



NOVA NET LEASE REIT

NOVA NET LEASE REIT ANNOUNCED FINANCIAL RESULTS FOR THE PERIOD ENDED MARCH 31, 2022

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Toronto, Ontario, May 27, 2022 – /CNW/ – Nova Net Lease REIT (“NOVA” or the “REIT”) (CSE: NNL.U) (OTCQB: NNLRF) today announced its financial results for the three months ended March 31, 2022, which are available on SEDAR (www.sedar.com). Results are presented in U.S. dollars.

Summary of Business Activity and period-end March 31, 2022, Results:

- 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.
- On January 24, 2022, the REIT’s board of trustees established a monthly distribution policy pursuant to which the REIT will pay monthly distributions to its unitholders of US\$0.00225 per unit, or US\$0.027 per unit on an annualized basis.
- On April 11, 2022, the REIT announced that its units are now listed on the US-based OTCQB operated by OTC Market Group Inc., under the symbol “NNLRF”.
- On May 16, 2022, the REIT announced the appointment of Tyson Macdonald as its new President and Chief Executive Officer, effective immediately.

Results of operations for the period ended March 31, 2022, represented the REIT’s first full quarter of rental revenue from its initial investment property, a cannabis cultivation facility in Kalamazoo, Michigan. Revenue for the period ended March 31, 2022, was \$388,655. Total expenses for the period were \$577,639, including general and administrative expenses of \$690,617, finance cost of \$60,308 and a fair value adjustment on investment property of \$977,825, offset by a fair value gain on the Class B Units of \$1,151,111. The resulting net loss was \$188,984. General and administrative expenses for the first quarter included costs such as legal, accounting, consultants and other professionals related to the REIT’s initial public offering and ongoing operations, as well as distributions to the Class B unitholders.

Commenting on the period ended March 31, 2022, President and CEO Tyson MacDonald stated, “This is but the beginning of what we intend to accomplish in the coming quarters. We have an exceptional management team, deep board expertise, and the full support of our lead investors from Cloud Cannabis in Michigan. I am thrilled to have the opportunity to join a dynamic and experienced management team and pursue a strategy to bring the highest quality US cannabis real estate assets into the portfolio.”

Continuing, Macdonald stated, “Nova has assembled an impressive pipeline of potential targets, and our focus is to execute on these acquisition targets, continue to build our pipeline and further 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 Unaudited Condensed Interim Consolidated Financial Statements for the period ended March 31, 2022, and the related Management's Discussion and Analysis for the same period, which are available on SEDAR at 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.

For further information, please contact:

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