



# Indus Holdings, Inc. Completes C\$34.5 Million Underwritten Public Offering

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**SALINAS, Calif., December 21, 2020 — Indus Holdings, Inc.** (“Indus” or the “Company”) (CSE:INDS; OTCQX:INDXF), a leading, vertically-integrated, California-focused cannabis company announces the closing of its previously announced underwritten public offering (the “Offering”) of units of the Company (the “Units”). The Offering was conducted by a syndicate of underwriters co-led by Canaccord Genuity Corp. and Beacon Securities Limited, and including PI Financial Corp. (collectively, the “Underwriters”) and consisted of the sale of 23,000,000 Units (including the full exercise of the over-allotment option by the Underwriters) at a price of C\$1.50 per Unit (the “Offering Price”) for aggregate gross proceeds of C\$34,500,000,

Each Unit is comprised of one subordinate voting share of the Company (a “Share”) and one-half of one Share purchase warrant of the Company (each full Share purchase warrant, a “Warrant”). Each Warrant is exercisable to acquire one subordinate voting share of the Company (a “Warrant Share”) until December 21, 2023 at an exercise price of C\$2.20 per Warrant Share, subject to adjustment in certain circumstances. The Company has received approval from the Canadian Securities Exchange (“CSE”) to list the Warrants issued pursuant to the Offering, and the Warrants are expected to be listed and posted for trading on the CSE under the symbol “INDS.WT” on or about December 21, 2020, subject to the Company satisfying the remaining requirements of the CSE.

The Company intends to use the net proceeds from the Offering for the development of an additional cultivation and production facility and working capital and other general corporate purposes, as further described in the prospectus supplement (the “Prospectus Supplement”) dated December 16, 2020 to the final base shelf prospectus (the “Base Prospectus”) of the Company dated December 11, 2020.

The securities issued pursuant to the Offering were qualified for distribution pursuant to the Prospectus Supplement and the Base Shelf Prospectus, filed in each of the provinces of Canada, except Québec, and offered and sold outside Canada to qualified investors in accordance with applicable law. The Prospectus Supplement, Base Shelf Prospectus, and the documents incorporated by reference therein, are available on the Company’s issuer profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Certain directors and management of the Company (the “Insiders”) purchased an aggregate of 1,227,800 Units pursuant to the Offering. Participation by the Insiders in the Offering was considered a “related party transaction” pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Offering was considered, and ultimately approved by the board of directors of the Company on December 14, 2020. The Company was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Insiders’ participation in the Offering in reliance of sections 5.5(a) and 5.7(1)(a) of MI 61-101. A material change report in connection with the participation of Insiders in the Offering will be filed less than 21 days in advance of the closing of the Offering, which the Company deemed reasonable in the circumstances so as to be able to avail itself of potential financing opportunities and complete the Offering in an expeditious manner.

No securities regulatory authority has either approved or disapproved of the contents of this news release. The securities comprising the Units have not been and nor will they be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws. Accordingly, the securities comprising the Units may not be offered or sold within the United States or to or for the account of U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to exemptions from the registration requirements of the U.S. Securities Act and applicable state securities laws. This news release does not constitute an offer to sell or a solicitation of an offer to buy any securities of Indus in any jurisdiction in which such offer, solicitation or sale would be unlawful.

#### **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 Cypress Cannabis, House Weed, The Original Pot Co., MOON, Humble Flower, and Kaizen Medicinals. Indus Distribution, a division of Indus Holdings, Inc., is a leading distributor of cannabis products, servicing an extensive portfolio of brands and licensed retailers.

#### **Investor Relations Contact**

Bill Mitoulas  
Indus Holdings, Inc.  
[ir@indusholdingco.com](mailto:ir@indusholdingco.com)  
Office: 1.416.479.9547

#### **Media Contact**

Renata Follmann  
[pr@indusholdingco.com](mailto:pr@indusholdingco.com)

#### **Company Contact**

Mark Ainsworth  
[ir@indusholdingco.com](mailto:ir@indusholdingco.com)

#### ***Forward-Looking Information and Statements***

This news 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 use of net proceeds of the Offering, the contemplated timing for the commencement of trading of the Warrants, and expectations for other economic, business, and/or competitive factors. There can be no assurance that such forward-looking information and statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking information and statements. Such forward-looking information and statements reflect Indus' current beliefs and are based on information currently available to Indus and on assumptions Indus believes are reasonable.

Forward-looking information and statements are 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 and statements. 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; prolonged or more detrimental than anticipated impact on production yields resulting from the wildfires in 2020; 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; lack of qualified, skilled labor or loss of key individuals; and risks and delays resulting from the COVID-19 pandemic. A description of additional assumptions used to develop such forward-looking information and statements and a description of additional risk factors that may cause actual results to differ materially from forward-looking information and statements can be found in Indus' disclosure documents, such as Indus' annual information form dated November 9, 2020 and the Base Prospectus, each filed on the SEDAR website at [www.sedar.com](http://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 and statements, 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 and statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Forward-looking information and statements contained in this news release are expressly qualified by this cautionary statement.

The forward-looking information and statements contained in this news release represent the expectations of Indus as of the date of this news release and, accordingly, are subject to change after such date. However, Indus expressly disclaims any intention or obligation to update or revise any forward-looking information and statements, 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.