

April 28, 2026

Dear Shareholders,

Late last week, federal policymakers took several actions related to cannabis policy, Section 280E taxation, and hemp-derived CBD products. While the regulatory landscape remains complex, these developments represent incremental, but meaningful progress toward greater clarity and stability for state-licensed cannabis operators, particularly in the medical segment of the market.

The U.S. Department of Justice (DOJ) and the Drug Enforcement Administration (DEA) announced a two-step approach to advancing cannabis rescheduling.

1. The DOJ issued an order immediately placing FDA-approved marijuana products and marijuana grown and sold pursuant to qualifying state medical marijuana licenses into Schedule III of the Controlled Substances Act.
2. The DOJ directed the DEA to proceed with an expedited administrative hearing process, beginning June 29, 2026, to consider whether marijuana more broadly should be rescheduled from Schedule I to Schedule III.

While movement toward Schedule III had been anticipated, certain elements of the announcement went beyond what we, and much of the industry, had expected.

Most notably, the DEA outlined a pathway for state-licensed medical cannabis operators to register directly with the DEA to manufacture and distribute cannabis under federal law. In practice, this framework recognizes state medical cannabis programs as a sufficient regulatory foundation during an interim period. As a result, **compliant medical operators are now treated as federally lawful businesses today**, rather than being required to navigate traditional federal drug approval and registration requirements that many believed would remain a barrier for years.

Following the DOJ's announcement, the U.S. Department of the Treasury and the Internal Revenue Service (IRS) issued a press release indicating that they plan to provide near-term guidance addressing the federal tax implications of the DOJ's action, including **relief from Section 280E** of the Internal Revenue Code. In addition, the DOJ publicly encouraged Treasury and the IRS to evaluate whether such relief could be applied retroactively for qualifying medical operators. If implemented, **retroactive relief** could positively impact operator balance sheets, particularly for companies that had stopped paying 280E taxes and instead accrued those liabilities while awaiting regulatory clarity. While no guidance has yet been issued and the scope of any relief remains uncertain, even the consideration of retroactivity exceeded prior market expectations.

Separately, President Trump reinforced the Administration's position during public remarks later in the week, highlighting the rescheduling actions and signaling broader support for modernizing cannabis and cannabinoid policy. The President also referenced efforts to refine the federal treatment of full-spectrum, wellness-oriented CBD products, ***distinguishing them from synthetic intoxicating hemp-derived*** products that have proliferated under existing regulatory gaps. Based on subsequent public commentary, legislative proposals may follow to permit full-spectrum CBD products, including low-dose THC, while restricting synthetics that have diverted demand from regulated state markets.

### **What This Means for NewLake**

These developments align closely with themes we outlined in our recent Annual Shareholder Letter, where we noted that federal cannabis reform would advance through measured, incremental steps rather than sweeping legislative changes. The actions taken during the week of April 21, 2026, suggest that this more gradual framework is beginning to emerge, particularly within the medical and wellness segments of the industry.

NewLake is not a cannabis operator; we are a real estate company focused on owning mission-critical infrastructure leased to state-licensed operators. Developments that improve regulatory clarity, normalize medical cannabis at the federal level, and reduce tax friction for operators can ***strengthen tenant credit quality*** over time. Enhanced cash flow, improved balance sheets, and reduced legal uncertainty are constructive for long-term rent coverage and portfolio stability.

Investors have also asked whether recent regulatory developments could have implications for NewLake's long-term eligibility to list on a U.S. national exchange such as the NYSE or Nasdaq. From an operational and financial standpoint, ***NewLake already complies with the quantitative and governance requirements of major U.S. exchanges.*** However, our tenant base has historically been engaged in the manufacture of cannabis classified as a Schedule I substance under federal law, which has limited exchange willingness to list cannabis-adjacent companies.

The movement of medical cannabis to Schedule III, together with the establishment of a formal DEA registration pathway for state-licensed operators, represents meaningful progress toward a federal framework under which those operators may ultimately be viewed as operating lawful businesses. Continued advancement in this direction could reduce long-standing legal and regulatory friction and ***set the stage for a potential uplisting*** over time. We are awaiting further guidance from federal agencies and will continue to monitor developments closely so that we are positioned to move efficiently should broader investor access through a national exchange become viable.

Importantly, these developments do not change our disciplined underwriting standards or our conservative approach to capital allocation. We will continue to evaluate tenant exposure, regulatory developments, and market conditions carefully, and we do not assume any particular timing or outcome for broader rescheduling or tax changes. However, the direction of recent federal actions is consistent with our view that cannabis particularly medical and wellness-focused segments, ***is moving toward greater normalization within a legally durable framework.***

We will continue to monitor developments closely and keep shareholders informed as additional guidance and rulemaking emerge.

Sincerely,

Anthony Coniglio  
Chief Executive Officer  
NewLake Capital Partners (OTCQX: NLCP)

**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 34 properties, including 15 cultivation facilities and 19 dispensaries, primarily leased to single tenants under triple-net lease agreements. For more information, please visit [www.newlake.com](http://www.newlake.com).

**Contact Information**

Investor Contact

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

Media Contact

Ellen Mellody, Senior Vice President  
KCSA Strategic Communications  
[EMellody@kcsa.com](mailto:EMellody@kcsa.com)  
PH: (570) 209-2947