March 28, 2022

Dear Partners,

Lowell Capital Value Partners, L.P. (the "Partnership") was +0.8% in February 2022 vs. (3.0) % for the S&P 500 with dividends reinvested (all returns shown are net to investors). For 2022 year-to-date, the Partnership was (3.6) % vs. (8.0) % for the S&P 500 with dividends reinvested. As of February 28, 2022, the Partnership had 23 long positions (representing about 89% of total capital) and 6 short positions (representing 3% of total capital). The Partnership had no leverage and a 15% cash position giving our portfolio a net long position of about 85%.

Our focus is on increasing the capital accounts in the Partnership in a conservative and prudent manner by taking what we think are intelligent risks. We seek to carefully allocate our capital into investment opportunities where we believe we have an advantage and where we think the risk-reward ratio is asymmetrically in favor of the Partnership.

Our investment results have been achieved with an average net cash position of over 30%, although we have reduced our net cash position to about 15% to 20% in recent months based on the opportunity set of investments we have encountered. The Partnership has avoided the use of leverage and, on the contrary, maintained a significant net cash position, and we believe this has reduced the risk to its capital.

Our area of focus, small cap value, has been heavily out of favor in recent years but has performed strongly in recent periods. We have an approach of investing in under-followed or misunderstood companies which generate strong cash flows, and we think are under-valued. We believe our holdings remain significantly under-valued and will eventually be recognized. We plan to continue our approach to investing which has worked well over many years and with which we are comfortable.

Stock Market, Economy, Mispriced Securities, and Compounders

We took a more conservative position with the Partnership after the coronavirus pandemic struck in mid-March of 2020 initially and gradually redeployed capital throughout 2020 and 2021 into businesses which were under-valued and which we believed would have strong resiliency to or even benefit from the coronavirus impact. Both economies and stock markets globally have recovered strongly thus far but risks remain. These risks would include the Russia-Ukraine War, recent inflationary pressures including high oil and gasoline prices, global supply chain problems, a more aggressive Federal Reserve posture, continued trade and global leadership battles between the U.S. and China, the large U.S.

federal deficits funded at low interest rates, and the build-up of corporate, mortgage, and other debts dependent on low interest rates which could lead to an adverse credit event. If a pandemic outbreak of a variant form of Covid-19 required businesses to close again, this could be a significant problem.

On the positive side, we believe the U.S. economy remains strong and continued relatively low interest rates could provide a tailwind behind stocks if they remain low. Ten-year treasury rates are the risk-free alternative to investing in equities and they are currently about 2.3% and this remains low relative to long-term historical rates. Global investors have relied upon treasuries and other low-risk bonds to provide returns to support their investment strategies. The current low interest rates do not provide sufficient returns to hit their investment targets. This forces them to consider alternatives to treasuries and bonds. Stocks generate cash which is either paid out in dividends or retained in earnings but, ultimately, we believe the cash generated by companies finds its way to investors. Our "bond-like" approach to equities targets companies that are generating cash, even if it is not paid out currently to shareholders. If the cash builds up inside the company as earnings are retained, and is used for productive purposes, shareholders will ultimately realize this increased value.

We continue to strongly believe the Partnership's capital (and our underlying purchasing power) is best protected in carefully chosen businesses which have some essential and sustainable good or service to customers and can therefore raise prices to maintain profitability and shareholder value. It is true the risks to the economy and the stock market have increased over the past year, given the events cited above. However, we are not investing in the overall stock market, but rather a handful of carefully selected opportunities from 8,000+ public companies in North America alone. We believe it is highly possible to find a handful of mispriced investments in this large and sometimes overlooked group of companies. We literally read thousands of investment ideas and writeups each year just to find a handful where the investment fits our basic approach, and the long-term risk-reward is in our favor. The stock market is efficient in pricing value but for a meaningful portion of publicly traded companies, there is little to no research coverage or institutional following. There is an opportunity to find mispriced investments before they become obvious to the general stock market.

Given the tougher investment environment this year, our focus has been on deploying our capital into more resilient businesses that can grow over time because they have important goods or services that customers want and need and will pay for, even in an inflationary environment, or even in a recessionary environment. We are trying to deploy capital into businesses with the proverbial "wind at their back" where there is a strong growth outlook for the company and its industry for several years into the future. In the long run, as Warren Buffett has noted, stock prices will follow earnings growth ("If a business does well, the stock eventually follows"). We are purchasing small pieces of businesses and if the businesses grow and perform well over time, the stock prices of our investments will follow.

We believe it is critical to have underlying earnings power beneath our investment portfolio and supporting our investments to drive long-term shareholder value and appreciation in the Partnership's capital accounts. We try to find businesses that have long-term growth potential so that we can hold these investments for many years. These types of investments are sometimes called "compounders" because you can hold them for the long-term and they can consistently grow and "compound" your capital due to their strong competitive positions. Even one or two "compounders" can drive significant long-term growth in the Partnership's capital. These types of businesses also tend to be highly resilient and can perform reasonably well, even in a difficult or recessionary business environment. We believe Berkshire Hathaway's tremendous growth in shareholder value over many years has been driven in large part by a handful of compounders. Some of these are partial ownership stakes in publicly traded companies and some are wholly owned subsidiaries of Berkshire Hathaway. Berkshire has held these resilient and exceptional businesses for many years and their long-term growth has been a major factor in Berkshire's success over a very long period. This aligns with Buffett's famous quote that "our favorite holding period is forever".

The longer we have been investing, the more we have moved towards higher-quality businesses that are potential compounders. We are trying to purchase businesses that we can hold for many years with honest and capable management teams. It is important these have strong and sustainable competitive advantages. It is too difficult to find and constantly replace under-valued investments for short periods of time. It is also much less tax efficient. Our time is better spend finding and doing a deep dive into a smaller group of high-quality businesses that we can hold for long periods of time.

In this way, we are less "stock-pickers" and more "business-pickers". If we can find and correctly identify a handful of high-quality businesses and carefully monitor them, we believe they can compound and grow the Partnership's capital over time. Buffett talked about this in his latest annual letter where he noted that he and Charlie are more "business-pickers" than "stock-pickers".

While it is not possible to time the stock market and jump in and out of investments on any consistent long-term basis, what is possible is to have capital in under-valued and resilient businesses that can perform well in most economic environments and grow over the long-term thereby compounding the Partnership's capital over many years. It is the underlying earnings and cash flows of the Partnership's investments that will ultimately drive increases in our capital accounts. We believe if we are effective at selecting businesses with high quality competitive positions and holding them over extended periods, this is our best opportunity to grow the Partnership's capital.

As we have previously discussed, we believe our investments align well with business characteristics that Buffett cites are well adapted to an inflationary environment. We believe our companies generally have strong market positions and unique products or services which enables them to increase prices to end customers. Our investments are also cash-generative and do not require large amounts of capital investment to grow. We believe our investments can perform well in an inflationary environment.

Our primary objective is to find and invest in securities which are mis-priced, generally based on free cash flow generation. Our strategy has not changed - we continue to focus on highly cash generative business models with strong balance sheets and large free cash flow yields that are sustainable. We believe the long-term outlook for American businesses is still strong and interest rates remain low. We continue to use our investment strategy that has worked over many years to purchase companies that we believe are undervalued based on their earnings, cash flow, and balance sheet characteristics.

Good Businesses with Low Expectations

We are focused on investing in good businesses with low expectations (i.e., low valuations). For us, a "good" business is one that earns high returns on invested capital or where you don't spend a lot of money to make a lot of money. We look at businesses where the total investment in tangible assets to run the business (i.e., net working capital plus the book value of property, plant, and equipment) are modest relative to the sustainable operating earnings or free cash flows. These businesses are not capital intensive. Businesses with high returns on invested capital tend to be strong generators of free cash flow. These are businesses that we like very much.

In terms of low expectations, our investments generally have valuations which are low, and this helps reduce risk. The market does not expect much from the business in the future or is worried about current earnings or free cash flow sharply declining. These may also be situations where a business is simply misunderstood or undiscovered. Our general experience is that if the business can exceed these low expectations or generate results that are less bad than expected, the stock price is likely to increase. Also, if expectations are low, when results are disappointing, the stock is likely to decline less than otherwise. We spend a lot of time studying these types of companies to try to get comfortable that their prospects are better than the market believes. Often specific businesses or industries get painted with a broad brush and their valuations are driven down to what we find to be attractive levels. We think our focus on these out-of- favor companies and industries create an opportunity to earn better risk-adjusted returns than the general market.

Focus on Smaller Companies

We focus on smaller companies, searching for “low-risk, high-return” opportunities. We believe a few good ideas can drive the Partnership’s results. We believe the Partnership can generally achieve better risk-adjusted returns by uncovering a few small “gems” than by focusing on larger companies or macro issues which are much more widely covered. Our focus on smaller, less-followed companies represents a potential sustainable competitive advantage for the Partnership relative to larger investment funds that must focus on much larger companies. Our empirical investment experience validates this belief, as our most successful investment positions have consistently been smaller companies.

We are specifically looking for small companies that may appear risky on the surface but are less risky due to characteristics such as: (a) cash-rich, “Ft. Knox” type balance sheets, (b) consistent free cash flows; (c) unique niches or business models; (d) very low valuations with minimal expectations imbedded in the stock price; and (e) honest and intelligent management teams that are highly focused on driving shareholder value. Most small companies do not possess **any** of these characteristics. We focus most of our attention on a handful of companies that we believe possess almost **all** these characteristics.

Top Long and Short Positions

Our top long positions, as of February 28, 2022, were as follows:

New Zealand Media & Entertainment (NZME.AX)
Celestica (CLS)
Computer Task Group (CTG)
Terravest Industries (TVK.TO)
Sterling Construction (STRL)
Insight Enterprises (NSIT)
Redishred Capital (KUT.V)
Tilly’s Class A (TLYS)
Saga Communications (SGA)
UFP Technologies (UFPT)

We believe our long positions have strong competitive niches, large and sustainable free cash flow yields, low-risk balance sheets, recession earnings capability, shareholder- oriented management teams, and attractive risk-reward characteristics as investments. You will find that most of these companies are not household names and that is exactly as we have intended it. We are seeking to maximize our competitive advantage by investing in under-followed companies where we may have a greater opportunity to understand the company and the investment better than other investors.

Position Sizes

The Partnership's investments are diversified across a wide range of businesses. Our goal is generally to have core position sizes in the 3% to 6% of total capital range and limit our exposure to any one specific investment to approximately 10% of capital or less. We think this helps limit our downside exposure to any one investment position while retaining substantial upside for those investment positions that work out as expected. Our investment positions are also diversified across several different industries.

Northern Exposure

We continue to seek out what we believe are attractive values for good businesses in Canada, our neighbor to the north. Canada has a population of about 35m or about 10% of the U.S. and we believe its economy remains in reasonable shape. Canada's debt to GDP is currently well below U.S. levels. Canadian banks avoided much of the real estate problems of 2008-9 in the U.S. by maintaining more disciplined underwriting standards in making real estate loans. Canada is a natural resource-oriented economy with substantial oil and gas reserves. We will continue to carefully monitor the impact of oil price changes upon the Canadian economy.

Recent Investments

Our optimism regarding the future of the Partnership relates directly to our specific investment positions, which we believe are significantly mispriced relative to their intrinsic values. Certain of these are detailed below:

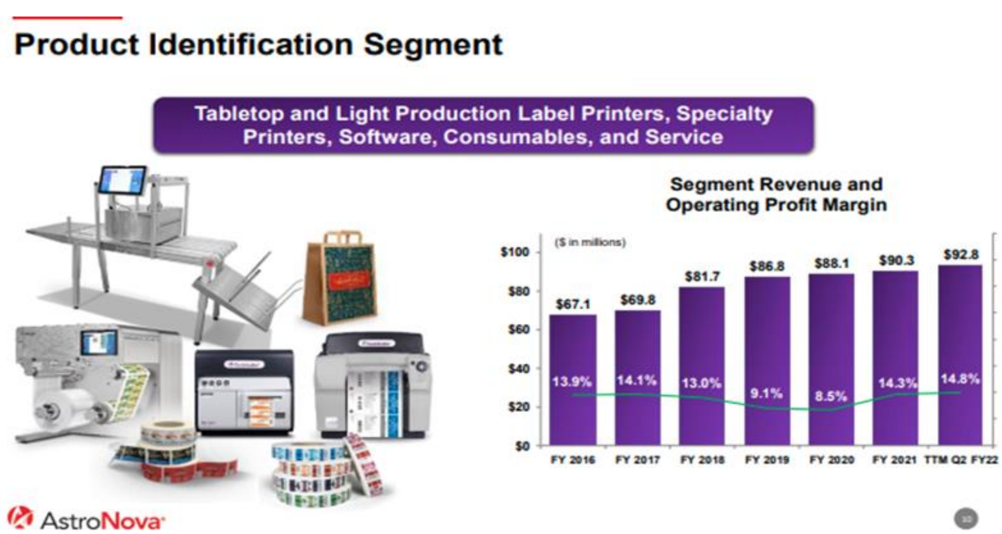
Astro Nova, Inc. (ALOT)

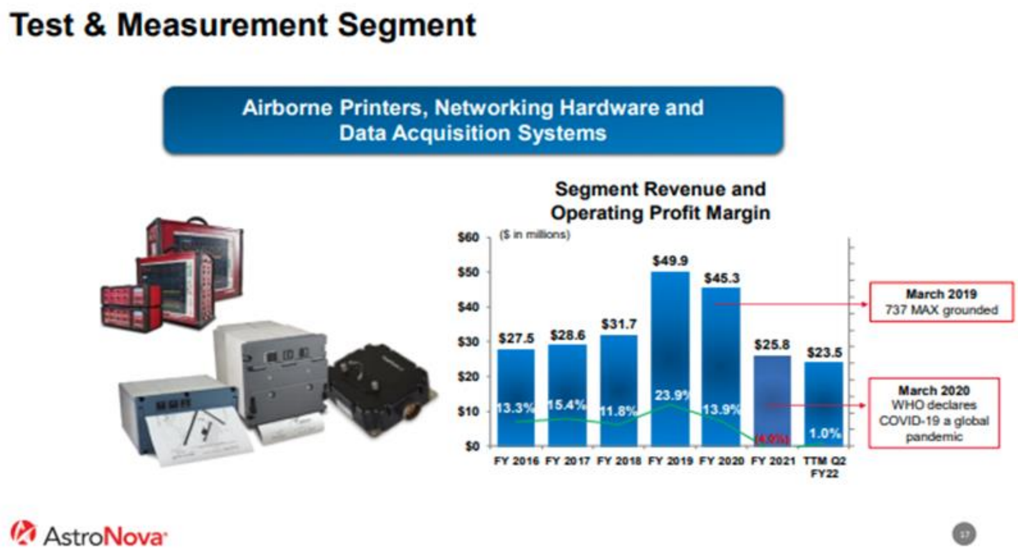
Astro Nova, Inc. (ALOT) designs, develops, manufactures, and distributes specialty printers, and data acquisition and analysis systems in the United States, Europe, Asia, Canada, Central and South America, and internationally. The Company operates through two segments, Product Identification (PI) and Test and Measurement (T&M). The PI segment offers tabletop and production-ready digital color label printers, as well as specialty OEM printing systems under the Quick Label brand; digital color label mini-presses and all-in-one specialty printing systems under the Trojan Label brand; and pressure sensitive labels, tags, inks, etc. This segment also develops and licenses various specialized software programs to design and manage labels and print images, as well as manage and operate its printers and presses on an automated basis.

The PI segment is currently the largest segment as T&M results have been depressed. The PI segment has to do with both labeling products, creating labels that can go onto products, as well as labeling those products themselves on the packaging. This segment offers a variety of digital color label tabletop printers, high-volume presses, and specialty OEM printing systems, as well as a wide range of label, tag, and flexible packaging material substrates and other supplies, such as ink and toner, allowing customers to market, track, protect, and enhance the appearance of their products.

In the T&M segment, there are two groups including Aerospace and Test & Measurement. The biggest focus in the T&M business is the Aerospace business. The Company has a long history of using their technologies to provide networking systems and high-resolution light-weight flight deck and cabin printers for the aerospace market. In addition, the T&M segment includes data acquisition recorders, sold under the Astro Nova brand, to enable their customers to acquire and record visual and electronic signal data from local and networked data streams and sensors. The recorded data is processed, analyzed, and stored and presented in various visual output forms.

We believe ALOT has a very strong and resilient business model which should produce strong results over the next two to three years. Over the past two years, ALOT's T&M segment has been highly depressed due to the grounding of the 737 MAX aircraft and sharply reduced air travel due to Covid-19. We expect these factors to reverse over the next two to three years and this process has already started.





ALOT's shares currently trade at about $14 per share with about 7m shares outstanding for a market cap of about $98m. ALOT has a "Ft. Knox" balance sheet with a net cash position of $1m as of 10/31/21. LTM EBITDA is about $10m, excluding government support payments. ALOT is currently trading at about 10x LTM adjusted EBITDA, despite its T&M segment operating at depressed levels.

We believe ALOT could generate consolidated EBITDA of $17m+ by 2024. ALOT has a capital-light, cash-generative business model with capital expenditures of $3m per year. ALOT has a highly resilient business model with close to 65% of total revenues recurring in nature in terms of supplies and services.

We believe ALOT could trade for at least 10x adjusted EBITDA of $17m in 2024 with net debt of zero for a market cap of about $170m. Based on 7m shares outstanding, ALOT would have a share price of about $24 per share or about 70% higher than the current price.

ADF Group, Inc. (DRX.TO)

ADF Group, Inc. (DRX.TO) is a metal fabricating company and engages in the design and engineering of connections, and fabrication and installation of complex steel structures and heavy steel build-ups primarily in Canada and the United States.

The Company offers products and services for various segments of the non-residential construction market, including office towers and high-rises, commercial and recreational buildings, airport facilities, industrial complexes, and transport infra-structure and miscellaneous and architectural metalwork services. The Company serves general contractors, project owners, engineering firms and project architects, structural steel erectors, and other steel structure fabricators. ADF designs and engineers complex steel structures for a wide variety of construction projects. Some of their sample projects include Miami International Airport, One World Trade Center, M&T Bank Stadium, and more.

The Company has historically focused on complex construction projects which possess higher pricing and benefit from less competition as fewer metal fabricators are equipped to work on these projects for reasons including: 1) large-scale components require a larger fabrication base; 2) strange angles involve more complex welding; 3) a more specialized labor force is required; and 4) other special equipment is often needed.

ADF currently has two facilities, a 635,000 square foot plant in Quebec, Canada, and a 100,000 square foot plant in Montana that was built in 2015. About 95% of revenues have historically come from the U.S. and only 5% from Canada.

ADF has very high insider ownership as it is 45% owned, and voting controlled through dual class shares by the Paschini family. The business was founded as a blacksmith shop in 1956 and is now run by the three children of the founder.

ADF has been on a strong growth trajectory with three consecutive years of backlog growth - 100%+ growth in FYE Jan 2019, 50% growth in FYE Jan 2020, 30%+ growth in FYE Jan 2021. This allowed ADF to enter the current FYE Jan 2022 with an enormous backlog of $400m+. We believe the large backlog positions the company well for future growth in revenues, adjusted EBITDA, and free cash flow.

One key factor for recent growth and future growth there is generally a strong macro environment for the types of construction projects that ADF works on, both in the U.S. and Canada. This is important, not only because it provides the company with higher levels of project volume to bid on, but the higher volume environment also generally leads to better project pricing with higher margins. Additionally, the $1+ trillion infrastructure spending bill was recently passed by the U.S. Congress. Management specifically highlights this planned spending in their optimism for future growth.

Another factor for growth is that ADF has a growth outlook in the large surface commercial building segment. This is a more standard, "square box" construction like warehouses. It is lower margin work, but it is also very high volume where they can do a lot of tonnage in a short period of time. Historically, this has been only 5-10% of their business, but it is now over 20%. Management has realized that they can use these standard projects to drive throughput at their facilities and achieve better fixed cost absorption. As a result, the Company sees a strong growth outlook in this segment. There is a lot more of these standard, high volume projects being built than there have been in the past, driven in large part by continued e-commerce growth and the need to build out local infrastructure. Amazon is planning on building 1,000+ of these buildings over the next year. We believe ADF is currently working several of these types of projects for Amazon and others.

ADF's shares currently trade at about $1.80 per share with about 33m shares outstanding for a market cap of about $60m. ADF has a "Ft. Knox" balance sheet with a net debt position of $4m as of 10/31/21 for an enterprise value of about $65m. EBITDA is about $17m, so ADF is trading at about 3.5x LTM EBITDA. Cash from operations is about $30m so ADF is trading at about 2.5x cash from operations. ADF's normalized capital expenditures are about $2m per year but ADF is currently completing a $30m major capital expenditure program to automate their large manufacturing plant in Canada which we believe will be completed in the next two quarters. We believe this will be one of the most efficient plants in North America for standard, square box projects, such as building new warehouse or distribution facilities for customers like Amazon and Wal-Mart.

We believe as ADF's large backlog translates into increased revenues and profits and cash flows, ADF could grow its adjusted EBITDA to $25m or more by FYE Jan 2024, with a debt-free balance sheet. We believe ADF could trade for 8x adjusted EBITDA, given its strong competitive position and highly cash-generative business model. This could result in a market value of about $200m or about $6 per share, versus the current price of about $1.86 per share. Also, there has been a significant private equity activity in the metal fabricating industry and we believe ADF could be acquired by a private equity or strategic purchaser over the next few years.

Calloway's Nurseries, Inc. (CLWY)

Calloway's Nurseries, Inc. (CLWY) operates garden centers in the U.S. with a chain of 22 stores under the Calloway's Nursery name in Dallas and Ft. Worth, Texas, and under the Cornelius name in Houston, Texas.

CLWY has a strong and defensible niche in the gardening industry located near some of the strongest residential markets in the country. We invested in CLWY a few years ago and believed CLWY had limited "Amazon risk" and a good competitive position versus Home Depot and Lowe's with greater specialization and service. The lawn and gardening industry is almost a $40b industry in the U.S. driven by local market share, where CLWY has a strong position. CLWY has gross margins of 50%+ which are higher than most competitors in the gardening industry.

CLWY is unique because it has an ability to offer a more specialized plant selection than Home Depot and Lowe's, as well as superior customer service. CLWY's employees are certified nursery experts who have taken credentialed coursework, which provides employees with a far deeper knowledge base than that of general retail employees. CLWY's also develops a strong customer database that they utilize to customize promotions, pricing, and in-store activities and events, which are useful tools for driving engagement, maximizing inventory turnover, and targeting their customers.

CLWY proved to be a significant beneficiary of coronavirus pandemic as the stay-at-home and work-at-home trends drove a sharp increase in gardening as people spent more time at home. Since the pandemic, there has been strong growth across the country in American gardening. During the pandemic, Americans were able to discover a "green new world" in the backyard as gardening gave people a new outlook and break from the stress of the pandemic. As people spent more time at home, taking care of plants provided a sense of productivity during uncertain times. Additionally, gardening is highly accessible and a reasonably priced hobby for many people.

CLWY's financial results have been very strong during the pandemic. Total revenues increased from $59m in 2019 to $101m in 2021. EBIT increased from $6m in 2019 to $22m in 2021. Net income increased from $3m in 2019 to $16m in 2021. EPS increased from 41 cents per share in 2019 to $2.14 per share in 2021. CLWY's share price has increased from about $5 per share before the pandemic to $16 to $17 per share recently.

CLWY has a "Ft. Knox" balance sheet with a net cash position of about $5m at 12/31/21, even after paying close to $3 per share in special dividends to shareholders over the past two years. Furthermore, CLWY owns the real estate at 11 of its locations with about 900,000 square feet of land that we believe could be worth $50 per square foot or more or $45m+ in excess real estate value.

CLWY's majority shareholder, Peter Kamin, is a former partner of Value Act Capital. Kamin takes major positions in small public companies and seeks to drive improved shareholder value. Kamin has been involved with CLWY since 2012 and went through a couple of proxy fights and a major share repurchase in 2016 to get to his current position (his firm controls close to 60% of fully diluted shares outstanding). We have invested successfully in other companies with Kamin, including MAM Software (MAMS) and Rand Worldwide (RWWI). We believe our interests are aligned with Kamin. It is also important to note that CLWY is "dark," which means it does not file financials with the SEC. It does, however, provide financials on its website.

We invested in CLWY at about $6.50 per share about two years ago and since then CLWY shares have appreciated to about $16 to $17 per share recently given the strong results. Although we have reduced our position moderately as CLWY's share price has risen, we continue to hold a significant portion as we believe the trend towards more gardening is likely to remain with us post-pandemic. We believe CLWY could be acquired by a private equity firm or strategic purchaser at some point, given its strong market position and competitive niche in one of the strongest real estate markets in the U.S.

Short Positions

We have sought to protect the Partnership's capital with short positions of 1% or less on several companies with extremely high valuations and unsustainable business models. As of February 28, 2021, the Partnership had 6 short positions. We continue to research several short position candidates.

Concluding Thoughts

We think we own an excellent group of businesses with asymmetrical risk-reward characteristics biased in the Partnership's favor. We have long-term confidence in the North American economy and believe carefully selected equities remain one of the best ways to participate in their economic growth and protect purchasing power from inflation. We have tried to position the portfolio to achieve these objectives.

We focus on detailed research on individual investment opportunities with asymmetrical risk-reward characteristics in the Partnership's favor. We are keeping the Partnership's capital well-diversified in companies with "Ft. Knox" balance sheets. We are doing our best to balance well-publicized macro risks against our micro work on specific companies. A "Ft. Knox" balance sheet, both at the Partnership level and at our individual investments, helps us sleep better at night. Our first goal is always capital preservation, followed closely by prudent, intelligent growth of capital.

We believe that small cap stocks offer us excellent opportunities for attractive risk-adjusted returns. Most investors on Wall Street simply cannot focus on these smaller companies due to their small size. This should give the Partnership an advantage over time. There are greater opportunities to find a specific business or security which is meaningfully mispriced before it becomes clear to other investors. We do a large amount of research on these individual positions to achieve a high conviction level which allows us to establish and remain committed to a larger position. We often have detailed discussions with the senior management of our investments to better understand these companies and their industries and thereby strive to increase our competitive advantage.

We are one of the largest investors in the Partnership and continue to have a significant investment. We will always maintain a large amount of capital in the Partnership and make sure our interests are closely aligned with our limited partners.

Our goal is to significantly outperform the major indices over a three- to five-year period while taking a conservative approach to risk and we continue to believe we can achieve this goal.

We remain cautiously optimistic on our investments due to our continued ability to find what we believe to be good businesses that are under-valued. We are doing our best to position the Partnership to earn attractive risk-adjusted returns in this environment. We appreciate your patience.

Please do not hesitate to call (310-426-2045) or email (jez@lowellcap.com) us with any questions. We appreciate your confidence in the Partnership and we will do our best to protect and conservatively grow the Partnership's capital over time.

Sincerely,

Jim Zimmerman

INTERESTS AND NONE IS EXPECTED TO DEVELOP. Potential investors should therefore carefully consider whether such trading is suitable for them in light of their financial condition.

Please note the securities identified and described are not representative of the entire portfolio. The investments discussed herein are for illustrative purposes only and it should not be assumed that such investments were or will be profitable or that the investments or recommendations Lowell makes in the future will be profitable or will equal the anticipated results discussed herein. Past performance is not necessarily indicative of future results.

The S&P 500 is referenced merely to show the general trend in the markets in the periods indicated and are not intended to imply that the underlying returns were comparable to the index either in composition or element of risk. There are significant differences between the Partnership and the S&P 500 including, but not limited to, risk profile, liquidity, volatility, and asset composition. References to the S&P 500 is for comparative purposes only. THE CHARACTERISTICS OF THE S&P 500 MAY BE MATERIALLY DIFFERENT FROM THAT OF LOWELL, AND THUS, LITTLE CORRELATION MAY EXISTS BETWEEN THE RETURN OF LOWELL AND THE S&P 500.