



## NOVA NET LEASE REIT

### NOVA NET LEASE REIT ANNOUNCES FINANCIAL RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2021 AND OTCQB LISTING

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Toronto, Ontario, **April 11, 2022** – /CNW/ – Nova Net Lease REIT (“**NOVA**” or the “**REIT**”) (CSE: NNL.U) (OTCQB: NNLRF) today released its financial results for the period from formation on July 27, 2021 to December 31, 2021, which are available on SEDAR ([www.sedar.com](http://www.sedar.com)). Results are presented in U.S. dollars.

In addition, NOVA is pleased to announce that its units are now listed on the US-based OTCQB operated by OTC Market Group Inc., under the symbol “NNLRF”.

#### **Summary of Business Activity and Year-end 2021 Results:**

- The REIT was formed in July 2021 with the purpose of owning and leasing, on a triple-net basis, specialized industrial and retail facilities focused in the legalized cannabis industry in the United States.
- On November 24, 2021, the REIT acquired its initial investment property, a cannabis cultivation facility in Kalamazoo, Michigan, for \$10.0 million. The real estate was contributed into Nova Net Lease Operating LLC (the “**Operating Partnership**”) in exchange for units in the Operating Partnership (the “**Class B Units**”), which are convertible into REIT units.
- The tenant entered into a 15-year lease concurrent with the acquisition of the property. Rent began accruing immediately and payments have been received according to the lease terms.
- On January 4, 2022, the REIT completed its initial public offering of REIT Units on the Canadian Securities Exchange (the “**CSE**”), and began trading under the symbol NNL.U.
- Gross proceeds from the offering, including the overallotment exercised on January 31, 2022, were \$4,259,750.

Results of operations for the period from July 27, 2021 (date of formation) to December 31, 2021, only included rental revenue for 38 days, representing the period from the date of acquisition of the Kalamazoo property on November 24, 2021 to December 31, 2021. Revenue for that 38-day period was \$159,781. Expenses for the period from July 27 through December 31 were \$749,361, and included costs such as legal, accounting, consultants and other professionals related to the formation of the REIT and other activities leading up to the REIT’s initial public offering. Also included were fair value adjustments to the REIT’s investment property and Class B Units to reflect both at fair value as at December 31, 2021.

Commenting on the year, President and CEO, Richard Michaeloff stated, “2021 was a year marking significant milestones for the REIT. Our focus was two-fold – to prepare for our IPO, and to create a pipeline of acquisition targets. We have executed on both. Our first asset – the Kalamazoo property – offered the opportunity to team up with a great partner. They saw the value in taking back equity in our newly formed REIT, which we view as a testament to our business model. And, we successfully completed our IPO in January, creating the first pure-play REIT in Canada that’s focused on the rapidly growing cannabis sector in the U.S., setting the stage for future growth.”

Continuing, Michaeloff stated, “For 2022, our focus is to execute on acquisition targets, continue to build our pipeline and capitalize the REIT in a manner that will result in increased unitholder value. We look forward to updating you as we progress through the year.”

For further information, please see the Consolidated Financial Statements for the Period from July 27, 2021 (date of formation) to December 31, 2021, and the related Management’s Discussion and Analysis for the same period, which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

### *Forward-Looking Statements*

*This press release contains statements that include forward-looking information within the meaning of Canadian securities laws. These forward-looking statements reflect the current expectations of the REIT regarding future events, including statements concerning the ability of the REIT to achieve its stated investment objectives, any future acquisitions and the future success of the platform. In some cases, forward-looking statements can be identified by terms such as “may”, “will”, “could”, “occur”, “expect”, “anticipate”, “believe”, “intend”, “estimate”, “target”, “project”, “predict”, “forecast”, “continue”, or the negative thereof or other similar expressions concerning matters that are not historical facts.*

*These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any result expressed or implied by such forward-looking statements, including the risk factors set forth in the REIT’s final Prospectus dated December 22, 2021, under the heading “Risk Factors”.*

*Although forward-looking statements contained in this press release are based upon what management of NOVA believes are reasonable assumptions, there can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. NOVA undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.*

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