

March 29, 2019

iAnthus

iAnthus Announces Interim Agreement to Acquire Innovative, National CBD Products Brand, CBD For Life

- *Suite of highly innovative Cannabidiol (CBD) infused pain management and beauty products available online and distributed to over 750 retail locations throughout the U.S.*
- *Featured in numerous online and print publications as well as televised broadcasts*
- *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 and TORONTO, March 29, 2019 /PRNewswire/ [-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 entered into a letter of intent to acquire CBD For Life, a top-ranked, national CBD brand in the U.S.

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[CBD For Life](#) was launched in February of 2016 by its co-founders Beth Stavola and Julie Winter, who are well-recognized as leaders and innovators in the cannabis and CBD industries. Beth Stavola is being featured as an honoree this year for the "2019 High Times Women of Weed" and was recognized as Inc.com's "Top 100 Female Founders" in 2018. The brand's CBD-infused pain management and beauty products have been featured in a wide range of online and print publications including Forbes, Shape, Marie Claire, Women's Health, Cosmopolitan and Allure. CBD For Life's product lineup has also been featured in stories by multiple broadcast news outlets in the New York City metro area and its products have received numerous accolades including the 2018 Skincare Award Winner for the Hollywood Beauty Awards "Product of the Year".

CBD For Life has experienced an increase in interest from mainstream retailers in the first quarter of 2019 following the passage of the Farm Bill. Products are available directly to consumers online and CBD For Life is currently distributing to 750 retail locations and actively on-boarding approximately 25 new locations per week with a dedicated sales channel working with national retailers. The currently available product lineup includes:

- Health and Wellness – CBD-infused topicals, tinctures and sprays made for targeted pain relief ranging from muscle soreness to head-aches
- Beauty and Skincare – Formulas blending essential oils and CBD extract into lotions, creams, and hair products designed to improve rejuvenation and restore moisture

These products are designed for self-care, beauty, and wellness; and through a partnership with iAnthus, CBD For Life plans to expand its existing wholesale and retail platform to give more consumers access to its growing range of products.

"Developing a strong CBD strategy is mission critical for cannabis companies to compete on a national scale while simultaneously entering the consumer product and retail marketplace," said Hadley Ford, Chief Executive Officer of iAnthus. "With the acquisition of a name brand like CBD For Life, iAnthus is well positioned to increase our market share with greater exposure to patients and customers across the country."

According to industry experts, retail sales of CBD consumer products are estimated to have been between US\$600 million and US\$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 US\$16 billion in 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.

"We're excited to bring CBD For Life into the iAnthus family—our CBD brand will provide iAnthus with even greater reach and a wider consumer base, particularly in states that have yet to implement full-scale cannabis programs," said Beth Stavola, Co-Founder of CBD For Life and Chief Strategy Officer of iAnthus.

Fairness Opinion and Proposed Structure

iAnthus expects to acquire 100% of the equity interests in CBD For Life in return for 2,529,863 common shares of iAnthus. Based on a fixed share price of US\$5.41 (the closing price of ITHUF shares on the OTCQX as of March 15, 2019), the stock consideration equates to US\$13.7 million. At the closing of the transaction, iAnthus also expects to repay the outstanding debt and related accrued interest of CBD For Life in the amount of approximately US\$2.0 million in cash.

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**"). iAnthus expects that the Fairness Opinion, subject to the assumptions, limitations, and qualifications set forth therein, will conclude 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.

Closing of the transaction with CBD For Life is subject to the parties entering into a definitive

agreement and that iAnthus receives the Fairness Opinion. The parties expect to enter into a definitive agreement in the second quarter of 2019. There can be no assurances that the transaction the transaction will be completed as proposed or at all.

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.

About CBD For Life

CBD For Life is a producer of highly innovative, natural, luxurious, and effective Cannabidiol (CBD) infused pain management and beauty products using 99% pure CBD extract derived from stems and stalks of industrial hemp. Its revolutionary formulas combine CBD with nourishing essential oils and other active ingredients to aid in reducing pain, inflammation, and stress while promoting anti-aging, rejuvenation, and vibrancy. 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, intend, may, potential, believe, should, our vision" and similar expressions, are forward-looking statements.

Forward-looking statements may include, without limitation, statements including the expected date that CBD For Life and iAnthus will enter into a definitive agreement for the transaction, the proposed terms of the definitive agreement with CBD For Life, iAnthus' receipt of the Fairness Opinion 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.

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/>.

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