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Indus Holdings, Inc. Expands Operations Into Nevada And Oregon

California cannabis leader set for tremendous growth after acquiring facilities in neighboring states

SALINAS, Calif., May 14, 2019 /PRNewswire/ -- Indus Holdings, Inc. ("Indus") (CSE: INDS), announced that it has signed a definitive agreement to acquire the assets of W The Brand ("W Vapes"), a multi-state manufacturer and distributor of cannabis concentrates, cartridges and disposable pens, in a cash and stock transaction. The transaction solidifies Indus' position as a market leader and dominant force in the cannabis industry through expansion of its operations beyond California into the cannabis-friendly states of Nevada and Oregon.



"We are excited to expand the Indus footprint as it creates further awareness to our brands and more opportunities for our incredible team," commented Indus Co-Founder and Chief Executive Officer Robert Weakley. "Having established a dominant presence in the world's largest cannabis economy, we are taking a natural step forward, and we're excited to introduce Nevada and Oregon consumers to our lineup of award-winning Indus brands."

Key Highlights

- In Nevada, Indus will acquire a recently renovated 24,000-square foot cultivation and production facility with expansion capacity to bring its total footprint to nearly 76,000 square feet.
- The Nevada facility is less than two miles from the Las Vegas Strip, a location that

links Indus to 40 local dispensaries and a robust tourism sector that attracts 42 million visitors annually. Nevada's cannabis industry has experienced unprecedented growth since recreational use became legal in January 2017, with an estimated \$1 billion in sales projected by 2024, according to the Nevada Dispensary Association.

- To the north, Indus is expanding into Oregon with an operation that includes a recently opened, 6,000 square-foot manufacturing facility near downtown Portland that includes a warehouse, office and lab space, as well as extraction capabilities.
- With the turn-key capabilities of the W Vapes operations, the transaction allows the expansion of Indus' award-winning portfolio of California brands into Nevada and Oregon.
- W Vapes currently manufactures and produces multiple internally developed brands.
- The transaction is expected to be revenue accretive in 2019, and EBITDA accretive in 2020.
- The transaction is expected to close in the fourth quarter of 2019.

Summary of Terms:

Under the terms of the agreement, Indus will acquire the assets of W Vapes with consideration to W Vapes shareholders consisting of \$10 million in shares of Indus Holdings, Inc. common equity (based on a deemed value of CDN\$15.65 per share) and \$10 million in cash.

- Through the transaction, Indus will acquire cultivation, manufacturing, and distribution licenses and operations in Las Vegas, Nevada and Portland, Oregon. All intellectual property and other operating assets of the Nevada and Oregon businesses will also be acquired.

Completion of the acquisition is subject to customary closing conditions.

ABOUT INDUS HOLDINGS, INC.

Indus Holdings, Inc. (CSE:INDS) is a vertically integrated cannabis company with world-class production capabilities, including cultivation, extraction, manufacturing, brand sales & marketing, and distribution. Founded in 2014 by hospitality veteran Robert Weakley 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.

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 the Company's and Indus' beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's and 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.

By identifying such information and statements in this manner, the Company and Indus are alerting the reader that such 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 Company and Indus to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, the Company and Indus have made certain assumptions. Among the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: the potential impact of the consummation of the Transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the receipt of applicable regulatory approvals. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and neither the Company nor Indus undertakes to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to the Company, Indus or persons acting on their behalf are expressly qualified in its entirety by this notice.

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