

April 27, 2020

iAnthus

iAnthus Announces Conclusion of Special Committee's Investigation

Appoints Randy Maslow as Interim CEO

NEW YORK and TORONTO, April 27, 2020 /PRNewswire/ -[iAnthus Capital Holdings, Inc.](#) ("**iAnthus**" or the "**Company**") (CSE: IAN, OTCQX: ITHUF), which owns, operates, and partners with regulated cannabis operations across the United States, announced today that its Board of Directors (the "**Board**") has accepted and considered the report of the special committee of independent directors (the "**Special Committee**"), which reviewed the allegations of undisclosed related-party transactions against the Company's Chief Executive Officer ("**CEO**").

iAnthus

Special Committee's Investigation

On March 31, 2020, allegations against the Company were made in an online media report (the "**Online Report**"). Broadly stated, the allegations were that Hadley Ford ("**Ford**"), the Company's CEO, is or has been acting in a conflict of interest and has misused iAnthus' resources to his own benefit. In response, the Board determined that it was in the best interests of the Company to form the Special Committee and retain outside counsel to conduct a detailed investigation.

The Special Committee's investigation examined all material allegations against the Company included in the Online Report. Two allegations were substantiated and the Special Committee recommended further action.

Special Committee's Conclusion

The Special Committee concluded, and the Board accepted, that Ford entered into two undisclosed loans (one loan for US\$100,000.00 with a related-party and the other for US\$60,000.00 with a non-arm's length party) and those loans created a potential or apparent conflict and should have been disclosed to the Board in a timely way.

With respect to the loan with the related-party, the Online Report included an allegation that Mr. Ford entered into an undisclosed loan transaction with the managing member (the "**Managing Member**") of iAnthus' senior secured lender, Gotham Green Partners ("**Gotham Green**"). The Special Committee considered the allegation and the relevant details, are summarized as follows:

- On December 20, 2019 (the "**December 2019 News Release**"), iAnthus and Gotham Green closed an additional US\$36.15 million of senior secured convertible notes from Gotham Green and additional co-investors (the "**Third Tranche**").
- A day after the close of the Third Tranche, on December 21, 2019, Ford (as borrower) and the Managing Member (as lender), entered into a loan for the principal sum of US\$100,000, documented by an email. The loan bore no interest and was to be repayable on March 31, 2020. The loan has not been repaid.

The Special Committee did not find a basis to conclude that Ford's conduct in the face of the potential or apparent conflict impacted the terms, timing, or negotiations the Company had with the related-party or the non-arm's length party. Nevertheless, the Special Committee concluded, and the Board accepted, that the failure to disclose such personal loans to the Board was a breach of the Company's conflict policies and other obligations as an officer and director of the Company.

Ford Resignation

The Board has accepted Ford's immediate resignation as CEO. Ford also resigned as a director of the Company and as an officer and director of the Company's subsidiaries.

Randy Maslow Appointed Interim CEO

The Board has appointed Randy Maslow as interim CEO effective immediately. Mr. Maslow is the co-founder of iAnthus and has served as the President and a director of the Company since its inception. Mr. Maslow is a nationally recognized expert in federal and state cannabis law and regulatory policy and serves as a member of the Federal Policy Council of the National Cannabis Industry Association and the Boards of Directors of the Cannabis Trade Federation, the New Jersey Cannabis Industry Association, and the New York Medical Cannabis Industry Association. Prior to co-founding iAnthus, Mr. Maslow was a veteran tech industry entrepreneur, senior executive and attorney with more than 25 years' experience as General Counsel to rapidly growing telecom and internet companies.

Mr. Maslow is a graduate of Cornell University and the Rutgers University School of Law, where he received his J.D. with Honors and served as an editor of the law review. Prior to entering the tech industry, Mr. Maslow was in private practice with Greenberg Traurig, LLP, and previously with the Philadelphia law firms White and Williams and Blank Rome LLP.

Elizabeth (Beth) Stavola, Chief Strategy Officer and director of iAnthus stated: "I look forward to working closely with Randy as interim CEO and the Special Committee as the Company explores strategic alternatives."

Strategic Alternatives Review Process

As disclosed in the Company's news releases dated April 6, 2020 and April 22, 2020, iAnthus has initiated a Strategic Alternatives Review Process and has hired Canaccord Genuity Corp. as its financial advisor.

The Strategic Alternatives Review Process is ongoing and there can be no assurance as to what, if any, alternative might be pursued by the Company. In accordance with applicable

disclosure requirements, the Company will advise the market of material changes, if and when they occur.

Financial Results

As disclosed in the Company's news release dated April 6, 2020, iAnthus has temporarily postponed the filing of its annual financial statements for the year ended December 31, 2019 to incorporate subsequent event disclosures as they relate to the Company's financial position.

As a result of a change to the Company's filing date, the Company's earnings news release for the fourth quarter and full year 2019, as well as the conference call for financial analysts and investors previously scheduled for April 7, 2020, is being rescheduled. The Company expects to issue a news release announcing a revised date for the fourth quarter and fiscal year ended December 31, 2019 conference call and earnings news release.

About iAnthus

iAnthus owns and operates 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 a presence in 11 states, and operates 33 dispensaries (FL-14, AZ-4, MA-1, MD-3, NY-3, CO-1, VT-1 and NM-6 where iAnthus has minority ownership). For more information, visit www.iAnthus.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.

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties concerning the novel coronavirus (COVID-19) pandemic, 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 relating to the Company's future financial performance, financial statement filing, business development, results of operations, and financing and recapitalization opportunities, as well the evaluation of strategic alternatives.

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.

 View original content to download multimedia <http://www.prnewswire.com/news-releases/ianthus-announces-conclusion-of-special-committees-investigation-301047602.html>

SOURCE iAnthus Capital Holdings, Inc.