

iAnthus

iAnthus Closes Previously Announced Agreement to Acquire Nationally Distributed CBD Products Brand, CBD For Life for \$10.4 Million

- *Suite of highly innovative Cannabidiol (CBD) infused wellness, self-care, and beauty products available online and distributed to over 1,000 retail locations throughout 46 U.S. states*
- *High-margin wholesale and direct-to-consumer business model with 50% quarter over quarter growth*
- *Exceptionally talented team led by co-founders Beth Stavola and Julie Winter, both recognized as "Top 20 Women on the Move in Cannabis in 2018"*

NEW YORK, NY and TORONTO, ON – June 28, 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 announce that its U.S. subsidiary has closed the previously announced acquisition of CBD For Life, a top-ranked, national CBD brand in the U.S.

[CBD For Life](#) has experienced accelerating revenue growth, from both existing customers and new account additions—representing approximately 50% quarter over quarter growth. CBD For Life's products are sold directly to consumers online at www.cbdforlife.us as well as in over 1,000 retail locations in 46 states, with a dedicated sales channel working with national retailers to on-board new locations weekly. CBD For Life's roster of national retailers include Urban Outfitters, Paper Source, Of a Kind, Olympia Sports, and Weis Markets, with others soon to be announced. Since announcing the Urban Outfitters relationship in mid-April 2019, the retailer has expanded the lineup of CBD For Life products it carries and the number of retail locations in which it offers them. CBD For Life's CBD-infused wellness, self-care, and beauty products have been featured in a wide range of cable, online, and print publications—including on [NBC's Today Show](#) and [Telemundo47](#).



"I couldn't be more thrilled to continue driving iAnthus' national strategy with CBD For Life's proven product line," said Beth Stavola, Co-Founder of CBD For Life and Chief Strategy Officer of iAnthus. "I continue to believe in iAnthus' long-term value creation following the completion of both this deal as well as the MPX transaction, and I look forward to the great future ahead for team iAnthus."

CBD For Life's currently available product lineup includes CBD-infused topicals, tinctures, and sprays geared toward health and wellness as well as lotions, creams, and hair products targeting beauty and skincare. CBD For Life plans to leverage the iAnthus platform to launch additional product lines in the second half of 2019, including a luxury skincare line and an adult product line. Furthermore, iAnthus plans to expand CBD For Life's existing wholesale and retail platform to give more consumers access to its growing range of products—including international distribution planned for Q4 2019.

"CBD is one of the fastest growing segments of the consumer products industry," said Hadley Ford, Chief Executive Officer of iAnthus. "We look forward to integrating CBD For Life's award-winning products into the iAnthus platform, and we're excited about the opportunity to reach a larger customer base nationwide via this acquisition. iAnthus continues to define its positioning amongst its multi-state operator peer group with the addition of national CBD platform."

According to industry experts, U.S. retail sales of CBD consumer products are estimated to have been between \$600 million and \$2 billion in 2018. As a growing number of CBD brands and product types become increasingly available through diverse retail channels, the CBD market is projected to generate \$16 billion in U.S. retail sales by 2025. Research has shown that nearly 7% of the U.S. population in January of 2019 reported using CBD as a supplement, and that number is expected to grow to at least 10% by 2025¹.

iAnthus acquired 100% of the assets of CBD For Life for \$10.4 million, consisting of 2,452,681 common shares of iAnthus and repayment of the outstanding debt and certain liabilities of CBD For Life in the amount of approximately \$2.4 million in cash. The common shares are subject to a Canadian restricted legend that expires on October 28, 2019.

Fairness Opinion

The transaction with CBD For Life is a "related party transaction" as defined under Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") due to the fact Beth Stavola is an officer and director of iAnthus and an officer and significant shareholder of CBD For Life. iAnthus expects to rely on an exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 based on a determination that the securities of the Company are listed on the Canadian Securities Exchange ("CSE") and that the fair market value of the transaction, in so far as it involves an interested party, does not exceed 25% of iAnthus' market capitalization.

Notwithstanding the fact that the transaction with CBD For Life is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101, iAnthus engaged GMP Securities L.P. to provide a fairness opinion to the members of the Board of Directors who are non-related parties (the "**Fairness Opinion**"). The Fairness Opinion, subject to the assumptions, limitations, and qualifications set forth therein,

concluded that the consideration to be paid by iAnthus for the acquisition of CBD For Life is fair, from a financial point of view, to iAnthus.

About iAnthus

iAnthus 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 23 dispensaries (AZ-4, MA-1, MD-3, FL-5, NY-2, CO-1, VT-1 and NM-6 where iAnthus has minority ownership). For more information, visit www.iAnthus.com.

About CBD For Life

CBD For Life is a producer of highly innovative, natural, luxurious, and effective Cannabidiol (CBD) infused wellness, self-care, and beauty products using 99% pure CBD extract derived from stems and stalks of industrial hemp. CBD For Life is headquartered in New Jersey where the products are produced in a large-scale contract manufacturing facility. CBD For Life's products include pure body rubs, pure roll on oils, pure sprays, infused bath bombs, tinctures, creams, lotions, lip balm, and hair care products. All CBD For Life products are 95% naturally derived and are free of GMO's, parabens, phthalates, formaldehyde, artificial coloring and are never tested on animals. For more information, visit www.cbdforlife.us.

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, expectation, intend, may, potential, believe, should, our vision" and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements including the expansion of CBD For Life's existing wholesale and retail platform, the launching of additional product lines, the projected size of the CBD market, 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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¹ Cowen Research (February 25, 2019). Cowen's Collective View of CBD. *Ahead of the Curve*. Azer, V. Blackledge, J., Charles, A., Chen, O., & Kernan, J.
<http://www.cowen.com/reports/cowen-collective-view-of-cbd/>.