



**INVESTOR PRESENTATION
LOWELL FARMS INC.**

(CSE:LOWL; QTCQX: LOWLF)

DISCLAIMER

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 net 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 close proxy for repeatable cash generated by operations. We use Adjusted EBITDA internally to understand, manage, make operating decisions related to cash flow generated from operations and evaluate our business. In addition, we use Adjusted EBITDA to help plan and forecast future periods.

ON FORWARD-LOOKING 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", "project", "risk", "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 involve a number of known and unknown risks, uncertainties and assumptions concerning, among other things, the Company's anticipated business strategies, anticipated trends in the Company's business and anticipated market share, that could cause actual results or events to differ materially from those expressed or implied by the forward-looking statements. These risks, uncertainties and assumptions could adversely affect the outcome and financial effects of the plans and events described herein. In addition, even if the outcome and financial effects of the plans and events described herein are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Although 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, there may be other factors and risks that cause actions, events or results not to be as anticipated, estimated or intended. A description of assumptions used to develop such forward-looking information and a description of 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 listing statement and management's discussion and analysis, filed on the SEDAR website at www.sedar.com. Forward-looking information contained in this presentation is based on the Company's current estimates, expectations and projections, which the Company believes are reasonable as of the current date. and the Company's registration statements on Forms 10-12g and S-1, filed on the EDGAR website at www.sec.gov. The Company can give no assurance that these estimates, expectations and projections will prove to have been correct. You should not place undue reliance on forward-looking statements, which are based on the information available as of the date of this document. Forward-looking statements contained in this document are made of the date of this presentation and, except as required by applicable law, the Company assumes no obligation to update or revise them to reflect new events or circumstances. Historical statements contained in this document regarding past trends or activities should not be taken as a representation that such trends or activities will continue in the future. In this regard, certain financial information contained herein has been extracted from, or based upon, information available in the public domain and/or provided by the Company. In particular, historical results should not be taken as a representation that such trends will be replicated in the future. No statement in this document is intended to be nor may be construed as a forecast.

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.



**“AMERICA’S FIRST
GREAT WEED BRAND”**

- Robb Report

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

10/31/2021 (\$USD)	
Stock Price	\$0.7782
Market Cap ¹	\$186,810,251
Net Working Capital ²	\$21,969,989
Enterprise Value ³	\$164,840,262

¹ Based on Fully Diluted Shares of 240.1m as of 10/31/2021, using treasury method on in-the-money options and warrants. Convertible Debentures are treated as equity given in-the-money status.

² As of 6/30/2021.

³ Defined here as Market Cap minus net working capital.



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STRATEGIC DIFFERENTIATORS: WHAT MAKES US DIFFERENT

- Completely unique approach to sourcing virtually unlimited raw cannabis flower at the lowest-cost anywhere in America
- “Captive” distribution: unique capabilities in upstream logistics makes us a partner of choice for California retailers
- Scale and automation driving cost-leadership: we use forklifts to move our weed
- Lowell Smokes: a viral brand that is proving its ability to successfully enter and dominate new markets with success in Illinois and Massachusetts and plans to enter more
- A plan to win, not participate

BRINGING SCALE TO AN EXTREMELY FRAGMENTED MARKET

CULTIVATION

PROCESSING & MANUFACTURING

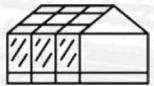
DISTRIBUTION

RETAIL



Outdoor

~950 operators
16m sq. ft. canopy



Greenhouse

~1200 operators
17m sq. ft. canopy



Indoor

~500 operators
4m sq. ft. canopy

950 Licensed Operators:

214 Flower brands

145 Vape brands

142 Concentrate brands

39 Gummy brands

32 Beverage brands

30 Chocolate brands

Sales, Distribution and Collection

5+ independent distributors (Lowell)

Many brands doing self-distribution

661

Licensed retail dispensaries

301

Licensed non-storefront dispensaries



LOWELL FARMS



CULTIVATION

CULTIVATION STRATEGY

- ✧ Sourcing via Lowell Farm Services *and* our own captive cultivation (which generates nearly 10k lbs of high-quality finished flower every quarter)
- ✧ 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 FARM SERVICES (LFS)

- Commissioned in July of 2021, 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 service the massive and fast-growing cannabis cultivation industry in California, not 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

LOWELL FARMS: WHERE GREAT WEED GROWS

- ✧ 225,000 sq. ft. retrofitted greenhouse in Monterey County, CA
- ✧ Unique state of the art facility generates industry-leading yields at sun-grown costs
- ✧ Nearly 10,000+ lbs of flowers every quarter





**MANUFACTURING
& PRODUCTS**

DIVERSE MANUFACTURING CAPABILITIES

We produce nearly all types of products with highly acclaimed:

- ✧ Jarred flower
- ✧ Pre-rolls
- ✧ Edibles
- ✧ Vape products
- ✧ Concentrates

CHULA



改善
KAIZEN
EXTRACTS



FLOWER



CLASSIC 3.5G PACK



3.5G JAR FLOWER



1G SMOKE

CONCENTRATES



RECHARGEABLE VAPE



510 CART



NEW INFUSED SMOKES



LOWELL DART



BUBBLE HASH
FULL-MELT HASH
AGE CURED ROSIN
LIVE ROSIN

EDIBLES



CHOCOLATES



MINTS



GUMMIES



BAKED GOODS



**STATEWIDE CALIFORNIA
DISTRIBUTION**

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 METRICS*	
<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)	<u>Unique delivery locations last 90 days</u> = 452 (average customer orders 2x per month)
<u>Vans on the road per day</u> = 10.5	

**all metrics are pre-acquisition of Lowell which occurred on 2/25/21*





**THE BEST BRAND IN
CANNABIS HITS THE ROAD**

THE LOWELL BRAND



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



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



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

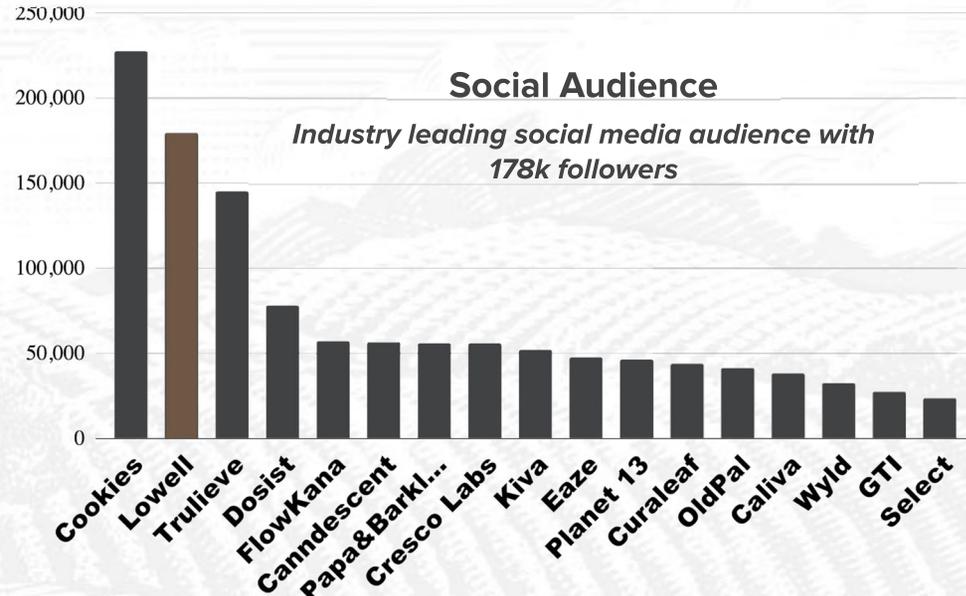
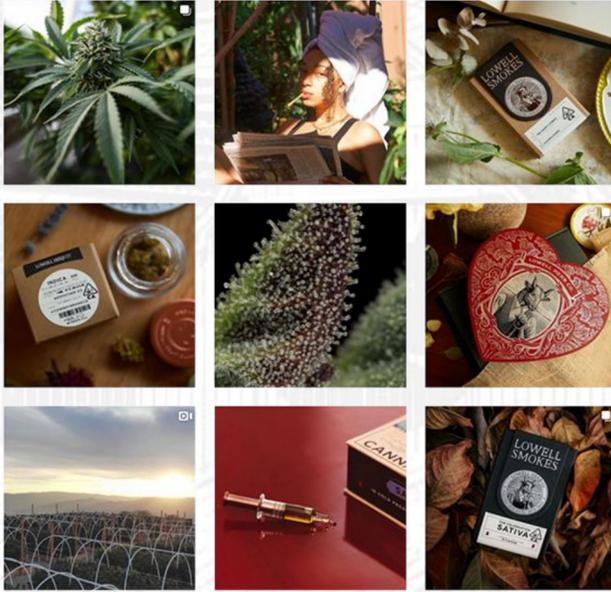
INDUSTRY LEADING SOCIAL ENGAGEMENT



lowellfarms

438 posts 178k followers 210 following

Lowell Farms



- Over 1 million in weekly impressions across all social outlets
- 3 million impressions on YouTube
- Remains strong and relevant: 2020 and Q4 activity was extremely healthy and remains best-in-class among peers

Total Audience: up 68% y/y

Engagement: up 132% y/y

NATIONWIDE LICENSING

- Illinois: Launched August 5th
- Massachusetts: Launched September 13th
- More states to come
- Licensing Royalty Terms: 15% of wholesale pricing

The walking billboard



Coming to a store near you



**FINANCIAL
HIGHLIGHTS**

FARM TO TABLE ECONOMICS



(A) Estimated annual production capacity upon completion of current expansion, estimated to occur in Q42021
 (B) Represents a potential revenue figure based on current market prices and full realization of sale potential at these market prices. These estimates do not constitute financial guidance.

REPORTED FINANCIALS

Summary Income Statement

(USD in thousands)

	Q3	Q4	Q1	Q2
Owned Products	\$11,910	\$7,607	\$9,667	\$14,539
Agency Revs	\$1,733	\$1,355	\$1,230	\$535
Distribution Revs	\$487	\$190	\$130	\$83
Total Net Revs	\$14,131	\$9,151	\$11,026	\$15,157
Gross Profit	\$4,979	\$218	(\$1,477)	\$5,744
Gross Margin	35.2%	2.4%	(13.4)%	37.9%
Adj. EBITDA ¹	\$1,402	(\$4,227)	(\$4,569)	\$740

	6/30/2021
Cash	\$9,113
Current Assets	\$34,216
Current Liabilities	\$12,246
Net Working Cap	\$21,970

¹ 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

10/31/2021

BALANCE SHEET HIGHLIGHTS (e)

<u>Share Class</u>	<u>Shares ('000)</u>		<u>('000)</u>
Super Voting Shares	203	Cash	9,113
Class A Subordinated Voting Shares	97,958	Current Assets	34,216
Class B Subordinated Voting Shares	12,929	Current Liabilities	12,246
Basic Shares Outstanding	110,887	Debt (Convertible Debentures)	22,953
Issuable upon conversion/exchange of Convertible Debt	77,443 (a)	Shareholder's Equity	70,241
Pro Forma Shares Outstanding	188,330		
Warrants	101,907 (b)		
Options	7,639 (c)		
Stock Units	1,775 (d)		
Pro Forma Fully Diluted Shares	299,650		

Notes:

- (a) Convertible exchange share price of \$0.20
- (b) Warrant exercise price range from \$0.28 to \$11.75
- (c) Option exercise price range from \$0.35 to \$6.07
- (d) Share amounts will reduce if respective holders use shares in lieu of paying payroll taxes
- (e) As of 6/30/2021, unaudited



\$LOWL.CN & \$LOWLF