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

FORM 8-K

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

Date of Report (Date of earliest event reported): August 11, 2022

IANTHUS CAPITAL HOLDINGS, INC.

(Name of registrant in its charter)

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

000-56228
(Commission
File Number)

98-1360810
(IRS Employer
Identification No.)

420 Lexington Avenue, Suite 414
New York, NY 10170
(Address of principal executive offices)

(646) 518-9411
(Registrant's telephone number)

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (See General Instructions A.2 below):

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

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

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

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

Emerging growth company

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

Item 2.02 Results of Operations and Financial Condition.

On August 15, 2022, iAnthus Capital Holdings, Inc. (the “Company”) issued a press release announcing its financial results for the second quarter 2022. A copy of the press release is attached hereto as Exhibit 99.1, which is incorporated herein by reference.

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

Item 5.07 Submission of Matters to a Vote of Security Holders.

On August 11, 2022, the Company held its 2022 annual meeting of shareholders (the “Annual Meeting”). As of July 5, 2022, the record date for the Annual Meeting, there were 6,244,297,897 common shares outstanding and entitled to notice of and to vote at the Annual Meeting. A total of 5,458,212,656 common shares, constituting a quorum, were represented in person or by valid proxies at the Annual Meeting. The final results for each of the matters submitted to a vote of shareholders at the Annual Meeting, as set forth in the Company’s Definitive Proxy Statement, filed with the Securities and Exchange Commission on July 14, 2022, are as follows:

Proposal 1. At the Annual Meeting, the Company’s shareholders approved a resolution setting the number of directors of the Company at six. The results of the vote approving the foregoing resolution were as follows:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
5,455,939,421	138,185	0	2,135,050

Proposal 2. At the Annual Meeting, the Company’s shareholders approved the election of six directors nominees to serve as directors for a one-year term, to expire at the Company’s next annual meeting of shareholders or until their respective successors are duly elected or qualified. The results of the vote to elect the six directors nominees were as follows:

<u>Directors</u>	<u>For</u>	<u>Against</u>	<u>Abstentions</u>	<u>Broker Non-Votes</u>
Scott Cohen	5,455,750,671	0	326,935	2,135,050
Michelle Mathews-Spradlin	5,455,719,360	0	358,246	2,135,050
Alexander Shoghi	5,455,752,174	0	325,432	2,135,050
Marco D’Attanasio	5,455,753,347	0	324,259	2,135,050
Zachary Arrick	5,455,741,245	0	336,361	2,135,050
Kenneth W. Gilbert	5,455,768,344	0	309,262	2,135,050

Proposal 3. At the Annual Meeting, the Company’s shareholders approved the re-appointment of Marcum LLP (“Marcum”) as the Company’s auditor for the fiscal year ending December 31, 2022, and authorized the directors to fix Marcum’s remuneration. The results of the vote to re-appoint Marcum were as follows:

<u>For</u>	<u>Against</u>	<u>Abstain</u>	<u>Broker Non-Votes</u>
5,457,661,663	0	550,993	0

Item 8.01 Other Events.

On August 15, 2022, the Company issued a press release announcing the results of the Annual Meeting. A copy of the press release is attached hereto as Exhibit 99.2, which is incorporated herein by reference.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
99.1	Press release dated August 15, 2022
99.2	Press release dated August 12, 2022
104	Inline XBRL for the cover page of this Current Report on Form 8-K

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 hereunto duly authorized.

IANTHUS CAPITAL HOLDINGS, INC.

Date: August 15, 2022

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

iAnthus

iAnthus Reports Second Quarter 2022 Financial Results

NEW YORK, NY and TORONTO, ON – August 15, 2022 – [iAnthus Capital Holdings, Inc.](#) (“iAnthus” or the “Company”) (CSE: IAN, OTCQX: ITHUF), which owns, operates, and partners with regulated cannabis operations across the United States, today reported its financial results for the three and six months ended June 30, 2022. The Company’s Quarterly Report on Form 10-Q, which includes its unaudited condensed consolidated financial statements for the three and six months ended June 30, 2022 and the related management’s discussion and analysis of financial condition and results of operations, can be accessed on the Securities and Exchange Commission’s (“SEC’s”) website at www.sec.gov, the Company’s SEDAR profile at www.sedar.com, and on the Company’s website at www.iAnthus.com. As a result of the Company becoming a U.S. reporting company in February 2021, the Company’s financial statements are reported in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”). All currency is expressed in U.S. dollars.

Second Quarter 2022 Financial Highlights

- Revenue of \$43.5 million, a sequential increase of 2% from Q1 2022 and a decrease of 20% from the same period in the prior year.
- Gross profit of \$19.7 million, a sequential decrease of 13% when compared to Q1 2022 and a decrease of 37% from the same period in the prior year.
- Gross margin of 45.2%, reflecting a sequential decrease of 733bps from Q1 2022 and a decrease of 1,251bps from the same period in the prior year.
- Net loss of \$373.6 million, or a loss of \$0.65 per share, compared to a loss of \$10.1 million or a loss of \$0.06 per share in Q1 2022, and compared to a loss of \$15.3 million, or a loss of \$0.09 per share, in the same period in the prior year. The net loss in Q2 2022 was driven primarily by a one-time, non-cash loss on debt extinguishment of \$316.6 million resulting from the Company’s consummation of its previously announced recapitalization transaction (the “Recapitalization Transaction”).
- Adjusted EBITDA⁽⁶⁾ of \$2.3 million, a sequential decrease from \$3.4 million in Q1 2022 and decrease from \$13.5 million from the same period in the prior year. EBITDA and Adjusted EBITDA are non-GAAP measures. Reconciliation tables of EBITDA and Adjusted EBITDA as used in this news release to GAAP are included below.
- On June 24, 2022 (the “Closing Date”), the Company closed the Recapitalization Transaction pursuant to the terms of a restructuring support agreement dated July 10, 2020, as amended on June 15, 2021, by and among the Company, all of the holders of the 13.0% senior secured convertible debentures issued by iAnthus Capital Management, LLC (“ICM”), a wholly-owned subsidiary of the Company, and a majority of the holders of the Company’s 8.0% unsecured convertible debentures and pursuant to the terms of the amended and restated plan of arrangement under the Business Corporations Act (British Columbia) approved by the Supreme Court of British Columbia.

- On the Closing Date, the Company entered into a Third Amended and Restated Secured Debenture Purchase Agreement (the “Secured DPA”) with ICM, the other Credit Parties (as defined in the Secured DPA), Gotham Green Admin 1, LLC, as collateral agent, and the lenders party thereto (the “New Secured Lenders”) pursuant to which ICM issued the New Secured Lenders an additional \$25.0 million of 8.0% secured debentures, 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 maturity date of June 24, 2027.

Table 1: Financial Results

<i>in thousands of US\$, except share and per share amounts (unaudited)</i>	Q2 2022	Q1 2022	Q2 2021
Revenue	\$ 43,481	\$ 42,790	\$ 54,228
Gross profit	19,668	22,492	31,311
Gross margin	45.2%	52.6%	57.7%
Net loss	(373,562)	(10,102)	(15,256)
Net loss per share	(0.65)	(0.06)	(0.09)

Table 2: Reconciliation of Net Income to Adjusted EBITDA

<i>in thousands of US\$</i>	Q2 2022	Q1 2022	Q2 2021
Net loss	(373,562)	\$(10,102)	\$(15,256)
Depreciation and amortization	7,394	9,029	7,759
Interest expense, net	5,777	5,834	5,770
Income tax expense	5,391	4,875	7,884
EBITDA (Non-GAAP)	\$(355,000)	\$ 9,636	\$ 6,157
Adjustments			
Impairment loss	—	—	1,696
Write-downs and other charges	154	292	(73)
Inventory reserve	177	(41)	—
Accretion expense	775	766	2,664
Share-based compensation ⁽¹⁾	21,372	1,464	1,661
Non-monetary gain from MPX NJ acquisition	—	(10,460)	—
Loss/(Gain) from change in fair value of financial instruments	138	102	(327)
Debt obligation fees ⁽²⁾	390	414	418
Non-recurring charges ⁽³⁾	18,218	1,243	1,291
Loss on debt extinguishment ⁽⁴⁾	316,577	—	—
Other income ⁽⁵⁾	(527)	—	—
Total Adjustments	\$ 357,274	\$ (6,220)	\$ 7,330
Adjusted EBITDA (Non-GAAP) ⁽⁶⁾	\$ 2,274	\$ 3,416	\$ 13,487
Margin	5%	8%	25%

- (1) Q2 2022 reflects a \$21.0 million share-based compensation expense related to the graded vesting from the restricted stock units granted as a result of closing the Recapitalization Transaction.
- (2) Reflects accrued interest on the exit fee associated with the Secured Notes. As the Recapitalization Transaction closed on June 24, 2022, the Company will no longer incur debt obligation fees.
- (3) Includes one-time, non-recurring costs related to the Company's Recapitalization Transaction, strategic review process, ongoing legal disputes, severance, and other non-recurring costs associated with having become a U.S. reporting company.
- (4) One-time loss of \$316.6 million on debt extinguishment related to closing of the Recapitalization Transaction.
- (5) Includes accounts payable write-offs of \$0.3 million and Employee Retention Tax Credits of \$0.2 million.
- (6) See "Non-GAAP Financial Information" below for more information regarding the Company's use of non-GAAP financial measures.

Non-GAAP Financial Information

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

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

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

About iAnthus

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

COVID-19 Risk Factor

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

Forward Looking Statements

Statements in this news release contain forward-looking statements. These forward-looking statements are made on the basis of the current beliefs, expectations and assumptions of management, are not guarantees of performance and are subject to significant risks and uncertainty. These forward-looking statements should, therefore, be considered in light of various important factors, including those set forth in Company's reports that it files from time to time with the SEC and the Canadian securities regulators which you should review including, but not limited to, the Company's Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC. When used in this news release, words such as "will," "could," "plan," "estimate", "expect", "intend", "may", "potential", "believe", "should" and similar expressions, are forward-looking statements.

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

These forward-looking statements should not be relied upon as predictions of future events, and the Company cannot assure you that the events or circumstances discussed or reflected in these statements will be achieved or will occur. If such forward-looking statements prove to be inaccurate, the inaccuracy may be material. You should not regard these statements as a representation or warranty by the Company or any other person that it will achieve its objectives and plans in any specified timeframe, or at all. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this news release. The Company disclaims any obligation to publicly update or release any revisions to these forward-looking statements, whether as a result of new information, future events or otherwise, after the date of this news release or to reflect the occurrence of unanticipated events, except as required by law.

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

CONTACT INFORMATION

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iAnthus

iAnthus Announces Results of Annual General Meeting of Shareholders

NEW YORK, NY and TORONTO, ON – August 12, 2022 – iAnthus Capital Holdings, Inc. (“iAnthus” or the “Company”) (CSE: IAN, OTCQX: ITHUF), which owns, operates and partners with regulated cannabis operations across the United States, is pleased to report the results for the Annual General Meeting of Shareholders of iAnthus held on Thursday, August 11, 2022 at 10:00 a.m. (Eastern Time).

All matters put forward before the iAnthus shareholders (the “Shareholders”) for consideration and approval as set out in the Proxy Statement dated July 5, 2022 were approved by the Shareholders. Specifically, the Shareholders: (i) approved a resolution to set the number of directors of the Company at six (6); (ii) approved the election of Scott Cohen, Michelle Mathews-Spradlin, Kenneth W. Gilbert, Alexander Shoghi, Marco D’Attanasio and Zachary Arrick as directors of the Company; and (iii) approved the appointment of Marcum LLP as auditors of the Company.

About iAnthus

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

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