



## **INDUS HOLDINGS, INC. ANNOUNCES AN UPDATE TO CULTIVATION EXPANSION PLANS**

*The Company is pivoting expansion efforts to a new cultivation campus that may have long-term sustainable advantages over its peers*

**SALINAS, Calif., January 7, 2021 – Indus Holdings, Inc.** ("Indus" or the "Company") (CSE:INDS; OTCQX: INDXF), a leading, vertically-integrated, California-focused cannabis company, announces an update to the expansion plans previously announced November 17th of last year. The Company has signed a new letter of intent ("LOI") and is electing to pursue an alternative path to its expansion, which includes the planned construction of a purpose-built, state-of-the-art cannabis cultivation and processing facility that will combine modern technology with an industry-leading cost-structure to produce the highest quality cannabis.

While the Company had previously been in discussions regarding a handful of retrofit greenhouses, Indus now anticipates approximately a twelve-month construction cycle that will yield one of the largest cannabis campuses anywhere in the world. After careful consideration of its options, Indus has decided to pursue construction of a new, purpose-built facility that is nearby to its existing operations. The choice in selecting the new facility is driven by a combination of attractive factors that include:

- Superior growing climate
- Ready and immediate access to electrical power
- A substantially lower cultivation tax-rate
- A less expensive lease structure
- Expansion capabilities that will accommodate in excess of 1.5m square feet

The LOI contemplates a land-lease from a developer that has prepared the property for cannabis cultivation. Indus will be responsible for the construction costs of the buildings on the property using cash raised in the recent equity offering to finance the first stage of the buildout, currently anticipated to be between 250,000 and 320,000 square feet of greenhouse operations. Indus has the exclusive option to expand on the property but is not obligated to do so. It is anticipated that the property under consideration could accommodate nearly 1.5 million square feet of modern mixed-light greenhouses.

The transaction is subject to final site due-diligence and negotiation of construction contracts as well as the finalization of a lease, which is expected to be completed during the first quarter of 2021. In the event that the company pursues the transaction contemplated in the LOI, Indus anticipates that the site will be ready for operation in the first half of 2022.

### **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.

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***Forward-Looking Information and Statements and non-IFRS Financial Measures***

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 (including completion of renovations and increasing production capacity), 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; 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 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](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, 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.

This press release includes non-IFRS financial measures, specifically adjusted EBITDA, which is not a measure of financial performance under IFRS and should not be considered superior to, as a substitute for or as an alternative to, and should only be considered in conjunction with IFRS financial measures.

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.