

iAnthus Capital Holdings, Inc.

CNSX: IAN

OTCQB: ITHUF

iAnthus Analyst and Investor Conference Call

Proposed Acquisition of Citiva Medical – New York State

August 14, 2017



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Executive Summary

- **iAnthus announced today the signing of a letter of intent to acquire Citiva Medical, the owner of a New York State medical marijuana license**
- **iAnthus has terminated its previous term sheet with Gloucester Street Capital, LLC and its wholly owned subsidiary, Valley Agriceuticals, LLC ⁽¹⁾**



NOTES

(1) As previously announced in the news release dated June 12, 2017

Executive Summary

iAnthus proposes to acquire 100% of a New York State medical marijuana license holder

- **Exposure to one of the largest U.S. States:** Population of 20 million with 8.6 million in New York City alone - highest population density of any major U.S. city with 27,000 residents / sq. mile
- **Limited licenses:** A total of 10 medical marijuana licenses serving the state
- **Patient growth gaining momentum:** The pace of patient additions compares favorably to trends experienced in Canada's medical program
- **Two New York City boroughs locations:** Citiva was approved for dispensary locations in two of the four New York boroughs: Staten Island and Brooklyn as well as locations in Dutchess County and Chemung County.
- **Exceptionally experienced team with strong local pharmacy roots:** The team has developed a successful cannabis program in Jamaica and CEO, Kim Volman, has decades of experience in New York City as the co-founder of S&K Pharmacy, with four locations in the New York City metro area specializing in pharmaceutical compounding



Transaction Snapshot

- **Proposed Acquisition of 100% of Citiva Medical, LLC (“Citiva Medical”) and Citiva USA, LLC (“Citiva USA”) for US\$18.0 million:**
 - Citiva Medical: \$9.6 million of IAN common shares and \$2.4 million of cash; and
 - Citiva USA: \$4.8 million of IAN common shares and \$1.2 million of cash
- **Citiva Medical holds a license in the state of New York for:**
 - Cultivation and processing; and
 - Four dispensaries
- **Citiva USA holds:**
 - Intellectual property, including trademarks and pending patent applications
- **Conditions to closing:**
 - New York State Department of Health regulatory approval;
 - Canadian Securities Exchange approval; and
 - Completion of definitive documentation between parties.

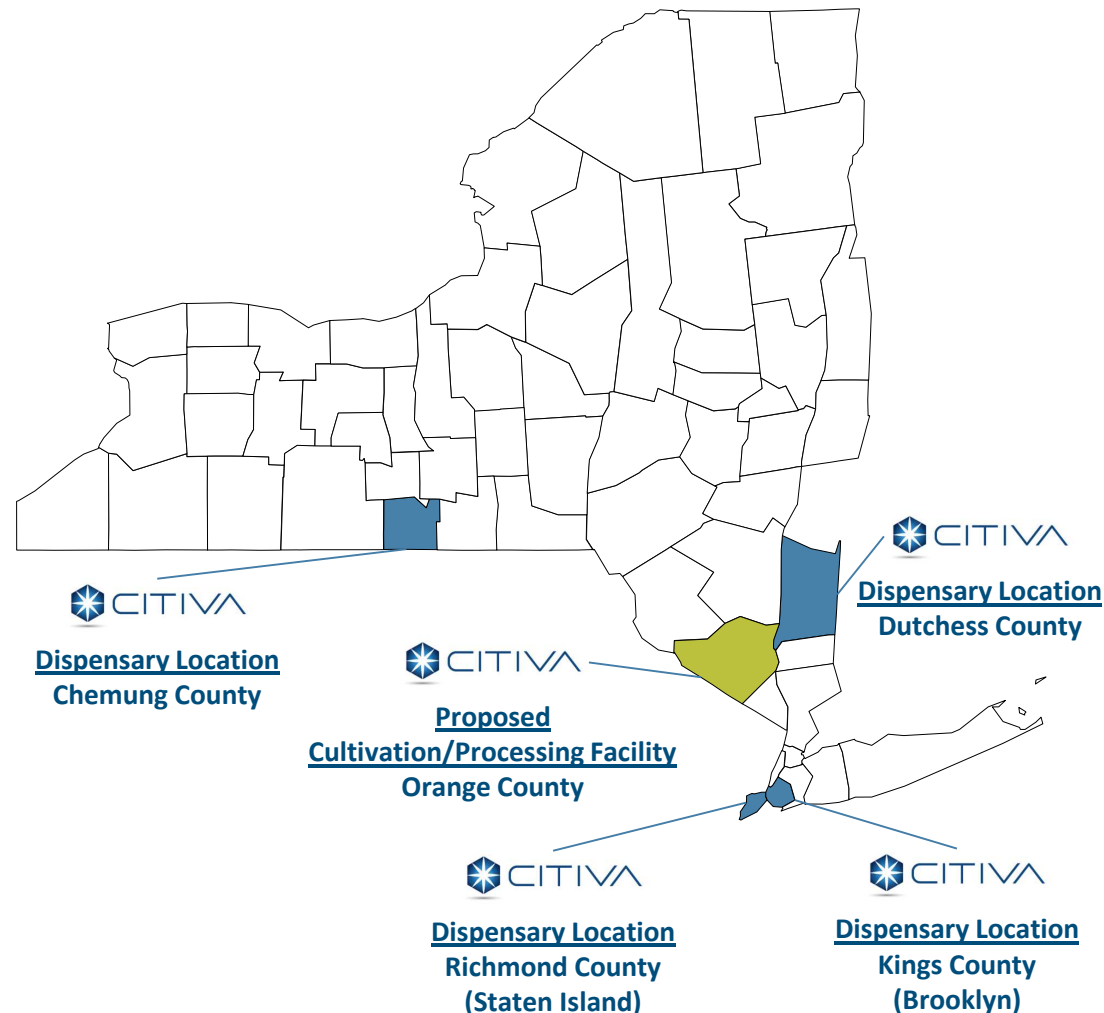


Why Citiva?

- **Seasoned management team:**
 - Kim Volman, CEO – 20+ years of experience in the pharmaceutical industry, founder of S&K Pharmacy which has four locations in the New York City area
 - Frank Turano, CFO – Helped grow family business by over 250% with over \$35 million in annual sales
 - David Palmieri, COO – Experienced New York City healthcare consultant, ran a private practice for 18 years
- **S&K Pharmacy:** Relationship with prominent New York pharmacy (four NYC locations, 800+ physicians)
- **Cultivation Expertise:** Citiva team has led cultivation and research in a partnership with the University of West Indies in Jamaica
- **Cultivation/Processing Facility and Dispensaries:** Citiva is planning to develop a proposed cultivation, extraction and product development center in Orange County and is in the final stages of securing leaseholds for its four dispensary locations

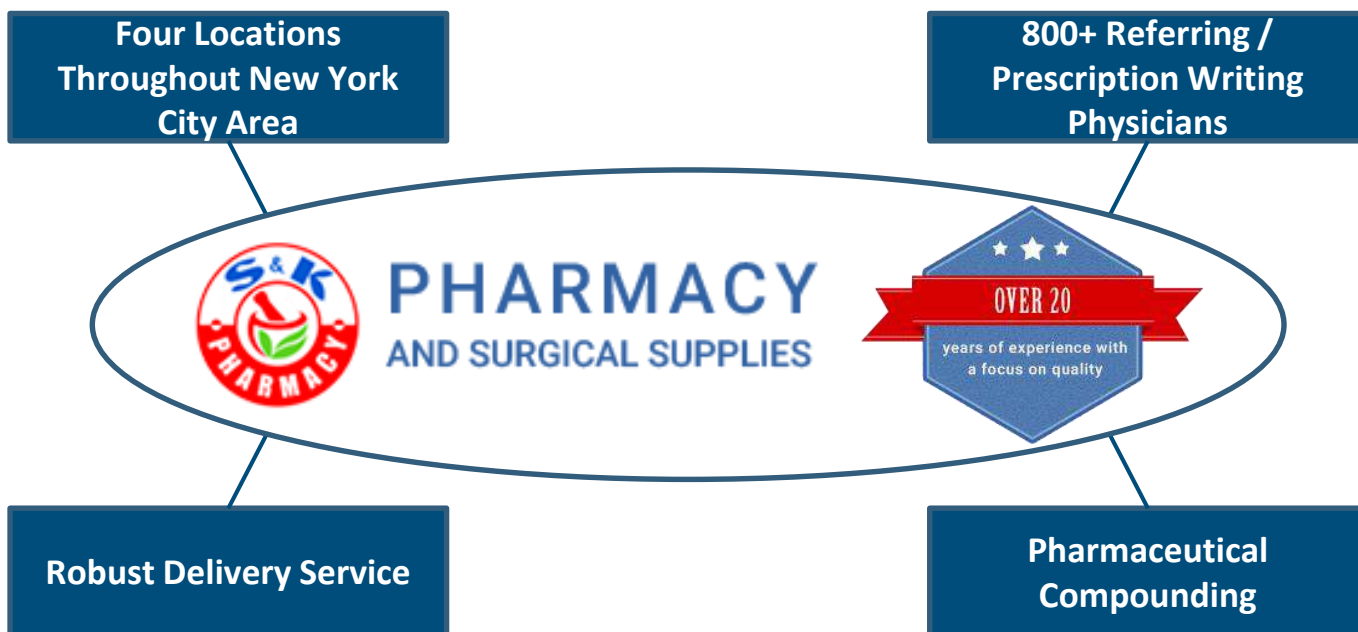
Citiva Locations

- **Four dispensaries:** Citiva was awarded dispensary locations in Kings (Brooklyn), Richmond (Staten Island), Dutchess, and Chemung Counties.
- **Brooklyn and Staten Island:** There are currently no operating dispensaries in Brooklyn or Staten Island.
- **Limited competition:** Of the new licensees, only one other operator was awarded a Brooklyn location⁽¹⁾. Citiva is the only operator that was awarded a Staten Island dispensary location.



Lessons Learned from S&K Pharmacy

- Citiva CEO Kim Volman is a co-founder of S&K Pharmacy
- Volman's experience is directly applicable to launching Citiva operations in New York City boroughs and New York State



iAnthus to Operate in Five States

■ Current Investments

■ Active Discussions

New York⁽¹⁾

Vermont

grassroots
vermont



Massachusetts

MAYFLOWER
MEDICINALS

Colorado



iAnthus

New Mexico

Reynold Greenleaf
& Associates, LLC

NOTES

(1) Assuming completion of Citiva – one of ten vertically integrated licenses in New York State

NY NY, it's a Helluva State

New York City has the largest population density in the United States at 27,000 residents per square mile

- **Limited licenses:** 10 total licenses
- **Large population:** 20 million residents
- **Vertically integrated licenses:** Allows control of entire supply chain as each license comes with a cultivation, processing lab, and four dispensary licenses
- **Wide range of secondary products allowed:** Secondary products typically produce higher profit margins than flower products
- **Home delivery allowed:** Provides patients with convenience and discretion

Increasing Momentum of Favorable Regulatory Changes

- **Easing patient accessibility:** Permitted nurses/physician assistants to prescribe medical marijuana. ~19,000 nurses and ~11,000 physician assistants licensed to practice in NY State *November 2016*
- **Permitting additional platforms for treatment:** Allowing medical marijuana usage in hospitals *December 2016*
- **Expanding qualifying conditions:** Added chronic pain as a qualifying condition *March 2017*
- **Increasing program participation information:** Provided a list of doctors and practitioners who are allowed to prescribe medical marijuana *May 2017*

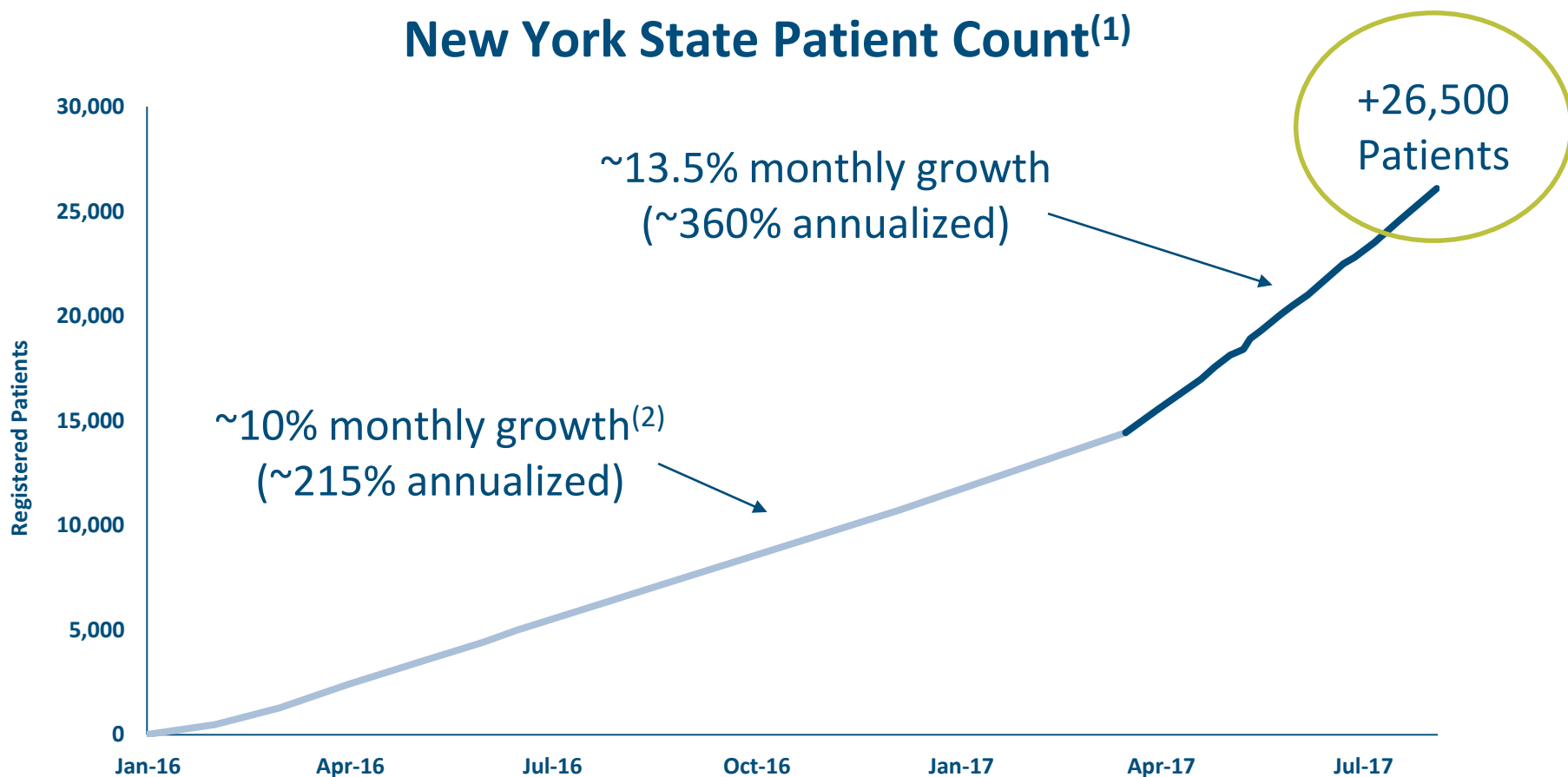
DOH Continues to Make Enhancements to New York Medical Marijuana Program

New York Department of Health Announcements (August 10, 2017)

- **Expansion of allowable products to include:**
 - Topicals such as lotions, ointments and patches;
 - Chewable solid/semi-solid tablets and lozenges;
 - Dissolvable tablets; and
 - Non-smokable forms of ground plant material.
- **Enhancements to patient/practitioner access and awareness:** Patients and practitioners would be allowed to enter a dispensing facility and speak directly with a representative, learn about products and get information about the medical marijuana program.
- **Easing the certification process for practitioners:** In addition to the four-hour courses currently available for practitioners, the DOH plans to offer a shorter two-hour course that practitioners can take to become certified.
- **Expanded advertising:** The DOH is proposing to expand the capability of registered organizations to advertise.

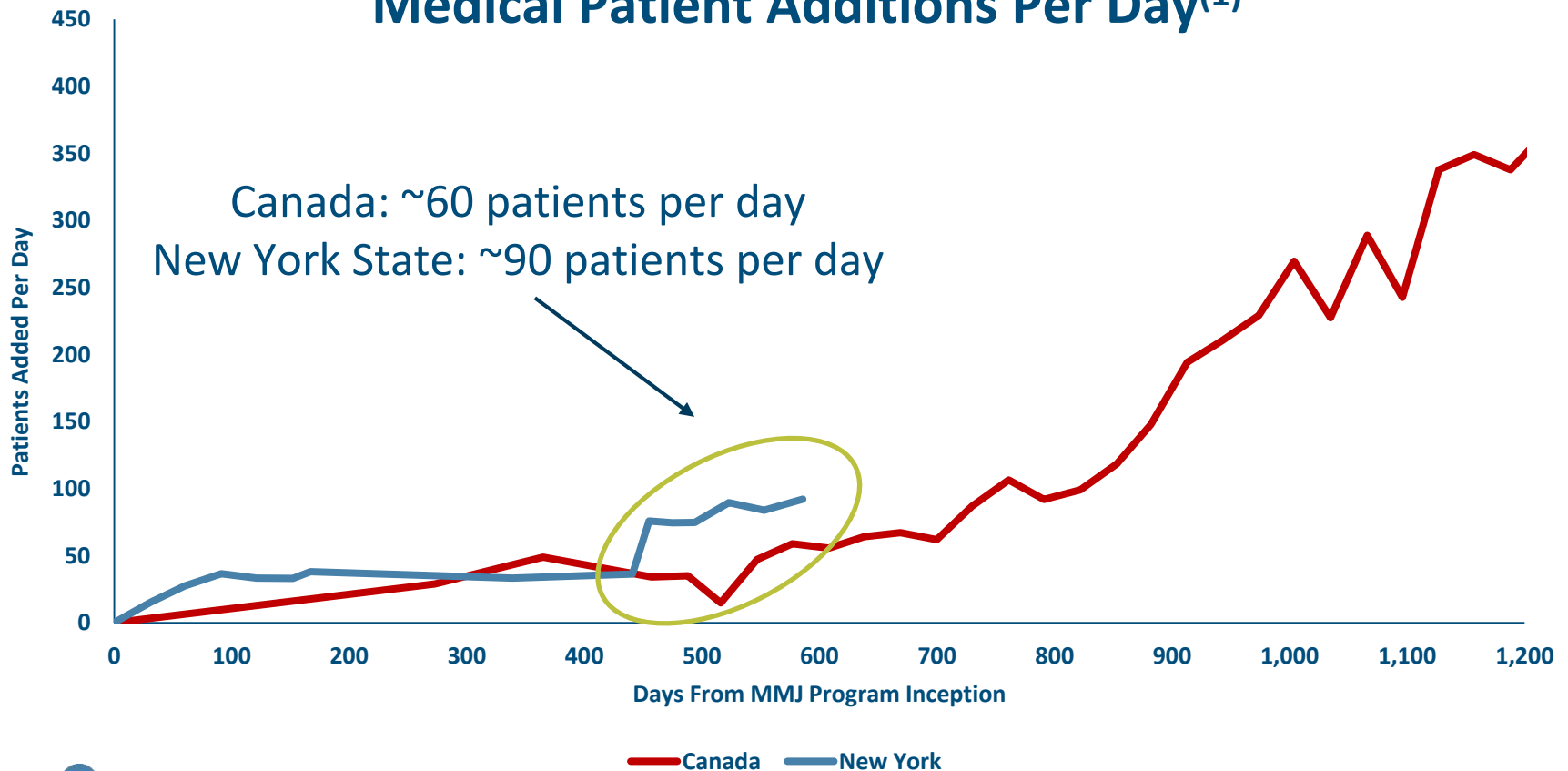
Rapidly Growing Patient Registration...

New York State Patient Count⁽¹⁾



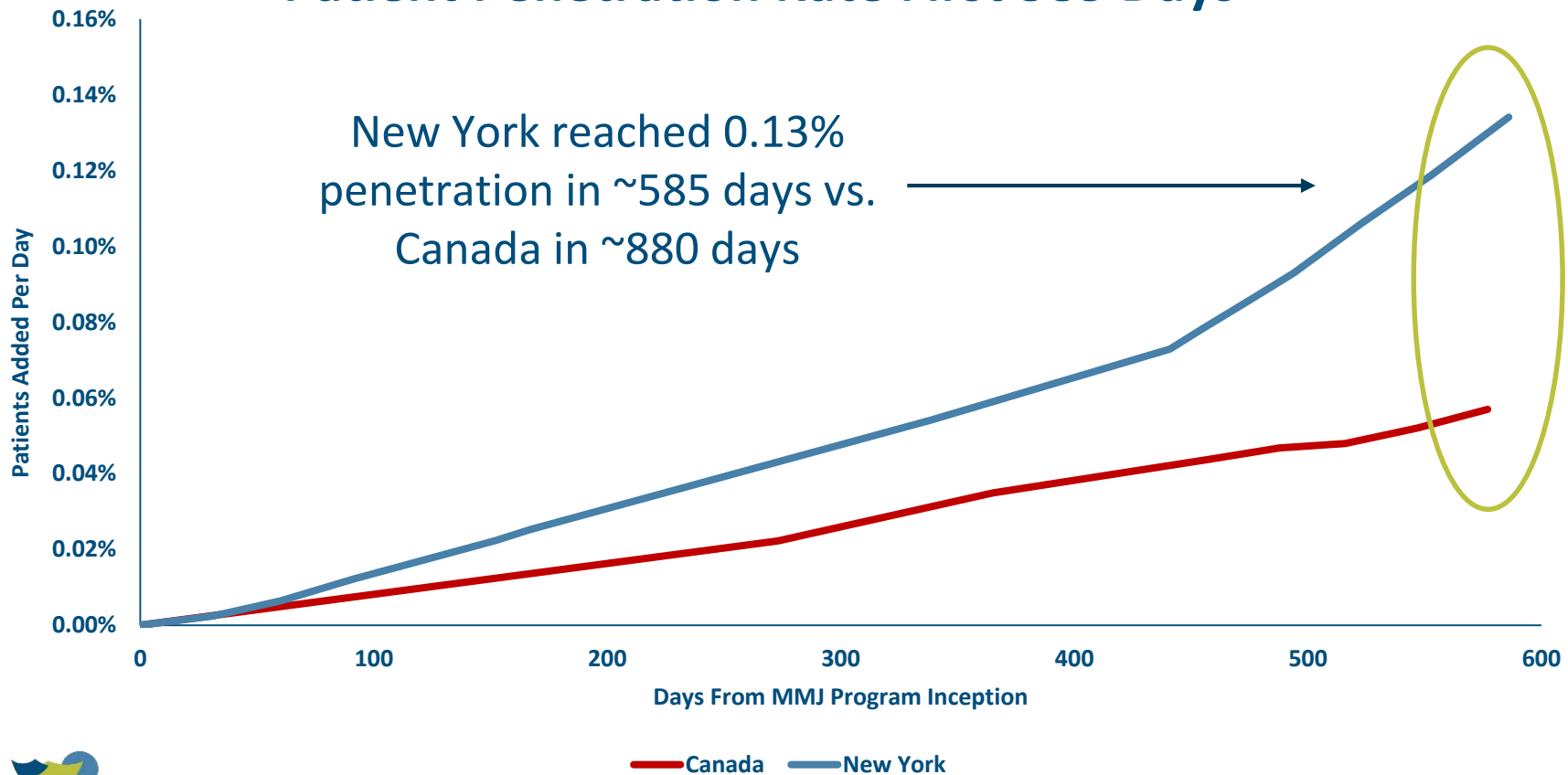
New York is Outpacing Canada's Patient Additions per day...

New York State vs. Canada Medical Patient Additions Per Day⁽¹⁾



...And Canada's Patient Penetration

New York State vs. Canada Patient Penetration Rate First 585 Days⁽¹⁾



Highlights

- iAnthus remains on track to secure a license in New York state via proposed Citiva acquisition
- New York Medical Marijuana program continues to expand, with recent enhancements in terms of patient access and allowable products
- Letter of intent to acquire Citiva for \$18mm; transaction set to close in late Q3 2017
- Citiva brings entrepreneurial local New York management team, New York City centric dispensary locations and longstanding track record in pharmacy industry
- Transaction consideration of 80% stock and 20% cash
- iAnthus will continue to provide updates in Q3 and Q4 with regard to dispensary and cultivation timelines





Contact Information:
Investor Relations | 646.518.9415 | investors@ianthuscapital.com