



Innovative Industrial Properties Announces Q3 2021 Operating, Investment and Capital Markets Activity

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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 its operating, investment and capital markets activity from July 1, 2021 through today.

Operating Activity

As of October 1, 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 7.3 million rentable square feet (including approximately 2.7 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 October 1, 2021, IIP had invested an aggregate of approximately \$1.4 billion (consisting of purchase price and construction funding and improvements reimbursed to tenants, but excluding transaction costs) and had committed an additional approximately \$417.5 million to reimburse certain tenants and sellers for completion of construction and improvements at IIP's properties, which does not include an \$18.5 million loan from IIP to a developer for construction of a regulated cannabis cultivation and processing facility in California.

Investment Activity

From July 1, 2021 through today, IIP made four acquisitions (including three new properties and additional land expansion at an existing property) for properties located in Illinois, Maryland, Missouri and New York, and executed three lease amendments to provide additional improvement allowances at properties located in Illinois, Maryland and Michigan. In these transactions, IIP established a new tenant relationship with Calyx Peak, Inc., while expanding existing relationships with 4Front Ventures Corp., Ascend Wellness Holdings, Inc., Goodness Growth Holdings, Inc. (f/k/a Vireo Health International, Inc.), Green Peak Industries LLC (Skymint), Harvest Health & Recreation Inc. and Holistic Industries, Inc. Additional detail regarding each transaction is set forth below:

State	Closing Date	Rentable Sq. Ft. ⁽¹⁾	Purchase Price ⁽²⁾	Additional Investment	Total Investment	
Illinois	August 3, 2021	250,000	\$ 6,500	\$ 43,750	\$ 50,250	(3)
Maryland	August 13, 2021	112,000	16,615	12,900	29,515	(4)
Maryland	August 26, 2021	N/A	N/A	8,000	8,000	(5)
Michigan	September 2, 2021	N/A	N/A	15,000	15,000	(6)
Illinois	September 15, 2021	N/A	N/A	20,000	20,000	(7)
Missouri	September 17, 2021	83,000	1,530	26,720	28,250	(8)
New York	September 24, 2021	324,000	10,225	46,075	56,300	(9)
	Totals	769,000	\$ 34,870	\$ 172,445	\$ 207,315	

(1)Includes expected rentable square feet at completion of construction for certain properties.

(2)Excludes transaction costs.

(3)The tenant is expected to construct a 250,000 square foot industrial facility, for which IIP agreed to provide reimbursement of up to \$43.75 million.

(4)The tenant is expected to complete improvements at the property, for which IIP agreed to provide reimbursement of up to \$12.9 million.

(5)The amount relates to a lease amendment which provided an additional improvement allowance under a lease at one of IIP's Maryland properties of \$8.0 million, and also resulted in a corresponding adjustment to the base rent for the lease at the property.

(6)The amount relates to a lease amendment which increased the improvement allowance under a lease at one of IIP's Michigan properties by \$15.0 million to a total of \$29.45 million, and also resulted in a corresponding adjustment to the base rent for the lease at the property.

(7)The amount relates to a lease amendment which increased the improvement allowance under a lease at one of IIP's Illinois properties by \$20.0 million to a total of \$52.0 million, and also resulted in a corresponding adjustment to the base rent for the lease at the property.

(8)The tenant is expected to construct an 83,000 square foot industrial facility, for which IIP agreed to provide reimbursement of up to approximately \$26.72 million.

(9)The amounts relate to the acquisition of additional land adjacent to an existing property and a lease amendment which provided an allowance to fund construction of a new building and resulted in a corresponding adjustment to the base rent for the lease at the property. The tenant is expected to construct approximately 324,000 square feet of industrial space, for which IIP agreed to provide reimbursement of up to approximately \$46.1 million.

Capital Markets Activity

IIP did not conduct any capital raising activities during the period from July 1, 2021 through today.

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.

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 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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