



# Innovative Industrial Properties Acquires Missouri Property and Enters Into Long-Term Lease with CPC of Missouri – Smithville

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IIP Expands Portfolio to 75 Properties Comprising 7.0 Million Square Feet in 19 States

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 that it closed on the acquisition of a property in Missouri, and entered into a long-term lease with CPC of Missouri – Smithville, LLC (CPC), a subsidiary of Calyx Peak, Inc. (Calyx).

The purchase price for the property was \$1.53 million (excluding transaction costs). CPC is expected to construct approximately 83,000 square feet of industrial space at the property, for which IIP has agreed to provide reimbursement of up to \$26.72 million. Assuming full reimbursement for the construction, IIP's total investment in the property is expected to be \$28.25 million (excluding transaction costs). CPC intends to operate the property upon completion of construction as a licensed cannabis cultivation and processing facility.

As the pioneering real estate investment trust (REIT) for the regulated cannabis industry, IIP partners with experienced, regulated 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 are excited to announce this new long-term real estate partnership with Calyx, expanding our footprint into Missouri as our 19<sup>th</sup> state," said Paul Smithers, President and Chief Executive Officer of IIP. "Calyx has developed a strong reputation for quality, award-winning cannabis products in California, and we look forward to working closely with the Calyx team in coming months on the development of this new state-of-the-art facility in Missouri, as Calyx expands its operational platform to meet the tremendous growth in demand from patients throughout the state."

Calyx currently operates a 235,000 square foot cannabis cultivation facility in California, and expects to begin construction on a dispensary location in southern California in the near future. Calyx also has a Tier 3 cultivation license and a provisional adult-use dispensary license in Massachusetts, and expects to open a dispensary in the West Plaza neighborhood of Kansas City, Missouri later this year. Founded in 2016, Calyx is headquartered in



Massachusetts and plans to be vertically integrated in three states by the end of 2022.

“We are thrilled to enter into this long-term real estate partnership with IIP for the development of this new facility in Missouri,” said Erin Carachilo, CEO of Calyx, and Lee Hoffman of CPC. “While less than one year since the launch of Missouri’s medical cannabis program, we have witnessed a tremendous rate of adoption by patients and growth in sales throughout the state, and look forward to completing the development of this facility, which will be designed with next-generation systems in a highly controlled environment that will enable us to bring our premium, diversified genetics at scale to Missouri patients.”

Missouri, with over six million residents, first launched medical cannabis sales in October of last year, and regulated medical-use sales have grown rapidly since then, with total sales in August 2021 alone of approximately \$22 million, according to the Missouri Department of Health and Senior Services. As of August 31, 2021, there were over 177,000 patient applications and 5,800 caregiver applications in the state. Missouri’s regulations provide for numerous qualifying medical conditions for treatment with cannabis, including, among others, cancer, epilepsy, PTSD, HIV/AIDS, terminal illness, Alzheimer’s and any chronic medical condition normally treated with prescription medication that can lead to dependence. In addition, petitions for Missouri voters to approve adoption of an adult-use cannabis program are targeting the November 2022 ballot.

As of September 20, 2021, IIP owned 75 properties located in Arizona, California, Colorado, Florida, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Missouri, Nevada, New Jersey, New York, North Dakota, Ohio, Pennsylvania, Texas, Virginia and Washington, representing a total of approximately 7.0 million rentable square feet (including approximately 2.6 million rentable square feet under development/redevelopment), which were 100% leased with a weighted-average remaining lease term of approximately 16.6 years. As of September 20, 2021, IIP had committed approximately \$1.8 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, but excluding an \$18.5 million loan from IIP to a developer for construction of a regulated cannabis cultivation and processing facility in California.

## 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 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](http://www.innovativeindustrialproperties.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 development and lease of the Illinois property, Calyx and the Missouri regulated cannabis market, are forward-looking statements. When used in this press release, words such as IIP “expects,” “intends,” “plans,” “estimates,” “anticipates,” “believes” 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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