



Indus Holdings, Inc. Announces Release of \$10m in Restricted Funds

California cannabis leader targets closing of the 2020 acquisition of W The Brand licenses and assets

SALINAS, Calif., Nov. 13, 2019 -- Nevada recently implemented a state-mandated moratorium on the licensing and change of ownership processes for marijuana-related businesses. As a result, Indus Holdings, Inc. [CSE:INDS; OTCQX: INDXF] is now targeting the second half of 2020 for the completion of its acquisition of the operating assets of W The Brand, a manufacturer and distributor of cannabis concentrates, cartridges and disposable pens in Nevada and Oregon. The transaction was first announced in May 2019.

Indus Holdings, Inc. and W The Brand have also agreed to release \$10 million in escrow funds related to the transaction. W The Brand will be advanced \$2 million in anticipation of completing the acquisition in 2020, and Indus Holdings, Inc. will be positioned to use the remaining funds to acquire W The Brand's current 41,000-square foot cultivation and production facility and continue to grow its portfolio of award-winning cannabis brands, with \$4 million of the escrow release available immediately to fund operations.

Under the terms of the revised agreement, the consideration to W The Brand for the acquired assets will consist of \$10 million in shares of Indus Holdings, Inc. common equity (based on a deemed value of CDN\$15.65 per share), \$8 million in cash (of which \$6 million will be deferred until 120 days after the closing) and the escrow release to W The Brand.

Indus Holdings, Inc will enter into a management service contract with W The Brand to operate the operations of W The Brand in November 2019, allowing Indus Holdings, Inc. to start the process of manufacturing and distributing its owned and agency brands in Nevada and Oregon. The management contract will also allow Indus Holdings, Inc. to record all revenues from the operations. The transaction is expected to be revenue accretive in 2020, and EBITDA accretive in 2020.

Upon completion, the transaction will see Indus Holdings, Inc. expand its operations beyond California into Nevada and Oregon, where it will acquire, among other operating assets, the current 41,000-square foot cultivation and production facility; cultivation, manufacturing, and distribution licenses in Las Vegas, Nevada; and a 7,000 square foot production facility and manufacturing license in Oregon.

ABOUT INDUS HOLDINGS, INC.

Indus Holdings, Inc. [CSE: INDS; OTCQX: INDXF] 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 Humble Flower Co. Indus Distribution, a division of Indus Holdings, Inc., is a leading distributor of cannabis products, servicing an extensive portfolio of brands and licensed retailers.

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