

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 15, 2023

iAnthus Capital Holdings, Inc.

(Exact name of Registrant as Specified in Its Charter)

British Columbia
(State or Other Jurisdiction
of Incorporation)

000-56228
(Commission File Number)

98-1360810
(IRS Employer
Identification No.)

420 Lexington Avenue
Suite 414
New York, New York
(Address of Principal Executive Offices)

10170
(Zip Code)

Registrant's Telephone Number, Including Area Code: (646) 518-9411

Not applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
N/A	N/A	N/A

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.02 Results of Operations and Financial Condition.

On May 15, 2023, iAnthus Capital Holdings, Inc. issued a press release announcing its financial results for the quarter ended March 31, 2023. A copy of the press release is attached hereto as Exhibit 99.1, which is incorporated herein by reference.

The information furnished in this section of this Current Report on Form 8-K and Exhibit 99.1 attached hereto shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated May 15, 2023
104	Cover Page Interactive Data File (embedded within the inline XRBL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

IANTHUS CAPITAL HOLDINGS, INC.

Date: May 15, 2023

By: /s/ Robert Galvin
Robert Galvin
Interim Chief Executive Officer

iAnthus

iAnthus Reports First Quarter 2023 Financial Results

NEW YORK, NY and TORONTO, ON – May 15, 2023 – iAnthus Capital Holdings, Inc. (“iAnthus” or the “Company”) (CSE: IAN, OTCQK: ITHUF), which owns, operates, and partners with regulated cannabis operations across the United States, today reported its financial results for the first quarter ended March 31, 2023. The Company’s Quarterly Report on Form 10-Q, which includes its unaudited interim condensed consolidated financial statements for the three months ended March 31, 2023 and the related management’s discussion and analysis of financial condition and results of operations, can be accessed on the Securities and Exchange Commission’s (“SEC’s”) website at www.sec.gov, the Company’s SEDAR profile at www.sedar.com, and on the Company’s website at www.iAnthus.com. The Company’s financial statements are reported in accordance with U.S. generally accepted accounting principles (“GAAP”). All currency is expressed in U.S. dollars.

First Quarter 2023 Financial Highlights

- Revenue of \$36.8 million, a sequential decrease of 2.2% from Q4 2022 and a decrease of 14.1% from the same quarter in the prior year.
- Gross profit of \$15.5 million, a sequential decrease of 3.6% from Q4 2022 and a decrease of 31.0% from the same quarter in the prior year.
- Gross margin of 42.2%, relatively flat when compared to Q4 2022 and a decrease of 1036bps from the same quarter in the prior year.
- Net loss of \$18.6 million, or a net loss of \$0.00 per share, compared to a net loss of \$43.7 million or a net loss of \$0.01 per share in Q4 2022, and compared to a net loss of \$10.1 million, or a net loss of \$0.06 per share, in the same quarter in the prior year.
- Adjusted EBITDA⁽⁶⁾ of \$0.9 million, a sequential increase from (\$1.0) million in Q4 2022 and a decrease from \$3.4 million from the same quarter in the prior year. EBITDA and Adjusted EBITDA are non-GAAP financial measures. Reconciliation tables of EBITDA and Adjusted EBITDA as used in this press release to GAAP are included below.

Table 1: Financial Results

<i>in thousands of US\$, except share and per share amounts (unaudited)</i>		Q1 2023		Q4 2022		Q1 2022
Revenue	\$	36,753	\$	37,571	\$	42,790
Gross profit		15,512		16,092		22,492
Gross margin		42.2%		42.8%		52.6%
Net loss		(18,595)		(43,732)		(10,102)
Net loss per share		(0.00)		(0.01)		(0.06)

Table 2: Reconciliation of Net Loss to EBITDA and Adjusted EBITDA

<i>in thousands of US\$</i>		Q1 2023		Q4 2022		Q1 2022
Net loss	\$	(18,595)	\$	(43,732)	\$	(10,102)
Depreciation and amortization		6,991		6,602		9,029
Interest expense, net		3,731		3,514		5,834
Income tax expense (recovery)		3,799		(3,900)		4,875
EBITDA (Non-GAAP)⁽⁶⁾	\$	(4,074)	\$	(37,516)	\$	9,636
Adjustments						
Impairment loss		-		30,551		-
Write-downs and other charges, net		516		82		57
Inventory reserves and write-downs		356		-		194
Accretion expense		978		1,029		766
Share-based compensation ⁽¹⁾		1,489		2,938		1,464
Non-monetary gain from MPX NJ acquisition		-		-		(10,460)
Losses from change in fair value of financial instruments		33		48		102
Debt obligation fees ⁽²⁾		-		-		414
Non-recurring charges ⁽³⁾		529		2,441		1,243
Loss on debt extinguishment ⁽⁴⁾		1,288		-		-
Other income ⁽⁵⁾		(220)		(562)		-
Total Adjustments	\$	4,969	\$	36,527	\$	(6,220)
Adjusted EBITDA (Non-GAAP)⁽⁶⁾	\$	895	\$	(989)	\$	3,416

(1)Q4 2022 reflects an additional \$1.0 million of share-based compensation expense related to restricted share units issued as severance compensation to the Company’s former Chief Financial Officer.

(2) Reflects accrued interest on the exit fee with the Company's 13.0% senior secured convertible debentures and owed to the holders thereof. As the Recapitalization Transaction closed on June 24, 2022, the Company will no longer incur debt obligation fees relating to such debentures.

(3) Includes one-time, non-recurring costs related to the Company's Recapitalization Transaction, strategic review process, ongoing legal disputes, severance and other non-recurring costs associated with being a U.S. reporting company. These non-recurring costs are offset by insurance proceeds received as reimbursement for certain legal costs incurred.

(4) One-time loss of \$1.3 million on debt extinguishment related to the amendment of the \$11.0 million senior secured bridge notes issued by iAnthus New Jersey, LLC.

(5) Q1 2023 reflects \$0.1 million related to tax refunds and accounts payable write-offs and vendor credits of \$0.1 million.

(6) See "Non-GAAP Financial Information" below for more information regarding the Company's use of non-GAAP financial measures.

Recent Business Updates

• On April 20, 2023, iAnthus' subsidiary in New Jersey (d/b/a MPX New Jersey) commenced adult-use sales at its Atlantic City dispensary, and subsequently entered the adult-use wholesale market in New Jersey.

• On April 26, 2023, MPX New Jersey opened its second location in New Jersey, a medical dispensary in Gloucester Township.

• On May 3, 2023, the Maryland governor signed a bill to regulate cannabis sales, opening a pathway to adult-use legalization with a target start date of July 1, 2023. The Company continues to monitor the situation and prepare for the potential to convert its subsidiaries' medical licenses to licenses to operate both medical and adult-use cannabis businesses in the state of Maryland.

Non-GAAP Financial Information

This press release includes certain non-GAAP financial measures as defined by the SEC and the Canadian Securities Administrators. Reconciliations of these non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with GAAP are included in the tables above. This information should be considered as supplemental in nature and not as a substitute for, or superior to, any measure of performance prepared in accordance with GAAP.

In evaluating our business, we consider and use EBITDA as a supplemental measure of operating performance. We define EBITDA as earnings before interest, taxes, depreciation and amortization. We present EBITDA because we believe it is frequently used by securities analysts, investors and other interested parties as a measure of financial performance. We define Adjusted EBITDA as EBITDA before stock-based compensation, accretion expense, write-downs and impairments, gains and losses from changes in fair values of financial instruments, income or losses from equity-accounted investments, changes in accounting policy, non-recurring costs related to the Company's Recapitalization Transaction, and litigation costs related to ongoing legal proceedings.

EBITDA and Adjusted EBITDA are not standardized financial measures defined under GAAP, and are not a measure of operating income, operating performance or liquidity presented in accordance with GAAP. EBITDA and Adjusted EBITDA have limitations as an analytical tool, and when assessing the Company's operating performance, investors should not consider EBITDA or Adjusted EBITDA in isolation, or as a substitute for net income (loss) or other consolidated income statement data prepared in accordance with GAAP. Among other things, EBITDA and Adjusted EBITDA do not reflect the Company's actual cash expenditures. Other companies may calculate similar measures differently than us, limiting their usefulness as comparative tools. We compensate for these limitations by relying on GAAP results and using EBITDA and Adjusted EBITDA only as supplemental information.

About iAnthus

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

Forward Looking Statements

Statements in this press release contain forward-looking statements. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of management, are not guarantees of performance and are subject to significant risks and uncertainty. These forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in the Company's reports that it files from time to time with the SEC and the Canadian securities regulators which you should review including, but not limited to, the Annual Report filed with the SEC. When used in this press release, words such as "will," "could," "plan," "estimate," "expect," "intend," "may," "potential," "believe," "should" and similar expressions, identify forward-looking statements.

Forward-looking statements may include, without limitation, statements relating to the Company's financial performance, business development and results of operations.

These forward-looking statements should not be relied upon as predictions of future events, and the Company cannot assure you that the events or circumstances discussed or reflected in these statements will be achieved or will occur. If such forward-looking statements prove to be inaccurate, the

inaccuracy may be material. You should not regard these statements as a representation or warranty by the Company or any other person that the Company will achieve its objectives and plans in any specified time frame, or at all. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. The Company disclaims any obligation to publicly update or release any revisions to these forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this press release or to reflect the occurrence of unanticipated events, except as required by law.

Neither the Canadian Securities Exchange nor the U.S. Securities and Exchange Commission have reviewed, approved or disapproved the content of this press release.

Contact Information

Corporate/Media/Investors:
Philippe Faraut, Chief Financial Officer
iAnthus Capital Holdings, Inc.
1-646-518-9418
investors@ianthuscapital.com
