

## FORM 7

### MONTHLY PROGRESS REPORT

Name of Listed Issuer: Lowell Farms Inc. (the "Issuer").

Trading Symbol: LOWL

Number of Outstanding Listed Securities:

*18,130,566* Subordinate Voting Shares are listed and trading. In addition, there are *893,591* Subordinate Voting Shares reserved for issuance pursuant to the conversion rights attached to the other classes of equity shares that are issued and outstanding but not listed. The total number of issued shares assuming all are converted into the listed class would be 19,024,157. Additionally, there are 20,259 Super Voting shares outstanding.

Date: May 6th, 2024

This Monthly Progress Report must be posted before the opening of trading on the fifth trading day of each month. This report is not intended to replace the Issuer's obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by Exchange Policies. If material information became known and was reported during the preceding month to which this report relates, this report should refer to the material information, the news release date and the posting date on the Exchange website.

This report is intended to keep investors and the market informed of the Issuer's ongoing business and management activities that occurred during the preceding month. Do not discuss goals or future plans unless they have crystallized to the point that they are "material information" as defined in the Policies. The discussion in this report must be factual, balanced and non-promotional.

#### **General Instructions**

- (a) Prepare this Monthly Progress Report using the format set out below. The sequence of questions must not be altered nor should questions be omitted or left unanswered. The answers to the items must be in narrative form. State when the answer to any item is negative or not applicable to the Issuer. The title to each item must precede the answer.
- (b) The term "Issuer" includes the Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

## Report on Business

1. Provide a general overview and discussion of the development of the Issuer's business and operations over the previous month. Where the Issuer was inactive disclose this fact.

*Lowell Farms Inc. ("Lowell") is a vertically-integrated cannabis company with a focus on processing, manufacturing and distribution. Indus offers an extensive portfolio of award-winning brands and provides services supporting every step of the supply chain. Established in 2014 as Indus Holding Company ("Indus"), Lowell employs, including a temporary workforce, approximately 115 people and is headquartered in Salinas, CA. Lowell continues to focus on 3rd party brand and owned brand development.*

2. Provide a general overview and discussion of the activities of management.

*During April 2024, the Issuer continued to operate in the ordinary course and is actively managing and focusing on the activities discussed in Item 1.*

3. Describe and provide details of any new products or services developed or offered. For resource companies, provide details of new drilling, exploration or production programs and acquisitions of any new properties and attach any mineral or oil and gas or other reports required under Ontario securities law.

*N/A*

4. Describe and provide details of any products or services that were discontinued. For resource companies, provide details of any drilling, exploration or production programs that have been amended or abandoned.

*See item 6 regarding cessation of cultivation activities.*

5. Describe any new business relationships entered into between the Issuer, the Issuer's affiliates or third parties including contracts to supply products or services, joint venture agreements and licensing agreements etc. State whether the relationship is with a Related Person of the Issuer and provide details of the relationship.

*N/A*

6. Describe the expiry or termination of any contracts or agreements between the Issuer, the Issuer's affiliates or third parties or cancellation of any financing arrangements that have been previously announced.

*On January 12, 2024, the Company, surrendered possession of approximately 10 acres of real property at 139 Zabala Road, Salinas, California (the "Zabala Road Property") leased by Cypress pursuant to a Lease Agreement dated April 1, 2017 (the "Zabala Road Lease") with Tinhouse, LLC, dba Tinhouse Partners, LLC, as landlord (the "Landlord"). Prior to vacating the premises on January 12, 2024, the Company had operated a cultivation facility, which includes four greenhouses totaling approximately 255,000 square feet, on the Zabala Road Property. As previously announced, in January 2023, the Company's Board of Directors formed a strategic alternatives special committee of independent directors to explore, review and evaluate strategic*

*and financial alternatives. As part of these efforts, the Company entered into negotiations with the Landlord to restructure the terms of the Zabala Road Lease, which provided for an expiry date of December 31, 2027, subject to five 5-year extension options exercisable by Cypress. In September 2023, the Company and the Landlord reached a settlement amending the terms of the Zabala Road Lease and reaching agreement on all rent-related issues. The Landlord terminated the Zabala Road Lease via a letter dated October 6, 2023, which was served by its counsel to the Company on October 10, 2023. In October 2023, the Company filed a lawsuit for breach of contract and specific performance against the Landlord to enforce the settlement terms. The Landlord filed counterclaims and an unlawful detainer action against the Company, claiming damages of more than \$36 million, which the Landlord claims are based on an analysis of accelerated rent due through the end of the term of the Zabala Road Lease, along with attorney's fees, improvements, and other undefined costs.*

7. Describe any acquisitions by the Issuer or dispositions of the Issuer's assets that occurred during the preceding month. Provide details of the nature of the assets acquired or disposed of and provide details of the consideration paid or payable together with a schedule of payments if applicable, and of any valuation. State how the consideration was determined and whether the acquisition was from or the disposition was to a Related Person of the Issuer and provide details of the relationship.

N/A

8. Describe the acquisition of new customers or loss of customers.

N/A

9. Describe any new developments or effects on intangible products such as brand names, circulation lists, copyrights, franchises, licenses, patents, software, subscription lists and trade-marks.

N/A

10. Report on any employee hirings, terminations or lay-offs with details of anticipated length of lay-offs.

*The Issuer had no new hires or terminations in the month of April.*

11. Report on any labour disputes and resolutions of those disputes if applicable.

N/A

12. Describe and provide details of legal proceedings to which the Issuer became a party, including the name of the court or agency, the date instituted, the principal parties to the

proceedings, the nature of the claim, the amount claimed, if any, if the proceedings are being contested, and the present status of the proceedings.

*See item 6 regarding claims filed by former cultivation facility landlord. The Company intends to vigorously defend itself against the claims made by the Landlord. However, no assurance can be provided as to whether or not the Company will prevail, and it may be required to pay significant monetary damages.*

13. Provide details of any indebtedness incurred or repaid by the Issuer together with the terms of such indebtedness.

N/A

14. Provide details of any securities issued and options or warrants granted.

N/A

15. Provide details of any loans to or by Related Persons.

N/A

16. Provide details of any changes in directors, officers or committee members.

N/A

17. Discuss any trends which are likely to impact the Issuer including trends in the Issuer's market(s) or political/regulatory trends.

N/A

### **Certificate Of Compliance**

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Certificate of Compliance.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).

4. All of the information in this Form 7 Monthly Progress Report is true.

Dated: May 6th, 2024

Mark Ainsworth

Name of Director or Senior Officer

/s/ Mark Ainsworth

Signature

Chief Executive Officer

Official Capacity

<b>Issuer Details</b>		For Month End	Date of Report
Name of Issuer Lowell Farms Inc.		April 30, 2024	May 6th, 2024
Issuer Address 19 Quail Run Circle			
City/Province/Postal Code Salinas, CA	Issuer Fax No. (       )	Issuer Telephone No. (831) 998-8214	
Contact Name Jamie Schniedwind	Contact Position CFO	Contact Telephone No. 650-380-1116	
Contact Email Address james.schniedwind@lowellfarms.com	Web Site Address lowellfarms.com		