



# iAnthus

Driven to Lead

April 1, 2019

CNSX: IAN OTCQX: ITHUF

# Disclaimer

## Cautionary Note Regarding Forward-Looking Information

This investor presentation dated April 1, 2019 contains certain “forward-looking information” or “forward-looking statements” as defined under applicable securities laws (collectively, “forward-looking information”) that involve a number of risks and uncertainties. Forward-looking information includes all statements that are predictive in nature or depend on future events or conditions. Forward-looking information can often be identified by forward-looking words such as “will”, “could”, “should”, “may”, “anticipates”, “believes”, “expects”, “plans”, “intends”, “estimates”, “potential”, and similar expressions. Statements regarding the operations, business, financial condition, priorities, ongoing objectives and outlook of iAnthus Capital Holdings, Inc. (“iAnthus”), other than statements of historical fact, constitute forward-looking information.

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.

Forward-looking information is not a guarantee of future performance and should not be unduly relied upon. Forward-looking information reflects the analysis of the management of the parties only as of the date hereof, and which by its nature involves numerous assumptions, inherent risks and uncertainties, both general and specific that contribute to the possibility that the predictions and various future events will not occur. The parties do not undertake any obligation to release publicly the results of any revision to the forward-looking information unless otherwise required by applicable law.

This presentation of iAnthus' fiscal fourth quarter and full year results includes definitions and reconciliations for non-International Financial Reporting Standards (“IFRS”) measures. The presentation can be found on the Company's website at [www.ianthuscapital.com](http://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 presentation 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](http://www.ianthuscapital.com) and under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). To the extent that the financial information contained in this presentation is inconsistent with the information contained in the Company's audited financial statements, such financial information contained in this presentation 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 presentation 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.

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# Disclaimer (cont'd)

## **Cautionary Note Regarding Forward-Looking Information (cont'd)**

Although it is believed that the expectations and assumptions made in this presentation are reasonable, there can be no assurance that the forward-looking information included herein will prove to be accurate. Forward-looking information is subject to a number of known and unknown risks and uncertainties (some of which are beyond the control of the parties) and other factors that could cause actual results or performance to be materially different from those expressed or implied by such forward-looking information. Factors that could cause actual results to differ materially from any forward-looking information include, but are not limited to:

- slower than projected growth in the U.S. cannabis market;
  - unanticipated delays with respect to opening of dispensaries in targeted states;
  - the business of iAnthus not being integrated successfully or such integration proving more difficult, time consuming or more costly than expected;
  - capital requirements;
  - delays in obtaining or inability to obtain additional financing, if required, on commercially suitable terms; and
  - changes in national, state and local government legislation in the United States or any other country in which iAnthus, may in the future, carry on business.
- These factors are not intended to represent a complete list of the general or specific factors that could affect iAnthus. Further details on key risks can be found in iAnthus' disclosure documents filed with securities regulators and available at [www.sedar.com](http://www.sedar.com), including its short form prospectus dated October 3, 2018 and its Annual Information Form for the year ended December 31, 2017.

## **Management Prepared Financial Statements**

- 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.

## **Market and Industry Data**

This presentation includes market and industry data that has been obtained from third party sources, including industry publications. The parties believe that the industry data is accurate and that the estimates and assumptions are reasonable, but there is no assurance as to the accuracy or completeness of the data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the parties have not independently verified any of the data from third party sources referred to in this presentation or ascertained the underlying economic assumptions relied upon by such sources.

## **Securities Laws**

This presentation is for informational purposes and does not constitute an offer or a solicitation of an offer to purchase the securities referred to herein. The shares of iAnthus have not been and will not be registered under the United States Securities Act of 1933, as amended.

## **All figures are represented in US dollars except where indicated**



# 2018: Building Scale



# 2018: Building the Platform of a National Leader

Added key states of New York, Florida, New Jersey, Nevada, Arizona and Maryland

Opened multiple dispensaries including Boston, Brooklyn, Baltimore and West Palm Beach

Increased our shareholder base from 15,000 to 60,000 and our public float to over \$750 million

Improved our liquidity from \$2.2 million per day to \$12.8 million today<sup>1</sup>

## NOTES

- 1) Average daily trading value on the CSE and OTCQX over 10 day periods – the first 10 trading days of 2018 and the 10 trading days ending 3/29/2019



# 2018: Proven Ability to Scale Quickly

## iAnthus 2017

- 4 states
- 12 dispensary licenses
- 6 cultivation / processing
- 40 employees
- \$2.2 million revenue and other income
- Assets: \$58 million

## iAnthus PF 2018<sup>1</sup>

- 11 states
- 63 dispensary licenses
- 15 cultivation / processing
- 450 employees
- \$49.3 million revenue and other income<sup>2</sup>
- Assets: \$306 million<sup>2</sup>

### NOTES

- 1) Unaudited pro forma refers to combined results for all completed acquisitions
- 2) Reflects a pro forma combination of iAnthus and MPX in US\$ as at 12/31/2018

# 2018: MPX Integration on Track



## Enhanced Scale

- Operations in 11 states, allowing for up to 63 dispensaries
- Revenue generating in nine states



## Number One Draft Pick

- Welcomed Beth Stavola as Chief Strategy Officer and Director
  - High Times “Women of Weed Honoree” for 2019
  - #3 on “CBE 75 Most Important Women In Cannabis” list for 2017



## Brand Expansion

- MPX branded products added to the portfolio; distributed to 90+ dispensaries in three states



## Cost-Saving Synergies

- Headquarter savings and elimination of duplicative public costs



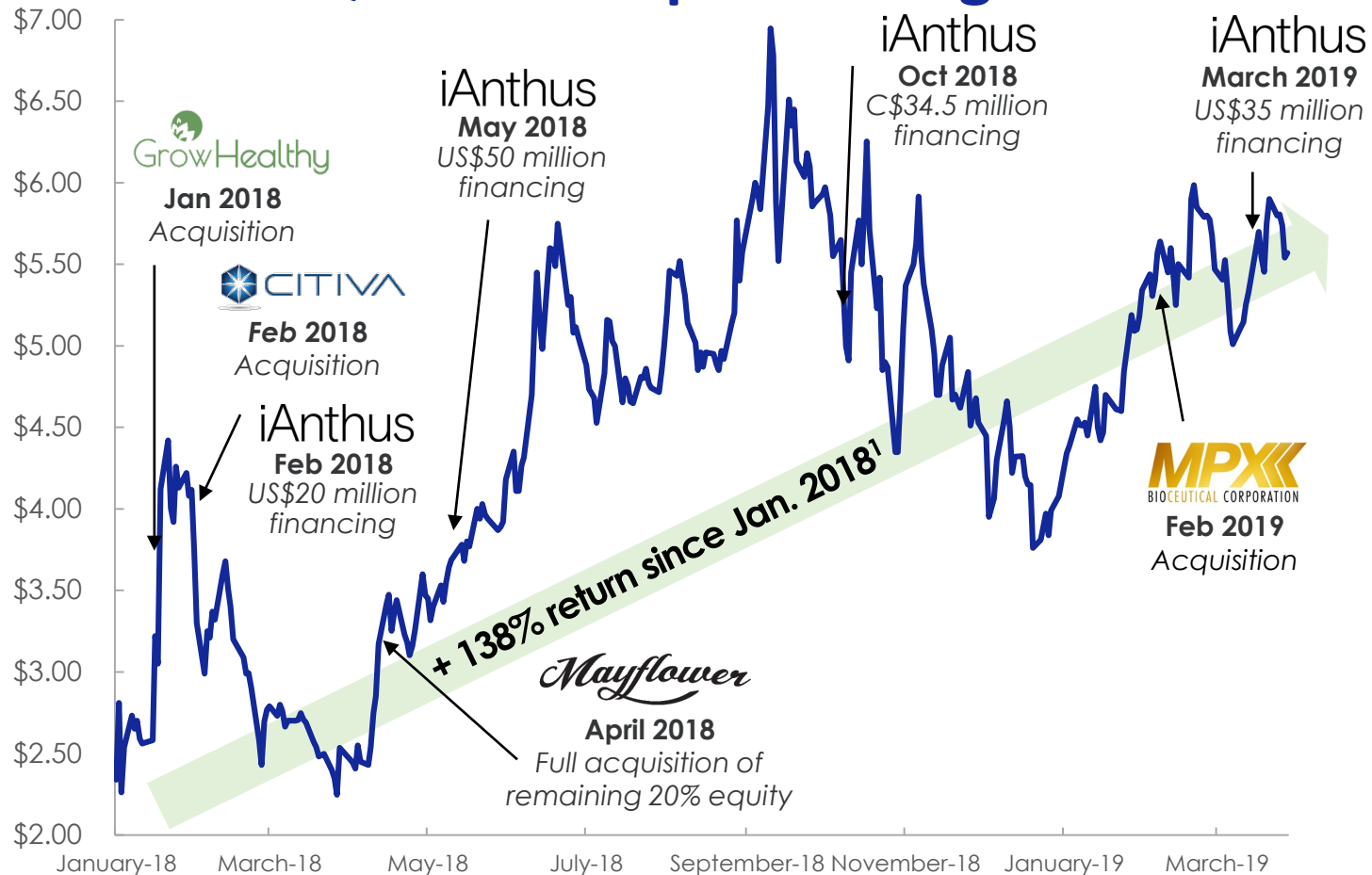
## New License Wins

- Four dispensary licenses in Nevada awarded in December
- Vertically-integrated license in New Jersey awarded in December



# 2018: The Market has Rewarded our Shareholders

## OTCQX 3rd best performing stock



60,000 shareholders

Over \$750 million float

1.0% trading volume as % of market capitalization

10 research analysts

### NOTES

1) Stock prices from OTCQX in US\$ from 1/2/2018 through 3/29/2019



# 2018: Financial and Operational Performance



# 2018 Financial Results – IAN Standalone

## 2018 iAnthus standalone results (Unaudited)

<i>In US \$</i>	Q4 2018	Q4 2017	FY 2018	FY 2017
Reported revenue and other income <sup>1</sup>	\$ 2,208,272	\$ 833,301	\$ 4,485,715	\$ 2,407,229
Revenues, net <sup>2</sup>	1,985,505	-	3,405,289	-
Gross profit, excluding fair value adjustments	632,637	-	1,164,808	-
Gross margin, excluding fair value adjustments	31.9%	0.0%	34.2%	0.0%
Net loss	\$ (15,926,073)	\$ (7,078,907)	\$ (62,027,747)	\$ (13,716,665)
Net loss per share	(0.25)	(0.25)	(0.97)	(0.48)

### NOTES

1) Unaudited revenue recognized from the sale of cannabis products and income earned from loan and rental arrangements

2) Unaudited revenue recognized from the sale of cannabis products

# 2018 Pro Forma Revenue of \$49.3 million

## Pro forma (Unaudited) for acquisition of MPX Bioceutical Corporation

<i>In US \$</i>	<b>Q4 2018</b>	<b>FY 2018</b>
Reported revenue and other income	\$ 2,208,272	\$ 4,485,715
Revenue from managed entities <sup>1</sup>		
Colorado	798,481	3,661,802
New Mexico	194,876	862,391
Reported and managed revenue <sup>1</sup>	\$ 3,201,629	\$ 9,009,908
Pro forma adjustments <sup>2</sup>		
MPX Bioceutical Corporation	11,639,930	40,329,347
<b>Total pro forma revenue<sup>2</sup></b>	<b>\$ 14,841,559</b>	<b>\$ 49,339,255</b>

### NOTES

- 1) Revenue from Managed Entities: unaudited revenue from entities for which management contracts are in place but do not consolidate Managed Entities due to regulatory restrictions, or from equity investments in which total results cannot be consolidated. Refers to full fiscal year results regardless of when an acquisition or management contract commenced. Revenue from Colorado includes 100% of the revenue earned from Bellflower, LLC. Revenue from New Mexico includes 24.6% of revenue earned from its investment in Reynold Greenleaf & Associates, LLC
- 2) Pro forma revenue: refers to unaudited pro forma financial information assuming that the acquisition of MPX occurred at the beginning of each of the periods, which is not in accordance with IFRS

# Pro Forma EBITDA Bridge

## Pro forma (Unaudited) for acquisition of MPX Bioceutical Corporation<sup>1</sup>

In US \$	Q4 2018	FY 2018
<b>Reported net loss</b>	<b>\$ (15,926,073)</b>	<b>\$ (62,027,747)</b>
Interest expense	1,331,177	4,794,155
Depreciation and amortization	4,552,647	6,349,065
<b>EBITDA (non-IFRS)</b>	<b>\$ (10,042,249)</b>	<b>\$ (50,884,527)</b>
Adjusting items:		
(Profit) loss from investments in associates	(170,258)	(134,020)
Share-based compensation	1,840,810	7,521,693
Accretion expense	812,233	16,140,052
Fair market value adjustments	559,009	8,628,788
Foreign exchange (gain) loss	1,054,523	819,129
<b>Adjusted EBITDA<sup>2</sup></b>	<b>\$ (5,945,932)</b>	<b>\$ (17,908,885)</b>
Pro forma adjustments:		
MPX Bioceutical Corporation	(4,795,748)	(16,423,873)
<b>Total pro forma adjusted EBITDA<sup>2</sup></b>	<b>\$ (10,741,680)</b>	<b>\$ (34,332,758)</b>
<b>Adjusted EBITDA<sup>2</sup> per share</b>	<b>\$ (0.08)</b>	<b>\$ (0.25)</b>

### NOTES

- 1) The table summarizes the unaudited pro forma financial information assuming that the acquisition of MPX occurred at the beginning of each of the periods
- 2) Adjusted EBITDA/ Adjusted Net Income: The Company adds back the following non-cash items to provide a more accurate indication of performance for the period. This is a Non-IFRS metric

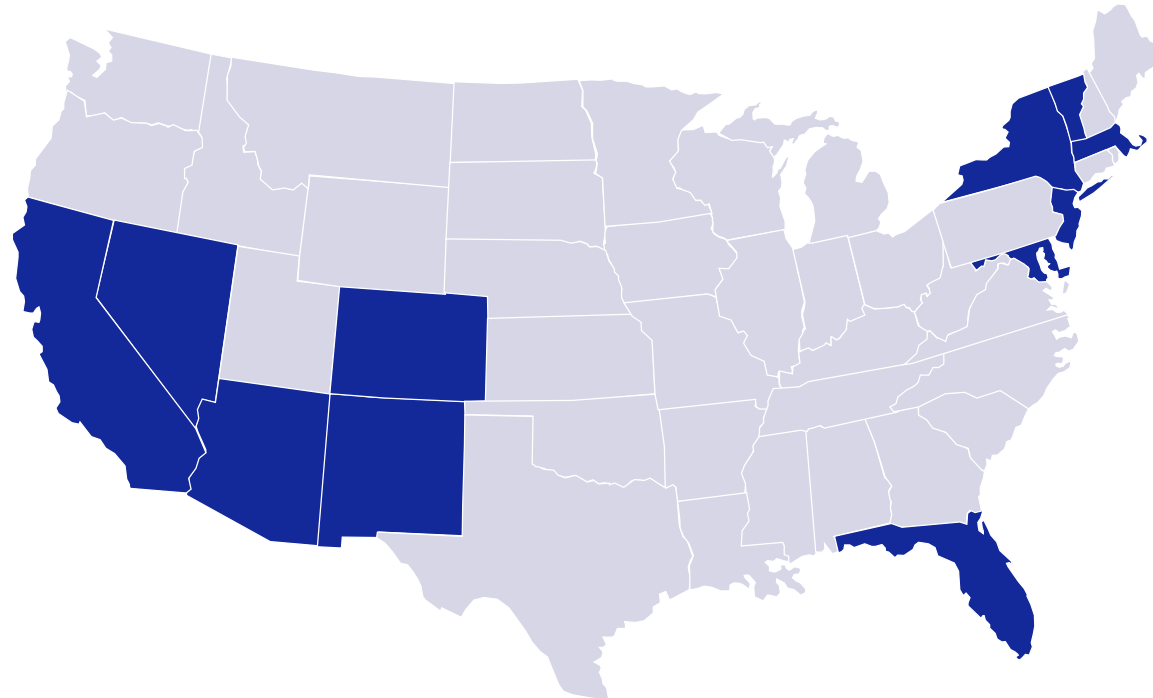
- Interest Expense
- Depreciation and Amortization
- Share-based Compensation
- Accretion Expense
- Profit or Losses from Investments in Associates
- Changes in Fair Value on Instruments
- Foreign Exchange Gains/Losses



# Operational Overview

## West Coast Footprint

- Arizona
- California<sup>1</sup>
- Colorado<sup>2</sup>
- Nevada
- New Mexico<sup>3</sup>



## East Coast Footprint

- Florida
- Maryland
- Massachusetts
- New Jersey
- New York
- Vermont

**Revenue generating in 9 of 11 states**

**21 open dispensaries of 63 available licenses**

**580,000 sq. ft. of cultivation/processing planned, with 200,000 sq. ft. operational**

### NOTES

- 1) In July 2018, prior to the acquisition, MPX entered into an agreement to produce MPX branded concentrates for distribution in California
- 2) iAnthus is 100% owner of key Bellflower assets in Colorado
- 3) iAnthus has a 24.6% ownership in Reynold Greenleaf & Associates, LLC in New Mexico



# A Strong and Flexible Balance Sheet

**Redeeming the MPX OID notes**

**\$125 million<sup>1</sup> of available warrant  
proceeds**

**\$45 million of cash as of today**

#### NOTES

1) Approximate potential proceeds from the exercise of the approximately 36.5 million warrants within iAnthus' capital structure

**iAnthus**

# \$1.3 Billion Fully Diluted Market Cap

## iAnthus

### Capital Structure

#### Basic Shares Outstanding:

Common Shares (Voting)	(mm)	142.6
Common Shares (Non-Voting)	(mm)	15.4

<b>Total Basic Shares Outstanding</b>	(mm)	<b>158.1</b>
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#### Dilutive Securities:

Options	(mm)	10.6
Warrants <sup>1</sup>	(mm)	36.5
Convertible Securities <sup>1</sup>	(mm)	28.2

<b>Total Dilutive Securities</b>	(mm)	<b>75.2</b>
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<b>Total Fully Diluted Shares O/S</b>	(mm)	<b>233.3</b>
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#### NOTES

Capitalization as of 3/25/2019

1) Warrant and convertible securities figures include potential dilution from March 18, 2019 convertible note units offering

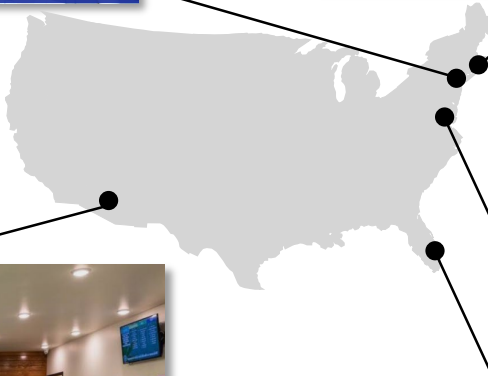
# 2019: Building a Strong Foundation





# Robust Operational Momentum into 2019

Recent Openings	Date
Bethesda, MD	Aug 2018
Baltimore, MD	Oct 2018
White Marsh, MD	Oct 2018
West Palm Beach, FL	Dec 2018
Brooklyn, NY	Dec 2018
Brandon, FL	Jan 2019
Wappingers Falls, NY	Feb 2019
Lake Worth, FL	Mar 2019





# What Matters in 2019?

The US cannabis market may be a \$1 trillion of market value in 10 years. A strong foundation matters.

Team iAnthus

Measure our actions and results

Drive down our cost of capital



A collection of cannabis leaves and buds is scattered across the top half of the image. The leaves are in various shades of green and purple, with some showing serrated edges. The buds are small, green, and covered in trichomes. The background is a plain, light grey color.

# Contact Information

A dark, atmospheric photograph of a city skyline at dusk or dawn. The buildings are silhouetted against a hazy, light sky. The One World Trade Center is prominent in the center-left. The overall tone is dark and moody.

# iAnthus

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