



5/13/2025

# New Lake Capital Partners (NLCP)

Company update: Overweight

## Key Highlights:

- Pullback owing to tenant issues at IIPR is overdone, in our view. NLCP manages a better-quality book, and its rental rates are lower. The 43c DPS is well covered.
- The stock is attractively valued trading at a 25% discount to par and paying a dividend yield 7.4pt above 10-year Treasury bills.
- Prudent portfolio management. Unlevered B/S at less than 2% debt to equity.
- We attach our updates estimates post 1Q25.



AFFO/share \$	CY23	CY24	CY25e	CY26e
1Q	0.454 A	0.523 A	0.511 A	0.503 E
2Q	0.456 A	0.526 A	0.513 E	0.510 E
3Q	0.467 A	0.513 A	0.495 E	0.502 E
4Q	0.510 A	0.522 A	0.493 E	0.500 E
CY	1.888 A	2.084 A	2.013 E	2.015 E
Div/share \$	CY23	CY24	CY25e	CY26e
1Q	0.39 A	0.40 A	0.43 A	0.43 E
2Q	0.39 A	0.41 A	0.43 E	0.43 E
3Q	0.39 A	0.43 A	0.43 E	0.43 E
4Q	0.39 A	0.43 A	0.43 E	0.43 E
CY	1.56 A	1.67 A	1.72 E	1.72 E
Share price (\$)	\$14.44		Rating	Overweight
Share count (mn)	20.5		Price target	No PT
Market Cap (\$Mn)	297		Fiscal Year	Dec
Ticker	NLCP			

BVPS \$	CY23	CY24	CY25e	CY26e
1Q	19.70 A	19.66 A	19.19 A	18.64 E
2Q	19.61 A	19.54 A	19.06 E	18.51 E
3Q	19.72 A	19.48 A	18.92 E	18.37 E
4Q	19.73 A	19.34 A	18.76 E	18.23 E
Debt/Eqty	CY23	CY24	CY25e	CY26e
1Q	0.5% A	1.0% A	1.9% A	4.6% E
2Q	0.5% A	1.9% A	2.7% E	5.9% E
3Q	0.5% A	1.9% A	3.2% E	7.3% E
4Q	0.5% A	1.9% A	3.8% E	7.4% E
Performance	NLCP	MSOS	S&P500	
30d	8%	19%	10%	
90d	-12%	-22%	-3%	
1yr	-29%	-71%	13%	

**Pablo Zuanic**

ZUANIC & ASSOCIATES

pablo.zuanic@zuanicgroup.com

420Odyssey; www.zuanicassociates.com



## Company Update

**We rate NLCP Overweight.** *Tenant issues at IIPR have unwarrantedly hurt sentiment on NLCP. The stock now trades at 25% discount to par and pays almost a 12% dividend yield (well covered, with 43c DPS at 84% of AFFO per share). Re the two tenant issues, Calypso is now current (it received new investments) and in the case of Revolutionary Clinics, we conservatively assume zero rent from 3Q25 (~1.5c impact to qtr AFFO/share).*

### Outlook.

- Overall, we assume limited growth for FY25. We factor the funding of commitments for two Cresco stores in OH (\$1.8Mn in total), as well as 2.6% annual rent escalators across the book. The overall NLCP portfolio ex Rev Clinics carries a 12.7% weighted average yield.
- We no longer factor the deployment of \$11Mn of unfunded commitment with C3 in CT, as it seems the company may not go ahead with expansion plans (construction costs bids came ahead of expectations).
- We assume income from Rev Clinics for 2Q25 (at half the rental rate, per the ongoing agreement with the receiver appointed this past Dec), but we assume zero after that for 2H25 (this is equivalent to >1.5c to 3Q AFFO per share). If NLCP can rent the property again (it has appointed a broker, and should be taking possession of the property late in 2Q), we will factor the revenue then.
- We assume Calypso is now back to normal with regular rental payments made, as well as security deposits and escrows topped up. Calypso has received new capital and will be opening 3 stores.
- In 1Q25, NLCP paid out 84% of AFFO per share in dividends (43c), consistent with its target range of 80% to 90% payout ratio. Even factoring the ~7c per share annual rental lost from Rev Clinics (Rev Clinics), NLCP should be able to maintain DPS at 43c (paying 87-88%). NLCP estimates four-wall coverage of 4x for its leases (i.e., based on property level cash flow, EBITDA plus rent is 4x the rental base).
- We note all tenants ex Rev Clinics are current. We do not have financials for the private companies, but based on public disclosure, we would rank the B/S of the pubcos in the NLCP portfolio (again, all current) as follows (taking net debt ex tax debt over latest reported qtr sales annualized): Trulieve 14%; Curaleaf 50%; Cresco 55%; Cannabist 70%; AYR 79% (we do not include Acreage as it no longer public; it is part of the C-USA). If we factor tax debt (plus leases net of right of use assets and contingent considerations), the ratios would be: Trulieve 57%; Curaleaf 87%; Cresco 59%; Cannabist 121%; AYR 122%.
- The stock has been knocked by the fallout from tenant issues at IIPR, but as we have said in previous notes, we think the NLCP tenant book is in better shape (other than the Rev

Clinics issues, all other rentals are up to date). Also, we believe the tussle between IIPR and PharmaCann related in part to rather high rental rates (see our [recent report \(12/23\)](#)). For context, the 1Q25 dividend payout ratio at IIPR was 98%.

- While our focus is on the value inherent in NLCP shares (dividend yield; unwarranted discount to book), the company also has the potential to grow above the pace of non-MJ sale lease back operators (typically 4-5% for the group average) if we can get state level unlocks (rec in PA/VA; med in KY/TX?). Also, various operators will need to refinance large amounts of debt in 2026-2027, and that may also be a growth opportunity for NLCP. But for the time being, in the current environment, management will likely remain cautious.

**About 1Q25** (NLCP reported results before the open on Thu 5/8). Rental income of \$12.6Mn was in line with recent quarters. Per management, 98% of rental was collected, factoring \$490k taken from escrow/deposits (these covered the Calypso rental in Jan and part of Feb, while the rest of the qtr was paid in full). The 2% gap is explained by Rev Clinics; per an agreement with the receiver, the company is paying half rental per month. So, if we do not count the Calypso escrow/deposits, 94% of rental was collected, but what matters is Calypso is now back to paying full rental, so the 98% for 2Q25 would be a “clean” number. There were only slight increases in G&A (117.6% of total rental income in 1Q25 vs. 15.8% in 4Q24 and 16.9% in 1Q24). AFFO per share of 52c was mostly in line with recent quarters (3Q24 51c; 4Q24 52c). NLCP declared a 43c dividend for 1Q25 (in line with recent qtrs), which was paid on 4/15/25. It ended 1Q25 with 20.5mn shares.

**About the NLCP property portfolio.** At present, the NLCP property book (100% rented) consists of 34 properties (19 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 (4x four-wall coverage average). The book has 13.2 years remaining lease terms on average.

- **Portfolio growth.** Total net real estate as of Mar’25 was \$383.6Mn vs. \$386.7Mn in YE24. No building and tenant improvements were funded in 1Q25 (\$15Mn in CY24, including \$1.2Mn in 4Q24). Unfunded commitments at the end of Mar were \$11.7Mn, but \$11Mn of this may not be funded (see C3 comments before). During 2Q25, the company also committed another \$1.1Mn to Cresco for a 2<sup>nd</sup> store in OH.
- **Acquisitions:** It acquired \$285K in a n OH property (Cresco OH store) in 1Q25. For context, in CY23, NLCP made \$57Mn of acquisitions (Calypso \$30Mn; Ayr \$29Mn; C3 >\$7Mn, and other), but this fell to \$4Mn in CY24 (it purchased a cultivation facility for C3 Industries in CT).
- **Construction in progress** at the end of Mar amounted to \$2Mn (\$1Mn each with C3 in CT and Calypso in PA).
- **Portfolio concentration.** Five operators (four public) accounted for 64% of total rental income in 1Q25 (Curaleaf 23%; Cresco 14%; Trulieve 11%; Cannabist 9%; Calypso 7%). Five states accounted for 86% of NLCP’s rental income in 1Q25 (PA 26%; FL 19%; IL 18%; MA 12%, MO 11%).

- Growth optionality.** The pace of recent acquisitions and the unfunded BTI commitment balance point to little growth in CY25. Given ongoing industry challenges, management will maintain a cautious stance in term of portfolio growth, in our interpretation. Management says it is focused on working with quality operators, in license-restricted states, and structuring leases with appropriate cash flow coverage. That said, in the event of reg unlocks at the state and federal level, NLCP has access to new debt and equity capital. NLCP has access to a \$50Mn equity facility (ATM), which we believe it would tap only in the case of significant state level regulatory unlocks (PA going rec), or major changes at the federal level. It also has access to a \$90Mn revolving credit facility (only \$7.6Mn used as of Mar'25), 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%).

**Rental rates.** We believe the tussle between IIPR and PharmaCann related to rather high rental rates (\$70/sq ft). NLCP rates are well below those levels, so we see no ripple effect. For example, we calculate the two deals with C3 (cultivation in CT and MO) equate to \$24/sq ft; Mint <\$29; Cresco >\$28. The Curaleaf leases (a 417K sq ft facility in FL plus nine dispensaries across various states) average \$24 (which means the cultivation lease is below that given typically higher rates for stores). Per the 10-K disclosure, for the total portfolio, cultivation leases accounted for 92% of total rental income in CY24 (average rate of \$28.3/sq ft; 15 properties) with stores accounting for the rest (\$45.4/sq ft; 17 properties).

**Stock performance and valuation.** At \$14.44, NLCP trades at a 25% discount to par (BVPS \$19.19 1Q25), and the cash dividend yield is 11.9% (43c x 4), or 7.4pt above 10-year Treasuries. Despite the issue with Rev Clinics, we estimate the dividend is well covered (84% of AFFO in 1Q25, and ~87% factoring zero rent from Rev Clinics). Note also the attractive NLCP spread (rental yield of 12.7% vs. debt cost of 5.65%).

Table 1: MJ Lenders Valuation Comps

	13-May-25 US\$ price	BVPS	Disc Prm	Regular DPS	Dividend Yield	Z&A Spot EV	mn shares	mn deriv	Total Mkt Cap	Gross Debt	Cash	Net Debt to Equity	Equity	Pref Stock & Min Int
<b>MJ Finco Stocks</b>														
AFCG	\$5.70	\$9.02	-37%	\$0.23	16.1%	155	22.3	0.3	129	148.5	122.2	-13%	201	
IIPR	\$55.47	\$68.38	-19%	\$1.90	13.7%	1,758	28.3	0.3	1,588	297.9	151.2	-8%	1,937	23.6
LIEN	\$9.90	\$13.20	-25%	\$0.34	13.7%	201	22.7		225	0.0	23.9	8%	300	
NLCP	\$14.44	\$19.19	-25%	\$0.43	11.9%	294	20.5	0.2	300	7.6	19.9	3%	394	6.9
REFI	\$15.07	\$14.87	1%	\$0.47	12.5%	399	21.0	0.4	322	87.2	9.9	-25%	312	

Source: Latest company reports; Z&amp;A calculations

- Performance:** The volatility in 10-year Treasuries has certainly impacted sector stocks, and NLCP has been dragged down by the fallout from the IIPR tenant issues. Industrial REITS in general (see appendix) are down 11% in the last 90d (+11% in the last 30 days), with NLCP -12% (+8%) and IIPR -21% (+26%). Mortgage REITS are down 12% in the past 90 days (+17% in the last 30d), while REFI is -5% (+12%) and AFCG is down 34% (+20%).

During the last 90d, the MSOS ETF is down 22% (+19% last 30d) and the S&P500 is down 3% (+10%).

- Direct Comps: IIPR, the most direct comp, currently pays a 13% dividend yield (4 x \$1.90 over \$55.47) and trades at a 19% discount to par. IIPR is NYSE listed (NLCP trades OTC).
- Non MJ Comps – Industrial REITs not in cannabis: According to FactSet, as shown in the appendix, industrial REITs on average trade at a 47% premium to par (some like EastGroup Properties at ~168% premium), with very few exceptions below par (Industrial Logistics Properties being one). On average, industrial REITs pay dividend yields of 5.5%.

Table 2: Stocks mentioned in this report

Company name	Ticker	Ticker	Rating	Company name	Ticker	Rating
<b>US MSOs</b>				<b>Canada LPs</b>		
4Front Ventures		FFNTF	not rated	Aurora Cannabis	ACB	Neutral
Ascend Wellness		AAWH	will cover	Auxly Cannabis Group	CBWTF	not rated
AYR Wellness		AYRWF	not rated	Avant Brands	AVTBF	not rated
Cannabist		CCHWF	not rated	Avicanna	AVCN	not rated
Cansortium		CNTMF	not rated	Ayurcann Holdings	AYURF	not rated
Cresco Labs		CRLBF	Overweight	Cannara Biotech	LOVFF	not rated
Curaleaf Holdings		CURLF	will cover	Canopy Growth Corporation	CGC	will cover
GlassHouse Brands		GLASF	not rated	Cronos Group	CRON	not rated
Gold Flora		GRAM	Overweight	Decibel Cannabis Co	DBCCF	Overweight
Green Thumb Industries		GTBIF	Overweight	Organigram Holdings	OGI	not rated
Grown Rogue		GRUSF	not rated	Rubicon Organics	ROMJF	will cover
Jushi Holdings		JUSHF	Overweight	SNDL	SNDL	not rated
MariMed		MRMD	Overweight	Tilray Brands	TLRY	Neutral
Planet 13 Holdings		PLNHF	Overweight	Village Farms Intl	VFF	Overweight
Schwazze		SHWZ	not rated	<b>Other</b>		
TerrAscend		TSNDF	will cover	Agrify	AGFY	not rated
TILT Holdings		TLLTF	Neutral	Cannapresso	TBD	not rated
Trulieve Cannabis		TCNNF	will cover	Cantourage AG	HIGH:FF	not rated
Verano Holdings		VRNOF	Overweight	Flora Growth	FLGC	not rated
Vext Science, Inc.		VEXTF	Overweight	Grow Generation	GRWG	not rated
Vireo Growth		VREOF	will cover	Intercure	INCR	not rated
<b>Finance (MJ) Companies</b>				Ispire Technology	ISPR	will cover
AFC Gamma		AFCG	Overweight	Leafly	LFLY	not rated
Chicago Atlantic BDC		LIEN	will cover	LFTD Partners Inc.	LIFD	Overweight
Chicago Atlantic REAF		REFI	Overweight	Smoores International	SMORF	will cover
Innovative Industrial Properties		IIPR	will cover	Springbig	SBIG	not rated
New Lake Capital Partners		NLCP	Overweight	Urban-gro	UGRO	not rated
SHF Holdings		SHFS	not rated	WM Technology	MAPS	Neutral

Source: Z&A ratings



# Appendix I: Company Financials

13 May 2025

## NLCP: Outlook and Company Update Post 1Q25

### Exhibit 1: Financial Highlights

US\$ 000s	Dec CY22	Dec CY23	Mar 1Q24	Jun 2Q24	Sep 3Q24	Dec 4Q24	Dec CY24	Mar 1Q25	Jun 2Q25e	Sep 3Q25e	Dec 4Q25e	Dec CY25e	Dec CY26e	Dec CY27e
<b>Total revenues</b>	44,794	47,304	12,608	12,455	12,554	12,514	50,131	13,209	12,345	12,029	11,945	49,529	49,126	49,130
qoq ch %	na	na	-3%	-1%	1%	0%	na	6%	-7%	-3%	-1%	na	na	na
yoy ch %	na	6%	10%	9%	9%	-4%	6%	5%	-1%	-4%	-5%	-1%	-1%	0%
guidance					na	na	na	na	na	na	na	na	na	na
<b>Profit metrics</b>														
Expenses	-22,218	-22,482	-5,645	-5,502	-5,931	-6,295	-22,864	-6,729	-5,822	-5,780	-5,763	-23,468	-22,559	-22,717
as % of inv inc		-48%	-45%	-44%	-47%	-50%	-46%	-51%	-47%	-48%	-48%	-47%	-46%	-46%
Income from ops	22,516	24,655	6,977	6,965	6,635	6,219	26,796	6,493	6,523	6,250	6,182	26,060	26,566	26,413
as % of inv inc		52%	55%	56%	53%	50%	53%	49%	53%	52%	52%	53%	54%	54%
consensus					9,280	10,903	41,220	na	na	na	na	38,833	0	0
AFFO	38,661	40,654	10,960	11,019	10,763	10,949	43,689	10,724	10,768	10,390	10,330	42,225	42,252	42,396
per share	1.81	1.89	0.52	0.53	0.51	0.52	2.08	0.51	0.51	0.50	0.49	2.01	2.01	2.02
<b>EPS</b>														
EPS	0.31	0.34	1.16	0.33	0.33	0.31	0.29	1.27	0.31	0.30	0.28	0.28	0.29	0.29
consensus						0.50	1.91	na	na	na	na	1.74	0.00	0.00
DPS - regular	1.35	1.56	0.40	0.41	0.43	0.43	1.67	0.43	0.43	0.43	0.43	1.72	1.72	1.72
consensus						0.60	2.36	0.61	0.62	0.62	0.62	2.46	0.00	0.00
DPS as % of AFFO					84%	82%	80%	84%	84%	87%	87%	85%	85%	85%
<b>BS &amp; CF highlights</b>														
Equity	423,549	404,585	403,316	401,630	399,663	396,765	396,765	394,237	391,546	388,526	385,394	385,394	374,369	363,092
Net cash (debt)	42,206	23,843	17,546	13,087	12,233	12,613	12,613	12,343	12,699	12,541	13,368	13,368	4,231	-5,026
cash	45,192	25,843	21,546	20,687	19,833	20,213	20,213	19,943	23,299	25,141	27,968	27,968	31,831	22,574
gross debt	2,986	2,000	4,000	7,600	7,600	7,600	7,600	7,600	10,600	12,600	14,600	14,600	27,600	27,600
NAV per share	19.78	19.73	19.66	19.54	19.48	19.34	19.34	19.19	19.06	18.92	18.76	18.76	18.23	17.68
consensus					27.35	27.32	13.32	27.20	27.11	26.99	26.90	26.90	0.00	0.00
NAV per share inc cum. DPS								19.62	19.92	20.20	20.48	20.48	21.67	22.84
future cumulative DPS								0.43	0.86	1.29	1.72	1.72	3.44	5.16

Source: Z&A estimates, company reports

13 May 2025

## NLCP: Outlook and Company Update Post 1Q25

### Exhibit 2: Balance Sheet

US\$000s														
BALANCE SHEET	CY22	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Net real estate	379,738	380,309	385,136	389,481	388,848	386,734	386,734	383,637	381,104	378,961	375,709	375,709	375,807	375,772
Real estate - gross	399,474	412,308	420,202	427,672	430,265	431,443	431,443	431,728	432,433	433,533	433,533	433,533	446,837	460,409
Land	21,427	21,397	21,397	21,717	21,717	22,891	22,891	23,073	0	0	0	0	0	0
Buildings and improvements	378,047	390,911	398,805	405,955	408,548	408,552	408,552	408,655	0	0	0	0	0	0
(-) Accumulated depreciation	-19,736	-31,999	-35,066	-38,191	-41,417	-44,709	-44,709	-48,091	-51,329	-54,572	-57,824	-57,824	-71,029	-84,637
Cash and cash equivalents	45,192	25,843	21,546	20,687	19,833	20,213	20,213	19,943	23,299	25,141	27,968	27,968	31,831	22,574
In-place lease intangible assets, net	21,765	19,779	19,283	18,786	18,290	17,794	17,794	17,297	16,589	15,881	15,173	15,173	13,188	11,203
Loan receivable	5,000	4,833	4,848	4,859	4,872	4,884	4,884	4,897	4,897	4,897	4,897	4,897	4,897	4,897
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	1,911	1,911	1,770	1,770	1,770	1,770	1,770	1,770	1,770
<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>431,536</b>	<b>431,536</b>	<b>427,544</b>	<b>427,659</b>	<b>426,650</b>	<b>425,517</b>	<b>425,517</b>	<b>427,493</b>	<b>416,216</b>
Accounts payable and accrued expenses	1,659	1,117	697	921	1,253	1,515	1,515	1,051	1,051	1,051	1,051	1,051	1,051	1,051
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	0	0	0	3,000	5,000	7,000	7,000	20,000	20,000
Dividend and distributions payable	8,512	8,385	8,577	9,009	9,009	9,246	9,246	9,015	8,821	8,832	8,832	8,832	8,832	8,832
Security deposits	7,774	8,616	8,342	8,789	8,995	8,117	8,117	7,633	7,633	7,633	7,633	7,633	7,633	7,633
Rent received in advance	1,375	990	668	784	668	684	684	1,054	1,054	1,054	1,054	1,054	1,054	1,054
Other liabilities	1,005	227	170	149	130	402	402	93	93	93	93	93	93	93
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>27,564</b>	<b>27,564</b>	<b>26,446</b>	<b>29,252</b>	<b>31,263</b>	<b>33,263</b>	<b>33,263</b>	<b>46,263</b>	<b>46,263</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	446,627	446,627	446,709	446,709	446,709	446,709	446,709	446,709	446,709
Accumulated deficit	-32,487	-40,909	-42,479	-44,581	-47,008	-50,067	-50,067	-52,677	-55,368	-58,388	-61,520	-61,520	-72,545	-83,822
<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>396,765</b>	<b>396,765</b>	<b>394,237</b>	<b>391,546</b>	<b>388,526</b>	<b>385,394</b>	<b>385,394</b>	<b>374,369</b>	<b>363,092</b>
Non controlling interest	7,389	7,372	7,347	7,316	7,261	7,207	7,207	6,861	6,861	6,861	6,861	6,861	6,861	6,861
<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>431,536</b>	<b>431,536</b>	<b>427,544</b>	<b>427,659</b>	<b>426,650</b>	<b>425,517</b>	<b>425,517</b>	<b>427,493</b>	<b>416,216</b>
Total net assets	423,549	404,585	403,316	401,630	399,663	396,765	396,765	394,237	391,546	388,526	385,394	385,394	374,369	363,092
<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>\$19.34</b>	<b>\$19.34</b>	<b>\$19.19</b>	<b>\$19.06</b>	<b>\$18.92</b>	<b>\$18.76</b>	<b>\$18.76</b>	<b>\$18.23</b>	<b>\$17.68</b>

Source: Z&A estimates, company reports

13 May 2025

## NLCP: Outlook and Company Update Post 1Q25

### Exhibit 3: Income Statement

US\$000s														
INCOME STATEMENT	CY22	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25	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>12,514</b>	<b>50,131</b>	<b>13,209</b>	<b>12,345</b>	<b>12,029</b>	<b>11,945</b>	<b>49,529</b>	<b>49,126</b>	<b>49,130</b>
(+) Rental income	42,365	46,341	12,127	12,253	12,276	12,270	48,926	12,586	12,140	11,825	11,741	48,292	47,937	47,941
(+) Interest income from loans	2,429	521	131	134	134	134	533	134	135	135	135	538	490	490
(+) Fee and reimbursables	0	442	350	68	144	110	672	489	70	70	70	699	699	699
<b>Expenses</b>	<b>-22,218</b>	<b>-22,482</b>	<b>-5,645</b>	<b>-5,502</b>	<b>-5,931</b>	<b>-6,295</b>	<b>-22,864</b>	<b>-6,729</b>	<b>-5,822</b>	<b>-5,780</b>	<b>-5,763</b>	<b>-23,468</b>	<b>-22,559</b>	<b>-22,717</b>
(-) Depreciation and amortization expense	-12,825	-14,264	-3,568	-3,626	-3,726	-3,792	-14,712	-3,883	-3,946	-3,951	-3,959	-15,740	-15,191	-15,593
(-) General and administrative expenses	-9,393	-7,639	-2,055	-1,848	-2,077	-1,934	-7,914	-2,220	-1,876	-1,828	-1,804	-7,729	-7,369	-7,124
compensation expense	-4,576	-4,478	-1,235	-1,150	-1,169	-1,120	-4,674	-1,205	-1,136	-1,107	-1,087	-4,534	-4,421	-4,176
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	-387	-1,507	-605	-309	-301	-299	-1,513	-1,228	-1,228
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	-427	-1,733	-410	-432	-421	-418	-1,681	-1,719	-1,720
(-) Loss on sale of real estate	-60	0	0	0	0	-522	-522	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>6,219</b>	<b>26,796</b>	<b>6,493</b>	<b>6,523</b>	<b>6,250</b>	<b>6,182</b>	<b>26,060</b>	<b>26,566</b>	<b>26,413</b>
(+) Interest income	113	0	0	0	0	0	0	0	0	0	0	0	0	0
(-) Interest expense	-273	-379	-83	-128	-177	-177	-565	-175	-275	-331	-376	-1,157	-1,836	-1,936
(-) Other	0	747	100	81	80	92	353	86	0	0	0	86	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>6,134</b>	<b>26,584</b>	<b>6,404</b>	<b>6,248</b>	<b>5,919</b>	<b>5,806</b>	<b>24,904</b>	<b>24,731</b>	<b>24,477</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	-105	-468	-107	-107	-107	-107	-428	-428	-428
<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>6,029</b>	<b>26,116</b>	<b>6,297</b>	<b>6,141</b>	<b>5,812</b>	<b>5,699</b>	<b>24,476</b>	<b>24,303</b>	<b>24,049</b>
Basic EPS	1.03	1.16	0.33	0.33	0.31	0.29	1.27	0.31	0.30	0.28	0.28	1.16	1.18	1.17
FD EPS	1.03	1.14	0.33	0.32	0.31	0.29	1.25	0.30	0.29	0.28	0.27	1.14	1.16	1.15
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

13 May 2025

## NLCP: Outlook and Company Update Post 1Q25

### Exhibit 4: Income statement – AFFO Analysis

US\$000s														
AFFO ANALYSIS	CY22	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25	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	6,029	26,116	6,297	6,141	5,812	5,699	23,949	24,303	24,049
Net income attributable to non controlling interests	380	438	125	122	116	105	468	107	107	107	107	428	428	428
Net income attributable to common stockholders	22,356	25,023	6,994	6,918	6,538	6,134	26,584	6,404	6,248	5,919	5,806	24,377	24,731	24,477
Adjustments	0	0	0	0	0	0	0	0	0	0	0	0	0	0
real estate depreciation and amortization	12,825	14,266	3,563	3,622	3,722	3,788	14,694	3,879	3,946	3,951	3,959	15,736	15,191	15,593
loss on sale of real estate	60	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>FFO attributable to common stockholders</b>	<b>35,241</b>	<b>39,289</b>	<b>10,557</b>	<b>10,540</b>	<b>10,260</b>	<b>9,922</b>	<b>41,278</b>	<b>10,283</b>	<b>10,194</b>	<b>9,870</b>	<b>9,766</b>	<b>40,112</b>	<b>39,921</b>	<b>40,070</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	452	1,674	388	431	395	422	1,635	1,573	1,521
non-cash interest expense	163	281	68	67	67	67	269	67	144	125	142	478	758	805
amortization of straight-line rent expense	12	0	-1	0	-1	-1	-3	-1	0	0	0	-1	0	0
<b>AFFO attributable to common stockholders</b>	<b>38,661</b>	<b>40,654</b>	<b>10,960</b>	<b>11,019</b>	<b>10,763</b>	<b>10,949</b>	<b>43,689</b>	<b>10,724</b>	<b>10,768</b>	<b>10,390</b>	<b>10,330</b>	<b>42,225</b>	<b>42,252</b>	<b>42,396</b>
per share	1.81	1.89	0.52	0.53	0.51	0.52	2.08	0.51	0.51	0.50	0.49	2.01	2.01	2.02
<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>-8,821</b>	<b>-8,832</b>	<b>-8,832</b>	<b>-8,832</b>	<b>-35,316</b>	<b>-35,327</b>	<b>-35,327</b>
per share	-1.35	-1.56	-0.40	-0.41	-0.43	-0.43	-1.67	-0.43	-0.43	-0.43	-0.43	-1.72	-1.72	-1.72
% of AFFO	75%	83%	76%	78%	84%	82%	80%	84%	84%	87%	87%	85%	85%	85%
<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&A estimates, company reports

13 May 2025

## NLCP: Outlook and Company Update Post 1Q25

### Exhibit 5: Cash Flow

US\$000s														
SUMMARY CASH FLOW	CY22	CY23	1Q24	2Q24	3Q24	4Q24	CY24	1Q25	2Q25e	3Q25e	4Q25e	CY25e	CY26e	CY27e
Net income	22,356	25,023	6,994	6,918	6,538	6,133	26,583	6,404	6,141	5,812	5,699	24,056	24,303	24,049
(+) depreciation and amortization	12,825	14,266	3,568	3,626	3,726	3,793	14,713	3,883	3,946	3,951	3,959	15,740	15,191	15,593
(+) adjustments (ex D&A)	2,743	237	128	479	607	594	1,808	-48	0	0	0	-48	0	0
(-) working capital	99	753	-648	694	218	588	852	-77	-194	11	0	-260	0	0
(+) other	-1,015	-195	0	0	-128	-479	-607	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>10,629</b>	<b>43,349</b>	<b>10,162</b>	<b>9,893</b>	<b>9,774</b>	<b>9,659</b>	<b>39,487</b>	<b>39,493</b>	<b>39,642</b>
(-) acquisition of real estate	-36,969	-350	0	-3,993	0	0	-3,993	0	0	0	0	0	-4,500	-4,500
(-) tenants improvements	-45,245	-14,434	-7,894	-3,477	-2,593	-1,181	-15,145	-285	-705	-1,100	0	-2,090	-8,804	-9,072
(+) other	-4,239	1,949	0	0	0	3	3	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>-1,178</b>	<b>-19,135</b>	<b>-285</b>	<b>-705</b>	<b>-1,100</b>	<b>0</b>	<b>-2,090</b>	<b>-13,304</b>	<b>-13,572</b>
(-) debt proceeds (payments)	-800	-1,000	2,000	3,600	0	0	5,600	0	3,000	2,000	2,000	7,000	13,000	0
(-) dividends	-28,993	-33,058	-8,201	-8,409	-8,820	-8,820	-34,250	-8,821	-8,832	-8,832	-8,832	-35,316	-35,327	-35,327
(+) 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	-251	-1,194	-1,326	0	0	0	-1,326	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>-9,071</b>	<b>-29,530</b>	<b>-10,147</b>	<b>-5,832</b>	<b>-6,832</b>	<b>-6,832</b>	<b>-29,642</b>	<b>-22,327</b>	<b>-35,327</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>380</b>	<b>-5,630</b>	<b>-270</b>	<b>3,356</b>	<b>1,842</b>	<b>2,827</b>	<b>7,755</b>	<b>3,863</b>	<b>-9,257</b>
Cash at start of year	127,097	45,192	25,843	21,546	20,687	19,833	25,843	20,213	19,943	23,299	25,141	20,213	27,968	31,831
Cash at end of year	45,192	25,843	21,546	20,687	19,833	20,213	20,213	19,943	23,299	25,141	27,968	27,968	31,831	22,574
<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>12,613</b>	<b>12,613</b>	<b>12,343</b>	<b>12,699</b>	<b>12,541</b>	<b>13,368</b>	<b>13,368</b>	<b>4,231</b>	<b>-5,026</b>
Cash	45,192	25,843	21,546	20,687	19,833	20,213	20,213	19,943	23,299	25,141	27,968	27,968	31,831	22,574
Gross debts/loans/bonds	2,986	2,000	4,000	7,600	7,600	7,600	7,600	7,600	10,600	12,600	14,600	14,600	27,600	27,600
Gross (debt) / equity	1%	0%	1%	2%	2%	-2%	-2%	-2%	-3%	-3%	-4%	-4%	-7%	-8%
Net (debt) cash / equity	10%	6%	4%	3%	3%	3%	3%	3%	3%	3%	3%	3%	1%	-1%

Source: Z&A estimates, company reports



# Appendix II: Valuation Comps

13 May 2025

## NLCP: Outlook and Company Update Post 1Q25

### Exhibit 6: MJ Lenders Valuation Comps

		13-May-25				
		US\$		Disc	Regular	Dividend
		price	BVPS	Prm	DPS	Yield
<b>MJ Finco Stocks</b>						
Advanced Flower Capital	AFCG	\$5.70	\$9.02	-37%	\$0.23	16.1%
Innovative Industrial Properties	IIPR	\$55.47	\$68.38	-19%	\$1.90	13.7%
Chicago Atlantic BDC	LIEN	\$9.90	\$13.20	-25%	\$0.34	13.7%
NewLake Capital Partners	NLCP	\$14.44	\$19.19	-25%	\$0.43	11.9%
Chicago Atlantic Real Estate Finance	REFI	\$15.07	\$14.87	1%	\$0.47	12.5%

Z&A	mn	mn	Total	Gross		Net Debt		Pref Stock
Spot EV	shares	deriv	Mkt Cap	Debt	Cash	to Equity	Equity	& Min Int
155	22.3	0.3	129	148.5	122.2	-13%	201	
1,758	28.3	0.3	1,588	297.9	151.2	-8%	1,937	23.6
201	22.7		225	0.0	23.9	8%	300	
294	20.5	0.2	300	7.6	19.9	3%	394	6.9
399	21.0	0.4	322	87.2	9.9	-25%	312	

Source: Company reports, and Z&A estimates

13 May 2025

## NLCP: Outlook and Company Update Post 1Q25

### Exhibit 7: Industrial REITs and Lenders to the Cannabis Industry

US\$Mn			5/13/25				Mkt				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	Last 30d	Last 90d	Last 12mo
<b>Industrial REITs</b>				1.47x	5.5%						11%	-11%	-13%
Americold Realty Trust, Inc.	COLD	NYSE	17.82	1.59x	5.0%	284.3	5,064	116%	-3,633	8,697	-7%	-18%	-26%
EastGroup Properties, Inc.	EGP	NYSE	171.52	2.68x	3.2%	51.8	8,889	47%	-1,550	10,439	11%	-4%	4%
First Industrial Realty Trust, Inc.	FR	NYSE	51.11	2.54x	3.0%	132.3	6,764	84%	-2,184	8,948	12%	-9%	7%
Innovative Industrial Properties Inc	IIPR	NYSE	55.47	0.83x	13.7%	28.3	1,572	16%	-148	1,719	12%	-25%	-47%
Industrial Logistics Properties Trust	ILPT	NASDAQ	3.18	0.39x	1.3%	66.1	210	801%	-4,077	4,287	26%	-21%	-20%
LXP Industrial Trust	LXP	NYSE	8.31	1.18x	6.4%	294.5	2,446	77%	-1,485	3,931	10%	-2%	-5%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.44	0.75x	11.9%	20.5	296	2%	12	284	8%	-12%	-29%
Prologis, Inc.	PLD	NYSE	109.37	1.90x	3.6%	926.3	101,303	62%	-31,955	133,258	14%	-10%	2%
Plymouth Industrial REIT, Inc.	PLYM	NYSE	16.31	1.30x	5.9%	45.4	740	115%	-612	1,353	16%	-2%	-22%
Rexford Industrial Realty, Inc.	REXR	NYSE	35.48	0.97x	4.7%	225.3	7,993	42%	-3,449	11,442	9%	-14%	-21%
STAG Industrial, Inc.	STAG	NYSE	35.26	1.90x	4.2%	186.5	6,576	89%	-3,060	9,636	12%	0%	0%
Terreno Realty Corporation	TRNO	NYSE	58.81	1.55x	3.3%	99.2	5,836	25%	-922	6,758	8%	-12%	7%
<b>Cannabis "Fincos"</b>													
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.70	0.63x	24.0%	22.33	127	94%	-85	212	20%	-34%	-54%
Innovative Industrial Properties Inc	IIPR	NYSE	55.47	0.83x	13.7%	28.33	1572	16%	-148	1719	12%	-25%	-47%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.44	0.75x	11.9%	20.51	296	2%	12	284	8%	-12%	-29%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	9.90	0.75x	11.9%	22.82	226	0%	24	202	-8%	-15%	-12%
SHF Holdings Inc Class A	SHFS	NASDAQ	2.40	-0.54x	0.0%	2.78	7	-97%	-10	16	8%	-72%	-85%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	15.07	1.01x	12.5%	20.83	314	34%	-78	392	12%	-5%	-4%

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

13 May 2025

## NLCP: Outlook and Company Update Post 1Q25

### Exhibit 8: mREITs and Lenders to the Cannabis Industry

US\$Mn			5/13/25				Mkt				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	Last 30d	Last 90d	Last 12mo
<b>mREITS</b>				0.69x	14.4%						17%	-12%	-17%
Arbor Realty Trust Inc	ABR	NYSE	11.14	0.90x	15.4%	189.3	2,107	427%	-9,315	11,423	6%	-19%	-15%
Ares Commercial Real Estate Corporat	ACRE	NYSE	4.95	0.50x	18.2%	54.5	270	217%	-1,106	1,376	39%	-19%	-28%
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.70	0.63x	24.0%	22.3	127	94%	-85	212	20%	-34%	-54%
Apollo Commercial Real Estate Finance,	ARI	NYSE	9.97	0.74x	11.0%	138.2	1,377	345%	-6,073	7,450	23%	0%	-1%
Blackstone Mortgage Trust, Inc. Class A	BXMT	NYSE	19.78	0.92x	10.3%	172.8	3,417	424%	-15,401	18,818	13%	4%	11%
Claros Mortgage Trust, Inc.	CMTG	NYSE	2.61	0.19x	32.6%	139.4	364	253%	-4,756	5,119	13%	-19%	-69%
Granite Point Mortgage Trust Inc.	GPMT	NYSE	2.38	0.19x	8.4%	48.8	116	242%	-1,358	1,475	30%	-22%	-35%
KKR Real Estate Finance Trust, Inc.	KREF	NYSE	9.62	0.67x	10.4%	68.7	661	494%	-4,794	5,455	12%	-13%	0%
Ladder Capital Corp. Class A	LADR	NYSE	10.75	0.91x	8.6%	127.1	1,366	210%	-1,830	3,196	9%	-9%	-4%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	15.07	1.01x	12.5%	20.8	314	34%	-78	392	12%	-5%	-4%
Starwood Property Trust, Inc.	STWD	NYSE	20.03	1.06x	9.6%	337.4	6,757	310%	-19,177	25,935	12%	2%	-1%
TPG RE Finance Trust, Inc.	TRTX	NYSE	8.00	0.58x	12.0%	81.0	648	232%	-2,378	3,026	18%	-7%	-7%
<b>Cannabis "Fincos"</b>													
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.70	0.63x	24.0%	22.3	127	94%	-85	212	20%	-34%	-54%
Innovative Industrial Properties Inc	IIPR	NYSE	55.47	0.83x	13.7%	28.3	1,572	16%	-148	1,719	12%	-25%	-47%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.44	0.75x	10.8%	20.5	296	2%	12	284	8%	-12%	-29%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	9.90	0.75x	10.1%	22.8	226	0%	24	202	-8%	-15%	-12%
SHF Holdings Inc Class A	SHFS	NASDAQ	2.40	-0.54x	NA	2.8	7	-97%	-10	16	8%	-72%	-85%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	15.07	1.01x	12.5%	20.8	314	34%	-78	392	12%	-5%	-4%

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

13 May 2025

## NLCP: Outlook and Company Update Post 1Q25

### Exhibit 9: BDCs and Lenders to the Cannabis Industry

US\$Mn			5/13/25				Mkt				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	Last 30d	Last 90d	Last 12mo
<b>BDCs</b>				0.88x	13.9%			125%			3%	-12%	-13%
Gladstone Investment Corporation	GAIN	NASDAQ	14.12	1.06x	6.8%	36.7	518	82%	-395	913	7%	5%	-1%
Great Elm Capital Corp	GECC	NASDAQ	10.60	0.92x	13.4%	11.5	122	143%	-181	304	12%	0%	3%
Gladstone Capital Corporation	GLAD	NASDAQ	26.52	1.24x	7.5%	22.2	590	68%	-322	912	10%	-6%	20%
Horizon Technology Finance Corporati	HRZN	NASDAQ	7.58	1.00x	17.4%	39.9	302	155%	-367	669	-8%	-21%	-36%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	9.90	0.75x	11.9%	22.8	226	0%	24	202	-8%	-15%	-12%
Logan Ridge Finance Corporation	LRFC	NASDAQ	17.66	0.60x	7.8%	2.7	47	132%	-73	119	-6%	-29%	-21%
Monroe Capital Corp.	MRCC	NASDAQ	6.16	0.71x	16.2%	21.7	134	156%	-283	416	-10%	-29%	-15%
OFS Capital Corp.	OFS	NASDAQ	8.63	0.72x	15.8%	13.4	116	154%	-241	356	5%	6%	-10%
Oxford Square Capital Corp.	OXSQ	NASDAQ	2.47	1.18x	17.0%	69.8	172	85%	-89	261	-2%	-12%	-23%
PennantPark Investment Corporation	PNNT	NYSE	6.86	0.91x	13.7%	65.3	448	156%	-722	1,170	11%	-4%	-6%
Portman Ridge Finance Corporation	PTMN	NASDAQ	12.45	0.66x	20.4%	9.2	115	153%	-193	307	5%	-28%	-37%
Saratoga Investment Corp.	SAR	NYSE	24.10	0.93x	12.3%	15.2	366	199%	-577	943	7%	-4%	4%
Stellus Capital Investment Corp.	SCM	NYSE	12.96	0.96x	12.3%	27.5	356	159%	-573	929	6%	-13%	-9%
TriplePoint Venture Growth BDC Corp.	TPVG	NYSE	6.62	0.77x	19.6%	40.1	266	115%	-320	586	13%	-14%	-28%
WhiteHorse Finance, Inc.	WHF	NASDAQ	9.29	0.75x	16.6%	23.2	216	124%	-326	542	3%	-13%	-27%
<b>Cannabis "Fincos"</b>													
Advanced Flower Capital Inc.	AFCG	NASDAQ	5.70	0.63x	24.0%	22.33	127	94%	-85	212	20%	-34%	-54%
Innovative Industrial Properties Inc	IIPR	NYSE	55.47	0.83x	13.7%	28.33	1572	16%	-148	1719	12%	-25%	-47%
NewLake Capital Partners, Inc.	NLCP	US OTC	14.44	0.75x	11.9%	20.51	296	2%	12	284	8%	-12%	-29%
Chicago Atlantic BDC, Inc.	LIEN	NASDAQ	9.90	0.75x	11.9%	22.82	226	0%	24	202	-8%	-15%	-12%
SHF Holdings Inc Class A	SHFS	NASDAQ	2.40	-0.54x	0.0%	2.78	7	-97%	-10	16	8%	-72%	-85%
Chicago Atlantic Real Estate Finance, In	REFI	NASDAQ	15.07	1.01x	12.5%	20.83	314	34%	-78	392	12%	-5%	-4%

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

13 May 2025

## NLCP: Outlook and Company Update Post 1Q25

Exhibit 10: US MSO Valuation Multiples

US\$Mn 13-May-25	Z&A Spot EV / Sales			Z&A Spot EV / EBITDA			NET DEBT RATIOS				BROADER DEFINITION OF NET DEBT			
							Net Debt/Sales		Net Debt/EBITDA		BDND/Sales		BDND/EBITDA	
	Current	CY25e	CY26e	Current	CY25e	CY26e	Current	CY25	Current	CY25	Current	CY25	Current	CY25
<b>US MSOs</b>	<b>1.4x</b>	<b>1.1x</b>	<b>0.9x</b>	<b>6.5x</b>	<b>5.4x</b>	<b>4.3x</b>								
Ascend Wellness	1.1x	1.1x	1.0x	4.8x	5.0x	4.5x	-0.4x	-0.4x	-2.0x	-2.1x	-0.9x	-1.0x	-4.2x	-4.4x
Ayr Wellness	1.2x	1.2x	1.2x	7.3x	6.1x	5.6x	-0.9x	-0.9x	-5.2x	-4.3x	-1.1x	-1.2x	-6.8x	-5.7x
Cannabist Co	1.1x	1.2x	1.2x	14.5x	11.3x	8.4x	-0.7x	-0.8x	-9.5x	-7.4x	-1.0x	-1.1x	-13.5x	-10.5x
Consortium	1.1x	na	na	3.8x	na	na	-0.6x	na	-2.0x	na	-0.9x	na	-3.2x	na
Cresco Labs	1.3x	1.3x	1.3x	5.6x	5.8x	5.2x	-0.5x	-0.5x	-2.0x	-2.1x	-0.9x	-0.9x	-3.6x	-3.7x
Curaleaf	1.5x	1.5x	1.4x	6.5x	6.9x	5.9x	-0.5x	-0.5x	-2.2x	-2.4x	-0.9x	-0.9x	-3.9x	-4.1x
4Front Ventures	2.1x	na	na	34.4x	na	na	-1.2x	na	-19.6x	na	-2.0x	na	-33.8x	na
Glass House	3.3x	3.2x	2.5x	19.7x	17.1x	11.2x	-0.1x	-0.1x	-0.6x	-0.5x	-0.3x	-0.3x	-1.8x	-1.6x
Vireo Growth (pf)	1.3x	1.2x	0.9x	5.5x	4.9x	3.1x	0.1x	na	0.5x	na	-0.6x	na	-2.1x	na
Green Thumb	1.2x	1.3x	1.2x	3.7x	4.2x	3.9x	0.0x	0.0x	-0.1x	-0.1x	-0.1x	-0.1x	-0.3x	-0.3x
Grown Rogue	1.9x	na	na	2.8x	na	na	0.2x	na	0.3x	na	0.0x	na	0.1x	na
iAnthus	1.1x	na	na	7.5x	na	na	-0.9x	na	-6.1x	na	-1.0x	na	-6.4x	na
Jushi	1.5x	1.5x	1.4x	12.4x	8.0x	6.7x	-0.6x	-0.6x	-5.3x	-3.5x	-1.2x	-1.2x	-10.3x	-6.7x
MariMed	0.9x	0.8x	0.8x	6.0x	5.9x	4.2x	-0.4x	-0.4x	-2.8x	-2.8x	-0.6x	-0.5x	-3.9x	-3.8x
Planet 13	0.8x	0.8x	0.7x	na	14.2x	5.8x	0.1x	0.1x	na	2.4x	-0.1x	-0.1x	na	-2.0x
TerrAscend	1.5x	1.5x	1.4x	7.4x	7.1x	6.2x	-0.6x	-0.6x	-2.9x	-2.7x	-1.0x	-1.1x	-5.1x	-4.9x
TILT	1.1x	na	na	51.4x	na	na	-0.6x	na	-28.6x	na	-1.1x	na	-49.9x	na
Trulieve	1.4x	1.4x	1.4x	3.8x	4.1x	4.2x	-0.2x	-0.2x	-0.6x	-0.7x	-0.7x	-0.7x	-1.8x	-2.0x
Verano	1.1x	1.1x	1.0x	3.7x	3.8x	3.6x	-0.4x	-0.4x	-1.3x	-1.4x	-0.8x	-0.8x	-2.6x	-2.7x
Vext	1.3x	1.1x	0.8x	3.9x	3.6x	1.9x	-0.8x	-0.6x	-2.4x	-2.2x	-0.8x	-0.6x	-2.4x	-2.2x

1) Current is based on the latest reported qtr annualized (Sales and EBITDA); 2) We take FactSet consensus estimates for CY25e and CY26e multiples, if available.

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

13 May 2025

## NLCP: Outlook and Company Update Post 1Q25

### Exhibit 11: Stock Performance

13-May-25			
Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
<b>US MSOs</b>			
Ascend	10%	-19%	-75%
Ayr	89%	-41%	-89%
Cannabist	65%	-10%	-80%
Consortium	-6%	-26%	-69%
Cresco	20%	-21%	-66%
Curaleaf	8%	-40%	-84%
4Front	-67%	-80%	-97%
GlassHouse	44%	6%	-34%
Gold Flora	MN/A	-30%	-85%
Grown Rogue	9%	-28%	-39%
Green Thumb	9%	-23%	-57%
iAnthus	-54%	-44%	-77%
Jushi	16%	-7%	-51%
MariMed	13%	-32%	-66%
Planet13	6%	-28%	-58%
Schwazze	na	-29%	-97%
StateHouse	na	na	-46%
Trulieve	31%	-5%	-62%
TerrAscend	48%	-39%	-77%
Verano	39%	-39%	-85%
Vext	-21%	-14%	-64%
Vireo Growth	4%	-27%	-26%
<b>International</b>			
InterCure	24%	-32%	-41%
PharmaCielo	-31%	4%	107%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
<b>Canadian LPs</b>			
Aurora	22%	-19%	-19%
Avant	-10%	-24%	-63%
Auxly	8%	60%	42%
Ayurcann	2%	-39%	-41%
Cannara	-1%	8%	50%
Canopy	57%	-18%	-84%
Cronos	18%	5%	-25%
Decibel	20%	-13%	-38%
Entourage	0%	25%	-58%
High Tide	13%	-15%	1%
OGI	23%	-12%	-28%
Rubicon	-22%	9%	18%
SNOL	-3%	-27%	-43%
Tilray	-6%	-51%	-76%
VFF	85%	19%	-26%
<b>Tech</b>			
LFLY	50%	15%	-84%
SBIG	63%	-1%	-52%
MAPS	10%	-12%	0%
<b>Vape parts</b>			
GNLN	-98%	-100%	-100%
ISPR	-12%	-30%	-49%
SMORF	0%	2%	34%
TLTTF	28%	-1%	-78%

Stock Performance			
Ticker	Last 30d	Last 90d	Last 12mo
<b>MJ Fincos</b>			
AFCG	20%	-34%	-54%
IIPR	13%	-25%	-47%
NLCP	8%	-12%	-29%
SHFS	8%	-72%	-85%
LIEN	-8%	-15%	-12%
REFI	12%	-5%	-4%
<b>Pix &amp; Shovel</b>			
AGFY	52%	30%	559%
GRWG	23%	-24%	-63%
HYFM	24%	-41%	-64%
SMG	16%	-12%	-14%
UGRO	-30%	-47%	-78%
<b>CBD</b>			
CVSI	-5%	-32%	-41%
CWEB	10%	-16%	-49%
LFID	-8%	19%	-69%
<b>Index</b>			
S&P 500	10%	-3%	13%
S&P 477	0%	-2%	7%
Nasdaq	15%	2%	35%
MSOS ETF	19%	-22%	-71%
YOLO ETF	19%	-16%	-52%
<b>Simple Group Averages</b>			
Large Canada LP:	33%	-17%	-50%
Tier 1 MSOs	21%	-26%	-71%

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.