

May 1, 2024



NewLake Capital Partners Issues Statement on Cannabis Being Rescheduled to Schedule III

NEW CANAAN, Conn., May 01, 2024 (GLOBE NEWSWIRE) -- [NewLake Capital Partners, Inc.](#) (OTCQX: NLCP) ("The Company" or "NewLake"), a leading provider of real estate capital to state-licensed cannabis operators, issued a statement from NewLake Capital Partners CEO and President Anthony Coniglio on the Drug Enforcement Administration (DEA) rescheduling cannabis from Schedule I to Schedule III under the Controlled Substances Act (CSA).

Today marks a pivotal moment in the cannabis industry's journey. The decision to move cannabis from Schedule I to Schedule III under the Controlled Substance Act represents a monumental acknowledgment by federal agencies. It confirms what patients, consumers and advocates have long known: cannabis offers a safe and effective therapeutic option for millions of Americans.

This rescheduling carries meaningful implications for the entire cannabis landscape. First, it will alleviate the burdens imposed by 280E tax regulations, enhancing the credit quality of cannabis operators, including those in NewLake's portfolio. We estimate our tenants would collectively enjoy more than \$400 million of annual tax savings and related increase to cash flows for their businesses. Furthermore, this important step by the federal government should provide a catalyst for incremental investment into the sector, which we believe would allow operators to recapitalize their balance sheets resulting in further improvement of the industry's credit quality, including our tenant base.

These developments are also likely to spur overall growth across the cannabis industry as the march towards normalization and legalization continues. With less than 0.1x debt/EBITDA, NewLake has ample capacity to capture growth opportunities that will likely come from this important announcement.

About NewLake Capital Partners, Inc.

NewLake Capital Partners, Inc. is an internally-managed real estate investment trust that provides real estate capital to state-licensed cannabis operators through sale-leaseback transactions and third-party purchases and funding for build-to-suit projects. NewLake owns a portfolio of 31 cultivation facilities and dispensaries that are leased to single tenants on a triple-net basis. For more information, please visit www.newlake.com.

Contact Information:

Lisa Meyer
Chief Financial Officer, Treasurer and Secretary

NewLake Capital Partners, Inc.
lmeyer@newlake.com

Investor Contact:

Valter Pinto, Managing Director
KCSA Strategic Communications
Valter@KCSA.com
PH: (212) 896-1254

Media Contact:

Ellen Mellody
KCSA Strategic Communications
EMellody@KCSA.com
PH: (570) 209-2947



Source: NewLake Capital