

April 30, 2018



## **iAnthus Reports Fourth Quarter and Fiscal Year 2017 Financial Results**

NEW YORK and TORONTO, April 30, 2018 /PRNewswire/ - iAnthus Capital Holdings, Inc. ("iAnthus" or "the Company"), (CSE: [IAN](#), OTCQB: ITHUF), which owns, operates, and partners with licensed cannabis operations throughout the United States, is pleased to announce the release of its financial results for the fourth quarter ("Q4 2017") and fiscal year 2017 ("FY 2017"), and to provide an update on the Company's existing and future operations.

Hadley Ford, CEO of iAnthus, provided the following statement on the Company's operations:

*"The past year has brought major developments for iAnthus, including acquisitions in the major east coast markets of Florida and New York, the continued buildout of a world-class operations team led by Carlos Perea (Chief Operating Officer), and the establishment of iAnthus as one of the U.S. cannabis industry's most well-known and well-funded companies.*

*Our vision is to create the most valuable network of cannabis operations and distribution in the United States. We have prioritized long-term, sustainable growth that provides immediate and future value to our investors, customers and industry partners. To that end, we have focused on building out state-of-the-art, highly automated cultivation facilities in Massachusetts, New York, and Florida that we anticipate will greatly reduce our future cultivation and production costs, while providing a superior and more consistent product to our patients and customers. Our dispensary locations in Florida, Massachusetts, and New York, have prioritized ease of access for our patients and customers and the designs have relied on their feedback and engagement. Our approach should result in dispensaries located in high traffic locations in densely populated areas and allow us to develop a loyal following of patients and customers with whom we will foster meaningful, long-term relationships.*

*As we look ahead to fiscal year 2018, iAnthus will continue to be opportunistic in building our network in high growth U.S. markets. The U.S. cannabis market still represents a vast untapped potential, and we plan to remain well-funded and flexible to create shareholder value through strategic opportunities when they arise. While we will not always want to be the first to market, we feel it is crucial to seize unique opportunities when they are available.*

*The past year has seen iAnthus solidify an unprecedented position in east coast states. By adding the markets of New York and Florida to our strong presence in Massachusetts and Vermont, we now have the licensed opportunity to sell cannabis to a population of over 48 million with very limited competition. We look forward to building on that elite presence throughout 2018, while continuing to establish ourselves as a best-in-class operator."*

**2017 and 2018 Year-to-Date Corporate Highlights:**

- Became the sole member of the not-for-profit Mayflower Medicinals, Inc. ("Mayflower"), thereby acquiring control of Mayflower and providing access to Massachusetts' population of approximately 7 million people and respective cannabis market;
- Acquired 100% of Pilgrim Rock Management, LLC ("Pilgrim Rock"), the affiliated management and services company that will provide intellectual property licensing, professional and management services, real estate and equipment leasing, and certain other services to Mayflower Medicinals, Inc. ("Mayflower");
- Acquired substantially all of the assets of GrowHealthy Holdings, LLC ("GrowHealthy"), securing control of one of the 13 current medical cannabis licenses in Florida and access to its population of nearly 21 million people;
- Acquired 100% of Citiva Medical, LLC ("Citiva NY"), the holder of one of ten vertically integrated medical marijuana licenses issued by New York State, and Citiva LLC ("Citiva USA" and together with Citiva NY, "Citiva"), the owner of certain regulated cannabis industry assets and IP, gaining access to New York's population of approximately 20 million people;
- Acquired the sole member of the not-for-profit Grassroots Vermont ("Grassroots"), thereby securing control of Grassroots and providing access to Vermont' population of approximately 700,000 people and respective cannabis market;
- iAnthus now has seven operations and investments in six states, representing an addressable market of approximately 50 million people; and
- These corporate transactions will allow iAnthus to fully consolidate the financial results from its operations in Massachusetts, Vermont, Florida and New York throughout 2018.

**Financial Highlights:**

- Revenue in FY 2017 totaled US\$2.4 million, representing a 615% increase from FY 2016;
- Net loss for the period was US\$13.7 million, primarily attributable to increased costs as a result of the Company's expansion into additional states. Non-cash expenses and other items for the period totaled US\$8.1 million, resulting in an adjusted net cash loss of US\$5.6 million;
- Invested capital for FY 2017 totaled approximately US\$23.7 million bringing the company's total invested capital to date to approximately US\$98.7 million;
- Closed a C\$12.0 million short-form prospectus offering and concurrent C\$4.5 million non-brokered private placement in November, 2017;
- Closed a US\$20.0 million private placement debenture in January, 2018; and
- Full financial results are available on SEDAR.

### ***Political Highlights:***

- A [Quinnipiac University Poll](#), released on April 26, 2018, registered support for legalizing marijuana at an all-time high, with nearly two-thirds of U.S. voters support legalizing marijuana. The poll also registered support for medical marijuana at 93%, with only 5% of respondents opposed;
- President Donald Trump assured Senator Cory Gardner (R-CO) that the President would support federal legislation to allow U.S. states to decide for themselves how they want to regulate cannabis without fear of federal interference. Senator Gardner announced that he will propose a bipartisan bill to institute this federalist approach to cannabis regulation;
- Senator Chuck Schumer (D-NY) of New York announced on April 20, 2018 that he plans to introduce a bill to deschedule cannabis nationwide; if passed, the bill would remove cannabis from the U.S. Drug Enforcement Administration list of controlled substances and leave cannabis regulation up to individual states; and
- New York Governor Andrew Cuomo softened his stance on adult recreational use of cannabis during an April media appearance in Brooklyn. Governor Cuomo is facing increased pressure to legalize the adult use of cannabis during the lead up to the 2018 gubernatorial election and as a result of the pending legislation in neighboring New Jersey to expand its medical cannabis program into a full adult recreational use program.

### **Operational Highlights:**

#### ***Massachusetts - Mayflower Highlights:***

- Received final authorization from Department of Health and began operations at 36,000 square foot Holliston cultivation and processing facility; first harvest and extraction and production cycle were initiated in April 2018;
- Construction of Boston dispensary is complete, scheduled to open in May 2018;
- Full suite of products will be available at the Boston dispensary, including: flower, pre-pack flower, concentrates, vape pens, tinctures and edibles;
- Two other dispensary locations have been secured through lease and option to lease agreements, with full details to be provided pending final regulatory approval;
- Management estimates that current medical market size is already over US\$100 million of annual revenues, with a full adult-use/recreational program authorized to state in July 2018 with an estimated market size of over US\$1 billion of annual revenues; and
- There are currently only 22 operating dispensaries in Massachusetts, which provides an attractive competitive landscape for Mayflower's market entry.

#### ***Florida - GrowHealthy Highlights:***

- Florida medical cannabis market is one of the largest and fastest growing markets in the U.S., with over 100,000 patients in registry and estimated run-rate annual revenues of US\$150 million;
- Signed leases for locations in Palm Beach County, Orlando, and Tampa in high traffic, densely populated areas;
- Palm Beach County, Orlando and Tampa dispensaries expected to be completed in

Q3 2018;

- Management expects that GrowHealthy will have secured an additional five locations by year end 2018;
- Cultivation was initiated in April 2017 and product inventory is being accumulated to ensure robust supply for Q3 2018 dispensary openings;
- Statewide delivery program in effect and made first delivery in November 2017;
- Over 25,000 square feet of the cultivation and processing facility have been built out to-date, fitted with appropriate areas for extraction, packaging, vegetation and flowering; and
- An additional 175,000 square feet are available in the building for continued cultivation build-out.

#### ***New York – Citiva Highlights:***

- Executed lease on flagship 2,000 square-foot dispensary in Brooklyn, located in high traffic area directly across from Barclays Center; dispensary is expected to be one of only three competitors operating within Brooklyn, a borough of approximately 2.6 million residents;
- Finalizing design phase for approximately 39,500 square foot modular cultivation and processing facility in Orange County, NY, which will support in excess of 2.2 million grams of annual production; start of buildout anticipated in Q2 2018;
- Engaged in negotiations with multiple Registered Organizations to gain access to wholesale product;
- Negotiating leasing agreements for dispensaries in Staten Island, Dutchess County, and Chemung County with a combined population of approximately 860,000 people.

#### ***Vermont – Grassroots Highlights:***

- Revenue in FY 2017 totaled US\$1.0 million, representing a 47.2% increase from FY 2016;
- Grassroots recently completed significant upgrades to its facilities, including a commercial kitchen, processing capabilities and an increase of grow space that will be able to support 200,000 grams of annual production; and
- The Vermont medical cannabis statute was amended in July 2017 to permit each license holder to open a second retail location, which iAnthus is actively pursuing in Chittenden County, one of the more densely populated areas in Vermont.

#### ***Colorado - Organix, LLC ("Organix") Highlights:***

- Revenue in FY 2017 totaled US\$3.6 million (as FY 2016 results were unaudited, comparative metric is not provided);
- Current market share is estimated to be greater than 35%, with continuous improvements due to product quality and inventory initiatives;
- iAnthus has invested US\$5.2 million and currently owns 100% equity ownership of two Colorado subsidiaries, which together acquired all non-cannabis assets of Organix, and which provide a broad range of real estate and equipment leasing, IP licensing and professional services to Organix; and
- Current regulatory considerations in Colorado prevent iAnthus from cannot consolidating the financial results of Organix. Pending legislation, if passed and

signed into law, may permit iAnthus to consolidate Organix's financial results beginning in 2018 or 2019.

***New Mexico - Reynold Greenleaf & Associates, LLC ("RGA") Highlights:***

- Revenue in FY 2017 totaled US\$3.1 million, representing a 91% increase from FY 2016;
- iAnthus has invested US\$2.3 million and currently owns 24.9% of RGA;
- RGA is a management company that oversees four licenses encompassing six dispensaries, three cultivation facilities and one commercial kitchen and laboratory. RGA receives a series of fees and revenue streams from the four licenses that it manages, which generated US\$11.8 million revenue in 2017, representing a 99% increase from 2016; and
- As iAnthus does not hold a controlling interest in RGA, the financial results of RGA or its affiliates are not consolidated into iAnthus' financial statements.

Additional information about iAnthus may be accessed on the Company's website at [www.iAnthusCapital.com](http://www.iAnthusCapital.com) and under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

**About iAnthus Capital Holdings, Inc.**

iAnthus Capital Holdings, Inc. owns and operates best-in-class licensed cannabis cultivation, processing and dispensary facilities throughout the United States, providing investors diversified exposure to the U.S. regulated cannabis industry. Founded by entrepreneurs with decades of experience in operations, investment banking, corporate finance, law and health care services, iAnthus provides a unique combination of capital and hands-on operating and management expertise. The Company uses these skills to support operations across six states. For more information, visit [www.iAnthusCapital.com](http://www.iAnthusCapital.com).

**Forward Looking Statements**

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the specific factors disclosed here and elsewhere in iAnthus' periodic filings with Canadian securities regulators. When used in this news release, words such as "will, could, plan, estimate, expect, intend, may, potential, believe, should, our vision" and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements including dispensary locations and build-outs, harvest yields, pending legislation, available funds for acquisitions, and other statements of fact.

Although iAnthus has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: dependence on obtaining regulatory approvals; investing in target companies or projects which have limited or no operating history and are engaged in activities currently considered illegal under US Federal laws; change in laws; limited operating history; reliance on management; requirements for additional financing; competition; hindering

market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry and; regulatory or political change.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release are made as of the date of this release. iAnthus disclaims any intention or obligation to update or revise such information, except as required by applicable law, and iAnthus does not assume any liability for disclosure relating to any other company mentioned herein.

**The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.**

*This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

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