



INDUS HOLDINGS, INC. REPORTS RECORD REVENUE IN THE SECOND QUARTER 2019 FINANCIAL RESULTS

*Cannabis leader reports revenue of \$9.7 million, representing 183% revenue growth
year-over-year*

SALINAS, Calif., August 21, 2019 – Indus Holdings, Inc. ("Indus") (CSE:INDS), a leading, vertically integrated cannabis company, today announced its financial results for the fiscal second quarter ending June 30, 2019.

Second Quarter Financial and Business Highlights

- Generated second quarter record revenue of \$9.7 million, 183% year-over-year and 51% sequential growth
- Added 87 new dispensaries during the quarter
- Announced acquisitions of CBD brands Shredibles and Humble Flower Co.
- Entered Nevada and Oregon markets through its pending acquisition of W Vapes, a licensed multi-state manufacturer and distributor of cannabis products
- Completed the renovation of its state-of-the-art 15,000 square foot distribution center in Salinas, Calif.

"I am proud of our team's results and the successes that we demonstrated in the second quarter," said Indus Holdings, Inc. Co-Founder and Chief Executive Officer Robert Weakley. "During the quarter, we continued to execute on the four pillars of our strategy by investing in our portfolio of brands, expanding our distribution, entering new markets through acquisitions, and producing the highest quality products."

"I believe we are uniquely positioned in our markets," Weakley continued. "The infrastructure that we built over the last few years will give us the capacity to expand within the California market, and we plan to replicate our success in the Nevada and Oregon markets and beyond. I believe we have the management team and infrastructure to execute on our plan and to position ourselves as a leader in the markets we enter with our portfolio of brands."

Fiscal Second Quarter 2019 Earnings Call Details

Indus plans to host a conference call with management today at 5:00 p.m. ET. The call can be accessed using the following dial-in information:

U.S and Canadian Toll-free: +1 877-407-0789

International: +1 201-689-8562

Please dial-in at least 15 minutes before the call to register.

To be added to the Indus Holdings, Inc. email distribution list, please email ir@indusholdingco.com with Indus in the subject line.

About Indus Holdings, Inc.

Indus Holdings, Inc. (CSE:INDS) is a vertically-integrated cannabis company with advanced production capabilities, including cultivation, extraction, manufacturing, brand sales & marketing, and distribution. Founded in 2014 and based in Salinas, California, Indus offers services supporting every step of the supply chain and an extensive portfolio of award-winning brands, including House Weed, The Original Pot Co., MOON, Acme, Beboe, Dixie Elixirs & Edibles, and Orchid Essentials. Indus Distribution, a division of Indus Holdings, Inc., is a leading distributor of cannabis products, servicing an extensive portfolio of brands and licensed retailers.

Use of Non-IFRS Financial Information

To supplement the Company's financial results presented in accordance with International Financial Reporting Standards ("IFRS"), Indus uses non-IFRS measures to understand and compare operating results across accounting periods, for financial and operational decision making, for planning and forecasting purposes and to evaluate the Company's financial performance. These non-IFRS financial measures are adjusted EBITDA, adjusted gross profit, adjusted gross margin, and non-IFRS net earnings (loss). Management believes that these non-IFRS financial measures reflect the Company's ongoing business in a manner that allows for meaningful comparisons and analysis of trends in the business, as they facilitate comparing financial results across accounting periods and to those of peer companies. Management also believes that these non-IFRS financial measures enable investors to evaluate the Company's operating results and future prospects in the same manner as management. These non-IFRS financial measures may also exclude expenses and gains that may be unusual in nature, infrequent or not reflective of the Company's ongoing operating results. Since these measures are not calculated in accordance with IFRS, they should not be considered in isolation of, or as a substitute for, our reported results as indicators of our performance, and they may not be comparable to similarly named measures from other companies.

The tables below reconcile our results of operations in accordance with IFRS to the adjusted results mentioned above:

Reconciliations of Selected Non-IFRS Financial and Performance Measures

Periods Ended June 30, (in thousands)	Three Months		Six Months	
	2019	2018	2019	2018
Adjusted Gross Margin				
Gross Profit	\$ 291	\$ 516	\$ 994	\$ 2,299
<i>Adjustments</i>				
Net effect of change in fair value of biological assets	1,217	568	1,862	(953)
Adjusted gross profit	1,508	1,083	2,856	1,346
Adjusted gross margin	16%	32%	18%	24%
Adjusted EBITDA				
Net loss attributable to Indus Holdings, Inc.	\$ (7,841)	\$ (2,115)	\$ (12,776)	\$ (2,886)
Interest expense	378	438	1,161	947
Provision for income taxes	503	28	503	64
Depreciation in cost of goods sold	105	81	250	161
Depreciation and amortization in operating expenses	764	22	1,459	41
Investment and currency gains	(1,024)	-	(1,024)	-
Transaction and other special charges	1,751	-	1,751	-
Stock option comp expense	379	43	510	77
Net effect of change in fair value of biological assets	1,217	568	1,862	(953)
Adjusted EBITDA	\$ (3,769)	\$ (935)	\$ (6,302)	\$ (2,548)

- (1) Adjusted gross profit excludes the fair value adjustments for biological assets. Management believes this measure provides useful information as it removes fair value metrics tied to increasing stock levels (decreasing stock levels) required by IFRS.
- (2) Adjusted gross margin is excludes the fair value adjustments for biological assets. Management believes this measure provides useful information as it represents the gross profit based on the Company's cost to produce inventory sold and removes fair value metrics tied to increasing stock levels (decreasing stock levels) required by IFRS.
- (3) Adjusted EBITDA is net income (loss), excluding the effects of income taxes (recovery); net interest expense; depreciation and amortization; non-cash fair adjustments on investments; unrealized foreign currency gains/losses; non-cash fair value adjustments on sale of inventory and on growth of biological assets; and other transactional and special expenses, such as acquisition costs and expenses related to our reverse takeover, 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.

Periods Ended June 30	Three Months Ended June 30					
	2019		2019	2018		2018
(in thousands)	IFRS	Adjustment	non-IFRS	IFRS	Adjustment	non-IFRS
General and administrative	\$ 5,669	\$ (1,751)	\$ 3,918	\$ 1,768	\$ -	\$ 1,768
Total operating expenses	\$ 8,376	\$ (1,751)	\$ 6,625	\$ 2,157	\$ -	\$ 2,157
Loss from operations	\$ (8,085)	\$ 1,751	\$ (6,334)	\$ (1,641)	\$ -	\$ (1,641)
Net loss attributable to Indus Holdings, Inc.	\$ (7,841)	\$ 1,751	\$ (6,090)	\$ (2,115)	\$ -	\$ (2,115)
Net Loss per share - basic and diluted	\$ (0.24)	\$ 0.05	\$ (0.19)			
Weighted average shares outstanding - basic and diluted	32,199	32,199	32,199			

Periods Ended June 30	Six Months Ended June 30					
	2019		2019	2018		2018
(in thousands)	IFRS	Adjustment	non-IFRS	IFRS	Adjustment	non-IFRS
General and administrative	\$ 7,968	\$ (1,751)	\$ 6,217	\$ 3,272	\$ -	\$ 3,272
Total operating expenses	\$ 12,837	\$ (1,751)	\$ 11,086	\$ 4,179	\$ -	\$ 4,179
Loss from operations	\$ (11,843)	\$ 1,751	\$ (10,092)	\$ (1,879)	\$ -	\$ (1,879)
Net loss attributable to Indus Holdings, Inc.	\$ (12,776)	\$ 1,751	\$ (11,025)	\$ (2,886)	\$ -	\$ (2,886)
Net Loss per share - basic and diluted	\$ (0.40)	\$ 0.05	\$ (0.35)			
Weighted average shares outstanding - basic and diluted	32,195	32,195	32,195			

(A) Fiscal 2019 IFRS operating expenses comprised of \$1.8 million in charges related to the Company's reverse takeover and acquisition activities. Management believes this measure provides useful information as the Company incurred significant expenses in connection with its reverse takeover and acquisitions, which we generally would not have otherwise incurred in the periods presented as a part of our continuing operations.

Forward-Looking Information and Statements

This press 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 Indus' beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of Indus' 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 business objectives, and expectations for other economic, business, and/or competitive factors. There can be no assurance that such forward-looking information will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information. This forward-

looking information reflects Indus' current beliefs and is based on information currently available to Indus and on assumptions Indus 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 Indus to be materially different from those expressed or implied by such forward-looking 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; delay or failure to receive board or regulatory approvals; the actual results of future operations; operating and development costs; competition; changes in legislation or regulations affecting Indus; the timing and availability of external financing on acceptable terms; the available funds of Indus and the anticipated use of such funds; delay or inability to complete an acquisition; 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 Indus' operations; and lack of qualified, skilled labor or loss of key individuals. 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 Indus' disclosure documents, such as Indus' listing statement filed on the SEDAR website at www.sedar.com. Although Indus 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 Indus as of the date of this news release and, accordingly, is subject to change after such date. However, Indus 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.

Investor Relations Contact

Gwyn Lauber

Indus Holdings, Inc.

ir@indusholdingco.com

Media Contact

Renata Follmann

Rossetti Public Relations

pr@indusholdingco.com

###

INDUS HOLDING COMPANY AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(Unaudited)

(in thousands)	June 30, 2019	December 31, 2018
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 14,809	\$ 10,310
Restricted cash	10,000	
Accounts Receivable—net of allowance for doubtful accounts of \$480 at June 30, 2019 and \$250 at December 31, 2018	10,017	2,965
Subscription Receivable	-	3,200
Inventory	15,244	13,608
Biological assets	373	576
Prepaid expenses and other current assets	3,710	2,086
Total current assets	54,153	32,745
Long-term investments	3,489	1,148
Property and equipment, net	29,992	4,063
Goodwill	357	357
Other intangibles, net	986	190
Other assets	184	454
Total assets	\$ 89,161	\$ 38,957
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 3,280	\$ 2,191
Accrued payroll and benefits	358	259
Current portion of long-term debt	2,086	147
Other current liabilities	950	1,838
Total current liabilities	6,674	4,436
Long-term debt, net	22,214	389
Other long-term liabilities	467	-
Total liabilities	29,355	4,824
STOCKHOLDERS' EQUITY		
Share capital	93,525	54,334
Accumulated deficit	(33,822)	(20,201)
Shareholders' equity - parent	59,703	34,133
Non-controlling interests	103	-
Total stockholders' equity	59,806	34,133
Total liabilities and stockholders' equity	\$ 89,161	\$ 38,957

INDUS HOLDING COMPANY AND AFFILIATES
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

Periods Ended June 30, (in thousands except per share amounts)	Three Months		Six Months	
	2019	2018	2019	2018
Net revenue	\$ 9,689	\$ 3,423	\$ 16,122	\$ 5,723
Cost of goods sold	8,181	2,339	13,266	4,377
Gross profit before biological asset adjustments	1,508	1,083	2,856	1,346
Net effect of change in fair value of biological assets	1,217	568	1,862	(953)
Gross profit	291	516	994	2,299
Operating expenses				
General and administrative	5,669	1,768	7,968	3,272
Sales and marketing	1,944	367	3,410	865
Depreciation and amortization	764	22	1,459	41
Total operating expenses	8,376	2,157	12,837	4,179
Loss from operations	(8,085)	(1,641)	(11,843)	(1,879)
Other income/(expense)				
Other income/(expense)	103	(7)	(292)	4
Unrealized gain on change in fair value of investment	841	-	841	-
Gain on foreign currency	182	-	182	-
Interest expense	(378)	(438)	(1,161)	(947)
Total other income/(expense)	747	(445)	(429)	(943)
Loss before provision for income taxes	(7,338)	(2,086)	(12,273)	(2,822)
Provision for income taxes	(503)	(28)	(503)	(64)
Net loss	\$ (7,841)	\$ (2,115)	\$ (12,776)	\$ (2,886)
Less: net income (loss) attributable to non-controlling interest	-	-	-	-
Net loss attributable to Indus Holdings, Inc.	\$ (7,841)	\$ (2,115)	\$ (12,776)	\$ (2,886)
Net Loss per share - basic and diluted:				
Attributable to Indus Holdings, Inc.	\$ (0.24)		\$ (0.40)	
Attributable to non-controlling interests	-		-	
Net Loss per share - basic and diluted	\$ (0.24)		\$ (0.40)	
Weighted average shares outstanding - basic and diluted	32,199		32,195	