



12/9/2024

# New Lake Capital Partners (NLCP)

## Company update

### Key Highlights:

- Attractively valued vs. IIPR and industrial REITS, trading at par and paying a dividend yield 500bp above 10-year Treasury bills.
- Prudent portfolio management. Unlevered B/S at only 2% debt to equity.
- We attach our updates estimates post 3Q24.



AFFO/share \$	CY23	CY24e	CY25e	CY26e
1Q	0.45 A	0.52 E	0.52 E	0.52 E
2Q	0.46 A	0.53 E	0.52 E	0.52 E
3Q	0.47 A	0.51 E	0.52 E	0.53 E
4Q	0.51 E	0.52 E	0.52 E	0.52 E
FY	1.89 E	2.09 E	2.08 E	2.10 E
Div/share \$	CY23	CY24e	CY25e	CY26e
1Q	0.39 A	0.40 E	0.43 E	0.45 E
2Q	0.39 A	0.41 E	0.43 E	0.45 E
3Q	0.39 A	0.43 E	0.43 E	0.45 E
4Q	0.39 E	0.43 E	0.45 E	0.45 E
FY	1.56 E	1.67 E	1.74 E	1.80 E
Share price (\$)	\$19.00			
Share count (mn)	20.6			
Market Cap (\$Mn)	391			
Ticker	NLCP			
Rating	Overweight			
Price target	No PT			
Fiscal Year	Dec			

BVPS \$	CY23	CY24e	CY25e	CY26e
1Q	20.06 A	19.70 A	19.66 E	19.31 E
2Q	20.02 A	19.61 A	19.54 E	19.23 E
3Q	19.89 A	19.72 A	19.48 E	19.15 E
4Q	19.78 E	19.73 E	19.39 E	19.07 E
FY	19.78 E	19.73 E	19.39 E	19.07 E
Debt/Equy	CY23	CY24e	CY25e	CY26e
1Q	0.0% A	0.5% A	1.0% E	2.7% E
2Q	0.7% A	0.5% A	1.9% E	2.7% E
3Q	0.7% A	0.5% A	1.9% E	2.7% E
4Q	0.7% E	0.5% E	2.7% E	2.8% E
FY	0.7% E	0.5% E	2.7% E	2.8% E
Performance	NLCP	MSOS	S&P500	
30d	2%	-40%	5%	
90d	-3%	-36%	13%	
1yr	42%	-46%	34%	

**Pablo Zuanic**

ZUANIC & ASSOCIATES

pablo.zuanic@zuanicgroup.com

420Odysseus; www.zuanicassociates.com



## Company Update

**We rate NLCP Overweight.** NLCP is attractively valued, trading at par and paying a dividend yield (9.1%; 120% covered in the latest quarter) almost 500bp above 10-year Treasury notes. Industrial REITs in general trade at almost 70% premium to book value and carry dividend yields on average of 4.3% (15bp above 10-year Treasuries). IIPR, the only other MJ sale lease back operator besides NLCP, trades 57% above par and has a 6.7% dividend yield. NLCP is unlevered (<2% debt to equity) and has been conservative in deploying cash. Yes, the valuation gap is partly explained by IIPR being NYSE listed (NLCP only trades OTC, but investors can buy the stock via brokers such as Fidelity, E-Trade, Charles Schwab, and others), but we expect the discount to narrow over time.

**About the NLCP property portfolio as of Sep'24.** The NLCP NREP is 100% rented, and it consists of 32 properties (17 dispensaries and 15 cultivation facilities) in 12 states, with 13 operators (of which 7 are private). Per management, EBITDA coverage for the cultivation facilities is 3.4x and 8.8x for the retail stores. The book has 13.8 years remaining lease terms on average.

- **Portfolio growth YTD is above the most direct peer.** During 3Q, NLCP funded \$2.6Mn in B&TI (after \$3.5Mn in 2Q24 and \$7.9Mn in 1Q24), on a gross real estate base of \$427.7Mn at the end of June. So, YTD, this implies 4% growth on the gross real estate book balance – this compares with only 2% growth at IIPR for the same period. Unfunded commitments at the end of Sep were \$12.2Mn (\$11.4Mn related to C3 in CT, and \$0.8Mn with Mint in AZ). So far in 4Q24 (thru 11/12), it had funded improvements worth \$0.4Mn at its cultivation facility in CT (we understand the rest will ramp in Feb over a 9-month period).
- **Acquisitions:** So far this year, NLCP purchased a cultivation facility in CT (C3 Industries) for \$4Mn and committed to fund \$12Mn in building and tenant improvements. In 2023, NLCP also made only one acquisition (with C3 too in MO).
- **Construction in progress** at the end of Sep amounted to \$21.2Mn (\$18.6Mn with Mint in AZ; \$2Mn with Calypso PA; \$0.6Mn with C3 in CT).
- **Portfolio concentration.** Five operators (four public) accounted for 65% of total rental income as of 3Q24 (Curaleaf 23%; Cresco 14%; Trulieve 11%; Cannabist 9%; C3 8%); this compared with 68% in 3Q23. At IIPR, five operators accounted for 50% of rental income in 3Q24 (PharmaCann 17%; Ascend 11%; Green Thumb 8%; Curaleaf 7%; Trulieve 7%). Five states accounted for 85% of NLCP's rental income in 3Q24 (PA 26%; FL 19%; IL 18%; MO 11%; MA 11%) compared with 87% in 3Q23 (PA 28%; FL 20%; IL 19%; MA 12%; MO 9%).



**The growth potential for MJ sale lease back operators.** The growth outlook for the sale lease back companies is mostly predicated on more states going rec or big states going med. Without significant change on this front, there may be less expansion to fund for the sale leaseback operators, with the mortgage REITs better placed to lend against existing unencumbered real estate assets and BDCs lending against cash flow. The potential growth “bull case”:

- Continued growth in undersupplied rec markets (in order of market size opportunity): NY, NJ, OH, and CT.
- Large med markets that could flip to rec in the next two years: PA and VA. Here we should also include MN and DE, two states that already approve rec with only start dates still TBD exactly.
- New medical markets (or existing ones expanding): GA, TX, KY, and NE
- See our [Macro Views](#) report for greater color on the regulatory context.

**Brief take on 3Q24 results.** AFFO was mostly in line with recent qtrs at \$10.7Mn (\$10.9Mn average from 4Q23 to 2Q24), with a slight 0.5% seq drop on a per share basis (partly on professional fees related to new deals). Rental income of \$12.3Mn was equivalent to 12.6% (annualized) of NREP, in line with recent quarters. There were no acquisitions of real estate in 3Q \$4Mn in 2Q), while \$2.6Mn was funded in tenant improvements (\$3.5M in 2Q). Debt remained stable seq at \$7.6Mn (less than 2% leverage). During CY23, NLCP bought back \$11.8Mn worth of stock, but YTD it has not bought back stock. It has not made use of its at the market equity facility either.

**Lease amendments.** As per the 10-Q, Calypso in PA and Revolutionary Clinics in MA were noted (they account for ~17% of the real estate book). During the fourth quarter of 2023, the Company amended its leases with: a) Revolutionary Clinics as part of a restructuring of their business, their receipt of new third party capital and new management, and b) Calypso in connection with their sale to Canvas Acquisition Corporation. Both tenants experienced recent operating challenges impacting their ability to pay rent as described below. The Company is currently in discussion with these tenants and have reserved all rights under the lease agreements.

- Revolutionary Clinics did not pay approximately 50% of the contractual rent from June 2024 through September 2024.
- Calypso Enterprises did not pay its September and October 2024 contractual rent due under its lease agreement. NLCP held an escrow deposit amounting to approximately six months of Calypso Enterprises' contractual rent payments and it applied approximately \$299 thousand from this escrow deposit to cover the outstanding September 2024 rent. Additionally, in accordance with the lease agreement, NLCP suspended its obligation to



fund the remaining improvement allowance of approximately \$987 thousand until all outstanding rent is paid and the escrow deposit is replenished.

**NLCP remains under levered – consistent with its prudent approach.** The company has access to a \$90Mn revolving credit facility (which can be increased to \$100Mn under certain conditions) at a fixed rate of 5.65% for the first three years (thereafter at Prime plus an applicable margin of 1% to 4.75%). Only \$7Mn used.

#### Stock performance and valuation.

- Performance: Industrial REITs in general (see appendix) are down 13% in the last 90d (and down 5% in the last 30 days), with NLCP -3% (+2%) and IIPR -12% (-19%). Mortgage REITs in general are flat in the past 90 days (up 2% in the last 30d), while REFI is up 2% (+5%) and AFCG -8% (-3%). During the last 90d, the MSOS ETF is down 36% (-40% last 30d) and the S&P500 is up 13% (+5%).
- Valuation: At \$19, NLCP trades almost at par (BVPS \$19.48 3Q24), and the cash dividend yield is 9.1% (43c x 4), almost 5pt above 10-year Treasuries. The dividend is well covered (120% in 3Q24; the 43c dividend was 84% of AFFO in 3Q24), especially considering the NLCP spread (rental yield close to 13% vs. debt cost of 5.65%). The weighted average yield is 11.9% (the book has 2.6% annual rent escalations).
- Direct Comps: IIPR, the most direct comp, pays a 6.7% dividend yield (4 x \$1.80 over \$107) and trades at a 57% premium to par (3Q BVPS \$68). The latter is NYSE listed (NLCP trades OTC) and we assume the premium reflects the cannabis industry's growth potential. But without more states going rec (TBD) or big states going med, there may be less expansion to fund for the sale leaseback operators, with the mortgage REITs better placed to lend against existing unencumbered real estate assets and BDCs lending against cash flow. Indeed, the MJ mortgage REITs are paying almost mid-teens dividend yields and also trade near par.
- Non MJ Comps – Industrial REITs not in cannabis: According to FactSet, as shown in the appendix, industrial REITs on average trade at a 69% premium to par (some like EastGroup Properties at ~200%), with very few exceptions below par (Industrial Logistics Properties being one). On average, industrial REITs pay dividend yields of 4.3%.

Table 1: Stocks mentioned in this report

Company name	Ticker	Ticker	Rating
<b>US MSOs</b>			
4Front Ventures		FFNTF	not rated
Acreage Holdings		ACRDF	not rated
Ascend Wellness		AAWH	not rated
AYR Wellness		AYRWF	not rated
Cannabist		CCHWF	not rated
Cansortium		CNTMF	will cover
Cresco Labs		CRLBF	Overweight
Curaleaf Holdings		CURLF	will cover
GlassHouse Brands		GLASF	not rated
Gold Flora		GRAM	Overweight
Goodness Growth		GDNF	not rated
Green Thumb Industries		GTBIF	Overweight
Grown Rogue		GRUSF	not rated
Jushi Holdings		JUSHF	Overweight
MariMed		MRMD	Overweight
Planet 13 Holdings		PLNHF	Overweight
Schwazze		SHWZ	will cover
StateHouse Holdings Inc		STHZF	not rated
TerrAscend		TSNDF	not rated
TILT Holdings		TLLTF	Neutral
Trulieve Cannabis		TCNNF	will cover
Verano Holdings		VRNOF	Overweight
Vext Science, Inc.		VEXTF	Overweight
<b>Tech</b>			
Leafly		LFLY	not rated
Springbig		SBIG	not rated
WM Technology		MAPS	Neutral

Company name	Ticker	Rating
<b>Canada LPs</b>		
Aurora Cannabis	ACB	Neutral
Auxly Cannabis Group	CBWTF	will cover
Avant Brands	AVTBF	will cover
Avicanna	AVCN	not rated
BZAM	BZAMF	not rated
Cannara Biotech	LOVFF	not rated
Canopy Growth Corporation	CGC	will cover
Cronos Group	CRON	not rated
Decibel Cannabis Co	DBCCF	Overweight
Organigram Holdings	OGI	will cover
Rubicon Organics	ROMJF	not rated
SNDL	SNDL	not rated
Tilray Brands	TLRY	Neutral
Village Farms Intl	VFF	Overweight
<b>Finance Companies</b>		
AFC Gamma	AFCG	Overweight
Chicago Atlantic BDC	LIEN	will cover
Chicago Atlantic REFC	REFI	Overweight
Innovative Industrial Properties	IIPR	not rated
New Lake Capital Partners	NLCP	Overweight
RIV Capital	CNPOF	not rated
SHF Holdings	SHFS	not rated
<b>Other</b>		
Intercure	INCR	not rated
LFTD Partners Inc.	LIFD	Overweight
Ispire Technology	ISPR	will cover
Smoores International	SMORF	will cover

Source: Z&amp;A ratings



# Appendix I: Company Financials

9 December 2024

## New Lake Capital Partners: Company Update

### Exhibit 1: Balance Sheet

US\$000s														
BALANCE SHEET	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Net real estate	379,738	380,309	385,136	389,481	388,848	385,906	385,906	383,460	384,006	384,520	384,201	384,201	387,799	391,542
Real estate - gross	399,474	412,308	420,202	427,672	430,265	430,765	430,765	431,765	435,765	439,765	442,965	442,965	460,951	479,668
Land	21,427	21,397	21,397	21,717	21,717	0	0	0	0	0	0	0	0	0
Buildings and improvements	378,047	390,911	398,805	405,955	408,548	0	0	0	0	0	0	0	0	0
(-) Accumulated depreciation	-19,736	-31,999	-35,066	-38,191	-41,417	-44,859	-44,859	-48,305	-51,759	-55,245	-58,764	-58,764	-73,153	-88,126
Cash and cash equivalents	45,192	25,843	21,546	20,687	19,833	23,732	23,732	25,043	22,504	20,802	19,903	19,903	11,535	3,000
In-place lease intangible assets, net	21,765	19,779	19,283	18,786	18,290	18,290	18,290	17,794	17,298	16,801	16,305	16,305	14,320	12,335
Loan receivable	5,000	4,833	4,848	4,859	4,872	4,872	4,872	4,872	4,872	4,872	4,872	4,872	4,872	4,872
Property held for sale	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other assets	2,554	2,528	2,304	2,385	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736	2,736
<b>TOTAL ASSETS</b>	<b>454,249</b>	<b>433,292</b>	<b>433,117</b>	<b>436,198</b>	<b>434,579</b>	<b>435,536</b>	<b>435,536</b>	<b>433,905</b>	<b>431,416</b>	<b>429,731</b>	<b>428,017</b>	<b>428,017</b>	<b>421,261</b>	<b>414,485</b>
Accounts payable and accrued expenses	1,659	1,117	697	921	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253
Revolving credit facility	1,000	1,000	4,000	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600	7,600
Loan payable, net	1,986	1,000	0	0	0	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,396
Dividend and distributions payable	8,512	8,385	8,577	9,009	9,009	8,820	8,820	8,820	8,000	8,000	8,000	8,000	8,000	8,000
Security deposits	7,774	8,616	8,342	8,789	8,995	8,995	8,995	8,995	8,995	8,995	8,995	8,995	8,995	8,995
Rent received in advance	1,375	990	668	784	668	668	668	668	668	668	668	668	668	668
Other liabilities	1,005	227	170	149	130	130	130	130	130	130	130	130	130	130
Interest reserve	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total liabilities</b>	<b>23,311</b>	<b>21,335</b>	<b>22,454</b>	<b>27,252</b>	<b>27,655</b>	<b>30,466</b>	<b>30,466</b>	<b>30,466</b>	<b>29,646</b>	<b>29,646</b>	<b>29,646</b>	<b>29,646</b>	<b>29,646</b>	<b>30,041</b>
Preferred stock	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Common stock	214	205	205	205	205	205	205	205	205	205	205	205	205	205
Additional paid in capital	455,822	445,289	445,590	446,006	446,466	446,466	446,466	446,466	446,466	446,466	446,466	446,466	446,466	446,466
Accumulated deficit	-32,487	-40,909	-42,479	-44,581	-47,008	-48,862	-48,862	-50,494	-52,162	-53,847	-55,561	-55,561	-62,317	-69,488
<b>Total stockholders equity</b>	<b>423,549</b>	<b>404,585</b>	<b>403,316</b>	<b>401,630</b>	<b>399,663</b>	<b>397,809</b>	<b>397,809</b>	<b>396,177</b>	<b>394,509</b>	<b>392,824</b>	<b>391,110</b>	<b>391,110</b>	<b>384,354</b>	<b>377,183</b>
Non controlling interest	7,389	7,372	7,347	7,316	7,261	7,261	7,261	7,261	7,261	7,261	7,261	7,261	7,261	7,261
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>454,249</b>	<b>433,292</b>	<b>433,117</b>	<b>436,198</b>	<b>434,579</b>	<b>435,536</b>	<b>435,536</b>	<b>433,905</b>	<b>431,416</b>	<b>429,731</b>	<b>428,017</b>	<b>428,017</b>	<b>421,261</b>	<b>414,485</b>
Total net assets	423,549	404,585	403,316	401,630	399,663	397,809	397,809	396,177	394,509	392,824	391,110	391,110	384,354	377,183
<b>NET ASSET VALUE PER SHARE</b>	<b>\$19.78</b>	<b>\$19.73</b>	<b>\$19.66</b>	<b>\$19.54</b>	<b>\$19.48</b>	<b>\$19.39</b>	<b>\$19.39</b>	<b>\$19.31</b>	<b>\$19.23</b>	<b>\$19.15</b>	<b>\$19.07</b>	<b>\$19.07</b>	<b>\$18.74</b>	<b>\$18.39</b>

Source: Z&A estimates, company reports



9 December 2024

## New Lake Capital Partners: Company Update

### Exhibit 2: Income Statement

US\$000s														
INCOME STATEMENT	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
<b>Total revenue:</b>	<b>44,794</b>	<b>47,304</b>	<b>12,608</b>	<b>12,455</b>	<b>12,554</b>	<b>12,502</b>	<b>50,119</b>	<b>12,416</b>	<b>12,385</b>	<b>12,402</b>	<b>12,405</b>	<b>49,609</b>	<b>49,830</b>	<b>50,299</b>
(+) Rental income	42,365	46,341	12,127	12,253	12,276	12,299	48,955	12,214	12,184	12,200	12,203	48,801	49,021	49,487
(+) Interest income from loans	2,429	521	131	134	134	134	533	134	134	134	134	536	536	536
(+) Fee and reimbursables	0	442	350	68	144	69	631	68	68	68	68	272	273	276
<b>Expenses</b>	<b>-22,218</b>	<b>-22,482</b>	<b>-5,645</b>	<b>-5,502</b>	<b>-5,931</b>	<b>-5,167</b>	<b>-22,067</b>	<b>-5,663</b>	<b>-5,670</b>	<b>-5,702</b>	<b>-5,735</b>	<b>-22,770</b>	<b>-23,101</b>	<b>-24,088</b>
(-) Depreciation and amortization expense	-12,825	-14,264	-3,568	-3,626	-3,726	-3,442	-14,362	-3,942	-3,950	-3,982	-4,014	-15,889	-16,374	-16,958
(-) General and administrative expenses	-9,393	-7,639	-2,055	-1,848	-2,077	-1,725	-7,705	-1,721	-1,719	-1,720	-1,720	-6,880	-6,727	-7,130
compensation expense	-4,576	-4,478	-1,235	-1,150	-1,169	-1,100	-4,654	-1,100	-1,100	-1,100	-1,100	-4,400	-4,236	-4,275
stock-based compensation	-1,493	0	0	0	0	0	0	0	0	0	0	0	0	0
professional fees	-1,575	-1,362	-402	-243	-475	-250	-1,370	-248	-248	-248	-248	-992	-997	-1,157
management internalization costs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
other general and administrative expenses	-1,749	-1,799	-418	-455	-433	-375	-1,681	-372	-372	-372	-372	-1,488	-1,495	-1,698
(-) Loss on sale of real estate	-60	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Income from operations</b>	<b>22,516</b>	<b>24,655</b>	<b>6,977</b>	<b>6,965</b>	<b>6,635</b>	<b>7,335</b>	<b>28,052</b>	<b>6,753</b>	<b>6,716</b>	<b>6,700</b>	<b>6,671</b>	<b>26,839</b>	<b>26,729</b>	<b>26,210</b>
(+) Interest income	113	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) Interest expense	-273	-379	-83	-128	-177	-252	-640	-269	-269	-269	-269	-1,075	-1,022	-919
(-) Other	0	747	100	81	80	0	261	0	0	0	0	0	0	0
<b>Net Income</b>	<b>22,356</b>	<b>25,023</b>	<b>6,994</b>	<b>6,918</b>	<b>6,538</b>	<b>7,083</b>	<b>27,412</b>	<b>6,484</b>	<b>6,447</b>	<b>6,431</b>	<b>6,402</b>	<b>25,764</b>	<b>25,707</b>	<b>25,291</b>
(-) preferred stock dividends	0	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) non-controlled/non-affiliate investments	-380	-438	-125	-122	-116	-116	-479	-116	-116	-116	-116	-464	-464	-464
<b>Net income attributable to common stockholders</b>	<b>21,976</b>	<b>24,585</b>	<b>6,869</b>	<b>6,796</b>	<b>6,422</b>	<b>6,967</b>	<b>26,933</b>	<b>6,368</b>	<b>6,331</b>	<b>6,315</b>	<b>6,286</b>	<b>25,300</b>	<b>25,243</b>	<b>24,827</b>
Basic EPS	1.03	1.16	0.33	0.33	0.31	0.34	1.32	0.31	0.31	0.31	0.31	1.23	1.23	1.21
FD EPS	1.03	1.14	0.33	0.32	0.31	0.33	1.29	0.30	0.30	0.30	0.30	1.21	1.20	1.18
basic share count (Mn)	21.4	21.2	20.5	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6	20.6
diluted share count (Mn)	21.4	21.5	20.9	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0	21.0

Source: Z&A estimates, company reports



## Exhibit 3: Income statement – AFFO Analysis

US\$000s														
AFFO ANALYSIS	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
<b>Net income reconciliation to FFO and AFFO</b>														
Net income attributable to common stockholders	21,976	24,585	6,869	6,796	6,422	6,967	27,054	6,368	6,331	6,315	6,286	25,300	25,243	24,827
Net income attributable to non controlling interests	380	438	125	122	116	116	479	116	116	116	116	464	464	464
Net income attributable to common stockholders	22,356	25,023	6,994	6,918	6,538	7,083	27,533	6,484	6,447	6,431	6,402	25,764	25,707	25,291
Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
real estate depreciation and amortization	12,825	14,264	3,563	3,622	3,722	3,442	14,349	3,942	3,950	3,982	4,014	15,889	16,374	16,958
loss on sale of real estate	60	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>FFO attributable tto common stockholders</b>	<b>35,241</b>	<b>39,287</b>	<b>10,557</b>	<b>10,540</b>	<b>10,260</b>	<b>10,525</b>	<b>41,882</b>	<b>10,426</b>	<b>10,397</b>	<b>10,413</b>	<b>10,416</b>	<b>41,654</b>	<b>42,081</b>	<b>42,249</b>
severance	1,752	0	0	0	0	0	0	0	0	0	0	0	0	0
stock based compensation	1,493	1,439	350	424	449	379	1,602	350	424	449	379	1,602	1,602	1,602
non-cash interest expense	163	282	68	67	67	71	273	68	67	67	71	273	273	273
amortization of straight-line rent expense	12	0	-1	0	-1	0	-2	0	0	0	0	0	0	0
<b>AFFO attributable tto common stockholders</b>	<b>38,661</b>	<b>40,653</b>	<b>10,960</b>	<b>11,019</b>	<b>10,763</b>	<b>10,975</b>	<b>43,755</b>	<b>10,844</b>	<b>10,888</b>	<b>10,929</b>	<b>10,866</b>	<b>43,529</b>	<b>43,956</b>	<b>44,124</b>
per share	1.81	1.89	0.52	0.53	0.51	0.52	2.09	0.52	0.52	0.52	0.52	2.08	2.10	2.10
<b>Dividend</b>	<b>-28,993</b>	<b>-33,058</b>	<b>-8,201</b>	<b>-8,409</b>	<b>-8,820</b>	<b>-8,820</b>	<b>-34,250</b>	<b>-8,000</b>	<b>-8,000</b>	<b>-8,000</b>	<b>-8,000</b>	<b>-31,999</b>	<b>-31,999</b>	<b>-31,999</b>
per share	-1.35	-1.56	-0.40	-0.41	-0.43	-0.43	-1.67	-0.43	-0.43	-0.43	-0.45	-1.74	-1.80	-1.80
% of AFFO	75%	83%	76%	78%	84%	82%	80%	83%	83%	83%	87%	84%	86%	86%
<b>FactSet consensus</b>														
Total revenues														
AFFO per share	na	2.55	0.71	0.73	0.71	0.72	2.91	0.72	0.74	0.74	0.74	2.93	3.14	na
Dividend per share	na	2.11	0.55	0.58	0.60	0.60	2.36	0.61	0.62	0.62	0.62	2.46	2.66	na
payout		83%	78%	79%	84%	83%	81%	84%	84%	84%	85%	84%	85%	na
Total debt	na	3	na	na	na	na	na	na	na	na	na	na	na	na
Equity	na	546	554	552	560	563	563	566	567	570	573	563	544	na
debt/equity	na	0%	na	na	na	na	na	na	na	na	na	na	na	na

Source: Z&amp;A estimates, company reports

## Exhibit 4: Cash Flow

US\$000s														
SUMMARY CASH FLOW	CY22	CY23	1Q24	2Q24	3Q24	4Q24e	CY24e	1Q25e	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Net income	22,356	25,023	6,994	6,918	6,538	6,967	27,417	6,368	6,331	6,315	6,286	25,300	25,243	24,827
(+) depreciation and amortization	12,825	14,266	3,568	3,626	3,726	3,442	14,362	3,942	3,950	3,982	4,014	15,889	16,374	16,958
(+) adjustments (ex D&A)	2,743	237	128	479	607	0	1,214	0	0	0	0	0	0	0
(-) working capital	99	753	-648	694	218	-189	75	0	-820	0	0	-820	0	0
(+) other	-1,015	-195	0	0	-128	0	-128	0	0	0	0	0	0	0
<b>Net cash provided in operating activities</b>	<b>37,008</b>	<b>40,084</b>	<b>10,042</b>	<b>11,717</b>	<b>10,961</b>	<b>10,220</b>	<b>42,940</b>	<b>10,310</b>	<b>9,461</b>	<b>10,297</b>	<b>10,300</b>	<b>40,369</b>	<b>41,617</b>	<b>41,785</b>
(-) acquisition of real estate	-36,969	-350	0	-3,993	0	0	-3,993	0	0	0	0	0	0	0
(-) tenants improvements	-45,245	-14,434	-7,894	-3,477	-2,593	-500	-14,464	-1,000	-4,000	-4,000	-3,200	-12,200	-17,986	-18,716
(+) other	-4,239	1,949	0	0	0	0	0	0	0	0	0	0	0	0
<b>Net cash used in investing activities</b>	<b>-86,453</b>	<b>-12,835</b>	<b>-7,894</b>	<b>-7,470</b>	<b>-2,593</b>	<b>-500</b>	<b>-18,457</b>	<b>-1,000</b>	<b>-4,000</b>	<b>-4,000</b>	<b>-3,200</b>	<b>-12,200</b>	<b>-17,986</b>	<b>-18,716</b>
(-) debt proceeds (payments)	-800	-1,000	2,000	3,600	0	3,000	8,600	0	0	0	0	0	0	396
(-) dividends	-28,993	-33,058	-8,201	-8,409	-8,820	-8,820	-34,250	-8,000	-8,000	-8,000	-8,000	-31,999	-31,999	-31,999
(+) share issuance (repurchase)	0	-11,807	0	0	0	0	0	0	0	0	0	0	0	0
(+) other	-2,667	-733	-244	-219	-480	0	-943	0	0	0	0	0	0	0
(-) stock options/warrants	0	0	0	-78	78	0	0	0	0	0	0	0	0	0
<b>Net cash provided from financing activities</b>	<b>-32,460</b>	<b>-46,598</b>	<b>-6,445</b>	<b>-5,106</b>	<b>-9,222</b>	<b>-5,820</b>	<b>-26,593</b>	<b>-8,000</b>	<b>-8,000</b>	<b>-8,000</b>	<b>-8,000</b>	<b>-31,999</b>	<b>-31,999</b>	<b>-31,603</b>
<b>Increase in cash and cash equivalents</b>	<b>-81,905</b>	<b>-19,349</b>	<b>-4,297</b>	<b>-859</b>	<b>-854</b>	<b>3,899</b>	<b>-2,111</b>	<b>1,311</b>	<b>-2,539</b>	<b>-1,702</b>	<b>-899</b>	<b>-3,830</b>	<b>-8,368</b>	<b>-8,535</b>
Cash at start of year	127,097	45,192	25,843	21,546	20,687	19,833	25,843	23,732	25,043	22,504	20,802	23,732	19,903	11,535
Cash at end of year	45,192	25,843	21,546	20,687	19,833	23,732	23,732	25,043	22,504	20,802	19,903	19,903	11,535	3,000
<b>Net (debt) cash</b>	<b>42,206</b>	<b>23,843</b>	<b>17,546</b>	<b>13,087</b>	<b>12,233</b>	<b>13,132</b>	<b>13,132</b>	<b>14,443</b>	<b>11,904</b>	<b>10,202</b>	<b>9,303</b>	<b>9,303</b>	<b>935</b>	<b>-7,996</b>
Cash	45,192	25,843	21,546	20,687	19,833	23,732	23,732	25,043	22,504	20,802	19,903	19,903	11,535	3,000
Gross debts/loans/bonds	2,986	2,000	4,000	7,600	7,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,600	10,996

Source: Z&amp;A estimates, company reports



# Appendix II: Valuation Comps

9 December 2024

## New Lake Capital Partners: Company Update

### Exhibit 5: Industrial REITs and Lenders to the Cannabis Industry

US\$Mn			12/6/24				Mkt				1yF Consensus		Stock Performance		
Company name	Ticker	Listing	Price US\$	Price to BVPS	Div Yield	(mn) Shares	Cap US\$Mn	Debt to Equity	Net (Debt)	Ent Value	EV/Rev	EV/EBITDA	Last 30d	Last 90d	Last 12mo
<b>Industrial REITs</b>			1.69x										-5%	-13%	-1%
Americold Realty Trust, Inc.	COLD	NYSE	23.13	1.95x	3.8%	283.7	6,562	104%	-3,432	9,994	3.6x	15.2x	-12%	-21%	-19%
EastGroup Properties, Inc.	EGP	NYSE	168.00	2.92x	3.1%	47.7	8,014	62%	-1,663	9,676	13.6x	19.4x	-3%	-9%	-3%
First Industrial Realty Trust, Inc.	FR	NYSE	51.56	2.59x	2.8%	132.3	6,821	86%	-2,214	9,035	13.2x	18.8x	-3%	-8%	4%
Innovative Industrial Properties Inc	IIPR	NYSE	106.68	1.57x	7.0%	28.1	3,002	16%	-139	3,141	9.8x	12.2x	-19%	-12%	25%
Industrial Logistics Properties Trust	ILPT	NASDAQ	3.55	0.40x	1.1%	65.8	234	742%	-4,083	4,317	9.6x	12.8x	-2%	-25%	-11%
LXP Industrial Trust	LXP	NYSE	9.14	1.28x	5.7%	293.4	2,682	86%	-1,461	4,144	12.4x	15.2x	-2%	-10%	0%
NewLake Capital Partners, Inc.	NLCP	US OTC	19.00	0.98x	8.8%	20.5	390	1%	24	366	7.0x	N/A	2%	-3%	42%
Prologis, Inc.	PLD	NYSE	112.00	1.96x	3.3%	924.4	103,532	60%	-31,275	134,806	16.4x	21.0x	-2%	-12%	-6%
Plymouth Industrial REIT, Inc.	PLYM	NYSE	18.54	1.93x	5.1%	45.3	839	203%	-858	1,697	8.3x	12.0x	-9%	-19%	-18%
Rexford Industrial Realty, Inc.	REXR	NYSE	40.03	1.11x	4.1%	212.3	8,500	31%	-2,349	10,849	10.3x	14.6x	-8%	-19%	-23%
STAG Industrial, Inc.	STAG	NYSE	35.79	1.98x	4.1%	181.7	6,503	82%	-2,666	9,168	11.3x	15.3x	-4%	-9%	-1%
Terreno Realty Corporation	TRNO	NYSE	59.37	1.62x	3.1%	87.5	5,194	27%	-690	5,884	13.6x	20.6x	-2%	-13%	2%
<b>Cannabis "Fincos"</b>															
Advanced Flower Capital Inc.	AFCG	NASDAQ	9.55	1.01x	18.5%	20.46	195.37	67%	-8	203.76	3.88	N/A	-3%	-8%	-18%
Innovative Industrial Properties Inc	IIPR	NYSE	106.68	1.57x	7.0%	28.14	3002.07	16%	-139	3140.79	9.82	12.21	-19%	-12%	25%
NewLake Capital Partners, Inc.	NLCP	US OTC	19.00	0.98x	8.8%	20.50	389.57	1%	24	365.83	7.03	N/A	2%	-3%	42%
Chicago Atlantic BDC, Inc.	SSIC	NASDAQ	12.79	0.96x	7.8%	6.21	79.46	0%	33	46.85	1.13	N/A	-1%	12%	33%
SHF Holdings Inc Class A	SHFS	NASDAQ	0.42	0.59x	0.0%	54.56	22.74	43%	-12	34.32	N/A	N/A	10%	-29%	-56%
Chicago Atlantic Real Estate Finance, Inc.	REFI	NASDAQ	16.01	1.06x	11.7%	18.20	291.34	24%	-58	349.44	6.07	N/A	5%	2%	3%

Source: FactSet, company reports, and Z&A estimates

9 December 2024

## New Lake Capital Partners: Company Update

### Exhibit 6: mREITs and Lenders to the Cannabis Industry

US\$Mn			12/6/24				Mkt				1yF Consensus		Stock Performance		
Company name	Ticker	Listing	Price US\$	Price to BVPS	Div Yield	(mn) Shares	Cap US\$Mn	Debt to Equity	Net (Debt)	Ent Value	EV/Rev	EV/EBITDA	Last 30d	Last 90d	Last 12mo
<b>mREITS</b>				<b>0.79x</b>	<b>11.7%</b>								<b>2%</b>	<b>0%</b>	<b>-8%</b>
Arbor Realty Trust Inc	ABR	NYSE	14.31	1.12x	12.0%	188.5	2,698	503%	-10,532	13,230	21.2x	N/A	-4%	7%	9%
Ares Commercial Real Estate Corporatic	ACRE	NYSE	7.06	0.68x	15.3%	54.1	382	289%	-1,507	1,889	27.7x	19.0x	12%	1%	-27%
Advanced Flower Capital Inc.	AFCG	NASDAQ	9.55	1.01x	18.5%	20.5	195	67%	-8	204	3.9x	N/A	-3%	-8%	-18%
Apollo Commercial Real Estate Finance	ARI	NYSE	9.08	0.67x	14.3%	140.6	1,277	366%	-6,729	8,006	30.0x	N/A	2%	-12%	-16%
Blackstone Mortgage Trust, Inc. Class A	BXMT	NYSE	18.74	0.84x	12.4%	173.2	3,246	501%	-18,936	22,182	47.3x	18.6x	2%	3%	-9%
Claros Mortgage Trust, Inc.	CMTG	NYSE	6.17	0.41x	13.8%	138.7	856	271%	-5,463	6,319	27.1x	37.1x	-7%	-21%	-51%
Granite Point Mortgage Trust Inc.	GPMT	NYSE	3.30	0.25x	13.6%	50.6	167	289%	-1,752	1,919	46.5x	N/A	10%	26%	-40%
KKR Real Estate Finance Trust, Inc.	KREF	NYSE	11.32	0.76x	0.0%	69.3	785	589%	-5,924	6,709	40.2x	17.3x	-5%	-7%	-8%
Ladder Capital Corp. Class A	LADR	NYSE	11.80	0.98x	7.8%	126.9	1,498	250%	-2,790	4,288	14.0x	N/A	4%	-1%	7%
Chicago Atlantic Real Estate Finance, Inc.	REFI	NASDAQ	16.01	1.06x	11.7%	18.2	291	24%	-58	349	6.1x	N/A	5%	2%	3%
Starwood Property Trust, Inc.	STWD	NYSE	20.08	1.04x	9.6%	313.4	6,292	322%	-19,244	25,536	13.2x	15.1x	2%	2%	2%
TPG RE Finance Trust, Inc.	TRTX	NYSE	8.98	0.65x	10.7%	77.9	699	281%	-2,832	3,532	22.2x	31.2x	2%	4%	53%
<b>Cannabis "Fincos"</b>															
Advanced Flower Capital Inc.	AFCG	NASDAQ	9.55	1.01x	18.5%	20.5	195	67%	-8	204	3.9x	N/A	-3%	-8%	-18%
Innovative Industrial Properties Inc	IIPR	NYSE	106.68	1.57x	7.0%	28.1	3,002	16%	-139	3,141	9.8x	12.2x	-19%	-12%	25%
NewLake Capital Partners, Inc.	NLCP	US OTC	19.00	0.98x	8.2%	20.5	390	1%	24	366	7.0x	N/A	2%	-3%	42%
Chicago Atlantic BDC, Inc.	SSIC	NASDAQ	12.79	0.96x	7.8%	6.2	79	0%	33	47	1.1x	N/A	-1%	12%	33%
SHF Holdings Inc Class A	SHFS	NASDAQ	0.42	0.59x	NA	54.6	23	43%	-12	34	N/A	N/A	10%	-29%	-56%
Chicago Atlantic Real Estate Finance, Inc.	REFI	NASDAQ	16.01	1.06x	11.7%	18.2	291	24%	-58	349	6.1x	N/A	5%	2%	3%

Source: FactSet, company reports, and Z&A estimates

## Exhibit 7: US MSO Valuation Multiples

US\$Mn 7-Dec-24	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			Financial Net Debt				Broadly Defined Net Debt			
							Sales		EBITDA		Sales		EBITDA	
	Current	CY24e	CY25e	Current	CY24e	CY25e	CY24	Current	CY24	Current	CY24	Current	CY24	Current
<b>US MSOs</b>	<b>1.6x</b>	<b>1.5x</b>	<b>1.3x</b>	<b>8.1x</b>	<b>6.2x</b>	<b>5.5x</b>								
Ascend Wellness	1.1x	1.1x	1.1x	6.1x	5.6x	5.0x	-0.4x	-0.4x	-2.2x	-2.4x	-0.9x	-0.9x	-4.7x	-5.1x
Ayr Wellness	0.9x	0.8x	0.8x	3.2x	3.6x	3.3x	-0.8x	-0.8x	-3.4x	-3.0x	-0.7x	-0.7x	-2.9x	-2.6x
Cannabist Co	0.9x	0.9x	0.9x	7.2x	7.0x	5.3x	-0.6x	-0.6x	-4.4x	-4.5x	-0.8x	-0.8x	-6.2x	-6.4x
Consortium	1.1x	1.1x	na	4.1x	4.1x	na	na	na	na	na	na	na	na	na
Cresco Labs	1.3x	1.3x	1.3x	4.7x	4.7x	4.9x	-0.5x	-0.5x	-1.8x	-1.8x	-0.7x	-0.7x	-2.3x	-2.3x
Curaleaf	1.9x	1.9x	1.8x	8.5x	8.5x	7.1x	-0.5x	-0.5x	-2.3x	-2.3x	-0.9x	-0.9x	-3.8x	-3.8x
4Front Ventures	2.0x	2.0x	na	7.5x	7.5x	na	na	-1.0x	na	-3.8x	na	-1.7x	na	-6.5x
Glass House	2.7x	3.6x	na	8.6x	19.8x	na	-0.1x	na	-0.7x	na	-0.3x	-0.2x	-1.7x	-0.8x
Gold Flora	1.0x	1.0x	0.8x	11.8x	55.0x	7.4x	na	-0.3x	na	na	na	-0.9x	na	na
Goodness Growth	1.7x	1.7x	na	-98.1x	7.0x	na	-0.5x	-0.5x	-2.1x	29.1x	-0.9x	-0.9x	-3.7x	51.1x
Green Thumb	1.9x	2.0x	1.9x	6.2x	6.2x	6.2x	-0.1x	-0.1x	-0.2x	-0.2x	-0.1x	-0.1x	-0.4x	-0.4x
Grown Rogue	3.7x	3.7x	na	5.0x	5.0x	na	na	na	na	na	na	na	na	na
iAnthus	1.1x	1.1x	na	5.3x	5.3x	na	na	-0.9x	na	-4.4x	na	-0.9x	na	-4.5x
Jushi	1.5x	1.4x	1.3x	8.8x	7.1x	6.1x	-0.6x	-0.7x	-3.2x	-4.0x	-1.2x	-1.2x	-5.9x	-7.4x
MariMed	1.0x	1.0x	0.8x	8.5x	8.0x	4.9x	-0.4x	-0.4x	-3.3x	-3.5x	-0.5x	-0.5x	-4.2x	-4.5x
Planet 13	1.1x	1.2x	na	26.6x	29.1x	na	0.2x	0.1x	4.0x	3.7x	-0.1x	-0.1x	-1.7x	-1.5x
Schwazze	1.1x	1.1x	na	7.9x	5.3x	na	-0.9x	-0.9x	-4.2x	na	-1.1x	-1.1x	-5.2x	na
TerrAscend	2.0x	1.9x	1.9x	10.7x	9.9x	9.4x	-0.6x	-0.6x	-2.9x	-3.1x	-1.0x	-1.0x	-5.3x	-5.7x
TILT	1.0x	1.0x	1.0x	-17.7x	-17.7x	87.7x	-0.5x	-0.6x	13.0x	9.9x	-0.9x	-1.0x	22.7x	17.3x
Trulieve	1.5x	1.5x	1.4x	4.5x	4.3x	4.4x	-0.3x	-0.3x	-0.7x	-0.8x	-0.6x	-0.6x	-1.8x	-1.8x
Verano	1.3x	1.3x	1.2x	4.5x	4.3x	4.1x	-0.4x	-0.4x	-1.3x	-1.4x	-0.7x	-0.8x	-2.5x	-2.5x
Vext	1.8x	1.8x	na	5.7x	7.5x	na	-0.9x	-0.9x	-3.6x	-2.8x	-0.9x	-0.9x	-3.6x	-2.7x

1) We take FactSet consensus estimates for CY24e and CY25e multiples; 2) By "current", we mean the latest reported qtr annualized

Source: FactSet, company reports, and Z&A estimates

## Exhibit 8: Stock Performance

7-Dec-24	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
<b>US MSOs</b>			
Ascend	-47%	-52%	-69%
Ayr	-77%	-72%	-80%
Cannabist	-53%	-54%	-74%
Consortium	-39%	-45%	-14%
Cresco	-29%	-33%	-42%
Curaleaf	-45%	-40%	-60%
4Front	-49%	-52%	-82%
GlassHouse	-11%	-21%	46%
Gold Flora	-66%	-62%	-70%
Vireo Growth	-21%	-28%	40%
Grown Rogue	8%	15%	161%
Green Thumb	-20%	-11%	-26%
iAnthus	-46%	-64%	-84%
Jushi	-31%	-37%	-58%
MarlMed	-12%	-11%	-51%
Planet13	-30%	-30%	-54%
Schwazze	-49%	-81%	-92%
StateHouse	N/A	-32%	-18%
Trulieve	-53%	-44%	-9%
TerrAscend	-23%	-33%	-50%
Vext	0%	-24%	-34%
Verano	-57%	-57%	-70%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
<b>Canadian LPs</b>			
Aurora	-27%	-17%	-9%
Avant	-31%	-51%	-87%
Auxly	-21%	-14%	112%
Cannara	1%	17%	-15%
Canopy	-36%	-20%	-48%
Cronos	-8%	-5%	-1%
Decibel	-22%	-4%	-56%
Entourage	13%	7%	-33%
High Tide	16%	76%	111%
Nova	N/A	N/A	N/A
OGI	-14%	-9%	14%
Rubicon	-2%	-25%	-23%
SNOL	-21%	-4%	30%
Tilray	-28%	-21%	-30%
VFF	-14%	-22%	-5%
<b>CBD</b>			
CVSI	-18%	-22%	11%
CWEB	-19%	-18%	-41%
LFID	5%	18%	-76%
<b>International</b>			
InterCure	-16%	-22%	11%
PharmaCielo	34%	63%	169%

	Stock Performance		
	Last	Last	Last
Ticker	30d	90d	12mo
<b>MJ Fincos</b>			
AFCG	-3%	-8%	-18%
CNPOF	-29%	-13%	21%
IIIPR	-19%	-12%	25%
NLCP	2%	-3%	42%
SHFS	10%	-29%	-56%
LIEN	-1%	12%	33%
REFI	5%	2%	3%
<b>Tech</b>			
LFLY	-30%	-32%	-76%
SBIG	-11%	0%	-45%
MAPS	75%	57%	59%
<b>Vape parts</b>			
GNLN	-36%	-66%	-73%
ISPR	0%	-12%	-46%
SMORF	-6%	7%	62%
TLLTF	-46%	-52%	-74%
<b>Index</b>			
S&P 500	5%	13%	34%
S&P 477	3%	1%	21%
Nasdaq	7%	13%	45%
MSOS ETF	-40%	-36%	-46%
YOLO ETF	-22%	-18%	-18%

Source: FactSet





# Appendix III: Bio and Disclaimers



## Analyst Bio

Pablo Zuanic is a well-known and highly rated equity analyst following the cannabis and psychedelics sector. Over the past five years he launched coverage of over 40 companies in the US, Canada, and overseas (MSOs, LPs, CBD, ancillary, psychedelics), kept close track of sectoral trends, and followed the reform process in the US and elsewhere. His firm Zuanic & Associates publishes equity research on the cannabis and psychedelics sectors, both from a macro/sectoral level in a thematic manner, as well as specific reports on listed stocks. The research service is aimed at institutional investors and corporations. The firm is also available for short-term consulting and research advisory projects. At various points in his career, Pablo was II ranked and called as expert witness in industry investigations. He has a deep global background having covered stocks over the past 20 years in the US, Europe, Latin America, and Asia, across consumer sub sectors. Prior employers include JP Morgan, Barings, and Cantor Fitzgerald. An MBA graduate of Harvard Business School, he started his career as a management consultant, which brings a strategic mindset to his approach to equity research. *Pablo Zuanic can be contacted via the company's portal [www.zuanicassociates.com](http://www.zuanicassociates.com); via email [pablo.zuanic@zuanicgroup.com](mailto:pablo.zuanic@zuanicgroup.com); or via X @420Odysseus.*



## Disclosures and Disclaimers

**About the firm:** Zuanic & Associates is a domestic limited liability company (LLC) registered in the state of New Jersey. The company's registered address is Five Greentree Centre, 525 Route 73, N Suite 104, Marlton, New Jersey 08053, USA. Pablo Zuanic is the registered agent. The firm publishes equity research on selected stocks in the cannabis and psychedelics sector, as well as thematic macro industry notes. The firm also provides consulting and advisory services. Potential conflicts of interest are duly reflected in the respective specific company reports.

**Analyst Certification:** The publishing analyst, whose name appears on the front page of this report, certifies that the views expressed in this independent research report accurately reflects his personal views about the subject securities or issuers discussed in this report. His opinions and estimates are based on his best judgement at the time of publication and are subject to change without notice. As per the company's policy, the author of this report does not own shares in any company he covers.

**Other:** This report is for use by professional and or institutional investors only, and it is deemed impersonal investment advice, published on a bona fide and regular basis. This report is for informational purposes only and is based on publicly available data believed to be reliable, but no representation is made whether such data are accurate or complete. As such, this report should not be regarded by its recipients as a substitute for obtaining independent investment advice and/or exercise of their own judgement. When making an investment decision this information should be viewed as just one factor in the investment decision process. Neither the publishing analyst, nor any of the company's officers and directors, accept any liability for any loss or damage arising out of the use of all or any part of the analyst's research.

**Risks:** The financial instruments mentioned in this report may not be suitable for all investors and investors must make their own investment decisions based on their specific investment objectives. Past performance should not be taken as an indication or guarantee of future performance. The price, value of and income from, any of the financial instruments featured in this report can rise as well as fall and be affected by changes in political, financial, and economic factors. If a financial instrument is denominated in a currency other than the investor's currency, a change in exchange rates may adversely affect the price or value of, or income derived from, the financial instrument, and such investors effectively assume currency risk.

**Disclosure:** Zuanic & Associates offers advisory and research services, and it also organizes investor events and conferences. The firm is often engaged by various operators in the cannabis industry (both plant touching companies and those providing services, private and public, in North America and overseas) on an ongoing or ad hoc basis. The company discussed in this report is a paying customer of the services provided by the firm.

**Copyright:** No part of this publication may be reproduced, distributed, or transmitted in any form or by any means, including photocopying, recording, or other electronic or mechanical methods, without the prior written permission of the author.