

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Indus Holdings, Inc. (the “**Corporation**”)
19 Quail Run Circle, Suite B
Salinas, California
93907

Item 2 Date of Material Change

December 16, 2020

Item 3 News Release

News releases with respect to the material change referred to in this report were disseminated on December 16, 2020 and December 21, 2020 respectively by way of Canada NewsWire and GlobeNewswire and subsequently filed on SEDAR.

Item 4 Summary of Material Change

On December 15, 2020, the Corporation announced its intention to conduct an overnight marketed public offering of units of the Corporation (the “**Units**”), comprised of subordinate voting shares and warrants of the Corporation (the “**Offering**”).

On December 16, 2020, the Corporation announced the pricing of the Offering of 20,000,000 Units at a price of C\$1.50 per Unit (the “**Offering Price**”) for aggregate gross proceeds of C\$30,000,000. Each Unit was comprised of one subordinate voting share of the Corporation (a “**Share**”) and one half of one subordinate voting share purchase warrant of the Corporation (each full warrant, a “**Warrant**”). Each Warrant is exercisable to acquire one subordinate voting share of the Corporation (a “**Warrant Share**”) for a period of 36 months following the closing of the Offering at an exercise price of C\$2.20 per Warrant Share, subject to adjustment in certain circumstances. In connection with pricing of the Offering, the Corporation entered into an underwriting agreement with Canaccord Genuity Corp. and Beacon Securities Limited, the co-lead underwriters for the Offering, and PI Financial Corp. (collectively, the “**Underwriters**”). In addition, the Corporation granted the Underwriters a 30-day option to purchase up to an additional 15% of the Units offered in the Offering on the same terms and conditions to cover any over-allotments and for market stabilization purposes.

On December 21, 2020, the Corporation announced the completion of the Offering by way of the issuance and sale of 23,000,000 Units (including the full exercise of the over-allotment option by the Underwriters) at the Offering Price for aggregate gross proceeds of C\$34,500,000.

Item 5.1 Full Description of Material Change

On December 15, 2020, the Corporation announced its intention to conduct an overnight marketed public offering of Units, comprised of Shares and Warrants.

On December 16, 2020, the Corporation announced the pricing of the Offering of 20,000,000 Units at a price of C\$1.50 per Unit for aggregate gross proceeds of C\$30,000,000. Each Unit was comprised of one Share and one half of one Warrant. Each Warrant is exercisable to acquire one Warrant Share for a period of 36 months following the closing of the Offering at an exercise price of C\$2.20 per Warrant Share, subject to adjustment in certain circumstances. In connection with pricing of the Offering, the Corporation entered into an underwriting agreement with the Underwriters. In addition, the Corporation granted the Underwriters a 30-day option to purchase up to an additional 15% of the Units offered in the Offering on the same terms and conditions to cover any over-allotments and for market stabilization purposes.

On December 21, 2020, the Corporation announced the completion of the Offering by way of the issuance and sale of 23,000,000 Units (including the full exercise of the over-allotment option by the Underwriters) at the Offering Price for aggregate gross proceeds of C\$34,500,000.

In connection with the Offering, the Corporation gave notice to, and received approval from the Canadian Securities Exchange (the “**CSE**”), to list the Warrants for trading on the CSE, which listing was effective as of December 21, 2020 upon completion of the Offering under the symbol “INDS.WT”.

As consideration for their services, the Underwriters received cash commission equal to 6.0% of the gross proceeds raised in respect of the Offering and broker warrants equal to 6.0% of the number of Units sold under the Offering, which broker warrants will be exercisable for Units for a period of 12 months following the closing of the Offering at an exercise price equal to the Offering Price per Unit; provided that such cash commission and broker warrants were reduced to 3.0% in respect of the Units sold to purchasers included on a “President’s List”.

The Corporation 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 Shelf Prospectus**”) of the Corporation 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, the Base Shelf Prospectus, and the documents incorporated by reference therein, are available on the Corporation’s issuer profile on SEDAR at www.sedar.com.

In connection with the Offering, George Allen, Chairman of the Corporation, Brian Shure, Chief Financial Officer of the Corporation, and Kevin McGrath, a director of the Corporation (collectively, the “**Insiders**”), directly or indirectly acquired ownership of or control or direction over 267,000 Units, 690,800 Units, and 270,000 Units, respectively. Participation by the Insiders in the Offering was considered a “related party transaction” within the meaning of 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 Corporation on December 14, 2020. The Corporation was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the participation of Insiders in the Offering in reliance of sections 5.5(a) and 5.7(1)(a) of MI 61-101. This material change report is being filed less than 21 days in advance of the closing of the Offering, which the Corporation 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 material change report. 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.

Item 5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6 Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

Brian Shure, Chief Financial Officer
(831) 998-8214

Item 9 Date of Report

December 24, 2020.

Forward-Looking Statements

This material change report 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 the Corporation's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Corporation's 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, 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 the Corporation's current beliefs and are based on information currently available to the Corporation and on assumptions the Corporation 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 the Corporation 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 the Corporation; the timing and availability of external financing on acceptable terms; the available funds of the Corporation 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 the Corporation's 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 the Corporation's disclosure documents, such as the Corporation's annual information form dated November 9, 2020, the Base Shelf Prospectus, and the Prospectus Supplement, each filed on the SEDAR website at www.sedar.com. Although the Corporation 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 material change report are expressly qualified by this cautionary statement.

The forward-looking information and statements contained in this material change report represent the expectations of the Corporation as of the date of this material change report and, accordingly, are subject to change after such date. However, the Corporation 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 material change report.