

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 Brian Shure, Chief Financial Officer and a director 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. Shure (through Ambrose Capital Holdings, LP (“**Ambrose Capital**”), Mr. Shure being the President of the general partner, Ambrose Capital Partners, LLC, AMTG Holdings, LLLP (“**AMTG Holdings**”), Mr. Shure being the President of the general partner, AMTG Management, Inc., HSK Holdings, LLC (“**HSK Holdings**”), Mr. Shure being the Managing Member, and the Brian K. Shure Charitable Trust Lead Annuity (“**BKS CLAT**”), of which Mr. Shure is a trustee) acquired beneficial ownership and/or control or direction over US\$2,000,000 of Debentures (which is equivalent to CAD\$2,598,200 (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 8,646,779 Shares. A warrant (the “**Warrant**”) for the purchase of 8,646,779 Shares was also acquired, as well as a warrant for 12,970,168 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. Shure had beneficial ownership and/or control or direction over 3,250,576 Shares (which represents approximately 3.2% of the then issued and outstanding Shares) and securities convertible or exercisable, as applicable, into 11,745,400 Shares, representing an aggregate of 13.35% of the Shares (on a partially diluted basis, including the Shares referred to above).

Following the acquisition of the Debentures and Warrant, Mr. Shure has beneficial ownership and/or control or direction over 24.9% of the Shares (on a partially diluted basis, including the Shares referred to above), which includes the Debentures held by each of Ambrose Capital, AMTG Holdings, HSK Holdings and BKS CLAT (which are convertible into an aggregate of 8,646,779 Shares), the Warrants held by each of Ambrose Capital, AMTG Holdings, HSK Holdings and BKS CLAT (which are exercisable to acquire an aggregate of 8,646,779 Shares), the convertible debentures held by Ambrose Capital (which are convertible into 4,925,000 Shares), the warrant held by Ambrose Capital (which is exercisable to acquire 5,866,000 Shares), the warrant held by AMTG (which is exercisable to acquire 412,000 Shares), the warrant held by HSK (which is exercisable to acquire 92,400 Shares), the warrant held by the BKS CLAT (which is exercisable to acquire 150,000 Shares) and the 300,000 options granted to Mr. Shure (which are exercisable to acquire 300,000 Shares).

The Debentures and Warrant were acquired for investment purposes. In the future, Mr. Shure 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. Shure is located at 5050 Millwood Lane, NW, Washington, DC 20016. 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.