



Innovative Industrial Properties Acquires Massachusetts Property and Enters into New Tenant Relationship with Trulieve Cannabis Corp.

July 29, 2019

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 in Holyoke, Massachusetts, which comprises approximately 150,000 square feet of industrial space, from Trulieve Cannabis Corp. (Trulieve), a leading and top-performing cannabis company in the United States (CSE: TRUL) (OTC: TCNNF).

Concurrent with the closing of the purchase, IIP entered into a triple-net lease agreement with a subsidiary of Trulieve, which intends to operate the property as a licensed cannabis cultivation and processing facility upon completion of redevelopment. Trulieve is expected to complete tenant improvements for the building, for which IIP has agreed to provide reimbursement of up to \$40.0 million, which funding is subject to reduction at Trulieve's option within the first six months of the lease term. The purchase price for the Massachusetts property was \$3.5 million (excluding transaction costs). Assuming full reimbursement for the tenant improvements, IIP's total investment in the property will be approximately \$43.5 million. The initial lease term is ten years, which may be extended for up to an additional 18 months in accordance with the terms of the lease, with two options to extend the term of the lease for five years each. The initial annualized base rent is equal to 11% of the sum of the purchase price for the property and the reimbursement for tenant improvements then funded by IIP.

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 add a tenant with the strength of credit and of the caliber of Trulieve to our tenant roster," said Paul Smithers, President and Chief Executive Officer of IIP. "Through its dedication to providing Florida patients with the highest quality products in a welcoming, compassionate environment, Trulieve has become the preeminent operator in Florida, and we look forward to supporting Trulieve as a long-term real estate capital partner as it continues to expand its operations in Massachusetts."

Trulieve is a publicly traded Canadian company and multi-state cannabis operator employing over 2,000 people with licenses in Florida, Massachusetts, California and Connecticut.

"The IIP team provided us with a flexible, creative transaction structure for cash-efficient redevelopment of the property, and moved quickly to meet our timeframe," said Kim Rivers, Chief Executive Officer of Trulieve. "We look forward to developing this property and to bringing our best-in-class operations and dedication to patient satisfaction to the residents of Massachusetts."

As of July 29, 2019, IIP owned 26 properties located in Arizona, California, Colorado, Illinois, Maryland, Massachusetts, Michigan, Minnesota, New York, Nevada, Ohio and Pennsylvania, totaling approximately 2.0 million rentable square feet (including approximately 631,000 rentable square feet under development/redevelopment), which were 100% leased with a weighted-average remaining lease term of approximately 15.6 years. As of July 29,

2019, IIP had invested approximately \$262.1 million in the aggregate (excluding transaction costs) and had committed an additional approximately \$72.6 million to reimburse certain tenants and sellers for completion of construction and tenant improvements at IIP's properties. IIP's average current yield on invested capital is approximately 14.6% for these 26 properties, calculated as (a) the sum of the current base rents, supplemental rent (with respect to the lease with PharmaCann LLC at one of IIP's New York properties) and property management fees (after the expiration of applicable base rent abatement or deferral periods), divided by (b) IIP's aggregate investment in these properties (excluding transaction costs and including aggregate potential development/redevelopment funding and tenant reimbursements of approximately \$72.6 million). These statistics include IIP's most recent acquisitions and leases of properties with a subsidiary of MJardin Group, Inc. in Nevada and DionyMed Brands, Inc. in California, and do not include any amounts that may be funded in the future pursuant to IIP's lease with Trulieve at the Massachusetts property.

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.

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 Massachusetts property, Trulieve and the Massachusetts 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.

About Trulieve

Trulieve is a vertically integrated "seed-to-sale" company and is the first and largest fully licensed medical cannabis company in the State of Florida. Trulieve cultivates and produces all of its products in-house and distributes those products to Trulieve-branded stores (dispensaries) throughout the State of Florida, as well as directly to patients via home delivery. Trulieve also operates in California, Massachusetts and Connecticut. Trulieve is listed on the Canadian Securities Exchange under the symbol TRUL.

Trulieve Forward-Looking Statements

This press release includes forward-looking information and statements, which may include, but are not limited to, information and statements regarding or inferring the future business, operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs of Trulieve. Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of Trulieve to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. Although Trulieve believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, Trulieve assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.

This press release does not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of any of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States and may not be offered or sold within the United States (as defined in Regulation S under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or pursuant to an exemption from such registration requirements. To learn more about Trulieve, visit www.Trulieve.com.

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

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