

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2025

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number: 000-56228

IANTHUS CAPITAL HOLDINGS, INC.
(Exact Name of Registrant as Specified in its Charter)

British Columbia, Canada
(State or other jurisdiction of
incorporation or organization)

214 King Street, Suite 400
Toronto, Ontario M5H 3S6
(Address of principal executive offices)

98-1360810
(I.R.S. Employer
Identification No.)

M5H 3S6
(Zip Code)

(646) 518-9418
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)
Securities registered pursuant to Section 12(b) of the Act: None.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Number of common shares outstanding as of August 6, 2025 was 6,738,433,807.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA

This Quarterly Report on Form 10-Q contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Any statements in this Quarterly Report on Form 10-Q about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and are forward-looking statements. These statements are often, but not always, made through the use of words or phrases such as “believe,” “will,” “expect,” “anticipate,” “estimate,” “intend,” “plan” and “would.” For example, statements concerning financial condition, possible or assumed future results of operations, growth opportunities, industry ranking, plans and objectives of management, markets for our common shares and future management and organizational structure are all forward-looking statements. Forward-looking statements are not guarantees of performance. They involve known and unknown risks, uncertainties and assumptions that may cause actual results, levels of activity, performance or achievements to differ materially from any results, levels of activity, performance or achievements expressed or implied by any forward-looking statements.

Any forward-looking statements are qualified in their entirety by reference to the risk factors discussed throughout our most recent Annual Report on Form 10-K and any updates described in our Quarterly Reports on Form 10-Q and Current Reports on Form 8-K as may be amended, supplemented or superseded from time to time by other reports we file with the U.S. Securities and Exchange Commission (the “SEC”). You should read this Quarterly Report on Form 10-Q and the documents that we referenced herein and have filed as exhibits to the reports we file with the SEC, completely and with the understanding that our actual future results may be materially different from what we expect. You should assume that the information appearing in this Quarterly Report on Form 10-Q is accurate as of the date hereof. Because the risk factors in our SEC reports could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made by us or on our behalf, you should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and except as required by law, we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for us to predict which factors will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. We qualify all of the information presented in this Quarterly Report on Form 10-Q, and particularly our forward-looking statements, by these cautionary statements.

ITEM 1. FINANCIAL STATEMENTS

IANTHUS CAPITAL HOLDINGS, INC.
INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands of U.S. dollars or shares)

	June 30, 2025 (Unaudited)	December 31, 2024 (Audited)
Assets		
Cash	\$ 23,463	\$ 18,543
Restricted cash	476	556
Accounts receivable, net of allowance for credit losses of \$579 (December 31, 2024 - \$828)	4,732	5,537
Prepaid expenses	2,362	2,321
Inventories, net	21,781	22,466
Other current assets	5,226	1,643
Assets classified as held for sale	—	23,572
Current Assets	58,040	74,638
Investments	843	863
Property, plant and equipment, net	92,369	87,488
Operating lease right-of-use assets, net	27,895	24,012
Other long-term assets	14,898	5,032
Intangible assets, net	68,135	72,862
Goodwill	6,496	6,148
Total Assets	\$ 268,676	\$ 271,043
Liabilities and Shareholders' (Deficit)		
Accounts payable	\$ 14,483	\$ 12,831
Accrued and other current liabilities	46,264	53,516
Current portion of long-term debt, net of issuance costs	11,211	65
Current portion of operating lease liabilities	7,211	6,534
Liabilities classified as held for sale	—	2,347
Current Liabilities	79,169	75,293
Contingent consideration payable	2,586	3,127
Long-term debt, net of issuance costs	175,899	182,262
Long-term portion of operating lease liabilities	25,004	21,599
Other non-current liabilities	3,683	—
Uncertain tax position liabilities	60,251	54,304
Total Liabilities	\$ 346,592	\$ 336,585
Commitments (Refer to Note 10)		
Shareholders' (Deficit)		
Common shares - no par value. Authorized - unlimited number. 6,735,930 - issued and outstanding (December 31, 2024 - 6,678,395 - issued and outstanding)	—	—
Additional paid-in capital	1,270,932	1,269,738
Accumulated deficit	(1,348,848)	(1,335,280)
Total Shareholders' (Deficit)	(77,916)	(65,542)
Total Liabilities and Shareholders' (Deficit)	\$ 268,676	\$ 271,043

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

IANTHUS CAPITAL HOLDINGS, INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands of U.S. dollars, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues, net of discounts	\$ 35,185	\$ 42,999	\$ 73,306	\$ 84,563
Costs and expenses applicable to revenues (exclusive of depreciation and amortization expense shown separately below)	(19,033)	(22,309)	(38,276)	(46,672)
Gross profit	16,152	20,690	35,030	37,891
Operating expenses				
Selling, general and administrative expenses	15,812	14,905	32,630	30,789
Depreciation and amortization	4,080	5,704	8,299	11,587
Write-downs and other charges, net	1,630	306	1,481	703
Total operating expenses	21,522	20,915	42,410	43,079
Loss from operations	(5,370)	(225)	(7,380)	(5,188)
Interest and other income	(3,930)	2,781	12,644	3,433
Interest expense	(4,071)	(4,241)	(8,283)	(8,393)
Accretion expense	(1,212)	(1,165)	(2,401)	(2,237)
Loss on debt extinguishment	—	—	—	(114)
Losses from changes in fair value of financial instruments	(4)	(16)	(8)	(9)
Loss before income taxes	(14,587)	(2,866)	(5,428)	(12,508)
Income tax expense	4,131	6,923	8,140	11,279
Net loss	\$ (18,718)	\$ (9,789)	\$ (13,568)	\$ (23,787)
Net loss per share - basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Weighted average number of common shares outstanding - basic and diluted	6,748,225	6,510,844	6,746,946	6,542,220

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

IANTHUS CAPITAL HOLDINGS, INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' (DEFICIT)
(In thousands of U.S. dollars or shares)

	Three Months Ended June 30, 2025			Total Shareholders'
	Number of Common Shares ('000)	Additional Paid-in- Capital	Accumulated Deficit	(Deficit)
Balance – March 31, 2025	6,745,694	\$ 1,270,504	\$ (1,330,130)	\$ (59,626)
Share-based compensation	213	544	—	544
Share settlement for taxes paid related to restricted stock units	(9,977)	(116)	—	(116)
Net loss	—	—	(18,718)	(18,718)
Balance – June 30, 2025	6,735,930	\$ 1,270,932	\$ (1,348,848)	\$ (77,916)

	Six Months Ended June 30, 2025			Total Shareholders'
	Number of Common Shares ('000)	Additional Paid-in- Capital	Accumulated Deficit	(Deficit)
Balance – January 1, 2025	6,678,395	\$ 1,269,738	\$ (1,335,280)	\$ (65,542)
Share-based compensation	26,874	1,065	—	1,065
Share settlement for taxes paid related to restricted stock units	(11,006)	(121)	—	(121)
Shares issued for Cheetah Acquisition (Refer to Note 4)	41,667	250	—	250
Net loss	—	—	(13,568)	(13,568)
Balance – June 30, 2025	6,735,930	\$ 1,270,932	\$ (1,348,848)	\$ (77,916)

	Three Months Ended June 30, 2024			Total Shareholders'
	Number of Common Shares ('000)	Additional Paid-in- Capital	Accumulated Deficit	(Deficit)
Balance – March 31, 2024	6,615,002	\$ 1,268,267	\$ (1,341,642)	\$ (73,375)
Share-based compensation	486	726	—	726
Share settlement for taxes paid related to restricted stock units	(162)	(2)	—	(2)
Net loss	—	—	(9,789)	(9,789)
Balance – June 30, 2024	6,615,326	\$ 1,268,991	\$ (1,351,431)	\$ (82,440)

	Six Months Ended June 30, 2024			Total Shareholders'
	Number of Common Shares ('000)	Additional Paid-in- Capital	Accumulated Deficit	(Deficit)
Balance – January 1, 2024	6,510,527	\$ 1,265,978	\$ (1,327,644)	\$ (61,666)
Share-based compensation	25,947	1,160	—	1,160
Shares settlement for taxes paid related to restricted stock units	(2,462)	(48)	—	(48)
Shares issued for legal settlement - (Refer to Note 6)	20,000	320	—	320
Shares issued for 2024 NJ Amendment	61,314	1,581	—	1,581
Net loss	—	—	(23,787)	(23,787)
Balance – June 30, 2024	6,615,326	\$ 1,268,991	\$ (1,351,431)	\$ (82,440)

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

IANTHUS CAPITAL HOLDINGS, INC.
UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands of U.S. dollars)

	Six Months Ended June 30,	
	2025	2024
CASH FLOW FROM OPERATING ACTIVITIES		
Net loss	\$ (13,568)	\$ (23,787)
Adjustments to reconcile net loss to net cash provided by operations:		
Interest income	(536)	(2)
Interest expense	8,283	8,393
Accretion expense	2,401	2,237
Depreciation and amortization	9,309	12,575
Write-downs and other charges, net (Refer to Note 13)	1,481	703
Gains from deconsolidation of subsidiaries	(12,085)	(2,120)
Inventory reserve	(19)	159
Share-based compensation	1,065	1,160
Losses from changes in fair value of financial instruments	8	9
Loss on debt extinguishment	—	114
Loss on equity method investments	12	122
Change in operating assets and liabilities (Refer to Note 13)	9,929	6,328
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	\$ 6,280	\$ 5,891
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(8,388)	(1,670)
Acquisition of other intangible assets	(73)	(62)
Investments in associates	—	(320)
Proceeds from sale of property, plant and equipment	2	2
Cash impact from acquisitions	(425)	—
Proceeds from sale of subsidiaries	15,814	—
Proceeds from notes receivable	885	—
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	\$ 7,815	\$ (2,050)
CASH FLOW FROM FINANCING ACTIVITIES		
Repayments	(9,134)	(27)
Taxes paid related to net share settlement of restricted stock units	(121)	(48)
NET CASH USED IN FINANCING ACTIVITIES	\$ (9,255)	\$ (75)
CASH AND RESTRICTED CASH		
NET INCREASE IN CASH AND RESTRICTED CASH DURING THE PERIOD	4,840	3,766
CASH AND RESTRICTED CASH, BEGINNING OF PERIOD (Refer to Note 13)	19,099	13,175
CASH AND RESTRICTED CASH, END OF PERIOD (Refer to Note 13)	\$ 23,939	\$ 16,941

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

IANTHUS CAPITAL HOLDINGS, INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular U.S. dollar amounts and shares in thousands, unless otherwise stated)

Note 1 – Organization and Description of Business

(a) Description of Business

iAnthus Capital Holdings, Inc. (“ICH”), together with its consolidated subsidiaries (the “Company”) was incorporated under the laws of British Columbia, Canada, on November 15, 2013. The Company is a vertically-integrated multi-state owner and operator of licensed cannabis cultivation, processing and dispensary facilities in the United States. Through the Company’s subsidiaries, licenses, interests and contractual arrangements, the Company has the capacity to operate dispensaries and cultivation/processing facilities, and manufacture and distribute cannabis across the states in which the Company operates in the U.S.

The Company’s registered office is located at 1055 West Georgia Street, Suite 1500, Vancouver, British Columbia, V6E 4N7, Canada. The Company is listed on the Canadian Securities Exchange (the “CSE”) under the ticker symbol “IAN” and, through July 23, 2025, was listed on the OTCQB Tier of the OTC Markets Group Inc. (“OTC”) under the symbol “ITHUF.” Effective as of July 24, 2025, the Company is listed on the OTCID Tier of the OTC under the symbol “ITHUF”.

The Company’s business activities, and the business activities of its subsidiaries, which operate in jurisdictions where the use of marijuana has been legalized under state and local laws, currently are illegal under U.S. federal law. The U.S. Controlled Substances Act classifies marijuana as a Schedule I controlled substance. Any proceeding that may be brought against the Company could have a material adverse effect on the Company’s business plans, financial condition and results of operations.

(b) Basis of Presentation

The accompanying unaudited interim condensed consolidated financial statements (the “financial statements”) have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”) for interim financial information and in accordance with the rules and regulations of the Securities and Exchange Commission (“SEC”). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements and, therefore, certain information, footnotes and disclosures normally included in the annual financial statements, prepared in accordance with U.S. GAAP, have been condensed or omitted in accordance with SEC rules and regulations.

The financial data presented herein should be read in conjunction with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2024, included in the Company’s Annual Report on the Form 10-K filed with the SEC on March 24, 2025. In the opinion of management, the financial data presented includes all adjustments necessary to present fairly the financial position, results of operations and cash flows for the periods presented. These unaudited interim condensed consolidated financial statements include estimates and assumptions of management that affect the amounts reported on the unaudited interim condensed consolidated financial statements. Actual results could differ from these estimates.

The results of operations for the three and six months ended June 30, 2025 are not necessarily indicative of the results to be expected for the entire year ending December 31, 2025, or any other period.

Except as otherwise stated, these unaudited interim condensed consolidated financial statements are presented in U.S. dollars.

(c) Consummation of Recapitalization Transaction

On June 24, 2022 (the “Closing Date”), the Company completed its previously announced recapitalization transaction (the “Recapitalization Transaction”) pursuant to the terms of the Restructuring Support Agreement (the “Restructuring Support Agreement”) dated July 10, 2020, as amended on June 15, 2021, by and among the Company, all of the holders (the “Secured Lenders”) of the 13.0% senior secured convertible debentures (the “Secured Notes”) issued by iAnthus Capital Management, LLC (“ICM”), a wholly-owned subsidiary of the Company, and a majority of the holders (the “Consenting Unsecured Lenders”) of the Company’s 8.0% unsecured convertible debentures (the “Unsecured Debentures”).

IANTHUS CAPITAL HOLDINGS, INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular U.S. dollar amounts and shares in thousands, unless otherwise stated)

In connection with the closing of the Recapitalization Transaction, the Company issued an aggregate of 6,072,580 common shares to the Secured Lenders and the Unsecured Lenders. Specifically, the Company issued 3,036,290 common shares (the “Secured Lender Shares”), or 48.625% of the outstanding common shares of the Company, to the Secured Lenders and 3,036,290 common shares (the “Unsecured Lender Shares” and together with Secured Lender Shares, the “Shares”), or 48.625% of the outstanding common shares of the Company, to the Unsecured Lenders. As of the Closing Date, there were 6,244,298 common shares of the Company issued and outstanding. As of the Closing Date, the then existing holders of the Company’s common shares collectively held 171,718 common shares, or 2.75% of the outstanding common shares of the Company.

As of the Closing Date, the outstanding principal amount of the Secured Notes (including the interim financing secured notes in the aggregate principal amount of approximately \$14.7 million originally due on July 13, 2025) together with interest accrued and fees thereon were forgiven in part and exchanged for (A) the Secured Lender Shares, (B) the issuance of the 8.0% secured debentures (the “June Secured Debentures”) by ICM to the New Secured Lenders (as defined below) in the aggregate principal amount of \$99.7 million and (C) the issuance of the 8.0% unsecured debentures (the “June Unsecured Debentures”) by ICM to the Secured Lenders in the aggregate principal amount of \$5.0 million. Also, as of the Closing Date, the outstanding principal amount of the Unsecured Debentures together with interest accrued and fees thereon were forgiven in part and exchanged for (A) the Unsecured Lender Shares and (B) the June Unsecured Debentures in the aggregate principal amount of \$15.0 million. Furthermore, all existing options and warrants to purchase common shares of the Company, including certain debenture warrants and exchange warrants previously issued to the Secured Lenders, the warrants previously issued in connection with the Unsecured Debentures and all other Affected Equity (as defined in the amended and restated plan of arrangement (the “Plan of Arrangement”), were cancelled and extinguished for no consideration.

(d) Going Concern

These unaudited interim condensed consolidated financial statements have been prepared under the assumption that the Company will be able to continue its operations and will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future. For the three and six months ended June 30, 2025, the Company reported net losses of \$18.7 million and \$13.6 million, respectively. For the six months ended June 30, 2025, the company generated operating cash inflow of \$6.3 million, had a working capital deficiency of \$21.1 million, and an accumulated deficit of \$1,348.8 million.

As part of management's plans to drive sustainable growth, the Company has completed the divestment of certain assets (See Item 2. - Dispositions" covered by this interim report on Form 10-Q for additional information) to optimize its portfolio, strengthen its balance sheet and focus on key markets with the greatest growth potential. The Company plans on redirecting resources obtained from these divestments to its growth initiatives in Florida, Maryland, New Jersey, Massachusetts and New York, while still maintaining a retail presence in Arizona with one dispensary in Mesa, Arizona, as well as reduce its outstanding debt obligations.

The Company believes it may continue to generate positive cash flows from operations in the near future, notwithstanding the foregoing, the substantial losses and working capital deficiency cast substantial doubt on the Company’s ability to continue as a going concern for a period of no less than 12 months from the date of this report. These unaudited interim condensed consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

(e) Basis of Consolidation

The unaudited interim condensed consolidated financial statements include the accounts of ICH together with its consolidated subsidiaries, except for subsidiaries which ICH has identified as variable interest entities where ICH is not the primary beneficiary.

(f) Use of Estimates

The preparation of the unaudited interim condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and judgments that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of unaudited interim condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations regarding future events that are believed to be reasonable under the circumstances. Actual results may differ significantly from these estimates.

IANTHUS CAPITAL HOLDINGS, INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular U.S. dollar amounts and shares in thousands, unless otherwise stated)

Significant estimates made by management include, but are not limited to: economic lives of leased assets; inputs used in the valuation of inventory; allowances for potential credit losses; provisions for inventory obsolescence; impairment assessment of long-lived assets; depreciable lives of property, plant and equipment; useful lives of intangible assets; accruals for contingencies including tax contingencies; valuation allowances for deferred income tax assets; estimates for uncertain tax liabilities; estimates of fair value of identifiable assets and liabilities acquired in business combinations; estimates of fair value of derivative instruments; and estimates of the fair value of stock-based payment awards.

(g) Recently Issued FASB Accounting Standard Updates

In March 2024, the FASB issued ASU 2024-02, Codification Improvements. Public entities must adopt the amendments for annual periods beginning after December 15, 2024. The standard removes outdated glossary references, streamlining Codification content. There were immaterial changes to the Company's financial statements as a result of this amendment.

In November 2024, the FASB issued ASU 2024-03, Income Statement—Reporting Comprehensive Income (Topic 220). Public entities must comply with the amendments for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The update enhances disclosure requirements by requiring detailed breakdowns of material expense categories. The Company is determining the effects of adoption on its financial reporting practices.

In March 2025, the FASB issued ASU 2025-01, Income Statement—Reporting Comprehensive Income—Expense Disaggregation, requiring public business entities to disaggregate certain expense categories in the income statement or notes. The amendments are effective for annual periods beginning after December 15, 2026, and the Company is evaluating the impact of adoption.

The Company does not believe any other recently issued, but not yet effective, accounting standards will have a material effect on these condensed consolidated financial statements.

(h) Change in Accounting Estimate

Upon adoption of Accounting Standards Codification ("ASC") Topic 330 "Inventory", the Company elected to follow an accounting policy related to inventory to be valued at the lower of cost, determined on a weighted average cost basis, and net realizable value.

Effective January 1, 2025, the Company will estimate the value of its inventory under standard costing which approximates weighted average cost. It is noted that inventory will continue to be carried at the lesser of cost and net realizable value and that both approaches continue to use full absorption costing to allocate all direct and indirect overhead into the valuation inventory. However, using predetermined standard costs offers consistency and accuracy in inventory valuation and offers better analysis of variances between standard and actual costs. The predetermined costs are reviewed and updated on a periodic basis to determine whether variances reflect part of the normal cost of production, and should therefore be reflected as inventory value, or whether they are a period cost and should thus not be included in inventory.

The Company accounted for this change as a change in accounting estimate and, accordingly, applied it on a prospective basis. This change in estimate did not have any material impact on the Company's unaudited interim condensed consolidated statements of operations for the six months ended June 30, 2025. The Company expects this change in accounting estimate to remain immaterial in future periods.

IANTHUS CAPITAL HOLDINGS, INC.
NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Tabular U.S. dollar amounts and shares in thousands, unless otherwise stated)

Note 2 – Leases

The Company mainly leases office space and cannabis cultivation, processing and retail dispensary space. Leases with an initial term of less than 12 months are not recorded on the unaudited interim condensed consolidated balance sheets. The Company recognizes operating lease right-of-use assets and operating lease liabilities based on the present value of future minimum lease payments over the lease term at commencement date and lease expense for these leases on a straight-line basis over the lease term. Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to five years or more. The Company has determined that it was reasonably certain that the renewal options on the majority of its cannabis cultivation, processing and retail dispensary space would be exercised based on operating history and knowledge, current understanding of future business needs and the level of investment in leasehold improvements, among other considerations. The incremental borrowing rate used in the calculation of the lease liability is based on the rate available to the parent company. The depreciable life of assets and leasehold improvements are limited by the expected lease term. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants. Certain subsidiaries of the Company rent or sublease certain office space to/from other subsidiaries of the Company. These intercompany subleases are eliminated on consolidation and have lease terms ranging from less than one year to 15 years.

Maturities of lease liabilities for operating leases as of June 30, 2025, were as follows:

	Operating Leases
2026	\$ 7,211
2027	6,915
2028	6,828
2029	6,792
2030	6,420
Thereafter	39,268
Total lease payments	\$ 73,434
Less: interest expense	(41,219)
Present value of lease liabilities	\$ 32,215
Weighted-average remaining lease term (years)	10.6
Weighted-average discount rate	18%

For the three and six months ended June 30, 2025, the Company recorded operating lease expenses of \$1.9 million and \$3.8 million, respectively (June 30, 2024 – \$2.0 million and \$4.2 million, respectively), which are included in costs and expenses applicable to revenues and selling, general and administrative expenses on the unaudited interim condensed consolidated statements of operations.

The Company has entered into multiple sublease agreements pursuant to which it serves as lessor to the sublessees. The gross rental income and underlying lease expense are presented gross on the Company's unaudited interim condensed consolidated statements of operations. For the three and six months ended June 30, 2025, the Company recorded sublease income of \$0.2 million and \$0.5 million, respectively (June 30, 2024 – \$0.2 million and \$0.4 million, respectively), which is included in interest and other income on the unaudited interim condensed consolidated statements of operations.

Operating cash flows from operating leases for the three and six months ended June 30, 2025 was \$1.8 million and \$3.4 million, respectively (June 30, 2024 - \$1.9 million and \$3.8 million, respectively).

Supplemental balance sheet information related to leases are as follows:

Balance Sheet Information	Classification	June 30, 2025	December 31, 2024
Operating lease right-of-use assets, net	Operating leases	\$ 27,895	\$ 24,012
Lease liabilities			
Current portion of operating lease liabilities	Operating leases	\$ 7,211	\$ 6,534
Long-term portion of operating lease liabilities	Operating leases	25,004	21,599
Total		\$ 32,215	\$ 28,133

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Note 3 - Inventories, net

Inventories are comprised of the following items:

	June 30, 2025	December 31, 2024
Supplies	\$ 7,131	\$ 4,134
Raw materials	2,628	3,815
Work in process	3,792	5,194
Finished goods	8,458	9,570
Inventory reserve	(228)	(247)
Total	\$ 21,781	\$ 22,466

Inventories are written down for any obsolescence or when the net realizable value considering future events and conditions is less than the carrying value. For the three and six months ended June 30, 2025 and 2024, the Company recorded no spoiled inventory as costs and expenses applicable to revenues on the unaudited interim condensed consolidated statements of operations.

The Company had implemented a change in accounting estimate with respect to the valuation of inventory. Refer to Note 1(h) for further details.

Note 4 - Acquisitions***Cheetah Acquisition***

On December 30, 2024, the Company entered into an Asset Purchase Agreement (the "Cheetah Purchase Agreement") with Cheetah Enterprises, Inc. (the "Cheetah Seller"), pursuant to which, the Company acquired substantially all the assets related to the Cheetah Seller's wholesale business, including the manufacture, marketing, and sale of cannabis distillate vaporize products in the states of Illinois and Pennsylvania under the "Cheetah" brand (the "Brand"), but excluding certain excluded assets (the "Cheetah Purchased Assets") together with certain assumed liabilities related to the Cheetah Purchased Assets (the "Cheetah Acquisition"). The purchase price (the "Purchase Price") for the Cheetah Purchased Assets was approximately \$3.5 million, and included (i) common shares at an aggregate deemed value of approximately \$1.5 million, which the Company recorded at a fair value on acquisition of \$1.2 million, to be issued in three (3) tranches; (ii) upon the completion of certain performance benchmarks (if the Brand does not meet the performance benchmark by the payment date, such payment date will be delayed until the later of (x) thirty (30) days or (y) until such time the Brand achieves the applicable performance benchmark; provided, the full cash consideration shall not be delayed more than twenty-four (24) months after closing); and (iii) additional consideration based on EBITDA generated by the Brand (the "Earn-Out") over the next three years which is payable annually in cash, with the final payment due on or before April 1, 2028.

The Company determined that the Cheetah Acquisition was a business combination under ASC 805 whereby the total consideration was recorded by allocating the purchase consideration to the net assets and liabilities acquired based on their estimated fair values at the acquisition date. The Company is still in the process of finalizing the valuation of the intangible assets acquired from the Cheetah Acquisition. Once finalized, the excess of the purchase consideration for the Cheetah Acquisition over the fair value of the net assets acquired will be recorded to goodwill.

The following table summarizes the preliminary allocation of the purchase consideration to the assets acquired and liabilities assumed for the Cheetah Acquisition as of June 30, 2025:

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Consideration:

Cash consideration - paid	\$	1,100
Cash consideration - accrued		1,000
Common stock - issued		250
Common stock - issuable		1,000
Additional earn-out consideration		3,291
Fair value of consideration	\$	6,641

Estimated fair values of net assets acquired and liabilities assumed:

Cash	\$	45
Receivables and prepaid assets		340
Inventory		106
Operating lease right-of-use assets, net		42
Accounts payable		(301)
Accrued and other current liabilities		(87)
Net assets acquired	\$	145
Goodwill and intangible assets	\$	6,496

During the six months ended June 30, 2025, preliminary acquisition date values compared to the preliminary values recorded at acquisition date changed as follows:

	Preliminary allocation at acquisition		Adjustments		As adjusted
Cash consideration - paid	\$ 675	\$	425	\$	1,100
Cash consideration - accrued	1,325		(325)		1,000
Common stock - issued	—		250		250
Common stock - issuable	1,167		(167)		1,000
Additional earn-out consideration	3,127		164		3,291
Goodwill and intangible assets	6,148		348		6,496

Total purchase consideration includes additional Earn-Out that had a fair value of \$3.1 million as of the acquisition date. The acquisition date fair value of the Earn-Out was determined based on the Company's assessment of the probability of achieving the performance targets that ultimately obligate the Company to transfer additional consideration to the seller. The Earn-Out is comprised of certain EBITDA targets to be achieved by the Brand and is paid annually in cash, commencing April 1, 2026 for the preceding fiscal year. Any remeasurement of the Earn-Out during the finalization of the Purchase Price allocation will be included in the determination of goodwill recognized from the Cheetah Acquisition. Subsequent to finalizing the Purchase Price allocation, the fair value of the Earn-Out will be remeasured at the end of each reporting period with any gains or losses recognized in selling, general, and administrative expenses within the unaudited interim condensed consolidated statement of operations. Refer to Note 9 for further discussion on contingent consideration.

Acquisition-related costs are recorded within selling, general and administrative expenses on the unaudited interim condensed consolidated statement of operations. The Company recorded no acquisition-related costs during the six months ended June 30, 2025 and 2024.

Pro forma financial information is not disclosed as the results are not material to the Company's consolidated financial statements.

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Note 5 - Long-Term Debt

The following table summarizes long term debt outstanding as of June 30, 2025:

	Secured Notes	June Secured Debentures	Additional Secured Debentures	June Unsecured Debentures	Other	Total
As of January 1, 2025	\$ 14,968	\$ 114,298	\$ 30,615	\$ 21,750	\$ 696	\$ 182,327
Paid-in-kind interest	—	4,963	1,244	995	—	7,202
Accretion of balance	367	1,518	—	516	—	2,401
Debt extinguishment	—	—	—	—	(686)	(686)
Debt repayment	(4,124)	—	—	—	(10)	(4,134)
As of June 30, 2025	\$ 11,211	\$ 120,779	\$ 31,859	\$ 23,261	\$ —	\$ 187,110

As of June 30, 2025, the total and unamortized debt discount costs were \$21.9 million and \$9.0 million, respectively (December 31, 2024— \$21.9 million and \$11.4 million, respectively).

As of June 30, 2025, total interest paid on long-term debt was \$0.9 million (December 31, 2024 - \$1.5 million).

iAnthus New Jersey, LLC Senior Secured Bridge Notes

On February 2, 2021, iAnthus New Jersey, LLC ("INJ") issued an aggregate of \$11.0 million of senior secured bridge notes("Senior Secured Bridge Notes") which initially matured on the earlier of (i) February 2, 2023, (ii) the date on which the Company closes a Qualified Financing (as defined below) and (iii) such earlier date that the principal amount may become due and payable pursuant to the terms of such notes. The Senior Secured Bridge Notes initially accrued interest at a rate of 14.0% per annum, decreasing to 8.0% upon the closing of the Recapitalization Transaction (increasing to 25.0% per annum in the event of default). "Qualified Financing" means a transaction or series of related transactions resulting in net proceeds to the ICH of not less than \$10 million from the subscription of the ICH's securities, including, but not limited to, a private placement or rights offering.

On February 2, 2023, ICH and INJ entered into an amendment (the "Amendment") to the Senior Secured Bridge Notes with all of the holders of the Senior Secured Bridge Notes. Pursuant to the Amendment, the maturity date of the Senior Secured Bridge Notes was extended until February 2, 2024, the interest on the principal amount outstanding was increased to a rate of 12.0% per annum, and an amendment fee equal to 10.0% of the principal amount outstanding of the Senior Secured Bridge Notes as of February 2, 2023 or \$1.4 million in the aggregate, was added to such notes such that it will become due and payable on the extended maturity date.

On February 2, 2024, in order to facilitate the 2024 NJ Amendment (as defined below), the parties agreed to a short-term extension of the maturity date from February 2, 2024 to February 16, 2024. On February 16, 2024, ICH and INJ entered into another amendment (the "2024 NJ Amendment") to the Senior Secured Bridge Notes. Pursuant to the 2024 NJ Amendment, the maturity date of the Senior Secured Bridge Notes was extended from February 16, 2024 to February 16, 2026 and the interest rate of the Senior Secured Bridge Notes remained at 12% per annum, but the interest accruing after February 16, 2024 will be payable in quarterly cash payments (the first interest payment being on May 16, 2024). In addition, the 2024 NJ Amendment provides for an amendment fee equal to 10% of the principal amount of the Senior Secured Bridge Notes as of the date of the 2024 NJ Amendment, or \$1.6 million in the aggregate, which is satisfied through the issuance of ICH's common shares at a price per share equal to the volume-weighted average trading price of ICH's common shares on the CSE for the twenty (20) consecutive trading days immediately prior to the date of the 2024 NJ Amendment. Lastly, ICH and INJ agreed to utilize twenty-five percent (25%) of Non-Operational Receipts in excess of \$5.0 million to make payments towards the principal amount outstanding under the Senior Secured Bridge Notes, without penalty. For purposes of the 2024 NJ Amendment, "Non-Operational Cash Receipts" means cash ICH received which is not derived from the sale of cannabis products in the ordinary course of business of ICH, whether through retail, wholesale or otherwise. As of June 30, 2025, a total amount of \$4.1 million (December 31, 2024 - \$Nil) has been paid from Non-Operational Receipts.

In accordance with debt extinguishment accounting guidance outlined in ASC 470 "Debt", the terms of the Senior Secured Bridge Notes were materially modified pursuant to both the Amendment and 2024 NJ Amendment and as such, for the three and six months ended June 30, 2025 the Company recorded a loss on debt extinguishment of \$Nil and \$Nil, respectively (June 30, 2024 - \$Nil and \$0.1 million, respectively), on the unaudited interim condensed consolidated statements of operations.

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The amended host debt, classified as a liability using the guidance of ASC 470, was recognized at the carrying value of \$14.3 million.

For the three and six months ended June 30, 2025, interest expense of \$0.4 million and \$0.8 million, respectively (June 30, 2024 - \$0.4 million and \$0.9 million, respectively), and accretion expense of \$0.2 million and \$0.4 million, respectively (June 30, 2024 - 0.2 million and less than \$0.3 million, respectively), were recorded on the unaudited interim condensed consolidated statements of operations.

The Senior Secured Bridge Notes are secured by a security interest in certain assets of INJ. ICH provided a guarantee in respect of all of the obligations of INJ under the Senior Secured Bridge Notes, and the Company is in compliance with the terms of the Senior Secured Bridge Notes as of June 30, 2025. The Senior Secured Bridge Notes mature on February 16, 2026 and are classified as current portion of long-term debt, net of issuance costs on the unaudited interim condensed consolidated balance sheets.

Certain of the Secured Lenders, including Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., Oasis Investments II Master Fund LTD., Senvest Global (KY), LP, Senvest Master Fund, LP and Hadron Healthcare and Consumer Special Opportunities Master Fund, held greater than 5.0% of the outstanding common shares of the Company upon closing of the Recapitalization Transaction. As principal owners of the Company, these lenders are considered to be related parties.

(a) June Secured Debentures

On June 24, 2022 in connection with the closing of the Recapitalization Transaction, the Company entered into the Secured Debenture Purchase Agreement (the "Secured DPA"), between ICM, the other Credit Parties (as defined in the Secured DPA), the Collateral Agent, and the lenders party thereto (the "New Secured Lenders") pursuant to which ICM issued the June Secured Debentures in the aggregate principal amount of \$99.7 million which accrue interest at the rate of 8.0% per annum increasing to 11.0% per annum upon the occurrence of an Event of Default (as defined in the Secured DPA), with a maturity date of June 24, 2027. The June Secured Debentures may be prepaid on a pro rata basis from and after the third anniversary of the Closing Date of the Recapitalization Transaction upon prior written notice to the New Secured Lenders without premium or penalty.

The host debt, classified as a liability using the guidance of ASC 470, was recognized at the carrying value of \$84.5 million.

Interest is to be paid in kind by adding the interest accrued on the principal amount on the last day of each fiscal quarter (the first such interest payment date being June 30, 2022) and such amount thereafter becoming part of the principal amount, which will accrue additional interest. Interest paid in kind will be payable on the date when all of the principal amount is due and payable.

For the three and six months ended June 30, 2025, interest expense of \$2.6 million and \$5.0 million, respectively (June 30, 2024 - \$2.3 million and \$4.6 million, respectively), and accretion expense of \$0.7 million and \$1.5 million, respectively (June 30, 2024 - \$0.8 million and \$1.5 million, respectively), were recorded on the unaudited interim condensed consolidated statements of operations.

The terms of the Secured DPA impose certain restrictions on the Company's operating and financing activities, including certain restrictions on the Company's ability to: incur certain additional indebtedness; grant liens; make certain dividends and other payment restrictions affecting the Company's subsidiaries; issue shares or convertible securities; and sell certain assets. The June Secured Debentures are secured by all current and future assets of the Company and ICM. The terms of the Secured DPAs do not have any financial covenants or market value test and ICM is in compliance with the terms of the June Secured Debentures as of June 30, 2025. The June Secured Debentures are classified as long-term debt, net of issuance costs on the unaudited interim condensed consolidated balance sheets.

Certain of the New Secured Lenders that hold the June Secured Debentures, including Gotham Green Fund 1, L.P., Gotham Green Fund 1 (Q), L.P., Gotham Green Fund II, L.P., Gotham Green Fund II (Q), Gotham Green Credit Partners SPV 1, L.P., Gotham Green Partners SPV V, L.P., L.P., and Parallax Master Fund, LP, held greater than 5.0% of the outstanding common shares of the Company upon the closing of the Recapitalization Transaction. As principal owners of the Company, certain of the New Secured Lenders are considered to be related parties.

(b) June Unsecured Debentures

On June 24, 2022 in connection with the closing of the Recapitalization Transaction, the Company entered into the Unsecured Debenture Purchase Agreement (the "Unsecured DPA"), pursuant to which ICM issued June Unsecured Debentures in the aggregate

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principal amount of \$20.0 million which accrue interest at the rate of 8.0% per annum increasing to 11.0% per annum upon the occurrence of an Event of Default (as defined in the Unsecured DPA), with a maturity date of June 24, 2027. The June Unsecured Debentures may be prepaid on a pro rata basis from and after the third anniversary of the Closing Date of the Recapitalization Transaction upon prior written notice to the Unsecured Lender without premium or penalty.

The host debt, classified as a liability using the guidance of ASC 470, was recognized at the carrying value of \$14.9 million.

Interest is to be paid in kind by adding the interest accrued on the principal amount on the last day of each fiscal quarter (the first such interest payment date being June 30, 2022) and such amount thereafter becoming part of the principal amount, which will accrue additional interest. Interest paid in kind will be payable on the date when all of the principal amount is due and payable.

For the three and six months ended June 30, 2025, interest expense of \$0.5 million and \$1.0 million, respectively (June 30, 2024 - \$0.4 million and \$0.9 million, respectively), and accretion expense of \$0.2 million and \$0.5 million, respectively (June 30, 2024 - \$0.3 million and \$0.5 million, respectively), were recorded on the unaudited interim condensed consolidated statements of operations.

The terms of the Unsecured DPA impose certain restrictions on the Company's operating and financing activities, including certain restrictions on the Company's ability to: incur certain additional indebtedness; grant liens; make certain dividends and other payment restrictions affecting the Company's subsidiaries; issue shares or convertible securities; and sell certain assets. The terms of the Unsecured DPA do not have any financial covenants or market value test, and ICM is in compliance with the terms of the June Unsecured Debentures as of June 30, 2025. The June Unsecured Debentures are classified as long-term debt, net of issuance costs on the unaudited interim condensed consolidated balance sheets.

Certain of the Secured Lenders and Consenting Unsecured Lenders, including Gotham Green Fund I, L.P., Gotham Green Fund I (Q), L.P., Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., Gotham Green Credit Partners SPV 1, L.P., Gotham Green Partners SPV V, L.P., Oasis Investments II Master Fund LTD., Senvest Global (KY), LP, Senvest Master Fund, LP, Parallax Master Fund, L.P. and Hadron Healthcare and Consumer Special Opportunities Master Fund, held greater than 5.0% of the outstanding common shares of the Company upon the closing of the Recapitalization Transaction. As principal owners of the Company, certain of the Consenting Unsecured Lenders are considered to be related parties.

(c) Additional Secured Debentures

Pursuant to the terms of the Secured DPA, ICM issued an additional \$25.0 million of June Secured Debentures (the "Additional Secured Debentures") on June 24, 2022 which accrue interest at the rate of 8.0% per annum increasing to 11.0% per annum upon the occurrence of an Event of Default (as defined in the Secured DPA), with a maturity date of June 24, 2027.

The host debt, classified as a liability using the guidance of ASC 470, was recognized at the carrying value of \$25.0 million.

Interest is to be paid in kind by adding the interest accrued on the principal amount on the last day of each fiscal quarter (the first such interest payment date being June 30, 2022) and such amount thereafter becoming part of the principal amount, which will accrue additional interest. Interest paid in kind will be payable on the date when all of the principal amount is due and payable.

For the three and six months ended June 30, 2025, interest expense of \$0.6 million and \$1.2 million, respectively (June 30, 2024 — \$0.6 million and \$1.2 million, respectively), was recorded on the unaudited interim condensed consolidated statements of operations.

The terms of the Secured DPA impose certain restrictions on the Company's operating and financing activities, including certain restrictions on the Company's ability to: incur certain additional indebtedness; grant liens; make certain dividends and other payment restrictions affecting the Company's subsidiaries; issue shares or convertible securities; and sell certain assets. The Additional Secured Debentures are secured by all current and future assets of the Company and ICM. The terms of the Secured DPAs do not have any financial covenants or market value test, and ICM is in compliance with the terms of the Additional Secured Debentures as of June 30, 2025. The Additional Secured Debentures are classified as long-term debt, net of issuance costs on the unaudited interim condensed consolidated balance sheets.

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Certain of the New Secured Lenders that hold Additional Secured Debentures, including Gotham Green Fund 1, L.P., Gotham Green Fund 1 (Q), L.P., Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., Oasis Investments II Master Fund LTD., Senvest Global (KY), LP, Senvest Master Fund, LP and Hadron Healthcare and Consumer Special Opportunities Master Fund, held greater than 5.0% of the outstanding common shares of the Company upon the closing of the Recapitalization Transaction. As principal owners of the Company, certain of the New Secured Lenders are considered to be related parties.

Note 6 - Share Capital

(a) Share Capital

Authorized: Unlimited common shares. The shares have no par value.

The Company's common shares are voting and dividend-paying. The following is a summary of the common share issuances for the six months ended June 30, 2025:

- On January 9, 2025, the Company issued common shares totaling 41,667 with respect to the Cheetah Acquisition (Refer to Note 4).
- On January 14, 2025, the Company issued 26,661 common shares for vested restricted stock units ("RSUs"). The Company withheld 1,029 common shares to satisfy employees' tax obligations of less than \$0.1 million.
- On April 1, 2025, the Company issued 213 common shares for vested RSUs. The Company withheld 67 common shares to satisfy employees' tax obligations of less than \$0.1 million.
- On April 23, 2025, the Company withheld 9,910 common shares for RSUs to satisfy employees' tax obligations of \$0.1 million.

The following is a summary of the common share issuances for the six months ended June 30, 2024:

- On January 2, 2024, the Company issued common shares totaling 20,000 for the Hi-Med Settlement Agreement (Refer to Note 11).
- On January 5, 2024, the Company issued 23,461 common shares for vested RSUs. The Company withheld 2,300 common shares to satisfy employees' tax obligations of less than \$0.1 million.
- On February 2, 2024, the Company issued common shares totaling 2,000 for vested RSUs.
- On February 27, 2024, the Company issued 61,314 common shares to the holders of the Senior Secured Bridge Notes to satisfy the amendment fee pertaining to the 2024 NJ Amendment.
- On April 24, 2024, the Company issued common shares totaling 486 for vested RSUs. The Company withheld 162 common shares to satisfy employees' tax obligations of less than \$0.1 million.

(b) Potentially Dilutive Securities

The following table summarizes potentially dilutive securities, and the resulting common share equivalents outstanding as of June 30, 2025 and December 31, 2024:

	June 30, 2025	December 31, 2024
Common share options	7,877	7,877
Restricted stock units	304,337	325,539
Total	312,214	333,416

(c) Equity Incentive Plans

On December 31, 2021, the Board approved the Company's Amended and Restated Omnibus Incentive Plan (the "Omnibus Incentive Plan") dated October 15, 2018, whereas, the Company may award stock options or RSUs (the "Awards") to board members, officers, employees or consultants of the Company. The Omnibus Incentive Plan authorizes the issuance of up to 20% of the number of outstanding shares of common stock of the Company.

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Awards generally vest over a three year period and the estimated fair value of the Awards at issuance is recognized as compensation expense over the related vesting period.

Stock Options

The Company's stock options are currently held by two former officers of the Company which have fully vested on July 10, 2023. Share-based compensation expense is presented within selling, general and administrative expenses on the unaudited interim condensed consolidated statements of operations. The Company recorded no share-based compensation expense related to stock options for the six months ended June 30, 2025 and 2024.

The following table summarizes certain information in respect of option activity during the period:

	Six Months Ended June 30, 2025			Year Ended December 31, 2024		
	Units	Weighted Average Exercise Price	Weighted Average Contractual Life	Units	Weighted Average Exercise Price	Weighted Average Contractual Life
Options outstanding, beginning	7,877	\$ 0.05	5.53	7,877	\$ 0.05	6.78
Granted	—	—	—	—	—	—
Cancellations	—	—	—	—	—	—
Forfeitures	—	—	—	—	—	—
Expirations	—	—	—	—	—	—
Options outstanding, ending ⁽¹⁾	<u>7,877</u>	<u>\$ 0.05</u>	<u>5.28</u>	<u>7,877</u>	<u>\$ 0.05</u>	<u>5.53</u>

⁽¹⁾As of June 30, 2025, 7,877 of the stock options outstanding were exercisable (December 31, 2024 - 7,877).

The Company used the Black-Scholes option pricing model to estimate the fair value of the options at the grant date using the following assumptions:

The expected volatility was estimated by using the historical volatility of the Company. The expected life in years represents the period of time that options granted are expected to be outstanding. In accordance with SAB Topic 14, the Company uses the simplified method for estimating the expected term. The Company believes the use of the simplified method is appropriate due to the employee stock options qualifying as “plain-vanilla” options under the criteria established by SAB Topic 14. The risk-free rate was based on the United States bond yield rate at the time of grant of the award. Expected annual rate of dividends is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

There was no stock option activity for the three and six months ended June 30, 2025 and the year ended December 31, 2024.

Restricted Stock Units

On December 31, 2021, the Board approved a long-term incentive program, pursuant to which, on July 26, 2022, the Company issued certain employees of the Company and its subsidiaries, RSUs, under the Omnibus Incentive Plan. RSUs represent a right to receive a single common share that is both non-transferable and forfeitable until certain conditions are satisfied.

On December 31, 2021 and June 23, 2022, the Board approved the allocation of 363,921 and 26,881 RSUs, respectively, to Board members, directors, officers, and key employees of the Company. The RSUs granted by the Company vest upon the satisfaction of both a service-based condition of three years and a liquidity condition, the latter of which was not satisfied until the closing of the Recapitalization Transaction. As the liquidity condition was not satisfied until the closing of the Recapitalization Transaction, in prior periods, the Company had not recorded any expense related to the grant of RSUs. Share-based compensation expense in relation to the RSUs is recognized using the graded vesting method, in which compensation costs for each vesting tranche is recognized ratably from the service inception date to the vesting date for that tranche. The fair value of the RSUs is determined using the Company's closing stock price on the grant date.

Certain RSU recipients were also holders of the Original Awards, which were cancelled upon closing the Recapitalization Transaction. The RSUs granted to these employees have been treated as replacement awards (the “Replacement RSUs”) and are accounted for as a modification to the Original Awards. As the fair value of the Original Awards was \$Nil on the modification dates,

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the incremental compensation cost recognized is equal to the fair value of the Replacement RSUs on the modification date, which shall be recognized over the remaining requisite service period. Periodically, the Board awards RSUs to its members and officers. The most recent issuance was on April 25, 2025, where 5,672 RSUs were issued to four officers. The RSUs vest over a period of one to three years. The fair value of RSUs is determined on the grant date and is amortized over the vesting period on a straight-line basis.

During the three and six months ended June 30, 2025, the Company recognized \$0.6 million and \$1.1 million, respectively of share-based compensation expense associated with the RSUs (June 30, 2024—\$0.7 million and \$1.2 million, respectively). Share-based compensation expense is presented in selling, general and administrative expenses on the unaudited interim condensed consolidated statements of operations.

As of June 30, 2025, there was approximately \$1.8 million of total unrecognized compensation cost related to unvested RSUs which is expected to be recognized over a weighted-average service period of 1.03 years.

The following table summarizes certain information in respect of RSU activity during the period:

	Six Months Ended June 30, 2025		Year Ended December 31, 2024	
	Units	Weighted Average Grant Price	Units	Weighted Average Grant Price
Unvested balance, beginning	298,877	\$ 0.01	315,668	\$ 0.02
Granted	5,672	0.01	144,500	0.01
Vested	(4,945)	0.02	(126,957)	0.02
Forfeited	—	—	(34,334)	0.02
Unvested balance, ending	<u>299,604</u>	<u>\$ 0.01</u>	<u>298,877</u>	<u>\$ 0.01</u>

Note 7 - Income Taxes

The following table summarizes the Company's income tax expense and effective tax rates for the three and six months ended June 30, 2025 and 2024:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Loss before income taxes	\$ (14,587)	\$ (2,866)	\$ (5,428)	\$ (12,508)
Income tax expense	4,131	6,923	8,140	11,279
Effective tax rate	<u>-28.3%</u>	<u>-241.5%</u>	<u>-150.0%</u>	<u>-90.2%</u>

The Company's effective tax rate differs from the federal statutory rate of 21.0% primarily due to its reserve for uncertain tax positions based on the legal interpretations of IRC Section 280E, and to a lesser extent, certain state income taxes and certain non-deductible items.

The Company recognizes the effect of income tax positions only when it is more likely than not of being sustainable. The taxes are recorded in accordance with ASC 740-10, *Accounting for Uncertainty in Income Taxes*. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. It is reasonable that the existing liabilities for the unrecognized tax benefits may increase or decrease over the next 12 months as a result of assessments, examinations and statute expirations; however, the ultimate timing of the resolution of these items is highly uncertain.

As of June 30, 2025, the Company has \$60.3 million of reserves for unrecognized tax positions included as part of long-term liabilities, that, if recognized, would impact the effective tax rate. The reserves were established primarily due to the legal interpretations that challenge the Company's tax liability under IRC Section 280E. The Company has applied the legal interpretation of IRC Section 280E to certain amended returns filed during this fiscal year for the tax years ending December 31, 2020, 2021 and 2022, as well as to future tax filings. The Company had unrecognized tax benefits of \$5.9 million for the six months ended June 30, 2025 (June 30, 2024 - \$20.1 million). The Company records interest and penalties related to unrecognized tax benefits within the provision for income taxes.

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The Internal Revenue Service filed Notices of Federal Tax Liens against certain subsidiaries of the Company in the aggregate amount of approximately \$14.6 million and \$25.0 million for the years ended December 31, 2020 and 2021, respectively. The Company is actively working to resolve these matters with the Internal Revenue Service.

Note 8 - Segment Information

The below table presents results by segment for the three and six months ended June 30, 2025 and 2024:

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Reportable Segments

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues, net of discounts				
Eastern Region ⁽¹⁾	\$ 33,230	\$ 32,363	\$ 66,572	\$ 62,589
Western Region ⁽²⁾	1,955	10,636	6,734	21,974
Total	\$ 35,185	\$ 42,999	\$ 73,306	\$ 84,563
Gross profit				
Eastern Region	\$ 15,227	\$ 16,269	\$ 32,131	\$ 29,625
Western Region	925	4,421	2,899	8,266
Total	\$ 16,152	\$ 20,690	\$ 35,030	\$ 37,891
Operating expenses:				
Selling, general and administrative expenses				
Eastern Region	9,979	8,274	19,939	17,071
Western Region	698	2,316	2,106	4,617
Other	5,135	4,315	10,585	9,101
Total	15,812	14,905	32,630	30,789
Depreciation and amortization				
Eastern Region	\$ 3,420	\$ 3,831	\$ 6,986	\$ 7,838
Western Region	541	1,759	1,081	3,517
Other	119	114	232	232
Total	\$ 4,080	\$ 5,704	\$ 8,299	\$ 11,587
Write-downs and other charges, net				
Eastern Region	1,494	102	1,308	118
Western Region	—	204	—	265
Other	136	—	173	320
Total	\$ 1,630	\$ 306	\$ 1,481	\$ 703
Income (loss) from operations				
Eastern Region	335	4,062	3,898	4,599
Western Region	(314)	143	(288)	(133)
Other	(5,391)	(4,430)	(10,990)	(9,654)
Total	\$ (5,370)	\$ (225)	\$ (7,380)	\$ (5,188)
Other income (expenses), net:				
Eastern Region	\$ 108	\$ (1,046)	\$ 4,489	\$ (508)
Western Region	396	(3,423)	28,682	(3,698)
Other	(9,721)	1,827	(31,219)	(3,113)
Total	\$ (9,217)	\$ (2,642)	\$ 1,952	\$ (7,319)
Income tax (benefit) expense				
Eastern Region	\$ 1,172	\$ 8,247	\$ 2,679	\$ 9,577
Western Region	343	1,267	630	1,667
Other	2,616	(2,591)	4,831	35
Total	\$ 4,131	\$ 6,923	\$ 8,140	\$ 11,279
Net income (loss)				
Eastern Region	\$ (1,140)	\$ (4,504)	\$ 5,020	\$ (5,485)
Western Region	(261)	(4,864)	27,764	(5,499)
Other	(17,317)	(421)	(46,352)	(12,803)
Total	\$ (18,718)	\$ (9,789)	\$ (13,568)	\$ (23,787)

(1) Eastern region includes revenue from the sale of our new Cheetah brand of products in Illinois and Pennsylvania.

(2) Western region no longer includes Nevada operations, as results were deconsolidated as of June 24, 2024.

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Supplemental segment disclosures:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Purchase of property, plant and equipment				
Eastern Region	\$ 3,614	\$ 680	\$ 8,132	\$ 1,512
Western Region	(6)	83	—	122
Other	4	29	256	36
Total	\$ 3,612	\$ 792	\$ 8,388	\$ 1,670
Purchase of other intangible assets				
Eastern Region	\$ —	\$ —	\$ —	\$ —
Western Region	—	—	—	—
Other	(52)	46	73	62
Total	\$ (52)	\$ 46	\$ 73	\$ 62

	As of June 30, 2025	As of December 31, 2024
Assets		
Eastern Region	\$ 222,028	\$ 212,007
Western Region	22,140	40,124
Other	24,508	18,912
Total	\$ 268,676	\$ 271,043

Major Customers

Major customers are defined as customers that each individually account for greater than 10.0% of the Company's annual revenues. For the three and six months ended June 30, 2025 and 2024, no sales were made to any one customer that represented in excess of 10.0% of the Company's total revenues.

Geographic Information

As of June 30, 2025 and 2024, substantially all of the Company's assets were located in the United States and all of the Company's revenues were earned in the United States.

Disaggregated Revenues

The Company disaggregates revenues into categories that depict how the nature, amount, timing and uncertainty of the revenues and cash flows are affected by economic factors. For the three and six months ended June 30, 2025 and 2024, the Company disaggregated its revenues as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues, net of discounts				
iAnthus branded products	\$ 16,447	\$ 21,414	\$ 33,961	\$ 42,616
Third party branded products	12,230	17,412	28,021	33,280
Wholesale/bulk/other products	6,508	4,173	11,324	8,667
Total	\$ 35,185	\$ 42,999	\$ 73,306	\$ 84,563

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Note 9 — Financial Instruments

Fair values have been determined for measurement and/or disclosure purposes based on the following methods. The Company characterizes inputs used in determining fair value using a hierarchy that prioritizes inputs depending on the degree to which they are observable. The levels of the fair value hierarchy are as follows:

- Level 1 – fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- Level 3 – fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The carrying values of cash, receivables, payables and accrued liabilities approximate their fair values because of the short-term nature of these financial instruments. Balances due to and due from related parties have no terms and are payable on demand, thus are also considered current and short-term in nature, hence carrying value approximates fair value.

The component of the Company's long-term debt attributed to the host liability is recorded at amortized cost. Investments in debt instruments that are held to maturity are also recorded at amortized cost.

The following table summarizes the fair value hierarchy for the Company's financial assets and financial liabilities that are re-measured at their fair values periodically:

	As of June 30, 2025				As of December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets								
Long term investments	\$ 2	\$ —	\$ 841	\$ 843	\$ 10	\$ —	\$ 853	\$ 863
Financial liabilities								
Contingent consideration payable	\$ —	\$ —	\$ 3,297	\$ 3,297	\$ —	\$ —	\$ 3,127	\$ 3,127

There were no transfers or change in valuation method between Level 1, Level 2, and Level 3 within the fair value hierarchy during the three and six months ended June 30, 2025 and 2024.

The Company's investment in 4Front Venture Corp. as of June 30, 2025 and December 31, 2024, is considered to be a Level 1 instrument because it is comprised of shares of a public company, and there is an active market for the shares and observable market data available.

Level 1 investments are comprised of equity investments which are re-measured at fair value using quoted market prices.

Level 3 investments are comprised of two investments made by the Company in which it holds an equity interest. The Company exercises significant influence for one of these investments and therefore records this investment under the equity method. The investment was initially recognized at cost and the Company recognizes its proportionate share of earnings and losses from the investment each reporting period.

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The following table summarizes the changes in Level 1 and Level 3 financial assets:

	4Front Venture Corp.	Financial Assets The Pharm Stand, LLC	Island Thyme, LLC
Balance as of December 31, 2024	\$ 10	\$ 125	\$ 728
Additions	—	—	—
Revaluations	(8)	—	—
Loss on equity method investments	—	—	(12)
Balance as of June 30, 2025	\$ 2	\$ 125	\$ 716

The Company's financial and non-financial assets such as prepayments, other assets including equity accounted investments, property, plant and equipment, and intangibles, are measured at fair value when there is an indicator of impairment and are recorded at fair value only when an impairment charge is recognized.

Financial Liabilities

The following table summarizes the changes in the Company's Level 3 financial liabilities:

	Financial Liabilities Contingent Consideration Payable
Balance as of December 31, 2024	\$ 3,127
Consideration paid	—
Revaluations	170
Balance as of June 30, 2025	\$ 3,297

As of June 30, 2025, the current portion of the contingent consideration payable is \$0.7 million and is presented within accrued and other current liabilities on the unaudited interim condensed consolidated balance sheets.

The Company's contingent consideration payable relates to the additional Earn-Out to be paid as part of the Cheetah Acquisition and is categorized as a Level 3 financial instrument within the fair value hierarchy, as specific valuation techniques using unobservable inputs is required. The Company is using a probability-weighted average scenario approach in assigning probabilities across multiple outcomes of the potential EBITDA earned from Cheetah which forms the basis of the Earn-Out. These assumptions include financial forecasts, discount rates, and growth expectations. As of June 30, 2025, the discount rate applied was the Company's incremental borrowing rate of 14.2% and growth expectations on potential EBITDA earned from Cheetah were in the range of 574% to 1,804% in 2025, 98% to 163% in 2026, and 41% to 118% in 2027. The development and determination of the unobservable inputs for Level 3 fair value measurements and fair value calculations are the responsibility of the Company's management.

The following table summarizes the Company's long-term debt instruments (Note 5) at their carrying value and fair value.

	As of June 30, 2025		As of December 31, 2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
June Unsecured Debentures	\$ 23,261	\$ 21,984	\$ 21,750	\$ 20,142
June Secured Debentures	152,638	144,499	144,913	134,096
Secured Notes	11,211	12,392	14,968	15,223
Other	—	—	696	687
Total	\$ 187,110	\$ 178,875	\$ 182,327	\$ 170,148

Note 10 – Commitments

In the ordinary course of business, the Company enters into contractual agreements with third parties that include non-cancelable payment obligations, for which it is liable in future periods. These arrangements can include terms binding the Company to minimum payments and/or penalties if it terminates the agreement for any reason other than an event of default as described in the agreement.

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The following table summarizes the Company's contractual obligations and commitments as of June 30, 2025:

	2026	2027	2028	2029	2030
Operating leases	\$ 7,211	\$ 6,915	\$ 6,828	\$ 6,792	\$ 6,420
Service and other contracts	1,893	111	236	—	—
Long-term debt	14,330	216,298	—	97	111
Consideration to be paid from acquisitions	2,000	705	2,586	—	—
Total	\$ 25,434	\$ 224,029	\$ 9,650	\$ 6,889	\$ 6,531

The Company's commitments include payments to employees, consultants and advisors, as well as leases and construction contracts for offices, dispensaries and cultivation facilities in the U.S. and Canada. The Company has certain operating leases with renewal options extending the initial lease term for an additional one to 15 years.

On February 9, 2024, ICH's wholly-owned subsidiary, Mayflower Medicinals Inc. ("Mayflower"), entered into an Asset Purchase Agreement (the "MA Purchase Agreement") with an unaffiliated third-party buyer (the "MA Buyer"), pursuant to which, Mayflower agreed to sell certain of its assets associated with its Holliston, Massachusetts cultivation and product manufacturing facility (the "Purchased Assets") for \$3.0 million (the "Purchase Price"). The transaction closed on September 27, 2024 (the "MA Closing Date"). On the MA Closing Date, \$0.5 million was paid in cash (the "Cash Closing Payment"), while the remaining \$2.5 million of the Purchase Price will be paid in installments pursuant to two promissory notes (the "MA Notes") as follows: \$0.5 million to be paid in equal monthly installments over eight months with interest accruing at 7% per annum, and \$2.0 million to be paid in equal monthly installments over 36 months with interest accruing at 7% per annum. As security for payments under the notes, Mayflower executed a security agreement, granting it a first priority lien on the Purchased Assets. The proceeds from the Cash Closing Payment was used by the Company to satisfy certain federal tax obligations. The Company recognized a gain on disposal of \$2.6 million, which was the difference between the aggregate fair value of the consideration and the carrying value of the net assets disposed of as of the MA Closing Date, which was presented in "recoveries, write-downs and other charges, net" on the consolidated statements of operations for the year ended December 31, 2024. Since the MA Closing Date, the Company has not received any of the scheduled payments pursuant to the MA Notes from the MA Buyer. As a result, the Company recorded a credit loss provision of \$1.4 million, which is included within "write-downs and other charges, net" on the unaudited interim condensed consolidated statements of operations for the three and six months ended June 30, 2025. As of June 30, 2025, the balance including accrued interest with respect to the MA Notes is \$0.9 million (December 31, 2024 - \$2.3 million).

On February 23, 2024, the Company's wholly-owned subsidiary, GreenMart of Nevada NLV, LLC ("GMNV") entered into an Asset Purchase Agreement (the "NV Purchase Agreement") with an unaffiliated, third-party buyer (the "NV Buyer"), pursuant to which, GMNV agreed to sell substantially all of the assets of GMNV to the NV Buyer, including GMNV's co-located medical and adult-use cultivation and production facility in North Las Vegas, Nevada, its adult-use dispensary in Las Vegas, Nevada, and its two conditional adult-use dispensary licenses to be located in Henderson and Reno, Nevada (the "Business"). After closing adjustments, the aggregate proceeds to be received from the sale are \$5.9 million (the "Purchase Price"). Of the total Purchase Price, \$3.5 million is paid in cash at the closing of the NV Purchase Agreement ("NV Closing") and the remaining balance of the Purchase Price is to be paid on a quarterly basis, beginning six months after the NV Closing, over 36 months with interest accruing at 8% per annum.

On February 23, 2024, GMNV also entered into a Management Agreement (the "NV Management Agreement"), pursuant to which, the NV Buyer's affiliated entity (the "Manager"), will assume full operational and managerial control of the Business, which was approved by the NV CCB and became effective as of June 24, 2024 (the "NV Management Agreement Effective Date"). As of the NV Management Agreement Effective Date, all operational control of GMNV was transferred to the Manager and the Company determined that it no longer had a controlling financial interest as of the NV Management Agreement Effective Date. The Company recognized an initial gain of \$2.1 million, which was the carrying value of the net liabilities disposed from deconsolidation on the NV Management Agreement Effective Date, which was presented in "interest and other income" on the consolidated statements of operations for the year ended December 31, 2024.

The NV Closing was subject to, among other customary conditions, receipt of approval of the Nevada Cannabis Compliance Board (the "NV CCB"). On March 20, 2025, the Company received approval from the NV CCB for the NV Purchase Agreement and transfer of the licenses to the NV Buyer. The effective closing date of the NV Closing is March 31, 2025 (the "NV Closing Date"). On the NV Closing Date, the Company received \$3.5 million in cash of the Purchase Price, while the remainder is paid through quarterly repayments by way of a promissory note (the "NV Note") issued by the NV Buyer, with quarterly repayments expected to commence in September 2025. Accordingly, the Company recognized a gain of \$5.7 million, which is the aggregate fair value of the consideration

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to be received from the Buyer, which is presented in "interest and other income" on the unaudited interim condensed consolidated statements of operations for the six months ended June 30, 2025. As of June 30, 2025, the balance including accrued interest with respect to the NV Note is \$2.3 million.

On February 6, 2025, the Company entered into definitive agreements (the "AZ Purchase Agreements") with an unaffiliated third-party buyer (the "AZ Buyer"), pursuant to which the Company agreed to sell three dispensaries and two processing/cultivation facilities in Arizona for aggregate consideration of approximately \$36.5 million (the "AZ Transaction"). The AZ Transaction includes two dispensaries, a processing facility and a cultivation/processing facility located in Mesa, Arizona as well as one dispensary located in Phoenix, Arizona (collectively, the "Facilities"). Following the closing of the AZ Transaction, the Company will continue to operate one dispensary in Mesa, Arizona. Pursuant to the AZ Purchase Agreements, the Company agreed to sell and the AZ Buyer agreed to acquire, substantially all of the assets related to or used in connection with the Facilities, including, but not limited to, all cannabis licenses associated with such businesses and related real property (collectively, the "AZ Purchased Assets"), together with certain assumed liabilities related to the AZ Purchased Assets. The closing of the Transaction is subject to customary conditions precedent, including the receipt of applicable consents and regulatory approvals. The purchase price for the AZ Purchased Assets is approximately \$36.5 million and will consist of approximately \$20 million of cash payable at closing, subject to certain adjustments, and a secured promissory note to be issued by the AZ Buyer in the principal amount of \$16.5 million (the "AZ Note"). The AZ Note will bear interest at a rate of six percent per annum compounded annually, with a term of 66 months. The AZ Transaction closed on February 14, 2025, with an effective closing date of February 10, 2025, which is the date the AZ Buyer assumed the financial benefit and risk relating to the AZ Purchased Assets. At this time, the Company received cash net of closing adjustments of \$15.8 million and recognized the fair value of consideration receivable under the AZ Note of \$13.5 million. Accordingly, the Company recognized a gain on deconsolidation of \$6.3 million, which was difference between the aggregate fair value of the consideration and the carrying value of the net assets disposed from deconsolidation, which is presented in "interest and other income" on the unaudited interim condensed consolidated statements of operations for the six months ended June 30, 2025. As of June 30, 2025, the balance including accrued interest with respect to the AZ Note is \$13.0 million.

Note 11 - Contingencies and Guarantees

The Company is involved in lawsuits, claims, and proceedings, including those identified below, which arise in the ordinary course of business. In accordance with the Financial Accounting Standards Board ASC Topic 450 Contingencies, the Company will make a provision for a liability when it is both probable that a loss has been incurred and the amount of the loss can be reasonably estimated. The Company believes it has adequate provisions for any such matters. The Company reviews these provisions in conjunction with any related provisions on assets related to the claims at least quarterly and adjusts these provisions to reflect the impacts of negotiations, settlements, rulings, advice of legal counsel and other pertinent information related to the case. Should developments in any of these matters outlined below cause a change in the Company's determination as to an unfavorable outcome and result in the need to recognize a material provision, or, should any of these matters result in a final adverse judgment or be settled for significant amounts, they could have a material adverse effect on the Company's results of operations, cash flows, and financial position in the period or periods in which such a change in determination, settlement or judgment occurs.

The Company expenses legal costs relating to its lawsuits, claims and proceedings as incurred. The Company has been named as a defendant in several legal actions and is subject to various risks and contingencies arising in the normal course of business. Based on consultation with counsel, management and legal counsel is of the opinion that the outcome of these uncertainties will not have a material adverse effect on the Company's financial position.

The events that allegedly gave rise to the following claims, which occurred prior to the Company's closing of the MPX Biocetical Corporation ("MPX") acquisition (the "MPX Acquisition") in February 2019, are as follows:

- There is a claim from alleged former noteholders against the Company and MPX Biocetical ULC ("MPX ULC"), with respect to alleged payments of \$1.3 million made by the noteholders to MPX, claiming the right to receive \$115.0 million. On June 4, 2025, the plaintiffs filed an Amended Notice of Civil Claim that, among other things, reduced the plaintiffs' claimed damages from \$115.0 million to approximately \$3.4 million.

In addition, the Company is currently reviewing the following matters with legal counsel and has not yet determined the range of potential losses:

In October 2018, Craig Roberts and Beverly Roberts (the "Roberts") and the Gary W. Roberts Irrevocable Trust Agreement I, Gary W. Roberts Irrevocable Trust Agreement II, and Gary W. Roberts Irrevocable Trust Agreement III (the "Roberts Trust" and together with the Roberts, the "Roberts Plaintiffs") filed two separate but similar declaratory judgment actions in the Circuit Court of

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Palm Beach County, Florida against GrowHealthy Holdings, LLC (“GrowHealthy Holdings”) and the Company in connection with the acquisition of substantially all of GrowHealthy Holdings’ assets by the Company in early 2018. The Roberts Plaintiffs sought a declaration that the Company must deliver certain share certificates to the Roberts without requiring them to deliver a signed Shareholder Representative Agreement to GrowHealthy Holdings, which delivery was a condition precedent to receiving the Company share certificates and required by the acquisition agreements between GrowHealthy Holdings and the Company. In January 2019, the Circuit Court of Palm Beach County denied the Roberts Plaintiffs’ motion for injunctive relief, and the Roberts Plaintiffs signed and delivered the Shareholder Representative Agreement forms to GrowHealthy Holdings while reserving their rights to continue challenging the validity and enforceability of the Shareholder Representative Agreement. The Roberts Plaintiffs thereafter amended their complaints to seek monetary damages in the aggregate amount of \$22.0 million plus treble damages. On May 21, 2019, the court issued an interlocutory order directing the Company to deliver the share certificates to the Roberts Plaintiffs, which the Company delivered on June 17, 2019, in accordance with the court’s order. On December 19, 2019, the Company appealed the court’s order directing delivery of the share certificates to the Florida Fourth District Court of Appeal, which appeal was denied per curiam. On October 21, 2019, the Roberts Plaintiffs were granted leave by the Circuit Court of Palm Beach County to amend their complaints in order to add purported claims for civil theft and punitive damages, and on November 22, 2019, the Company moved to dismiss the Roberts Plaintiffs’ amended complaints. On May 1, 2020, the Circuit Court of Palm Beach County heard arguments on the motions to dismiss, and on June 11, 2020, the court issued a written order granting in part and denying in part the Company’s motion to dismiss. Specifically, the order denied the Company’s motion to dismiss for lack of jurisdiction and improper venue; however, the court granted the Company’s motion to dismiss the Roberts Plaintiffs’ claims for specific performance, conversion and civil theft without prejudice. With respect to the claim for conversion and civil theft, the Circuit Court of Palm Beach County provided the Roberts Plaintiffs with leave to amend their respective complaints. On July 10, 2020, the Roberts Plaintiffs filed further amended complaints in each action against the Company including claims for conversion, breach of contract and civil theft including damages in the aggregate amount of \$22.0 million plus treble damages, and on August 13, 2020, the Company filed a consolidated motion to dismiss such amended complaints. On October 26, 2020, Circuit Court of Palm Beach County heard argument on the consolidated motion to dismiss, denied the motion and entered an order to that effect on October 28, 2020. Answers on both actions were filed on November 20, 2020 and the parties commenced discovery. On September 9, 2021, the Roberts Plaintiffs filed a motion to consolidate the two separate actions, which motion was granted on October 14, 2021. On August 6, 2020, the Roberts filed a lawsuit against Randy Maslow, the Company’s now former Interim Chief Executive Officer, President, and director, in his individual capacity (the “Maslow Complaint”), alleging a single count of purported conversion. The Maslow Complaint was not served on Randy Maslow until November 25, 2021, and the allegations in the Maslow Complaint are substantially similar to those allegations for purported conversion in the complaints filed against the Company. On March 28, 2022, the court consolidated the action filed against Randy Maslow with the Roberts Plaintiffs’ action for discovery and trial purposes. As a result, the court vacated the matter’s initial trial date of May 9, 2022 and the case has not been reset for trial yet. On April 22, 2022, the parties attended a court required mediation, which was unsuccessful. On May 6, 2022, the Circuit Court of Palm Beach County granted Randy Maslow’s motion to dismiss the Maslow Complaint. On May 19, 2022, the Roberts filed a second amended complaint against Mr. Maslow (“Amended Maslow Complaint”). On June 3, 2022, Mr. Maslow filed a motion to dismiss the Amended Maslow Complaint, which was denied on September 9, 2022. On April 12, 2023, the Circuit Court of Palm Beach County initially set this matter for a jury trial to occur sometime between June 5, 2023 and August 11, 2023, but the court rescheduled the jury trial and did not set a new trial date. On April 14, 2023, the Roberts Plaintiffs filed a partial Motion for Summary Judgment on liability for the Roberts Plaintiffs’ claims for breach of contract and the Company filed a competing Motion for Summary Judgment on all claims against the Company. On April 21, 2023, Mr. Maslow also filed a Motion for Summary Judgment. On February 27, 2024, the Roberts Plaintiffs filed a Notice for Jury Trial with the Circuit Court of Palm Beach County, notifying the court that the matter was ready to be set for trial. As of the date hereof, the court still has not set a new trial date. On April 19, 2024, the Roberts Plaintiffs filed a Motion for Speedy Trial due to the ages and health of the Roberts Plaintiffs. On May 14, 2024, the court issued a scheduling order that, among other things, set this matter for a jury trial to occur sometime between October 21, 2024 and December 27, 2024; however, due to competing schedules of the parties, the court elected to specially set the trial. On October 15, 2024, the court issued an order specially setting the trial to begin on January 14, 2025; however, the court has vacated this trial date. On December 13, 2024, the court denied each of the parties’ respective Motions for Summary Judgment. Further, the parties have been ordered by the court to attend mediation, which occurred on March 7, 2025 and was ultimately unsuccessful. On March 21, 2025, the court issued an order specially setting the trial to begin on April 8, 2025 and on the same day, the Company filed an objection to the order on the basis that that it was not timely issued. Also on March 21, 2025, the court scheduled a case management conference for March 28, 2025 and referred this matter to non-binding arbitration beginning on April 8, 2025. The parties attended non-binding arbitration on April 15, 2025, the results of which are confidential. On March 31, 2025, the court issued an order specially setting the trial to begin on June 17, 2025. On June 15, 2025, the parties executed a settlement agreement (the “Roberts Settlement Agreement”), pursuant to which, the Company agreed to pay the Roberts Plaintiffs a total sum of \$5.5 million, payable as follows: (i) \$1,250,000 within five (5) business days of executing the Roberts Settlement Agreement; (ii) \$150,000 on January 5, 2026; and (iii) starting January 5, 2026, \$4,100,000 in equal monthly installments over thirty-six (36) months, bearing simple interest rate of 6% per year. On June 16, 2025, the parties filed a Joint Stipulation to Dismiss this matter with prejudice, which was approved by the court on June 17, 2025.

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On July 23, 2020, Blue Sky Realty Corporation filed a putative class action against the Company, the Company's former Chief Executive Officer, and the Company's Chief Financial Officer in the Ontario Superior Court of Justice ("OSCJ") in Toronto, Ontario. On September 27, 2021, the OSCJ granted leave for the plaintiff to amend its claim ("Amended Claim"). In the Amended Claim, the plaintiff seeks to certify the proposed class action on behalf of two classes. "Class A" consists of all persons, other than any executive level employee of the Company and their immediate families ("Excluded Persons"), who acquired the Company's common shares in the secondary market on or after April 12, 2019, and who held some or all of those securities until after the close of trading on April 5, 2020. "Class B" consists of all persons, other than Excluded Persons, who acquired the Company's common shares prior to April 12, 2019, and who held some or all of those securities until after the close of trading on April 5, 2020. Among other things, the plaintiff alleges statutory and common law misrepresentation, and seeks an unspecified amount of damages together with interest and costs. The plaintiff also alleges common law oppression for releasing certain statements allegedly containing misrepresentations inducing Class B members to hold the Company's securities beyond April 5, 2020. No certification motion has been scheduled. The Amended Claim also changed the named plaintiff from Blue Sky Realty Corporation to Timothy Kwong. The hearing date for the motion for leave to proceed with a secondary market claim under the Securities Act (Ontario) has been vacated. The parties have reached a settlement in principle, and November 16, 2023, the OSCJ certified the class for settlement purposes only. On February 20, 2024, the OSCJ held the settlement approval hearing and on March 8, 2024, issued its decision rejecting the proposed settlement.

On August 19, 2021, Arvin Saloum ("Saloum"), a former consultant of the Company, filed a Demand for Arbitration with the American Arbitration Association (the "Arbitration Action") against The Healing Center Wellness Center, Inc. ("THCWC") and iAnthus Arizona, LLC ("iA AZ"), claiming a breach of a Consulting and Joint Venture Agreement (the "JV Agreement") for unpaid consulting fees allegedly owed to Saloum under the JV Agreement. Saloum is claiming damages between \$1.0 million and \$10.0 million. On September 7, 2021, THCWC and iA AZ filed Objections and Answering Statement to Saloum's Demand for Arbitration. On November 18, 2021, THCWC and iA AZ filed a Complaint for Declaratory Judgment ("Declaratory Judgment Complaint") with the Arizona Superior Court, Maricopa County ("Arizona Superior Court"), seeking declarations that: (i) the JV Agreement is void, against public policy and terminable at will; (ii) the JV Agreement is unenforceable and not binding; and (iii) the JV Agreement only applies to sales under the Arizona Medical Marijuana Act. On January 21, 2022, Saloum filed an Answer with Counterclaims in response to the Declaratory Judgment Complaint. The Declaratory Judgment Complaint remains pending before the Arizona Superior Court. The Arbitration Action is stayed, pending resolution of the Declaratory Judgment Complaint. On April 25, 2023, the parties attended a mediation, which was unsuccessful. The parties are currently engaging in discovery.

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On May 23, 2022, CGX Life Sciences, Inc. ("CGX"), a wholly-owned subsidiary of the Company, filed a demand for arbitration (the "CGX Arbitration") with the American Arbitration Association ("AAA") against LMS Wellness, Benefit LLC ("LMS") and its 100% owner, William Huber ("Huber" and together with LMS, the "Defendants") for various breaches under the option agreements entered into between CGX and LMS, on the one hand, and CGX and Huber on the other (collectively, the "Option Agreements"). Specifically, CGX is seeking: (i) an order finding the Defendants in breach of the Option Agreements and directing specific performance by the Defendants of their obligations under the Option Agreements to complete the sale and transfer of LMS to CGX; (ii) an order either tolling or extending the closing date under the Option Agreements; (iii) an order requiring Huber to restore LMS' bank account of all sums withdrawn for the payment of contracts entered into in breach of the Option Agreements; and (iv) an order prohibiting Huber from withdrawing any further funds from LMS' bank account. On June 8, 2022, the Defendants filed an Answering Statement, denying the allegations raised by CGX and sent a notice to CGX, purporting to terminate the Option Agreements. In addition, on June 8, 2022, LMS filed a demand for arbitration (the "S8 Arbitration") with the AAA against S8 Management, LLC ("S8"), alleging that S8 breached the Amended and Restated Management Services Agreement (the "MSA") entered into between LMS and S8 on March 12, 2018. On June 24, 2022, the Defendants filed a Motion to Consolidate the CGX Arbitration and S8 Arbitration. On July 5, 2022, CGX filed an opposition to the Defendants' Motion to Consolidate and a cross-Motion to Stay the S8 Arbitration to allow the CGX Arbitration to proceed first. On July 26, 2022, the parties attended a preliminary conference with the arbitrator, at which conference the arbitrator preliminarily granted the Defendants' Motion to Consolidate and denied CGX's cross-Motion to Stay the S8 Arbitration. On October 7, 2022, CGX filed a dispositive motion for specific performance of Defendants' obligations to complete the sale of LMS to CGX (claims (i) and (ii), above), which Defendants opposed. On October 31, 2022, the arbitrator granted CGX's dispositive motion and ordered Defendants to complete the sale of LMS to CGX. The remaining claims asserted in the CGX Arbitration (claims (iii) and (iv), above) and the S8 Arbitration remain pending. On November 30, 2022, Defendants filed a Petition to Vacate Arbitration Award. CGX's filed its response on January 30, 2023, and subsequently the Defendants filed a Request for Hearing on February 3, 2023. The Circuit Court for Baltimore County had a hearing on the Petition to Vacate Arbitration Award on February 21, 2024, and on March 4, 2024, the Circuit Court for Baltimore County denied Defendants' Petition to Vacate Arbitration Award. On April 8, 2024, the Defendants submitted the required ownership transfer paperwork to the Maryland Cannabis Administration (the "MCA") to request approval of the transfer of ownership of LMS to CGX following the denial of the Defendants' Petition to Vacate Arbitration Award. Also on April 8, 2024, the Defendants requested that the MCA either deny the ownership transfer of LMS to CGX, or delay their consideration of the request until the S8 Arbitration is complete. On April 22, 2024, the MCA notified the parties that it will wait to consider the request to transfer ownership of LMS to CGX until the S8 Arbitration is complete. Beginning on July 15, 2024, the parties attended a hearing regarding claims (iii) and (iv) in the CGX Arbitration and the claims in the S8 Arbitration. The parties filed post-hearing briefs on August 27, 2024 and oral argument regarding the post-hearing briefs was held on September 16, 2024. On September 24, 2024, the arbitrator issued his final award, in which he denied the claims of all parties in the CGX Arbitration and S8 Arbitration. Upon completion of the CGX Arbitration and S8 Arbitration, CGX continued to pursue regulatory approval of the transfer of ownership of LMS to CGX from the MCA. On March 4, 2025, the MCA approved the transfer of 100% of the ownership of LMS to CGX.

Pursuant to the terms of the Option Agreements, LMS and Huber were required to close the transaction and transfer 100% of the membership interests of LMS to CGX within two (2) business days of receipt of the MCA's approval, as that was the final closing condition to be satisfied. Accordingly, CGX demanded that LMS and Huber close no later than March 7, 2025. LMS and Huber failed to close and on March 10, 2025, CGX filed a Motion to Enforce Judgment to mandate that LMS and Huber transfer ownership of LMS to CGX, among other things. LMS and Huber have not responded to CGX's motion yet. On March 7, 2025, LMS filed an action in the Circuit Court for Anne Arundel County, seeking a writ of mandamus, temporary restraining order and preliminary injunction against the MCA on the basis that the MCA violated the law by issuing its March 4, 2025 approval regarding the transfer of 100% of the ownership of LMS to CGX. Specifically, LMS sought an order that the MCA be compelled to rescind its approval because ownership of LMS's license cannot be transferred for five (5) years, or until July 1, 2028, because LMS converted its medical-only license to a dual license on July 1, 2023. On March 12, 2025, the MCA filed its opposition to LMS, arguing, among other things, that the court order exception to the 5-year restriction on transfers applies. Also on March 12, 2025, CGX intervened and filed an opposition to LMS, incorporating the MCA's opposition. On March 14, 2025, the parties attended a court conference and the court denied LMS's motion for a temporary restraining order. On April 18, 2025, the court granted CGX's Motion to Enforce Judgment and ordered LMS and Huber to close the transaction and transfer 100% of the membership interests of LMS to CGX no later than April 21, 2025. On April 21, 2025, LMS complied with the court's order and CGX now owns 100% of LMS. As a result, this matter is now resolved.

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On June 20, 2023, LMS filed a complaint in the United States District Court for the District of Maryland against the Company and three wholly-owned subsidiaries of the Company (the "iAnthus Defendants"), alleging conversion, RICO violations and unjust enrichment and seeking damages in excess of \$4.5 million, plus treble damages (the "Federal Complaint"). The allegations in the Federal Complaint appear substantially similar to, and appear to arise from substantially the same operative facts as, those alleged by LMS in the CGX Arbitration, the S8 Arbitration, and in support of the Defendants' Petition to Vacate Arbitration Award. The iAnthus Defendants deny LMS's allegations alleging unlawful conduct. The iAnthus Defendants filed a Motion to Dismiss (Or Stay the Proceedings) the Federal Complaint on September 11, 2023. On March 12, 2024, the Court granted the iAnthus Defendants' motion and administratively stayed the Federal Complaint pending the outcome of the CGX Arbitration and the S8 Arbitration. On November 1, 2024, LMS filed a voluntary notice of dismissal, dismissing the Federal Complaint. On November 4, 2024, the court ordered that LMS's notice of dismissal be adopted and further ordered that the Federal Complaint be dismissed.

On June 20, 2022, Michael Weisser ("Weisser") commenced a petition (the "Petition") in the Court against ICH and ICH's former board of directors. In the Petition, Weisser sought: (i) a declaration that the affairs of ICH and its then-board of directors were being conducted or have been conducted in a manner that is oppressive and/or prejudicial to Weisser; (ii) an order that Weisser is entitled to call and hold ICH's annual general meeting for 2020 ("2020 AGM") on or before June 30, 2022 or a date set by the Court as soon as reasonably possible; (iii) alternatively, an order that ICH hold the 2020 AGM on or before June 30, 2022 or a date set by the Court as soon as reasonably possible; (iv) an order that ICH set the record date for the 2020 AGM; (v) an order that Weisser is entitled to appoint a chair for the 2020 AGM, or that the Court appoint an independent chair for the 2020 AGM; and (vi) an order that ICH be required to provide Weisser with an opportunity to review all votes and proxies submitted in respect of the 2020 AGM, no later than 24 hours in advance of the 2020 AGM. On June 22, 2022, Weisser was granted a short leave by the Court which permitted a return date for the Petition of June 28, 2022. On June 24, 2022, the Company closed the Recapitalization Transaction and ICH noticed the 2020 AGM, the annual general meeting for 2021 ("2021 AGM") and the annual general meeting for 2022 (the "2022 AGM" and together with the 2020 AGM and 2021 AGM, the "AGMs"). As a result, Weisser's Petition was rendered moot. On November 14, 2022, Weisser filed an application (the "Application") in the Petition proceeding, seeking to add the Secured Lenders and Consenting Unsecured Lenders as respondents to the Petition and to amend the Petition. Specifically, Weisser sought to amend the Petition to request: (i) a declaration that the affairs of the Secured Lenders, Consenting Unsecured Lenders, ICH and the powers of its then-directors have been and are continuing to be conducted in a manner that is oppressive and/or prejudicial to Weisser; (ii) an order setting aside and/or unwinding the closing of the Recapitalization Transaction; (iii) an order setting aside the results of ICH's annual general meeting held August 11, 2022; (iv) an order that the 2020 AGM be held by December 31, 2022; (v) an order that ICH set the record date for the 2020 AGM to hold the meeting by December 31, 2022; (vi) an order that for purposes of voting at the 2020 AGM, the shareholdings of ICH be those shareholdings that existed prior to the closing of the Recapitalization Transaction; (vii) an order that Weisser is entitled to appoint a chair for the 2020 AGM, or that the Court appoint an independent chair for the 2020 AGM; (viii) an order that ICH be required to provide Weisser with an opportunity to review all votes and proxies submitted in respect of the 2020 AGM, no later than 24 hours in advance of the 2020 AGM; and (ix) an order that pending the 2020 AGM, ICH's current board of directors be replaced by an interim slate of directors to be nominated by Weisser. On May 2, 2023, ICH and its former directors filed their response to the Petition, opposing all orders sought by Weisser, in part, as the Petition is barred by the releases in the Plan of Arrangement and constitutes a collateral attack on Justice Gomery's order approving the Plan. Weisser has not requested a hearing date on the Petition yet.

On April 5, 2023, Canaccord Genuity Corp. ("Canaccord") filed a Statement of Claim against the Company in the OSCJ pursuant to an engagement letter (as amended, the "Engagement Letter") entered into by and between Canaccord and the Company. Specifically, Canaccord alleges that it is owed a cash fee equal to approximately \$2.2 million (the "Alleged Fee") pursuant to the Engagement Letter as a result of the closing of the Recapitalization Transaction. The Company filed its Statement of Defense on May 17, 2023 in which, the Company disputes that it owes the Alleged Fee on the basis that the Recapitalization Transaction closed outside of the tail period of the Engagement Letter, which expired on November 4, 2021. The Company also filed a counterclaim against Canaccord, seeking the repayment of \$0.3 million payment mistakenly made by the Company towards the Alleged Fee in October 2022. On November 3, 2023, Canaccord filed a Motion for Summary Judgment, requesting that the court grant Canaccord's claim for the Alleged Fee. The hearing on Canaccord's Motion for Summary Judgment was held on June 26, 2025, but the court has not issued its decision yet. On August 8, 2025, the parties executed a settlement agreement, pursuant to which, the Company agreed to pay Canaccord a total sum of \$2 million, payable as follows: (i) \$0.3 million by August 20, 2025; and (ii) \$1.7 million in 24 equal monthly installments, beginning on September 19, 2025.

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Note 12 - Related Party Transactions

Financial Statement Line Item	June 30, 2025	December 31, 2024
Current portion of long-term debt, net of issuance costs ⁽¹⁾	11,211	—
Long-term debt, net of issuance costs ⁽¹⁾	170,335	177,925
Accrued and other current liabilities	5,192	9,461
Total	\$ 186,738	\$ 187,386

⁽¹⁾Upon the closing of the Recapitalization Transaction, certain of the Company's lenders held greater than 5.0% of the voting interests in the Company and therefore are classified as related parties. Refer to Note 5 for further discussion.

Effective as of April 5, 2024 (the "Faraut Resignation Date"), Philippe Faraut, the Company's then-Chief Financial Officer, resigned from his executive positions, including all positions with the Company's subsidiaries and affiliates. In connection with the resignation, Mr. Faraut and the Company executed a separation agreement (the "Faraut Separation Agreement"), pursuant to which, Mr. Faraut received certain compensation and benefits valued to substantially equal the value of entitlements he would have received under Section 4(g) of his employment agreement. Specifically, Mr. Faraut received total cash compensation in the amount of approximately \$0.2 million, which was payable in equal installments of approximately \$25 per month over a period of 7 months following the Effective Date (as defined in the Faraut Separation Agreement). Under the terms of the Faraut Separation Agreement, the Company will continue to pay the monthly premium for Mr. Faraut's continued participation in the Company's health and dental insurance benefits pursuant to COBRA for one year from the Faraut Resignation Date. Mr. Faraut served in a consulting role for one month following the Faraut Resignation Date at a base compensation rate of \$25 per month. Pursuant to the Faraut Separation Agreement, the RSUs granted to Mr. Faraut on November 23, 2022 and May 17, 2023 accelerated and fully vested upon satisfactory completion of Mr. Faraut's consulting services. Further, the RSUs granted to Mr. Faraut on September 1, 2023 and November 15, 2023 were forfeited as of the Faraut Resignation Date. As of June 30, 2025, the total balance owed to Mr. Faraut is \$Nil (December 31, 2024 - \$Nil).

Pursuant to the terms of the Secured DPA, the Company has a related party payable of \$6.3 million due to certain of the New Secured Lenders, including Gotham Green Fund I, L.P., Gotham Green Fund I (Q), L.P., Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., Oasis Investment Master II Fund LTD., Senvest Global (KY), LP, Senvest Master Fund, LP and Hadron Healthcare and Consumer Special Opportunities Master Fund, for certain out-of-pocket costs, charges, fees, taxes and other expenses incurred by the New Secured Lenders in connection with the closing of the Recapitalization Transaction (the "Deferred Professional Fees"). These New Secured Lenders held greater than 5.0% of the outstanding common shares of the Company upon the closing of the Recapitalization Transaction and are therefore considered to be related parties. The Company had until December 31, 2022, to pay the Deferred Professional Fees ratably based on the amount of each New Secured Lender's Deferred Professional Fees. The Deferred Professional Fees accrued simple interest at the rate of 12.0% from the Closing Date until December 31, 2022. Beginning with the first business day of the month following December 31, 2022, interest shall accrue on the Deferred Professional Fees at the rate of 20.0% calculated on a daily basis and is payable on the first business day of every month until the Deferred Professional Fees and accrued interest thereon is paid in full.

On February 5, 2025, the Company entered into consent and release agreement with Secured Lenders to utilize cash proceeds upon the closing of the AZ Transaction to payments in the amount of \$5.0 million towards the principal amount outstanding under the Deferred Professional Fees. In addition, the Secured Lenders agreed to reduce the outstanding amount of the Deferred Professional fees by \$1.0 million and reduce interest to 8% on the remaining balance. As of June 30, 2025, the outstanding related party portion of the Deferred Professional Fees including accrued interest was \$3.4 million (December 31, 2024 - \$9.2 million). The related party balance is presented in accrued and other current liabilities on the unaudited interim condensed consolidated balance sheets.

Pursuant to the terms of 2024 NJ Amendment interest accruing after February 16, 2024 will be payable in cash on the last day of each fiscal quarter (the first such interest payment date being May 16, 2024). As of June 30, 2025 the outstanding related party portion of the interest payable was \$0.2 million (December 31, 2024 - \$0.2 million) presented in accrued and other current liabilities on the unaudited interim condensed consolidated balance sheets.

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Note 13 – Unaudited Interim Condensed Consolidated Statements of Cash Flows Supplemental Information

(a) Cash payments made on account of:

	Six Months Ended June 30,	
	2025	2024
Income taxes (including interest and penalties)	\$ 4,551	\$ 1,740
Interest	865	527

(b) Changes in operating assets and liabilities are comprised of the following:

	Six Months Ended June 30,	
	2025	2024
Decrease (increase) in:		
Accounts receivables, net	\$ 5,664	\$ (2,465)
Prepaid expenses	(168)	294
Inventories, net	(4,115)	(1,211)
Other current assets	(1,221)	(411)
Other long-term assets	395	(440)
Operating leases	(810)	(876)
(Decrease) increase in:		
Accounts payable	2,067	990
Accrued and other current liabilities	2,170	(10,690)
Uncertain tax position liabilities	5,947	21,137
	\$ 9,929	\$ 6,328

(c) Depreciation and amortization are comprised of the following:

	Six Months Ended June 30,	
	2025	2024
Property, plant and equipment	\$ 3,498	\$ 4,610
Operating lease ROU assets	1,010	987
Intangible assets	4,801	6,978
	\$ 9,309	\$ 12,575

(d) Write-downs, (recoveries), and other charges, net are comprised of the following:

	Six Months Ended June 30,	
	2025	2024
Account receivable	\$ 112	\$ 521
Notes receivable	1,362	—
Share issuance	—	320
Operating lease ROU assets	—	(136)
Property, plant and equipment	7	(2)
	\$ 1,481	\$ 703

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(e) Significant non-cash investing and financing activities are as follows:

	Six Months Ended June 30,	
	2025	2024
Supplemental Cash Flow Information:		
Non-cash consideration for paid-in-kind interest	\$ 7,201	\$ 6,920
Non-cash issuance of shares for the Cheetah Acquisition	250	—
Non-cash issuance of shares from Senior Secured Bridge Notes Amendment	—	1,581
Non-cash issuance of shares for legal settlements	—	320
Non-cash issuance of Senior Secured Bridge Notes	—	14,345
Assets classified as held for sale	—	1,292
Non-cash extinguishment of Senior Secured Bridge Notes	—	(15,813)

Cash and Restricted Cash

For purposes of the unaudited interim condensed consolidated balance sheets and the statements of cash flows, cash and restricted cash are held primarily in U.S. dollars.

Restricted cash balances are those which meet the definition of cash and cash equivalents but are not available for use by the Company. As of June 30, 2025, the Company held \$0.5 million as restricted cash (December 31, 2024—less than \$0.6 million).

The following table provides a reconciliation of cash and restricted cash reported on the unaudited interim condensed consolidated balance sheets to such amounts presented in the statements of cash flows:

	June 30, 2025	December 31, 2024
Cash	\$ 23,463	\$ 18,543
Restricted cash	476	556
Total cash and restricted cash presented in the statements of cash flows	\$ 23,939	\$ 19,099

Note 14 - Subsequent Events

Legal Proceedings

Please refer to Note 11 for further discussion.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited interim condensed consolidated financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled "Risk Factors" included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024, as may be amended, supplemented or superseded from time to time by other reports we file with the SEC. All amounts in this report are in U.S. dollars, unless otherwise note.

Overview

We are a vertically-integrated, multi-state owner and operator of licensed cannabis cultivation, processing and dispensary facilities in the United States. Although, we are committed to creating a national retail brand and portfolio of branded cannabis products recognized in the United States, cannabis currently remains illegal under U.S. federal law.

Through our subsidiaries, we currently own and/or operate 38 dispensaries and four cultivation and/or processing facilities in seven U.S. states. Pursuant to our existing licenses, interests and contractual arrangements, and subject to regulatory approval, we have the capacity to own and/or operate up to an additional three dispensary licenses and/or dispensary facilities in one states, plus an uncapped number of dispensary licenses in Florida, and up to ten cultivation, manufacturing and/or processing facilities, and we have the right to manufacture and distribute cannabis products in seven U.S. states, all subject to the necessary regulatory approvals.

Our multi-state operations encompass the full spectrum of medical and adult-use cannabis enterprises, including cultivation, processing, product development, wholesale-distribution and retail. Cannabis products offered by us include flower and trim, products containing cannabis flower and trim (such as packaged flower and pre-rolls), cannabis infused products (such as topical creams and edibles) and products containing cannabis extracts (such as vape cartridges, concentrates, live resins, wax products, oils and tinctures). Under U.S. federal law, cannabis is classified as a Schedule I controlled substance under the U.S. Controlled Substances Act. A Schedule I controlled substance is defined as a substance that has no currently accepted medical use in the United States, a lack of safety use under medical supervision and a high potential for abuse. Other than Epidiolex (cannabidiol), a cannabis-derived product, and three synthetic cannabis-related drug products (Marinol (dronabinol), Syndros (dronabinol) and Cesamet (nabilone), to our knowledge, the U.S. Food and Drug Administration has not approved a marketing application for cannabis for the treatment of any disease or condition and has not approved any cannabis or cannabis-derived products.

Financial Restructuring

The significant disruption of global financial markets, and specifically, the decline in the overall public equity cannabis markets due to the COVID-19 pandemic negatively impacted our ability to secure additional capital, which caused liquidity constraints. In early 2020, due to the liquidity constraints, we attempted to negotiate temporary relief of our interest obligations with the lenders (the "Secured Lenders") of our 13.0% senior secured debentures (the "Secured Notes") issued by our wholly-owned subsidiary, iAnthus Capital Management, LLC ("ICM"). However, we were unable to reach an agreement and did not make interest payments when due and payable to the Secured Lenders or payments that were due to the holders (the "Unsecured Lenders" and together with the Secured Lenders, the "Lenders") of our 8.0% convertible unsecured debentures (the "Unsecured Debentures"). As a result, we defaulted on our obligations pursuant to the Secured Notes and Unsecured Debentures.

On July 10, 2020, we entered into a restructuring support agreement (as amended on June 15, 2021, the "Restructuring Support Agreement") with the Secured Lenders and certain of our Unsecured Lenders (the "Consenting Unsecured Lenders") to effectuate a recapitalization transaction (the "Recapitalization Transaction") which was consummated on June 24, 2022 (the "Closing Date").

In connection with the closing of the Recapitalization Transaction, we issued an aggregate of 6,072,579,705 common shares to the Secured Lenders and the Unsecured Lenders. Specifically, we issued 3,036,289,852 common shares (the "Secured Lender Shares"), or 48.625% of our outstanding common shares, to the Secured Lenders and 3,036,289,853 common shares (the "Unsecured Lender Shares" and together with Secured Lender Shares, the "Shares"), or 48.625% of our outstanding common shares, to the Unsecured Lenders. As of the Closing Date, we had 6,244,297,897 common shares issued and outstanding. As of the Closing Date, the holders of our common shares collectively held 171,718,192 common shares, or 2.75% of our outstanding common shares.

As of the Closing Date, the outstanding principal amount of the Secured Notes (including the interim financing secured notes in the aggregate principal amount of approximately \$14.7 million originally due on July 13, 2025) together with interest accrued and fees thereon were forgiven in part and exchanged for (A) the Secured Lender Shares, (B) the issuance of the 8.0% secured debentures (the "June Secured Debentures") to the lender parties (the "New Secured Lenders") in the aggregate principal amount of \$99.7 million and (C) the issuance of the 8.0% unsecured debentures (the "June Unsecured Debentures") to the Secured Lenders in the aggregate principal amount of \$5.0 million. Also, as of the Closing Date, the outstanding principal amount of the Unsecured Debentures together with interest accrued and fees thereon were forgiven in part and exchanged for (A) the Unsecured Lender Shares and (B) the June Unsecured Debentures in the aggregate principal amount of \$15.0 million. Furthermore, all existing options and warrants to purchase our common shares, including certain debenture warrants and exchange warrants previously issued to the Secured Lenders, the warrants previously issued in connection with the Unsecured Debentures and all other Affected Equity (as defined in the amended and restated plan of arrangement (the "Plan of Arrangement")), were cancelled and extinguished for no consideration.

Registration Rights Agreement

In connection with the consummation of the Recapitalization Transaction, we entered into a registration rights agreement (the "RRA"), dated June 24, 2022, with ICM and certain holders of Registrable Securities (as defined in the RRA) (the "Holders") pursuant to which we shall, upon receipt of written notice (the "Shelf Request") from Holders of at least 15.0% of our outstanding common shares (the "Substantial Holders"), prepare and file (i) with the applicable Canadian Securities Regulators (as defined in the RRA), a Shelf Prospectus (as defined in the RRA) to facilitate a secondary offering of all of the Registrable Securities or (ii) with the Securities and Exchange Commission (the "SEC"), a registration statement on Form S-3 (the "S-3 Registration Statement") covering the resale of all Registrable Securities. In addition, pursuant to the RRA and subject to certain exceptions, the Substantial Holders may request (the "Demand Registration Request") that we file a Prospectus (as defined in the RRA) (other than a Shelf Prospectus) or a registration statement on any form that we are then eligible to use (the "Registration Statement") to facilitate a Distribution (as defined in the RRA) in Canada or the United States of all or any portion of the Registrable Securities (the "Demand Registration") held by the Holders requesting the Demand Registration. Moreover, pursuant to the RRA and subject to certain exceptions, if, at any time, we propose to make a Distribution for our own account, we shall notify the Holders of such Distribution (the "Piggyback Registration") and shall use reasonable commercial efforts to include in the Piggyback Registration such Registrable Securities requested by the Holders be included in such Piggyback Registration.

Investor Rights Agreement

Furthermore, in connection with the closing of the Recapitalization Transaction, we entered into an Investor Rights Agreement ("IRA"), dated June 24, 2022, with ICH, ICM and certain investors (the "Investors"). Pursuant to the IRA, among other things, the Investors are entitled to designate nominees for election or appointment to our Board as follows:

- one investor (the "First Investor") shall be entitled to designate director nominees as follows:
 - i. For so long as the First Investor's Debt Exchange Common Share Percentage (as defined in the IRA) is at least 30.0%, the First Investor shall be entitled to designate up to three individuals as director nominees;
 - ii. For so long as the First Investor's Debt Exchange Common Share Percentage is less than 30.0% but is at least 15.0%, the First Investor shall be entitled to designate up to two individuals as director nominees; and
 - iii. For so long as the First Investor's Debt Exchange Common Share Percentage is less than 15.0% but is at least 5.0%, the First Investor shall be entitled to designate up to one individual as a director nominee.
- a second Investor (the "Second Investor") shall be entitled to designate up to one individual as a director nominee for so long as such Investor's Debt Exchange Common Share Percentage is at least 5.0%.
- a third Investor (the "Third Investor") shall be entitled to designate up to one individual as a director nominee for so long as such Investor's Debt Exchange Common Share Percentage is at least 5.0%.
- a fourth Investor (the "Fourth Investor") shall be entitled to designate up to one individual as a director nominee for so long as such Investor's Debt Exchange Common Share Percentage is at least 5.0%.

Pursuant to the IRA, the Secured Lenders appointed Scott Cohen, Michelle Mathews-Spradlin and Kenneth Gilbert to serve on our Board. Mr. Cohen and Ms. Mathews-Spradlin's appointments were effective as of the Closing Date and Mr. Gilbert's appointment was effective as of August 11, 2022. The Consenting Unsecured Lenders initially appointed Zachary Arrick, Alexander Shoghi and Marco D'Attanasio to serve on our Board effective as of the Closing Date. On September 15, 2022, Mr. D'Attanasio resigned as a member of our Board and audit committee. On February 21, 2023, Mr. Arrick resigned as a member of our Board, compensation, nominating and corporate governance committees. On April 20, 2023, John Paterson was appointed to our Board. Mr. Paterson was nominated as a replacement director for Mr. D'Attanasio by the Investor that initially nominated Mr. D'Attanasio. On March 9, 2024, Mr. Paterson resigned as a member of our Board, audit committee and nominating and corporate governance committee. As of the date hereof, the Consenting Unsecured Lenders have not filled the vacancies on our Board created by Mr. Arrick's or Mr. Paterson's resignations. The directors appointed by the Secured Lenders and Consenting Unsecured Lenders will serve as our directors until our next annual general meeting of shareholders or until their successors are duly elected or appointed.

Pursuant to the IRA, we are required to hire a chief executive officer (and any successor thereto) who has been unanimously approved by the Investors. Upon the chief executive officer taking office (other than an interim chief executive officer), we are obligated to arrange for the chief executive officer to be appointed to our Board. Accordingly, we appointed Richard Proud as a member of our Board upon his appointment as Chief Executive Officer, which had been unanimously approved by the Investors.

Acquisitions

Acquisition of Cheetah

On December 30, 2024, we entered into an Asset Purchase Agreement (the "Cheetah Purchase Agreement") with Cheetah Enterprises, Inc. (the "Cheetah Seller"), pursuant to which, we acquired substantially all of the assets of the Cheetah Seller that relate to and are used in connection with the Cheetah Seller's cannabis wholesale business, including the manufacture, marketing, and sale of cannabis distillate vaporize products in the states of Illinois and Pennsylvania under the "Cheetah" brand (the "Brand"), but excluding certain excluded assets (collectively, the "Cheetah Purchased Assets") together with certain assumed liabilities related to the Cheetah Purchased Assets (the "Cheetah Acquisition"). The purchase price (the "Purchase Price") for the Cheetah Purchased Assets is approximately \$3.5 million, and includes (i) common shares at an aggregate deemed value of approximately \$1.5 million, which we recorded at a fair value of \$1.2 million), to be issued in three (3) tranches; (ii) cash consideration of approximately \$2.0 million payable in four installments, upon the completion of certain performance benchmarks (if the Brand does not meet the performance benchmark by the payment date, such payment date will be delayed until the later of (x) thirty (30) days or (y) until such time the Brand achieves the applicable performance benchmark; provided, payment of the full cash consideration shall not be delayed more than twenty-four (24) months after closing); and (iii) additional consideration based on EBITDA generated by the Brand over the next three years which is payable annually in cash, with the final payment due on or before April 1, 2028.

For further discussion, refer to Note 4 of the unaudited interim condensed consolidated financial statements included in Item I of this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025.

Acquisition of LMS

On December 8, 2017, CGX Life Sciences, Inc. ("CGX"), our wholly-owned subsidiary, entered into two option agreements, as amended, with LMS Wellness, Benefit LLC ("LMS") and William Huber ("Huber"), the sole member of LMS, pursuant to which, CGX was granted an option to acquire 100% ownership of LMS. We exercised our option to acquire LMS on November 22, 2021, subject to regulatory approval by the Maryland Cannabis Administration (the "MCA"). On March 4, 2025, the MCA approved the transfer of 100% of the ownership of LMS to CGX. Our acquisition of LMS was contested by LMS and Huber (see "Part II, Item 1 - Legal Proceedings - Claim by Maryland License Holder" further discussion), but we closed on the acquisition of LMS on April 21, 2025.

Dispositions

Nevada Assets

On February 23, 2024, our wholly-owned subsidiary, GreenMart of Nevada NLV, LLC ("GMNV") entered into an Asset Purchase Agreement (the "NV Purchase Agreement") with an unaffiliated third-party buyer (the "NV Buyer"), pursuant to which, GMNV agreed to sell substantially all of the assets of GMNV to the NV Buyer, including GMNV's co-located medical and adult-use cultivation and production facility in North Las Vegas, Nevada, its adult-use dispensary in Las Vegas, Nevada, and its conditional adult use dispensary licenses to be located in Henderson and Reno, Nevada (the "Business"). After closing adjustments, the aggregate proceeds to be received from the sale are \$5.9 million. Of the total Purchase Price, \$3.5 million is paid in cash at the closing of the NV Purchase Agreement (the "NV Closing") and the remaining balance of the Purchase Price is paid on a quarterly basis, beginning six months after the NV Closing, over 36 months with interest accruing at 8% per annum.

On February 23, 2024, GMNV also entered into a Management Agreement (the "NV Management Agreement"), pursuant to which, the NV Buyer's affiliated entity (the "Manager"), will assume full operational and managerial control of the Business, which was approved by the NV CCB and became effective June 24, 2024 (the "NV Management Agreement Effective Date"). As of the NV Management Agreement Effective Date, all operational control of GMNV was transferred to the Manager and we determined that we no longer had a controlling financial interest as of the NV Management Agreement Effective Date. We recognized an initial gain on deconsolidation of \$2.1 million, which was the carrying value of the net liabilities disposed from deconsolidation on the NV Management Agreement Effective Date, which was presented in "interest and other income" on the consolidated statements of operations for the year ended December 31, 2024.

The NV Closing was subject to, among other customary conditions, receipt of approval of the Nevada Cannabis Compliance Board (the "NV CCB"). On March 20, 2025, we received approval from the NV CCB for the NV Purchase Agreement and transfer of the licenses to the NV Buyer. The effective closing date of the NV Closing is March 31, 2025 (the "NV Closing Date"). On the NV Closing Date, we received \$3.5 million in cash of the Purchase Price, while the remainder is paid through quarterly repayments by way of a promissory note issued by the NV Buyer (the "NV Note"). We recognized a gain of \$5.7 million which is the aggregate fair value of the consideration, which is presented in "interest and other income" on the consolidated statements of operations for the three months ended March 31, 2025. As of June 30, 2025, the balance including accrued interest with respect to the NV Note is \$2.3 million.

Sale of Certain Arizona Assets

On February 6, 2025, we entered into definitive agreements (the "AZ Purchase Agreements") with an unaffiliated third-party buyer (the "AZ Buyer"), pursuant to which we agreed to sell three dispensaries and two processing/cultivation facilities in Arizona for aggregate consideration of approximately \$36.5 million (the "AZ Transaction"). The AZ Transaction includes two dispensaries, a processing facility and a cultivation/processing facility located in Mesa, Arizona as well as one dispensary located in Phoenix, Arizona (collectively, the "Facilities"). Following the closing of the AZ Transaction, we will continue to operate one dispensary in Mesa, Arizona.

Pursuant to the AZ Purchase Agreements, we agreed to sell and the AZ Buyer agreed to acquire, substantially all of the assets related to or used in connection with the Facilities, including, but not limited to, all cannabis licenses associated with such businesses and related real property (collectively, the "AZ Purchased Assets"), together with certain assumed liabilities related to the AZ Purchased Assets. The closing of the Transaction is subject to customary conditions precedent, including the receipt of applicable consents and regulatory approvals.

The purchase price for the AZ Purchased Assets is approximately \$36.5 million and will consist of approximately \$20 million of cash payable at closing, subject to certain adjustments, and a secured promissory note (the "AZ Note") to be issued by the AZ Buyer in the principal amount of \$16.5 million (the "AZ Note"). The AZ Note will bear interest at a rate of six percent per annum compounded annually, with a term of 66 months.

The AZ Transaction closed on February 14, 2025, with an effective closing date of February 10, 2025, which is the date the AZ Buyer assumed the financial benefit and risk relating to the AZ Purchased Assets. As of February 14, 2025, all closing conditions of the AZ Purchase Agreement had been met and that is the date that the AZ Transaction closed and the AZ Buyer assumed full managerial and operational control of the AZ Purchased Assets. Upon closing, we received cash of \$15.8 million from the AZ Buyer, net of closing adjustments and tax payments, and recognized the fair value the AZ Note at \$13.5 million. As of June 30, 2025, the balance including accrued interest with respect to the AZ Note is \$13.0 million.

We recognized a gain on deconsolidation of \$6.3 million, which was difference between the aggregate fair value of the consideration and the carrying value of the net assets disposed from deconsolidation, which is presented in "interest and other income" on the consolidated statements of operations for the three months ended March 31, 2025.

Recent Developments

Legal Proceedings

Please refer to Note 1(h), "Organization and Description of Business," of the Notes to Unaudited Interim Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Results of Operations for the Three and Six Months Ended June 30, 2025 and 2024

Revenues and Gross Profit

(in '000s of U.S. dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Revenues				
Eastern Region	\$ 33,230	\$ 32,363	\$ 66,572	\$ 62,589
Western Region	1,955	10,636	6,734	21,974
Total revenues	\$ 35,185	\$ 42,999	\$ 73,306	\$ 84,563
Costs and expenses applicable to revenues (exclusive of depreciation and amortization expense)				
Eastern Region	\$ (18,003)	\$ (16,094)	\$ (34,441)	\$ (32,964)
Western Region	(1,030)	(6,215)	(3,835)	(13,708)
Total costs and expenses applicable to revenues (exclusive of depreciation and amortization expense)	\$ (19,033)	\$ (22,309)	\$ (38,276)	\$ (46,672)
Gross profit				
Eastern Region	\$ 15,227	\$ 16,269	\$ 32,131	\$ 29,625
Western Region	925	4,421	2,899	8,266
Total gross profit	\$ 16,152	\$ 20,690	\$ 35,030	\$ 37,891

The eastern region includes our operations in Florida, Maryland, Massachusetts, New York, New Jersey, as well as our operations under the new Cheetah brand in Illinois and Pennsylvania. The Western region includes our operations in Arizona and Nevada. Results from our Nevada business was included until June 24, 2024, when it was then deconsolidated.

Expenses

(in '000s of U.S. dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Total operating expenses	\$ 21,522	\$ 20,915	\$ 42,410	\$ 43,079
Total other income (expenses)	(9,217)	(2,641)	1,952	(7,319)
Income tax expense	4,131	6,923	8,140	11,279

Selling, General and Administrative Expenses Details

(in '000s of U.S. dollars)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Salaries and employee benefits	\$ 7,118	\$ 6,364	\$ 14,877	\$ 13,717
Severance	41	77	41	254
Share-based compensation	544	726	1,065	1,160
Legal and other professional fees	1,832	1,802	4,233	3,905
Facility, insurance and technology costs	3,200	3,341	6,386	6,702
Marketing expenses	1,237	888	2,382	1,782
Travel and pursuit costs	444	302	864	499
Amortization on right-of-use assets	520	500	1,010	987
Other general corporate expenditures	876	905	1,772	1,783
Total	\$ 15,812	\$ 14,905	\$ 32,630	\$ 30,789

Total operating expenses

Total operating expenses other than those included in costs and expenses applicable to revenues consist of selling, general, and administrative expenses which are necessary to conduct our ordinary business operations. In addition, total operating expenses consist of marketing, technology, and other growth initiatives related expenses such as opening new dispensaries and building-out our facilities,

as well as depreciation and amortization charges taken on our fixed and intangible assets, and any write-downs or impairment on our assets. We have taken the necessary measures to control our discretionary spending and employ capital as efficiently as possible. After normalizing for one-time items, we expect total operating expenses to remain consistent over the remainder of 2025 as we continue to employ a disciplined capital allocation approach and continue to closely monitor operating expenditures and discretionary spending.

Total other income and expenses

Total other income and expenses include income and expenses that are not included in the ordinary day-to-day activities of our business. This includes the impact of any debt extinguishments, interest and accretion expenses on our financing arrangements, fair value gains or losses on our financial instruments, gains or losses from the sale of our businesses, and income earned from arrangements that are not from our ordinary revenue streams of retail, wholesale, or the delivery of cannabis products.

Income tax expense

As a company operating in the federally illegal cannabis industry, we are subject to the limitations of Internal Revenue Code Section 280E ("Section 280E") under which taxpayers are only allowed to deduct expenses directly related to sales of product and no other ordinary business expenses. Our effective tax rate differs from the statutory tax rate and varies from year to year primarily as a result of numerous permanent differences, the provision for income taxes at different rates in foreign and domestic jurisdictions, including changes in enacted statutory tax rate increases or reductions in the period, changes in our valuation allowance based on our recoverability assessments of deferred tax assets and favorable or unfavorable resolution of various tax examinations.

Results of Operations for the Three Months Ended June 30, 2025 and 2024

Eastern region

For the three months ended June 30, 2025, our sales revenues in the eastern region were \$33.2 million as compared to \$32.4 million for the three months ended June 30, 2024, which represents an increase of 2.7%. The main drivers for the increase in revenues are from higher revenues in New Jersey by \$0.8 million, mainly from the continued expansion of the wholesale program and increased production of in-house products in the state. In Maryland, there was a \$0.4 million increase in revenues from the continued expansion of the adult-use program during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024. Additionally, we had recognized \$0.9 million revenues from our new markets, Illinois and Pennsylvania, during the three months ended June 30, 2025, as compared to \$Nil during the three months ended June 30, 2024. This was partially offset by: lower revenues in Florida of \$0.8 million, primarily due to competitive pressure which led to price compression and lower sales volume.

For the three months ended June 30, 2025, gross profit was \$15.2 million, or 45.8% of sales revenues, as compared to a gross profit of \$16.3 million, or 50.3% of sales revenues, for the three months ended June 30, 2024. The decrease is primarily attributable to a \$2.4 million decrease in gross profit in Florida due to increased competitive pressures which led to price compression, higher retail promotions, and lower production volumes which resulted in a higher cost per gram of inventory sold during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024. This was offset by a \$0.5 million increase in gross profit in New Jersey as we continue to produce and sell more higher margin in-house products to meet adult-use demand in the state. In addition, gross profit in Massachusetts increased by \$0.4 million due to improved operations at the Fall River facility, from increased efficiency in reducing costs and improving output within the cultivation and production processes during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024. Gross profit from the new markets, Illinois and Pennsylvania, was \$0.4 million during the three months ended June 30, 2025, as compared to \$Nil during the three months ended June 30, 2024.

During the three months ended June 30, 2025, approximately 9,310 pounds of plant material was harvested in the eastern region as compared to approximately 15,925 pounds harvested during the three months ended June 30, 2024. The decrease in harvested plant material is primarily attributable to the timing of harvests in Florida and Massachusetts during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024. Decreases in harvest volumes from timing in Florida and Massachusetts were partially offset by an increase in harvested plant material in New Jersey at the Pleasantville facility following the continued expansion of operations to meet demand under the adult-use program during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024.

Western region

For the three months ended June 30, 2025, our sales revenues in the western region were \$2.0 million as compared to \$10.6 million for the three months ended June 30, 2024, which represents a decrease of 81.6%. The decrease in sales revenues is attributable to the deconsolidation of Nevada operations as of June 24, 2024, and deconsolidation of three dispensaries and two facility sites in Arizona, following the sale which closed as of February 10, 2025.

For the three months ended June 30, 2025, gross profit was \$0.9 million, or 47.3% of sales revenues, as compared to a gross profit of \$4.4 million, or 41.6% of sales revenues, for the three months ended June 30, 2024. The lower gross profit is attributable to the reduced operational activity in the western region during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024, following the deconsolidation of our operations in Nevada and certain assets in Arizona. Notwithstanding the decrease in gross profit, the increase in gross margin is primarily attributable to a favorable sales mix within the western region, as there were no wholesale revenues recognized from both Arizona and Nevada markets during the three months ended June 30, 2025, as compared to \$0.7 million of wholesale revenues recognized during the three months ended June 30, 2024. Wholesale gross margins earn substantially lower than retail margins in 2024.

During the three months ended June 30, 2025, there was no production activity in the western region as a result of the sale of our Nevada and Arizona facilities. This compared to approximately 911 pounds harvested during the three months ended June 30, 2024.

Total operating expenses

For the three months ended June 30, 2025, our total operating expenses were \$21.5 million as compared to \$20.9 million for the three months ended June 30, 2024, which represents an increase of 2.9%.

The increase in total operating expenses resulted from an increase of \$0.9 million in our selling, general, and administrative expenses which is attributable to: \$0.7 million increase in our salaries, severance and employee expenses from higher emoluments during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024; a \$0.4 million increase of legal, marketing and other professional fees during the three months ended June 30, 2025 as compared to the three months ended June 30, 2024. This was partially offset by a \$0.2 million decrease in share-based compensation from less grants of restricted stock units to employees during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024.

In addition, the increase in total operating expenses was attributable to a \$1.3 million increase in write-downs and other charges, attributed to additional credit loss provisions of \$1.4 million recognized during the three months ended June 30, 2025, as compared to \$0.1 million in recoveries during the three months ended June 30, 2024. The increase in credit loss provision during the three months ended June 30, 2025 is related to the promissory notes recognized following the sale of certain assets in Massachusetts in 2024.

The increase in total operating expenses was partially offset by a \$1.6 million decrease in our depreciation and amortization expenses during the three months ended June 30, 2025 as compared to the three months ended June 30, 2024. We had a lower depreciable fixed and intangible asset base following the Arizona and Nevada divestitures. In addition, certain property, plant, and equipment as well as intangible assets and other were fully depreciated in 2024.

Total other income and expenses

For the three months ended June 30, 2025, our total other expenses were \$9.2 million as compared to total other expenses of \$2.6 million for the three months ended June 30, 2024, which represents an increase of 249.0%.

The increase in total other expenses during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024 is mainly attributable to a \$5.5 million increase in other general corporate expenditures resulting from settlement expenditures during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024; a \$1.2 million decrease in other income as a result of: \$2.2 million gain on the deconsolidation of our Nevada operations during the three months ended June 30, 2024; partially offset by a \$0.5 million increase in employee retention tax credit refunds received in Florida, a \$0.5 million increase in interest income earned from the promissory notes recognized following the AZ Transaction, and a \$0.1 million gain from investment in associates.

In addition, total other expenses decreased by \$0.2 million from lower interest expense charged on the deferred professional fees as the principal balance has significantly decreased during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024. Accretion expense and losses from fluctuations in the fair value of financial instruments have remained consistent during the three months ended June 30, 2025 and 2024.

Income tax expense

For the three months ended June 30, 2025, our income tax expense was \$4.1 million as compared to \$6.9 million for the three months ended June 30, 2024, which represents a decrease of 40.3%. The decrease in income tax expense is attributable to certain non-deductible items and mix of our pre-tax income across various jurisdictions, impacting our effective tax rate during the three months ended June 30, 2025, as compared to the three months ended June 30, 2024.

Results of Operations for the Six Months Ended June 30, 2025 and 2024

Eastern region

For the six months ended June 30, 2025, our sales revenues in the eastern region were \$66.6 million as compared to \$62.6 million for the six months ended June 30, 2024, which represents an increase of 6.4%. The main drivers for the increase in revenues are from higher revenues in New Jersey by \$2.0 million, mainly from the continued expansion of the wholesale program and increased production of in-house products in the state. Additionally, we had recognized \$2.0 million in wholesale revenues in Illinois and Pennsylvania during the six months ended June 30, 2025, as compared to \$Nil in the six months ended June 30, 2024.

For the six months ended June 30, 2025, gross profit was \$32.1 million, or 48.3% of sales revenues, as compared to a gross profit of \$29.6 million, or 47.3% of sales revenues, for the six months ended June 30, 2024. Gross profit increased in Maryland and New Jersey by a combined \$1.6 million as we continue to produce and sell more higher margin in-house products to meet adult-use demand during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. Gross profit earned in Illinois and Pennsylvania was \$0.7 million during the six months ended June 30, 2025, as compared to \$Nil during the six months ended June 30, 2024.

During the six months ended June 30, 2025, approximately 20,170 pounds of plant material was harvested in the eastern region as compared to approximately 28,690 pounds harvested during the six months ended June 30, 2024. The decrease in harvested plant material is primarily attributed to lower harvested volumes in Florida following the impact of Hurricane Milton on the operating capacity at the shade house since the end of 2024; and due to the timing of harvests in Massachusetts during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. The decrease was partially offset by an increase in harvested plant material in New Jersey primarily attributable to increased cultivation and production activities at the Pleasantville facility following the continued expansion of operations to meet demand under the adult-use program during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024.

Western region

For the six months ended June 30, 2025, our sales revenues in the western region were \$6.7 million as compared to \$22.0 million for the six months ended June 30, 2024, which represents a decrease of 69.4%. The decrease in revenues in the western region is attributed to the deconsolidation of Nevada operations as of June 24, 2024, and deconsolidation of three dispensaries and two facility sites in Arizona, following the sale which closed as of February 10, 2025.

For the six months ended June 30, 2025, gross profit was \$2.9 million, or 43.0% of sales revenues, as compared to a gross profit of \$8.3 million, or 37.6% of sales revenues, for the six months ended June 30, 2024. The lower gross profit is attributable to the reduced operational activity in the western region during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, following the divestitures in Nevada and certain assets in Arizona. Despite the decrease in gross profit, the increase in gross margin is primarily attributable to a favorable sales mix, as there were no wholesale revenues recognized in Arizona and Nevada during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, which earn lower gross margin.

During the six months ended June 30, 2025, approximately 560 pounds of plant material was harvested in the western region as compared to approximately 2,899 pounds harvested during the six months ended June 30, 2024. The decrease is attributed to the divestitures of our Arizona and Nevada facilities.

Total operating expenses

For the six months ended June 30, 2025, our total operating expenses were \$42.4 million as compared to \$43.1 million for the six months ended June 30, 2024, which represents an decrease of 1.6%.

The increase in total operating expenses resulted from an increase of \$1.8 million in our selling, general, and administrative expenses which is attributable to: \$0.9 million increase in our salaries, severance and employee expenses from higher emoluments and timing of payments during the six months ended June 30, 2025 as compared to the six months ended June 30, 2024; \$0.9 million increase of legal, marketing and other professional fees during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, attributed to increased advertising and promotional events; \$0.4 million increase in travel and pursuit costs during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. This was partially offset by a \$0.1 million decrease in share-based compensation from fewer grants of restricted stock units to employees; and \$0.3 million decrease in facility, insurance and technology costs during the six months ended June 30, 2025 as compared to the six months ended June 30, 2024, mainly from lower rent and security charges.

In addition, the increase in total operating expenses was attributable to a \$0.8 million increase in write-downs and other charges, attributed to additional credit loss provisions of \$1.5 million during the six months ended June 30, 2025, as compared to credit loss

provisions of \$0.5 million and settlement costs \$0.3 million, partially offset by a \$0.1 million gain recognized on an early termination of a lease in Florida during the six months ended June 30, 2024. The increase in credit loss provision during the six months ended June 30, 2025 is related to the promissory notes recognized following the sale of certain assets in Massachusetts in 2024

The increase in total operating expenses was partially offset by a \$3.3 million decrease in our depreciation and amortization expenses during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024. We had a lower depreciable fixed and intangible asset base following the Arizona and Nevada divestitures. In addition, certain property, plant, and equipment as well as intangible assets and other were fully depreciated in 2024.

Total other income and expenses

For the six months ended June 30, 2025, our total other income was \$2.0 million as compared to total other expenses of \$7.3 million for the six months ended June 30, 2024, which represents an increase of 126.7%.

The increase in total other income and expenses during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024 is mainly attributable to a \$9.2 million increase in other income, resulting from: a \$6.3 million gain on the AZ Transaction; \$3.5 million gain following the closing of the Nevada divestiture; \$3.1 million from employee tax credit refunds received during the six months ended June 30, 2025; \$1.0 million in deferred professional fees forgiveness; \$0.5 million in interest income earned from the promissory notes recognized from the AZ Transaction; and a \$0.3 million increase in other non-operating income from subleases, license fees and ATM revenues collected from our various store locations, partially offset by a \$5.5 million increase in other general corporate expenditures related to settlement expenditures during the six months ended June 30, 2025

In addition, total other expenses decreased by \$0.2 million due to: lower interest on deferred professional fees from lower interest expense charged on the deferred professional fees as the principal balance has reduced significantly; decrease in loss on debt extinguishment related to the February 16, 2024 amendment to the Senior Secured Bridge Notes; and a small increase in losses from fluctuations in the fair value of financial instruments, partially offset by \$0.2 million increase in accretion expenses during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024.

Income tax expense

For the six months ended June 30, 2025, our income tax expense was \$8.1 million as compared to \$11.3 million for the six months ended June 30, 2024, which represents a decrease of 27.8%. The decrease in income tax expense is attributable to certain non-deductible items and the mix of pre-tax income across various jurisdictions, impacting out effective tax rate during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024.

Liquidity and Capital Resources

As of June 30, 2025, we held unrestricted cash of \$23.5 million (December 31, 2024—\$18.5 million), an accumulated deficit of \$1,348.8 million (December 31, 2024—\$1,335.3 million) and a working capital deficit of \$21.1 million (December 31, 2024—\$0.7 million). In assessing our liquidity, we monitor our cash on-hand and our expenditures required to execute our day-to-day operations and our long-term strategic plans. To date, we have financed our operations through equity and debt financings and from our cash flows from operations. We expect to finance our upcoming capital plans through a combination of additional financings, divestitures of certain assets and cash flows from our operations. However, we may be unable to raise additional funds when needed and on favorable terms, or at all, which may have a negative impact on our financial condition and could force us to curtail or cease our operations. Furthermore, our outstanding debt instruments impose certain restrictions on our operating and financing activities, including certain restrictions on our ability to incur certain additional indebtedness, grant liens, make certain dividends and other payment restrictions affecting our subsidiaries, issue shares or convertible securities and sell certain assets. Even if we believe we have sufficient funds for our current or future plans, we may seek additional capital due to favorable market conditions and/or for strategic opportunities and initiatives.

Going Concern

The accompanying unaudited interim condensed consolidated financial statements have been prepared on a going concern basis, which assumes that we will continue to operate as a going concern, and which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. Our ability to continue as a going concern is dependent upon our ability to raise additional capital, our ability to achieve sustainable revenues and profitable operations, and our ability to obtain the necessary capital to meet our obligations and repay our liabilities when they become due.

While we believe that we have funding necessary for us to continue as a going concern, we may need to raise additional capital and there can be no assurance that such capital will be available to us on favorable terms, if at all. As such, these material circumstances cast substantial doubt on our ability to continue as a going concern for a period of no less than 12 months from the date of this report, and our unaudited interim condensed consolidated financial statements do not include any adjustments that might be necessary if we are unable to continue as a going concern. We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently plan due to incorrect assumptions or due to a decision to expand our activities beyond those currently planned.

Cash Flow for the Six Months Ended June 30, 2025, as Compared to the Six Months Ended June 30, 2024

Operating Activities

Our net cash flows from operating activities are affected by several factors, including revenues generated by operations, increases or decreases in our operating expenses, including expenses related to new capital projects and development and expansion of newly acquired businesses and the level of cash collections from our customers.

Net cash provided from operating activities during the six months ended June 30, 2025 was \$6.3 million as compared to \$5.9 million for the six months ended June 30, 2024. The increase in our net cash provided from operating activities during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, was due primarily to the following: our net loss of \$13.6 million, adjusted for \$9.3 million of depreciation and amortization expense; \$8.3 million in interest expense; \$0.5 million in interest income earned from the Arizona promissory notes; \$1.1 million in share-based compensation expense; \$2.4 million of accretion expense; \$12.1 million gain from deconsolidation from our Nevada and Arizona operations; less than \$0.1 million loss on our equity method investment and inventory reserves; \$1.5 million in write-downs and other charges, from credit loss provisions; and \$9.9 million from changes in operating assets and liabilities items during the six months ended June 30, 2025.

Changes in other operating assets for the six months ended June 30, 2025 include an increase in cash from inventory of \$2.9 million due to the timing of purchases and higher sales volumes in both Maryland and New Jersey during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, a decrease from accounts receivable of \$8.2 million from higher wholesale sales and the timing of collections during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, and an increase in prepaid expenses of \$0.5 million during the six months ended June 30, 2025, mainly relating to the amortization of insurance and rent, as compared to the six months ended June 30, 2024.

Changes in other operating liabilities for the six months ended June 30, 2025 include a decrease in uncertain tax position liabilities of \$15.2 million due to accrued income taxes being recognized as an uncertain tax position during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024, an increase in accrued and other current liabilities of \$12.9 from additional accrued income taxes and certain amended tax liabilities being reclassified to uncertain tax positions, and an increase in accounts payable of \$1.1 million, mainly a function of the timing of purchases, as compared to the six months ended June 30, 2024.

As we continue to expand our operations and as these operations become more established, we continue to expect cash flow to be provided from operations, and we intend to place less reliance on financing from other sources to fund our operations. Although we expect to continue to have positive cash flows from operations in 2025, no assurance can be given that we will have positive cash flows in the future.

Investing Activities

Net cash provided by investing activities during the six months ended June 30, 2025 was \$7.8 million as compared to net cash of \$2.1 million used in investing activities during the six months ended June 30, 2024. The increase in cash from investing activities was primarily attributable to: \$15.8 million proceeds received from the sale of certain assets in Arizona; \$0.9 million in payments received from the Arizona promissory notes during the six months ended June 30, 2025, as compared to the six months ended June 30, 2024; and capital contribution to our investments in associates was \$Nil during the six months ended June 30, 2025, as compared to \$0.3 million during the six months ended June 30, 2024. This was partially offset by \$6.7 million in higher capital expenditures for funding cultivation, processing and dispensary projects in Florida, Maryland, New York, and New Jersey; less than \$0.1 million increase in other intangible assets expenditures primarily related to software development; and \$0.4 million in consideration payments related to the Cheetah Acquisition during the six months ended June 30, 2025, as compared to \$Nil the six months ended June 30, 2024.

Financing Activities

Net cash used in financing activities for the six months ended June 30, 2025 was \$9.3 million as compared to net cash used in financing activities of less than \$0.1 million for the six months ended June 30, 2024. During the six months ended June 30, 2025, we paid \$0.1 million on our employees' behalf as part of RSUs issuances, as compared to less than \$0.1 million during the six months ended June 30, 2024. Further, we repaid \$9.1 million of debt during the six months ended June 30, 2025, as compared to less than \$0.1 million during the six months ended June 30, 2024.

Related Party Transactions

Upon the closing of the Recapitalization Transaction, certain of our lenders held greater than 5% of the voting interests in our Company and therefore are classified as related parties. For further discussion, refer to Note 4 of the unaudited interim condensed consolidated financial statements included in Item I of this Quarterly Report on Form 10-Q for the quarter ended June 30, 2025.

Effective as of April 5, 2024 (the "Faraut Resignation Date"), Philippe Faraut, our then-Chief Financial Officer, resigned from his executive positions, including all positions with our subsidiaries and affiliates. In connection with the resignation, we and Mr. Faraut executed a separation agreement (the "Faraut Separation Agreement"), pursuant to which, Mr. Faraut will receive certain compensation and benefits valued to substantially equal the value of entitlements he would have received under Section 4(g) of his employment agreement. Specifically, Mr. Faraut will receive total cash compensation in the amount of approximately \$0.2 million, which is payable in equal installments of approximately \$25 per month over a period of 7 months following the Effective Date (as defined in the Faraut Separation Agreement). Under the terms of the Faraut Separation Agreement, we will continue to pay the monthly premium for Mr. Faraut's continued participation in the Company's health and dental insurance benefits pursuant to COBRA for one year from the Faraut Resignation Date. Mr. Faraut will serve in a consulting role for one month following the Faraut Resignation Date at a base compensation rate of \$25 per month. Pursuant to the Faraut Separation Agreement, the RSUs granted to Mr. Faraut on November 23, 2022 and May 17, 2023 shall accelerate and fully vest upon satisfactory completion of Mr. Faraut's consulting services. Further, the RSUs granted to Mr. Faraut on September 1, 2023 and November 15, 2023 were forfeited as of the Faraut Resignation Date. As of June 30, 2025, the total balance owed to Mr. Faraut is \$Nil (December 31, 2024 - \$Nil).

Pursuant to the terms of the Secured DPA, we have a related party payable of \$6.3 million due to certain of the New Secured Lenders, including Gotham Green Fund I, L.P., Gotham Green Fund I (Q), L.P., Gotham Green Fund II, L.P., Gotham Green Fund II (Q), L.P., Oasis Investment Master II Fund LTD., Senvest Global (KY), LP, Senvest Master Fund, LP and Hadron Healthcare and Consumer Special Opportunities Master Fund, for certain out-of-pocket costs, charges, fees, taxes and other expenses incurred by the New Secured Lenders in connection with the closing of the Recapitalization Transaction (the "Deferred Professional Fees"). These New Secured Lenders held greater than 5.0% of the outstanding common shares of the Company upon the closing of the Recapitalization Transaction and are therefore considered to be related parties. We had until December 31, 2022, to pay the Deferred Professional Fees ratably based on the amount of each New Secured Lender's Deferred Professional Fees. The Deferred Professional Fees accrued simple interest at the rate of 12.0% from the Closing Date until December 31, 2022. Beginning with the first business day of the month following December 31, 2022, interest shall accrue on the Deferred Professional Fees at the rate of 20.0% calculated on a daily basis and is payable on the first business day of every month until the Deferred Professional Fees and accrued interest thereon is paid in full. As of June 30, 2025, the outstanding related party portion of the Deferred Professional Fees including accrued interest was \$3.4 million (December 31, 2024 - \$9.2 million). The related party balance is presented in accrued and other current liabilities on the unaudited interim condensed consolidated balance sheets.

Pursuant to the terms of 2024 NJ Amendment, interest accruing after February 16, 2024 will be payable in cash on the last day of each fiscal quarter (the first such interest payment date being May 16, 2024). As of June 30, 2025 the outstanding related party portion of the interest payable was \$0.2 million (December 31, 2024 - \$0.2 million) presented in accrued and other current liabilities on the unaudited interim condensed consolidated balance sheets.

Critical Accounting Policies and Accounting Estimates

The preparation of our unaudited interim condensed consolidated financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America and our discussion and analysis of our financial condition and operating results require our management to make judgments, assumptions and estimates that affect the amounts reported. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Our significant accounting policies and estimates are described in Note 2, “Summary of Significant Accounting Policies,” of the Notes to Consolidated Financial Statements in Part II, Item 8 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 filed with the SEC on March 24, 2025 which describes the significant accounting policies and methods used in the preparation of our consolidated financial statements.

Effective January 1, 2025, the Company has noted a change in accounting estimate with respect to inventory valuation. Please refer to Note 1(h), “Organization and Description of Business,” of the Notes to Unaudited Interim Condensed Consolidated Financial Statements in Part I, Item 1 of this Quarterly Report on Form 10-Q.

There have been no other material changes to our critical accounting policies and estimates from the date upon which we filed our Annual Report on Form 10-K for the fiscal year ended December 31, 2024 with the SEC.

JOBS Act

On April 5, 2012, the Jumpstart Our Business Startups Act of 2012 (“JOBS Act”) was enacted. Section 107 of the JOBS Act provides that an “emerging growth company” can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act of 1933, as amended (the “Securities Act”) for complying with new or revised accounting standards. In other words, an “emerging growth company” can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies.

We have chosen to take advantage of the extended transition periods available to emerging growth companies under the JOBS Act for complying with new or revised accounting standards until those standards would otherwise apply to private companies provided under the JOBS Act. As a result, our financial statements may not be comparable to those of companies that comply with public company effective dates for complying with new or revised accounting standards.

Subject to certain conditions set forth in the JOBS Act, as an “emerging growth company,” we intend to rely on certain of these exemptions, including, without limitation, with respect to (i) providing an auditor’s attestation report on our system of internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002, as amended, and (ii) complying with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements, known as the auditor discussion and analysis. We will remain an “emerging growth company” until the earliest of (i) the last day of the fiscal year in which we have total annual gross revenues of \$1.235 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the first sale of our common equity securities under an effective registration statement under the Securities Act; (iii) the date on which we have issued more than \$1 billion in nonconvertible debt during the previous three years; or (iv) the date on which we are deemed to be a large accelerated filer under the rules of the SEC.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

The Company is not required to provide the information required by this Item as it is a “smaller reporting company,” as defined in Rule 12b-2 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”).

ITEM 4. CONTROLS AND PROCEDURES.

Evaluation of Disclosure Controls and Procedures

We maintain “disclosure controls and procedures,” as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to its management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that as of June 30, 2025, our disclosure controls and procedures were not effective due to material weaknesses, which could adversely affect our ability to record, process, summarize, and report financial data. Such weaknesses include: (1) reviewing relevant Service Organization Control Reports for key third party service providers; (2) performing effective risk assessment and/or monitor internal controls over financial reporting.

We have developed a plan to remediate the material weaknesses, which includes dedicating additional resources to assess and improve our ITGCs, and developing a roadmap to become SOX compliant by the required deadline.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during our last fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, we may become involved in various lawsuits and legal proceedings. Litigation is subject to inherent uncertainties and an adverse result in these or other matters may arise from time to time that may harm our business. Except as set forth in this Item 1 of Part II or in Item 1 of Part I, "Financial Statements Note 10 - Contingencies and Guarantees", or in Item 3 of Part I, "Legal Proceedings", of our 2024 Annual Report on Form 10-K, we are currently not aware of any such legal proceedings or claims that will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results.

Roberts Matter

In October 2018, Craig Roberts and Beverly Roberts (the "Roberts") and the Gary W. Roberts Irrevocable Trust Agreement I, Gary W. Roberts Irrevocable Trust Agreement II, and Gary W. Roberts Irrevocable Trust Agreement III (the "Roberts Trust" and together with the Roberts, the "Roberts Plaintiffs") filed two separate but similar declaratory judgment actions in the Circuit Court of Palm Beach County, Florida against GrowHealthy Holdings, LLC ("GrowHealthy Holdings") and the Company in connection with the acquisition of substantially all of GrowHealthy Holdings' assets by the Company in early 2018. The Roberts Plaintiffs sought a declaration that the Company must deliver certain share certificates to the Roberts without requiring them to deliver a signed Shareholder Representative Agreement ("SRA") to GrowHealthy Holdings, which delivery was a condition precedent to receiving the Company share certificates and required by the acquisition agreements between GrowHealthy Holdings and the Company. In January 2019, the Circuit Court of Palm Beach County denied the Roberts Plaintiffs' motion for injunctive relief, and the Roberts Plaintiffs signed and delivered the SRA forms to GrowHealthy Holdings while reserving their rights to continue challenging the validity and enforceability of the SRA. The Roberts Plaintiffs thereafter amended their complaints to seek monetary damages in the aggregate amount of \$22.0 million plus treble damages. On May 21, 2019, the court issued an interlocutory order directing the Company to deliver the share certificates to the Roberts Plaintiffs, which the Company delivered on June 17, 2019, in accordance with the court's order. On December 19, 2019, the Company appealed the court's order directing delivery of the share certificates to the Florida Fourth District Court of Appeal, which appeal was denied per curiam. On October 21, 2019, the Roberts Plaintiffs were granted leave by the Circuit Court of Palm Beach County to amend their complaints in order to add purported claims for civil theft and punitive damages, and on November 22, 2019, the Company moved to dismiss the Roberts Plaintiffs' amended complaints. On May 1, 2020, the Circuit Court of Palm Beach County heard arguments on the motions to dismiss, and on June 11, 2020, the court issued a written order granting in part and denying in part the Company's motion to dismiss. Specifically, the order denied the Company's motion to dismiss for lack of jurisdiction and improper venue; however, the court granted the Company's motion to dismiss the Roberts Plaintiffs' claims for specific performance, conversion and civil theft without prejudice. With respect to the claim for conversion and civil theft, the Circuit Court of Palm Beach County provided the Roberts Plaintiffs with leave to amend their respective complaints. On July 10, 2020, the Roberts Plaintiffs filed further amended complaints in each action against the Company including claims for conversion, breach of contract and civil theft including damages in the aggregate amount of \$22.0 million plus treble damages, and on August 13, 2020, the Company filed a consolidated motion to dismiss such amended complaints. On October 26, 2020, Circuit Court of Palm Beach County heard argument on the consolidated motion to dismiss, denied the motion and entered an order to that effect on October 28, 2020. Answers on both actions were filed on November 20, 2020 and the parties commenced discovery. On September 9, 2021, the Roberts Plaintiffs filed a motion to consolidate the two separate actions, which motion was granted on October 14, 2021. On August 6, 2020, the Roberts filed a lawsuit against Randy Maslow, the Company's now former Interim Chief Executive Officer, President and director, in his individual capacity (the "Maslow Complaint"), alleging a single count of purported conversion. The Maslow Complaint was not served on Randy Maslow until November 25, 2021, and the allegations in the Maslow Complaint are substantially similar to those allegations for purported conversion in the complaints filed against the Company. On March 28, 2022, the court consolidated the action filed against Randy Maslow with the Roberts Plaintiffs' action for discovery and trial purposes. As a result, the court vacated the matter's initial trial date of May 9, 2022. On April 22, 2022, the parties attended a court required mediation, which was unsuccessful. On May 6, 2022, the Circuit Court of Palm Beach County granted Randy Maslow's motion to dismiss the Maslow Complaint. On May 19, 2022, the Roberts filed a second amended complaint against Mr. Maslow ("Amended Maslow Complaint"). On June 3, 2022, Mr. Maslow filed a motion to dismiss the Amended Maslow Complaint, which was denied on September 9, 2022.

On April 12, 2023, the Circuit Court of Palm Beach County initially set this matter for a jury trial to occur sometime between June 5, 2023 and August 11, 2023, but the court rescheduled the jury trial and did not set a new trial date. On April 14, 2023, the Roberts Plaintiffs filed a partial Motion for Summary Judgment on liability for the Roberts Plaintiffs' claims for breach of contract and the Company filed a competing Motion for Summary Judgment on all claims against the Company. On April 21, 2023, Mr. Maslow also filed a Motion for Summary Judgment. On February 27, 2024, the Roberts Plaintiffs filed a Notice for Jury Trial with the Circuit Court of Palm Beach County, notifying the court that the matter was ready to be set for trial. On April 19, 2024, the Roberts Plaintiffs filed a Motion for Speedy Trial due to the ages and health of the Roberts Plaintiffs. On May 14, 2024, the court issued a scheduling order that, among other things, set this matter for a jury trial to occur sometime between October 21, 2024 and December 27, 2024; however, due to competing schedules of the parties, the court elected to specially set the trial. On October 15, 2024, the court issued an order specially setting the trial to begin on January 14, 2025; however, the court has vacated this trial date. On December 13, 2024, the court denied

each of the parties' respective Motions for Summary Judgment. Further, the parties have been ordered by the court to attend mediation, which occurred on March 7, 2025 and was ultimately unsuccessful. On March 21, 2025, the court issued an order specially setting the trial to begin on April 8, 2025 and on the same day, the Company filed an objection to the order on the basis that that it was not timely issued. Also on March 21, 2025, the court scheduled a case management conference for March 28, 2025 and referred this matter to non-binding arbitration beginning on April 8, 2025. The parties attended non-binding arbitration on April 15, 2025, the results of which are confidential. On March 31, 2025, the court issued an order specially setting the trial to begin on June 17, 2025. On June 15, 2025, the parties executed a settlement agreement (the "Roberts Settlement Agreement"), pursuant to which, the Company agreed to pay the Roberts Plaintiffs a total sum of \$5.5 million, payable as follows: (i) \$1,250,000 within five (5) business days of executing the Roberts Settlement Agreement; (ii) \$150,000 on January 5, 2026; and (iii) starting January 5, 2026, \$4,100,000 in equal monthly installments over thirty-six (36) months, bearing simple interest rate of 6% per year. On June 16, 2025, the parties filed a Joint Stipulation to Dismiss this matter with prejudice, which was approved by the court on June 17, 2025.

Walmer Matter

On May 29, 2019, Walmer Capital Limited ("Walmer") and Island Investments Holdings Limited ("Island") filed a statement of claim in the Ontario Superior Court of Justice against MPX Bioceutical ULC ("MPX ULC"). The claim arose from the debentures (the "MPX Debentures") issued by MPX Bioceutical Corporation ("MPX Corporation") in May 2018, the majority of which debentures were redeemed on April 24, 2019 by MPX ULC, a wholly-owned subsidiary of the Company and the successor entity to MPX Corporation following iAnthus's acquisition of the U.S. operations of MPX Corporation, which amalgamated into MPX ULC (the "MPX Acquisition"). MPX ULC withheld the redemption of approximately \$1,250,000 of the original subscription amount of the MPX Debentures as MPX ULC was unable to confirm valid payment of such debentures (the "Disputed Debentures"). The plaintiffs' statement of claim alleged that the plaintiffs were entitled to the Disputed Debentures and sought immediate conversion of such debentures into the Company's common shares. In addition, the plaintiffs sought damages including, but not limited to, for breach of the Disputed Debentures and related indenture in the amount of \$111,000,000 and breach of a security subordination agreement in the amount of \$3,500,000. On July 2, 2019, Walmer, Island, Walmer's principal, Alastair Crawford ("Crawford"), Broughton Limited ("Broughton") and Puddles 8 Limited ("Puddles") filed a petition in British Columbia against the Company and its then directors based on the same facts as alleged in the statement of claim filed by Walmer and Island in the Ontario Superior Court of Justice and seeking a declaration that the respondents engaged in oppressive or unfairly prejudicial conduct and resulting damages. In September 2019, the parties to the Ontario action and the British Columbia petition agreed to consolidate the two proceedings into one action that addresses all issues in the British Columbia petition and agreed to discontinue the separate proceedings. On August 23, 2019, Walmer, Island, Crawford, Broughton and Puddles filed a notice of civil claim in the Supreme Court of British Columbia against MPX ULC, the Company and its then directors consolidating the allegations made in the previously commenced Ontario action and British Columbia petition and seeking, among other things: (i) a mandatory order compelling MPX ULC and the Company to convert the Disputed Debentures into common shares of the Company; (ii) damages for breach of the Disputed Debentures (and indentures) and breach of fiduciary obligations in the amount of \$111,000,000; (iii) damages for breach of a security subordination agreement in the amount of \$3,500,000; (iv) damages for breach of a consultancy agreement in the amount of \$440,000 plus \$150,000 plus certain warrants; and (v) damages for breach of the duty of good faith in the amount of \$1,000,000. On October 31, 2019, the Company and MPX ULC served the plaintiffs with a response and counterclaim. On December 3, 2019, the plaintiffs served (i) a notice of application seeking an order to strike the Company's and MPX ULC's counterclaim against Timothy Childs, Island's principal, in his personal capacity, on the basis that it alleges no cause of action against him and (ii) a notice of application for summary judgment. On February 11, 2020, the Company's directors filed a defense to the plaintiffs' claim with the Supreme Court of British Columbia.

On August 22, 2023, Walmer, Island, Broughton, Crawford and Puddles filed a Notice of Intention to Proceed with their claim. On June 4, 2025, the plaintiffs filed an Amended Notice of Civil Claim (the "Amended Claim"), which, among other things, revised the relief sought by the plaintiffs. Pursuant to the Amended Claim, the plaintiffs are seeking: (i) damages for failure to pay the Disputed Debentures in the amount of \$1,770,263.56 plus bonus and interest; (ii) damages for breach of a consultancy agreement in amount of \$440,000 plus \$150,000; and (iii) damages for breach of the duty of good faith owed to the plaintiffs in the amount of \$1,000,000. The Company and MPX ULC filed its response and counterclaim on July 4, 2025.

Claim by Former Financial Advisor

On April 5, 2023, Canaccord Genuity Corp. ("Canaccord") filed a Statement of Claim against the Company in the Ontario Superior Court of Justice pursuant to an engagement letter (as amended, the "Engagement Letter") entered into by and between Canaccord and the Company. Specifically, Canaccord alleges that it is owed a cash fee equal to \$2,236,000 (the "Alleged Fee") pursuant to the Engagement Letter as a result of the closing of the Recapitalization Transaction. The Company filed its Statement of Defense on May 17, 2023 in which, the Company disputes that it owes the Alleged Fee on the basis that the Recapitalization Transaction closed outside of the tail period of the Engagement Letter, which expired on November 4, 2021. The Company also filed a counterclaim against Canaccord, seeking the repayment of a \$250,000 payment mistakenly made by the Company towards the Alleged Fee in October 2022. On November 3, 2023, Canaccord filed a Motion for Summary Judgment, requesting that the court grant Canaccord's claim for the

Alleged Fee. The hearing on Canaccord's Motion for Summary Judgment was held on June 26, 2025, but the court has not issued its decision yet. On August 8, 2025, the parties executed a settlement agreement, pursuant to which, the Company agreed to pay Canaccord a total sum of \$2,000,000, payable as follows: (i) \$300,000 by August 20, 2025; and (ii) \$1,700,000 in 24 equal monthly installments, beginning on September 19, 2025

ITEM 1A. RISK FACTORS.

Risk factors that affect our business and financial results are discussed in Part I, Item 1A “Risk Factors,” in our Annual Report on Form 10-K for the year ended December 31, 2024 (“Annual Report”). There have been no material changes in our risk factors from those previously disclosed in our Annual Report. You should carefully consider the risks described in our Reports, which could materially affect our business, financial condition or future results. The risks described in our Reports are not the only risks we face. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, and/or operating results. If any of the risks actually occur, our business, financial condition, and/or results of operations could be negatively affected.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4. MINE SAFETY DISCLOSURES.

Not applicable.

ITEM 5. OTHER INFORMATION.

Trading Arrangements

During the quarterly period ended June 30, 2025, none of the Company’s directors or officers (as defined in Rule 16a-1(f) promulgated under the Exchange Act) adopted or terminated any “Rule 10b5-1 trading arrangement” or any “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408 of Regulation S-K.

Additional Information

None.

ITEM 6. EXHIBITS.

Exhibit No.	Description
31.1*	<u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
31.2*	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u>
32.1**	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002</u>
32.2**	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes- Oxley Act of 2002</u>
101.INS	Inline XBRL Instance Document - the instance document does not appear in the interactive Data File as its XBRL tags are embedded within the inline XBRL document
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents
104	The cover page for the Company’s Quarterly Report on Form 10-Q has been formatted in Inline XBRL and contained in Exhibit 101

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

IANTHUS CAPITAL HOLDINGS, INC.

Date: August 12, 2025

By: /s/ Richard Proud

Richard Proud
Chief Executive Officer
(Principal Executive Officer)

Date: August 12, 2025

By: /s/ Justin Vu

Justin Vu
Chief Financial Officer
(Principal Financial and Accounting Officer)

**Certification of Chief Executive Officer of iAnthus Capital Holdings, Inc.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Richard Proud, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of iAnthus Capital Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2025

/s/ Richard Proud

Richard Proud
Chief Executive Officer
(Principal Executive Officer)

**Certification of Chief Financial Officer of iAnthus Capital Holdings, Inc.
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Justin Vu, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of iAnthus Capital Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15(d)-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures, and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 12, 2025

/s/ Justin Vu

Justin Vu
Chief Financial Officer
(Principal Financial and Accounting Officer)

Certification of Chief Executive Officer
Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Richard Proud, Chief Executive Officer of iAnthus Capital Holdings, Inc. (the “Company”), hereby certifies that based on the undersigned’s knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2025

/s/ Richard Proud

Richard Proud
Chief Executive Officer
(Principal Executive Officer)

Certification of Chief Financial Officer
Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, the undersigned, Justin Vu, Interim Chief Financial Officer of iAnthus Capital Holdings, Inc. (the “Company”), hereby certifies that based on the undersigned’s knowledge:

1. The Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2025 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 12, 2025

/s/ Justin Vu

Justin Vu
Chief Financial Officer
(Principal Financial and Accounting Officer)

