



Innovative Industrial Properties Acquires Michigan Property and Expands Real Estate Partnership with Green Peak Industries (Skymint Brands)

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SAN DIEGO--(BUSINESS WIRE)-- Innovative Industrial Properties, Inc. (IIP), the first and only real estate company on the New York Stock Exchange (NYSE: IIPR) focused on the regulated U.S. cannabis industry, announced today that it closed on the acquisition of a property located at 9410 Davis Highway in Windsor, Michigan.

The purchase price for the property was approximately \$15.6 million (excluding transaction costs). Concurrent with the closing of the purchase, IIP entered into a long-term, triple-net lease agreement with Green Peak Industries LLC (also known as Skymint Brands or Skymint), which intends to operate the property as a regulated cannabis cultivation, processing and distribution facility, upon completion of redevelopment of the approximately 175,000 square foot industrial building. In connection with the redevelopment of the property, IIP has agreed to provide reimbursement of up to approximately \$14.4 million. Assuming full reimbursement for the redevelopment of the property, IIP's total investment in the property will be \$30.0 million.

In addition to this property, IIP owns and leases to Skymint seven other properties in Michigan, including a cultivation and processing facility and six retail locations, representing approximately 262,000 square feet in the aggregate and a total investment of approximately \$57.6 million (including the commitment to reimburse Skymint for redevelopment of this property).

As the pioneering real estate investment trust (REIT) for the medical-use cannabis industry, IIP partners with experienced medical-use cannabis operators and serves as a source of capital by acquiring and leasing back their real estate assets, in addition to offering other creative real estate-based capital solutions.

"We have been Skymint's long-term real estate partner since 2018, and are excited to partner with them again on the redevelopment of this new property that is expected to dramatically expand Skymint's cannabis production capacity to meet the tremendous demand across the state, and support Skymint's continued dispensary expansion plans," said Paul Smithers, President and Chief Executive Officer of IIP.

Skymint's seasoned management team is led by Jeff Radway, co-founder and CEO, with Skymint's operations employing over 400 people. As one of the largest vertically integrated regulated cannabis operators in Michigan,

Skymint operates two indoor cultivation facilities totaling approximately 74,000 square feet of production space, a 200-acre outdoor cultivation area, two processing facilities and twelve dispensaries, with plans to open more than a dozen additional dispensaries over the next year.

“We are very happy to team again with IIP on this new property, and appreciate all of their support in facilitating our expansion over the past three years,” said Jeff Radway, Co-Founder and CEO of Skymint. “IIP has been an instrumental real estate capital partner, effectively addressing our expansion needs on our timeframes, and we look forward to working closely with IIP on the redevelopment of this property, creating a state-of-the-art facility that produces the high quality, consistent products our patients and customers have come to expect from us, with an operation that provides good jobs, opportunities for career advancement for local residents and financial support to our community.”

According to the Michigan Marijuana Regulatory Agency, total regulated adult-use and medical-use cannabis sales in 2020 neared \$1.0 billion, continuing on a strong growth trajectory. As a part of this growth, Leafly estimates that Michigan more than doubled employment in the regulated cannabis industry in 2020 alone, growing to over 18,000 jobs at the end of the year. As of today, IIP’s total investment, including committed funding for future tenant improvements, for the properties IIP owns in Michigan is approximately \$193.3 million.

As of April 19, 2021, IIP owned 69 properties located in Arizona, California, Colorado, Florida, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, North Dakota, Ohio, Pennsylvania, Texas, Virginia and Washington, representing a total of approximately 6.2 million rentable square feet (including approximately 2.3 million rentable square feet under development/redevelopment), which were 100% leased with a weighted-average remaining lease term of approximately 16.7 years. As of April 19, 2021, IIP had committed approximately \$1.5 billion across its portfolio, including capital invested to date (excluding transaction costs) and additional capital commitments to fund future construction and tenant improvements at IIP’s properties.

About Innovative Industrial Properties

Innovative Industrial Properties, Inc. is a self-advised Maryland corporation focused on the acquisition, ownership and management of specialized industrial properties leased to experienced, state-licensed operators for their regulated medical-use cannabis facilities. Innovative Industrial Properties, Inc. has elected to be taxed as a real estate investment trust, commencing with the year ended December 31, 2017. Additional information is available at www.innovativeindustrialproperties.com.

About Skymint

Founded in 2018, SKYMINT Brands (formerly known as Green Peak Innovations) is Michigan’s leading vertically integrated cannabis company and the state’s largest medical and recreational license holder. Built upon a “Happy People, Happy Plants” philosophy, SKYMINT is dedicated to cultivating brands, elevating cannabis, and changing the

world. Acclaimed for the beauty of its retail experience, SKYMINT grows, processes, markets, distributes, and brings to market a full range of cannabis brands, including North Cannabis™, Jolly Edibles™, Two Joints™, and SKYMINT X DNA GENETICS™ lines. SKYMINT Farms™ raises cannabis flower under the sun for those customers who appreciate the artisanal quality of seed-to-stash nurturing. SKYMINT Brands are perfect for daily wellness, healing, or just getting high on life. Additional information is available at www.skymintbrands.com.

Innovative Industrial Properties Forward-Looking Statements

This press release contains statements that IIP believes to be “forward-looking statements” within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. All statements other than historical facts, including, without limitation, statements regarding the acquisition and lease of the Michigan property, Skymint and the Michigan regulated cannabis market, are forward-looking statements. When used in this press release, words such as we “expect,” “intend,” “plan,” “estimate,” “anticipate,” “believe” or “should” or the negative thereof or similar terminology are generally intended to identify forward-looking statements. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in, or implied by, such statements. Investors should not place undue reliance upon forward-looking statements. IIP disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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