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# Indus Holdings, Inc. Announces Progress on Cultivation, Core Brands, and Infrastructure Upgrades

## Greenhouse expansion positions company for growth and profitability

SALINAS, Calif., Feb. 13, 2020 (GLOBE NEWSWIRE) -- **Indus Holdings, Inc.** (CSE: INDS; OTCQX: INDXF), a leading, vertically-integrated cannabis company, has continued to focus its efforts on cultivation and its core brands, as its main focus is still to pursue financial sustainability and increased profitability in 2020 and beyond.

“Although we have encountered delays and other obstacles, the completion of our previously announced capital projects is back on schedule and budget. This will position Indus for long-term growth and profitability,” explains Chief Executive Officer and Co-Founder Robert Weakley. “The continued strength of our core brands and the strategic financial decisions that we are actively making have brought much-needed stability to the organization.”

### ***Key Initiatives Update & Business Highlights***

- **Cost Savings:** the company has realized accounts receivable collections of over \$4.9m in Q1 to date as well as implemented more than \$7m in annualized cost reductions in areas including: headcount, component cost, and restructuring of sales commission and marketing programs.
- **California Cultivation Facility Build-out:**
  - Completion of all 10 rooms in Greenhouse No. 1 and an additional two rooms in Greenhouse No. 2 is expected by end of Q1.
  - First of the 10 rooms will be planted the first week of March, with one additional room being planted every week after that.
  - This will almost triple flower and trim production moving forward – from eight grow rooms to 20 grow rooms, previously growing in 40,000 sq. ft. to over 110,00 sq. ft. with phase one completion, while reducing grow time from 12 weeks to eight weeks.
  - Resulting in increase of trim production, while reducing dependence on purchasing outside trim and improving margins in all company owned brands.

- **Flower Production Capacity:** the company is on track to achieve full production by Q3 2020, increasing its overall production from eight grow rooms and four and half turns a year to 30 grow rooms and six turns a year. The company will grow its production from approximately 11,000 pounds in fiscal 2019 to 30,000 pounds in fiscal 2020, and 45,000 lbs in fiscal 2021.
- **Packaging Efficiency Improvement:** Indus has completed installation of an automated flower packaging line, which will be operational by the end of Q1 2020. The addition of the new packaging line, in conjunction with a previously announced decision to reduce temporary labor costs, will greatly improve efficiencies within the supply chain.
- **Brand Portfolio:** The Company continues focus on its existing brand portfolio and on improving sales.
  - Kaizen (high-end concentrates) had a record month in January showing an increase of 33% from December of 2019.
  - MOON (edibles) sales increased 21% from December 2019 to January 2020.
  - Following a review of its portfolio, Indus Holdings, Inc. has terminated its investment in CBD brand Shredibles in order to preserve capital and redirect its focus and resources on the company's core brands.
- **Industry Recognition:** Additionally, Indus Holdings, Inc. has been recognized as one of the "**Top 50 Cannabis Employers of 2019**" (<https://mgretailer.com/business/top-50-cannabis-employers-of-2019/>) by cannabis industry publication *MG Magazine*. In its announcement, *MG Magazine* praised the unbreakable commitment to its employees and leadership in California's cannabis community.
- **Financing Initiatives:** The company raised \$1.5m bridge financing on January 6, 2020 and continues to explore long-term further financing opportunities.

"Our decision to scale back investments and support for non-core brands allows us to maintain steady, manageable growth throughout the organization," adds Chief Operating Officer and Co-Founder Mark Ainsworth. "As a vertically-integrated company, we continue to optimize all facets of our operations, reducing costs and redundancies where applicable."

### **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, and Dixie Elixirs & Edibles. 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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