



Innovative Industrial Properties Expands Real Estate Partnership with Holistic Industries in California

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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 signed a long-term lease with Holistic Industries Inc. (Holistic) for its property located in Los Angeles, California.

As previously reported, Holistic entered into a definitive agreement to acquire the retail, distribution, cultivation and manufacturing licenses for cannabis operations from the tenant at IIP's Los Angeles, California property, which was in receivership. Holistic closed on this transaction and concurrent with this closing executed a long-term, triple-net lease with IIP for the entire property. In connection with the planned redevelopment of the property, IIP has agreed to provide reimbursement to Holistic of up to \$11.0 million. Assuming full reimbursement for the redevelopment of the property, IIP's total investment in the property will be \$24.0 million.

Including the California property, IIP owns and leases to Holistic regulated cannabis cultivation and processing facilities in Maryland, Massachusetts, Michigan and Pennsylvania, comprising a total of approximately 333,000 square feet. Assuming full reimbursement of tenant improvements under the leases, IIP's total investment in properties leased to Holistic is expected to be \$108.4 million.

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 are thrilled to partner once again with Holistic at our Los Angeles property. We have a vision for this property and its potential, and we believe Josh and his team are the best operators to realize that vision, with their unwavering dedication to customers and patients and their proven success in other states to execute successfully to fulfill that goal," said Paul Smithers, President and Chief Executive Officer of IIP. "We look forward to supporting them through the redevelopment of this property to recognize that potential."

Holistic is one of the largest private, vertically-integrated multi-state operators in the cannabis industry, with operations in California, Maryland, Massachusetts, Michigan, Pennsylvania and Washington D.C, and is expected to commence operations shortly in Missouri and West Virginia. Founded by Chief Executive Officer Josh Genderson in

2011, Holistic's success is driven by its unique and scalable approach and mission to be the best place to work, shop and invest in the cannabis industry.

"We are very excited to team with IIP to redevelop this property and create a state-of-the-art facility for the cultivation and production of best-in-class cannabis products that are our hallmark," said Josh Genderson. "We will be significantly enhancing the capacity of this facility, and look forward to growing with the local community, providing career opportunities for local residents and a property and operations that residents can be proud of."

As of January 8, 2021, IIP owned 66 properties located in Arizona, California, Colorado, Florida, Illinois, Maryland, Massachusetts, Michigan, Minnesota, Nevada, New Jersey, New York, North Dakota, Ohio, Pennsylvania, Virginia and Washington, totaling approximately 5.4 million rentable square feet (including approximately 2.0 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 January 8, 2021, IIP had committed approximately \$1.3 billion by investing approximately \$1.0 billion in the aggregate (excluding transaction costs) and committing an additional approximately \$294.7 million to reimburse certain tenants and sellers for completion of 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 Holistic Industries

Headquartered in Washington, D.C., Holistic Industries is one of the leading private multi-state cannabis operators (MSO) in the U.S. with operations in California, Maryland, Massachusetts, Michigan, Pennsylvania, Washington D.C. and soon in Missouri and West Virginia. Founded by Josh Genderson in 2011, Holistic Industries has grown into a national medical and consumer goods company, a cultivation and extraction network, and a Liberty-branded retail dispensary chain. Holistic Industries was founded to provide patients access to the highest-quality cannabis medicines and has grown quickly with this ethos in mind. As Holistic has entered adult-use markets, the company has built a reputation for delivering exceptional products in a customer-service oriented retail environment.

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 lease of the California property, Holistic and the California 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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Catherine Hastings

Chief Financial Officer

Innovative Industrial Properties, Inc.

(858) 997-3332

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