

May 14, 2018

iAnthus

Gotham Green Partners Invests US\$50 Million in iAnthus to Accelerate Growth Initiatives

NEW YORK and TORONTO, May 14, 2018 /PRNewswire/ - iAnthus Capital Holdings, Inc. ("iAnthus" or "the Company"), (CSE: [IAN](#), OTCQB: ITHUF), which owns, operates, and partners with licensed cannabis operations throughout the United States, is pleased to announce that it has received a US\$50 million investment from Gotham Green Partners ("GGP" or the "Investor"), which management believes to be the largest investment to date by a single investor in a publicly traded U.S. cannabis operating company.



"Gotham Green Partners is well recognized as a long-term investor and leader within the cannabis investment community, and we are excited to partner with GGP to create value for our shareholders," said Hadley Ford, CEO of iAnthus. "As the U.S. cannabis industry continues to grow, we will be well-capitalized and well-positioned to continue the buildout of our existing assets and pursue opportunistic acquisitions to expand our footprint."

"As an early mover in the space, the iAnthus team has successfully assembled a portfolio of valuable licensed cannabis assets in attractive states with desirable demographics," said Jason Adler, Managing Member of GGP. "iAnthus' recent acquisitions in New York and Florida, combined with its operations in Massachusetts, provide a compelling growth and investment opportunity. With this infusion of capital, we look forward to working with the management team to source additional strategic opportunities and accelerate the Company's growth profile."

"Jason and the GGP team have demonstrated the ability to help portfolio companies accelerate geographic expansion and operational efficiencies to create meaningful value for investors," said Julius Kalcevich, CFO of iAnthus. "GGP's investment enables iAnthus to recapitalize its balance sheet with long-term exchangeable debt and significantly fund its key operations, particularly in New York and Florida. We look forward to GGP's involvement in these activities in the coming quarters."

Through 2018, the Company plans to allocate the proceeds of this financing in the following manner:

- Repayment of US\$20 million one-year note and accrued interest to VCP Bridge LLC;
- Continued cultivation and dispensary build-outs in New York and Florida markets; and

- Potential expansion activities consistent with iAnthus' strategic objectives.

The remaining expenditures for completing iAnthus' Massachusetts and Vermont operations will be funded with current cash on hand.

The Company's wholly owned subsidiary iAnthus Capital Management, LLC has issued US\$40 million aggregate principal amount of high yield senior secured notes, with a maturity date of three years (the "HY Notes"). The HY Notes have a 13% coupon, which may be paid in cash or in-kind for the first year. The HY Notes are exchangeable into shares of the Company at US\$3.08 per share, which amount was reserved by price reservation with the Canadian Securities Exchange. The HY Notes include warrants to purchase, in the aggregate, up to 6,670,372 shares of the Company at US\$3.60 per share, which amount was reserved by price reservation with the Canadian Securities Exchange. Beginning one year from today, iAnthus Capital Management may force the exchange of the HY Notes into common shares if the daily volume weighted average trading price of the Company's common shares is greater than US\$5.14 for any 20 consecutive trading days.

The Company has concurrently issued US\$10 million aggregate amount of Units, with each Unit comprised of one Class A share of the Company at US\$2.57 per share and a warrant to purchase one share of the Company at a price of US\$3.86 per share, which amount was reserved by price reservation with the Canadian Securities Exchange.

Net cash proceeds to the Company are approximately US\$46 million after the deductions of various fees and structuring costs. Pro forma for the repayment to VCP Bridge LLC, the Company will have a cash balance of approximately US\$32 million.

The debt and equity securities were issued on a prospectus exempt basis and are subject to: (i) a hold period in Canada of four months and a day from the date of issuance; and (ii) an applicable US securities law legend.

Class A shares of the Company are identical to the common shares of the Company in all respects, other than the right to vote for directors of the Company. The Investor may convert Class A shares into common shares beginning on July 2, 2018.

iAnthus was advised by McMillan LLP and Fox Rothschild LLP, and Gotham Green Partners was advised by Honigman Miller Schwartz and Cohn LLP and SkyLaw Professional Corporation.

Conference Call and Webcast Details

The Company will hold a conference call for financial analysts and investors at 4:20pm ET on Monday, May 14, 2018 to discuss the Gotham Green investment and The Company's operations. The call will be archived and available on iAnthus' website for replay. Please visit <http://ir.ianthuscapital.com/> to access the archived conference call.

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

Conference ID: 1977128

Webcast: <https://event.on24.com/wcc/r/1677342/18165D3FC49109044A30048492E622F0>

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

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. The Company uses these skills to support operations across six states. For more information, visit www.iAnthusCapital.com.

About Gotham Green Partners

Gotham Green Partners, LLC is a New York-based private equity firm focused on deploying capital into cannabis and cannabis-related enterprises on a global scale. The firm manages a diversified portfolio of investments and is actively investing across the cannabis value chain.

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, additional strategic opportunities, proposed allocation of capital, and other statements of fact.

Although iAnthus has attempted to identify important factors that could cause actual results, performance or achievements to differ materially from those contained in the forward-looking statements, there can be other factors that cause results, performance or achievements not to be as anticipated, estimated or intended, including, but not limited to: dependence on obtaining regulatory approvals; investing in target companies or projects which have limited or no operating history and are engaged in activities currently considered illegal under US Federal laws; change in laws; limited operating history; reliance on management; requirements for additional financing; competition; hindering market growth and state adoption due to inconsistent public opinion and perception of the medical-use and adult-use marijuana industry and; regulatory or political change.

There can be no assurance that such information will prove to be accurate or that management's expectations or estimates of future developments, circumstances or results will materialize. As a result of these risks and uncertainties, the results or events predicted in these forward-looking statements may differ materially from actual results or events.

Accordingly, 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 with multimedia: <http://www.prnewswire.com/news-releases/gotham-green-partners-invests-us50-million-in-ianthus-to-accelerate-growth-initiatives-300647958.html>

SOURCE iAnthus Capital Holdings, Inc.