

iAnthus

iAnthus Reports Fiscal Fourth Quarter and Full Year Unaudited 2018 Financial Results

- Revenue generating in 9 of 11 states, and a footprint allowing for up to 63 dispensaries
- Fourth quarter revenue and other income of \$2.2 million and full year fiscal 2018 revenue and other income of \$4.5 million
- Pro forma revenue* for the fourth quarter was \$14.8 million and \$49.3 million for the full year fiscal 2018
- Opened multiple dispensaries including Boston, Brooklyn, Baltimore and West Palm Beach
- MPX branded products added to the portfolio; distributed to 90+ dispensaries in three states

NEW YORK, NY and TORONTO, ON – April 1, 2019 – [iAnthus Capital Holdings, Inc.](#) (“iAnthus” or the “Company”) (CSE: IAN, OTCQX: ITHUF), which owns, operates, and partners with best-in-class regulated cannabis operations across the United States, is pleased to report its unaudited financial results for the fiscal fourth quarter and year ended December 31, 2018. All figures are in USD, unless otherwise stated.

Hadley Ford, CEO of iAnthus, provided the following statement on the Company's 2018 results:

“The iAnthus team was busy in 2018 putting in place the foundation for rapid growth going forward. We made significant investments in expanding our footprint and scaling our operations, while maintaining a prudent balance sheet in the process. Our operational momentum is strong. We opened eight dispensaries in the past seven months, including flagship stores in West Palm Beach, FL and Brooklyn, NY, and plan to nearly double the pace of openings throughout the remainder of 2019. We are now revenue generating in nine of eleven states and ramping quickly. Managing growth is challenging, particularly in an emerging industry. Fortunately, we have also built an impressive operating team that combines cannabis expertise with crucial professional skillsets from outside the industry. With the foundation we have built in 2018, both organically and through the acquisition of MPX, iAnthus is poised for a transformative 2019.”

Financial Highlights (Unaudited)

The financial information presented herein is based on management prepared financial statements for the year ended December 31, 2018, which are in the process of being audited by the Company's independent auditors and, accordingly, such financial information is subject to change based on the results of the audit.

iAnthus reports fourth quarter revenue and other income of \$2.2 million and full year fiscal 2018 revenue and other income of \$4.5 million, up 165% and 88%, respectively, compared to the same periods in 2017.

iAnthus reports full year fiscal 2018 net loss of approximately \$62.0 million, which includes \$44.1 million of non-cash charges used to derive adjusted EBITDA primarily due to accretion expense, fair market value adjustments, depreciation and share-based compensation; fourth quarter net loss of approximately \$15.9 million, which includes \$9.9 million of non-cash charges used to derive adjusted EBITDA primarily due to accretion expense, fair market value adjustments, depreciation and share-based compensation.

Adjusted EBITDA loss for the fourth quarter was \$6.0 million and \$17.9 million for the full year fiscal 2018. *

Pro forma revenue (which includes acquired MPX entities and managed revenue for Colorado and New Mexico operations*) for the fourth quarter was \$14.8 million and \$49.3 million for the full year fiscal 2018.

Balance Sheet Highlights (Unaudited)

Assets increased to approximately \$168.4 million at December 31, 2018, up from \$45.8 million at December 31, 2017, as a result of the acquisitions in Florida and New York as well as the continued build-out of cultivation facilities and dispensaries across the operating entities.

During the fourth quarter, the Company closed its bought deal offering of 5,188,800 common shares of the Company at CAD\$6.65 per common share for aggregate gross proceeds of CAD\$34,505,520 (equivalent to US\$26,558,900).

Subsequent to December 31, 2018, the Company has continued to strengthen its balance sheet. On March 18, 2019, the Company closed a \$35 million private placement of unsecured convertible note units. On March 25, 2019, the Company announced a notice of redemption to legacy MPX debenture holders. The redemption of the legacy MPX debentures will help to reduce the Company's cost of capital.

The Company's current cash balance is approximately \$45 million. The Company also has the potential to receive over \$125 million from the exercise of warrants that have been issued by the Company.

M&A Highlights

Since January 1, 2018, the Company has continued its focus on acquiring licenses, brands and companies that would expand its footprint throughout the US. Subsequent to January 1, 2018, iAnthus has acquired operations in Florida, New York and via the MPX transaction, in Arizona, Nevada, Maryland and New Jersey.

On January 17, 2018, iAnthus acquired all of the assets of GrowHealthy Holdings, LLC ("GrowHealthy") and certain related subsidiaries. GrowHealthy and its affiliate, McCrory's Sunny Hill Nursery, LLC comprise one of just thirteen (13) current Florida Medical Marijuana Treatment Centers licensed to provide medical cannabis under Florida's medical marijuana law.

On February 1, 2018, iAnthus acquired Citiva Medical, LLC, which holds one of the ten vertically integrated medical marijuana "Registered Organization" licenses issued by New York State, and Citiva, LLC, the owner of certain regulated cannabis industry assets and intellectual property.

On October 18, 2018, iAnthus and MPX Bioceutical Corporation announced that both companies signed an arrangement agreement pursuant to which iAnthus would combine with MPX in an all-stock transaction valued at CAD\$835 million. This transaction successfully closed on February 5, 2019.

Subsequent to year end, on March 29, 2019, iAnthus announced that its U.S. subsidiary has entered into a letter of intent to acquire CBD For Life, a top-ranked, national CBD brand in the U.S. This transaction is expected to close in the second quarter of 2019.

Operational Highlights

iAnthus currently generates revenue in 9 out of 11 states across its footprint. It is anticipated that sales will launch in California in the next 60 days, which will be the 10th state for revenue generation.

The Company and its various subsidiaries and investments operate 21 dispensaries throughout the U.S. It is anticipated that the Company will continue to open dispensaries across Florida, Massachusetts, New York, Nevada, and New Jersey throughout the remainder of 2019.

iAnthus has also significantly developed its wholesale network, and currently distributes branded products to over 90 dispensaries across its states. Of particular note, in Maryland, the Company believes that it has over 90% penetration of MPX branded products into active Maryland dispensaries. CBD for Life products are currently distributed in over 750 retail outlets and channels across the U.S. The Company will continue to sell products through its own licensed facilities, as well as actively target other dispensaries within the market.

iAnthus currently has cultivation and processing facilities in 9 states. The current footprint of these facilities total over 200,000 sq. ft with an additional 380,000 sq. ft of planned expansion. The Company is also planning to develop butane extraction capabilities within its Fall River cultivation facility in Massachusetts, as this will enable the Company to produce its line of extracted products, most especially live and cured resin products. The Company believes that the Massachusetts market will be one of the highest growth markets within the US, and it is iAnthus' full intention to become a significant wholesaler within the state.

Conference Call and Webcast Details

The Company will hold a conference call for financial analysts and investors at 8:30am ET on Tuesday, April 2, 2019 to discuss the Company's fourth quarter and full year 2018 unaudited financial results. The call will be archived and available on iAnthus' website for replay.

Please visit <https://www.ianthuscapital.com/investors> to access the archived conference call.

Dial-In Number: (888) 231-8191 or international: (647) 427-7450

Webcast: <https://event.on24.com/wcc/r/1970056/D6B5590CEDB38FB318157CAC1A00980>

A replay of the call will be available for 7 days by dialing: (855) 859-2056 and entering password 6689825.

Additional information about iAnthus may be accessed on the Company's website at www.ianthuscapital.com and under the Company's SEDAR profile at www.sedar.com.

*The Company has published a presentation of iAnthus' fiscal fourth quarter and full year unaudited results, including definitions and reconciliations for non-International Financial Reporting Standards ("IFRS") measures, which can be found on the Company's website at www.ianthuscapital.com. The Company uses pro forma results among other measures, to evaluate its actual operating performance and for planning and forecasting future periods. Pro forma results are IFRS reported results plus the results of MPX entities and all other entities for which the Company has a management contract in place but does not consolidate due to a lack of control, adjusted to reflect the full fiscal period regardless of when the entities were acquired or the management contract commenced. The Company believes the pro forma results presented provide relevant and useful information for investors because they clarify the Company's actual operating performance, make it easier to compare the Company's results with those of other companies and allow investors to review performance in the same way as the Company's management. Since these measures are not calculated in accordance with IFRS, they should not be considered in isolation of, or as a substitute for, our reported results as indicators of the Company's performance, and they may not be comparable to similarly named measures from other companies.

The financial information of the Company contained in this news release is qualified in its entirety by the Company's audited financial statements for the year ended December 31, 2018, which are expected to be filed later this month on the Company's website at www.ianthuscapital.com and under the Company's SEDAR profile at www.sedar.com. To the extent that the financial information contained in this news release is inconsistent with the information contained in the Company's audited financial statements, such financial information contained in this news release shall be deemed to be modified or superseded by the audited financial statements. The modifying or superseding financial information in the audited financial statements need not state that it has modified or superseded the financial information contained in this news release that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made.

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. iAnthus currently has operations in 11 states, and operates 21 dispensaries (AZ-4, MA-1, MD-3, FL-3, NY-2, CO-1, VT-1 and NM-6 where iAnthus has minority ownership). For more information, visit www.iAnthusCapital.com.

Forward Looking Statements

Forward-looking statements in this news release may constitute "forward looking information" under Canadian securities laws, and 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 the date of filing of the annual financial statements, the effect of redeeming legacy MPX debentures on the Company's cost of capital, the potential to receive proceeds on the exercise of outstanding warrants, the potential number of dispensaries the Company may open, the potential for future growth, the expected completion date for the CBD For Life acquisition, the launch of sales for the Company in California, the Company's plans to open dispensaries in Florida, Massachusetts, New York and New Jersey in 2019, the Company's plans to sell its products through its own licensed facilities and to target other dispensaries, the Company's future cultivation and processing facilities and capabilities, dispensary locations, facility build-outs, and other statements of fact.

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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