percent from Q1 2021. June alone netted 3,673 pounds of dry cannabis across three cultivation greenhouses, an increase of more than 18 percent from May. The second quarter saw 40 full turns, compared to 36 in the first quarter, and the average pounds-per-turn surged more than 80 percent quarter-over-quarter. The preliminary report includes estimates for several harvests that are still in the drying and curing phases, thus finished weights for those harvests have been estimated.

The performance can be attributed to upgrades made throughout Lowell Farms' facilities, including those to the electrical, mechanical, and environmental systems, as well as a "clone dome" for the nursery that was brought online in Q1 2021, which allowed the cultivation team to propagate clones to scale with consistent quality and potencies. Additionally, the company employed an Argus Specialist to oversee the process of implementing the control system within its operation.

The portfolio of strains coming from the newly-improved cultivation facilities have consistently tested in the mid-to-high 20s for THC potency.

"With the upgrades and key additions we've made to our operation, we look forward to many more quarters of equal or greater success," says Lowell Farms Inc. Co-Founder and Chief Executive Officer Mark Ainsworth. "This successful harvest is further proof that we have put the right team in place to oversee and manage our cultivation efforts, and our achievements at this level will be evident to both our retail partners and the customers that have made Lowell Farms' brands top sellers in California."

Moving forward, the company projects two to three new strains to come online every quarter, as new cultivars ensure an ever-evolving and diverse selection of products for consumers. Lowell Farms Inc. will expand its presence in Q3 2021 and beyond, as the company recently commissioned a first-of-its-kind cannabis processing facility in the Salinas Valley.

The 40,000-square-foot facility is capable of processing up to 800 pounds of cannabis flower daily. The new business unit called Lowell Farm Services ("LFS") will also house one of the country's first end-to-end, fully-automated pre-roll manufacturing lines.

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, including the ability of the Company to complete the commissioning of the acquired facility and achieve the operating and financial performance from such facility as described herein, the extent of the market opportunity available to the facility for the services it is anticipated to make available to third party growers, 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 forwardlooking 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.