

November 27, 2020



iAnthus Reports Fiscal Third Quarter 2020 Financial Results and Provides Update on Executive Team

NEW YORK and TORONTO, Nov. 27, 2020 /PRNewswire/ -[iAnthus Capital Holdings, Inc.](https://www.ianthus.com) ("iAnthus" or the "Company") (CSE: IAN) (OTCPK: ITHUF), which owns, operates, and partners with regulated cannabis operations across the United States, reports its financial results for the third quarter ended September 30, 2020. The Company's Financial Statements for the third quarter ended September 30, 2020 and the related Management's Discussion & Analysis can be accessed on the Company's SEDAR profile at www.sedar.com and on the Company's website at www.ianthus.com. Amounts are in U.S. Dollars, unless stated otherwise.

Third Quarter 2020 Financial Updates

- Revenue of \$40.6 million, up 17% from the prior quarter
- Gross margin for the quarter was 62.9%, up from 54.8% in the prior quarter
- Net loss of \$9.7 million, or a loss of \$0.06 per share, versus a net loss of \$20.9 million, or a loss of \$0.12 per share, in the prior quarter
- Due to liquidity constraints experienced by the Company, the Company did not make applicable interest payments due on its 13% senior secured convertible debentures ("Secured Notes") and its 8% convertible unsecured debentures ("Unsecured Debentures") due on March 31, 2020, June 30, 2020, or September 30, 2020. As previously disclosed, the non-payment of interest in March 2020 triggered an event of default with respect to these components of the Company's long-term debt, consisting of principal amounts at face value of \$97.5 million and \$60.0 million and accrued interest amounts as of September 30, 2020 of \$11.4 million and \$3.6 million on the Secured Notes and Unsecured Debentures, respectively. In addition, as a result of the default, the Company has accrued additional fees and interest of \$13.3 million in excess of the amounts stated above that are further detailed in the Company's Financial Statements

Table 1: Q3 2020 Financial Results

<i>in thousands of US\$, except share and per share amounts (unaudited)</i>	Q3 2020	Q2 2020	Q3 2019
Revenue	\$ 40,616	\$ 34,646	\$ 22,341
Gross profit, excluding fair value items	25,559	18,994	10,742
Gross margin, excluding fair value items	62.9%	54.8%	48.1%
Net loss	(9,698)	(20,927)	(15,270)
Net loss per share	(0.06)	(0.12)	(0.09)

Recapitalization Transaction

On October 5, 2020, the Company received final approval from the Supreme Court of British Columbia (the "Court") for the Company's plan of arrangement approved by securityholders on September 14, 2020 (the "Plan of Arrangement") to implement the Company's previously announced recapitalization transaction (the "Recapitalization Transaction").

Further to the Company's news release dated October 6, 2020 (a copy of which is available under the Company's SEDAR profile at www.sedar.com), iAnthus amended and restated the Plan of Arrangement (the "Revised Plan") to remove a proposed injunction provision and to provide for a narrower scope of release of claims. The Court issued its Reasons for Judgment on October 5, 2020 and approved the Revised Plan. A copy of the Court's decision is available online at: <https://www.bccourts.ca/jdb-txt/sc/20/14/2020BCSC1484.htm>.

Securityholder approval and Court approval were the two primary conditions precedent for closing the Recapitalization Transaction, both of which conditions have been satisfied. The closing of the Recapitalization Transaction remains subject to certain other customary closing conditions set out in the previously disclosed Restructuring Support Agreement and the Arrangement Agreement, copies of which are available under the Company's SEDAR profile at www.sedar.com (and filed on July 20, 2020 and August 17, 2020, respectively). A copy of the Revised Plan has also been filed under the Company's SEDAR profile as of October 7, 2020.

As previously disclosed on November 5, 2020, certain parties have filed a Notice of Appeal in respect of the Court's final approval for the Revised Plan. The Notice of Appeal does not set out any grounds upon which the appeal is sought. On November 12, 2020, iAnthus made an initial response to the appeal by filing a Notice of Appearance with the British Columbia Court of Appeal.

Certain of the transactions contemplated by the Recapitalization Transaction have triggered a review and approval requirement by state-level regulators in certain U.S. states with jurisdiction over the licensed cannabis operations of entities owned in whole or in part, or controlled directly or indirectly, by iAnthus. Where required, iAnthus has commenced the review and approval process.

Executive Team Update

The Company is pleased to announce that Robert Galvin has been named Interim Chief Operating Officer. Mr. Galvin is currently Senior Vice President and Chief Administrative Officer, and previously served as a member of the iAnthus Board of Directors following the completion of the Company's amalgamation transaction in February 2019 with MPX Bioceutical Corp. (MPX), at which Mr. Galvin also served as a board member. Mr. Galvin has significant relevant experience, having held operational, financial and administrative leadership roles at both public and private companies, and will focus on continuing the Company's operational momentum entering 2021.

The Company also announces the resignation of Chief Operating Officer, Patrick Tiernan, who has agreed to provide consulting services to the Company over the next three months to help ensure a successful transition.

"On behalf of the Company, I would like to thank Pat Tiernan for his contributions and commitment to iAnthus over the past two years," said Randy Maslow, President and

Interim Chief Executive Officer of iAnthus. "Pat played a key role in driving improvements to operating results and product development, as well as the difficult task of integrating the assets we acquired in the MPX transaction. We wish him the best in all future endeavors."

"I would also like to welcome Bob Galvin to his expanded role, and look forward to his continued contributions to iAnthus' growth and operational effectiveness."

About iAnthus

iAnthus owns and operates licensed cannabis cultivation, processing and dispensary facilities throughout the United States. For more information, visit www.iAnthus.com.

COVID-19 Risk Factor

The Company may be impacted by business interruptions resulting from pandemics and public health emergencies, including those related to COVID-19. An outbreak of infectious disease, a pandemic, or a similar public health threat, such as the recent outbreak of COVID-19, or a fear of any of the foregoing could adversely impact the Company by causing operating, manufacturing, supply chain, and project development delays and disruptions, labor shortages, travel, and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). It is unknown whether and how the Company may be affected if such a pandemic persists for an extended period of time, including as a result of the waiver of regulatory requirements or the implementation of emergency regulations to which the Company is subject. Although the Company has been deemed essential and/or has been permitted to continue operating its facilities in the states in which it cultivates, processes, manufactures, and sells cannabis during the pendency of the COVID-19 pandemic, there is no assurance that the Company's operations will continue to be deemed essential and/or will continue to be permitted to operate. The Company may incur expenses or delays relating to such events outside of its control, which could have a material adverse impact on its business, operating results, financial condition, and the trading price of the Company's common shares.

Forward Looking Statements

Statements in this news release that are forward-looking statements are subject to various risks and uncertainties, including concerning COVID-19 and 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 financial performance, business development and results of operations and the timing and outcome of closing of the Recapitalization Transaction.

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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