



NEWS RELEASE

Nova Comments on Sundial Growers Inc.'s Acquisition of Alcanna Inc.

10/7/2021

EDMONTON, AB, Oct. 7, 2021 /CNW/ - Nova Cannabis Inc. (the "**Company**" or "**Nova**") (TSX: NOVC) is pleased to provide comment on today's announcement that Sundial Growers Inc. ("**Sundial**") (NASDAQ: SNDL) entered into an arrangement agreement to acquire all of the issued and outstanding common shares of Alcanna Inc. ("**Alcanna**") (TSX: CLIQ), Nova's majority shareholder (the "**Transaction**").

The Transaction as contemplated is between Sundial and Alcanna and it is not expected to impact Nova's continued access to the services provided under the master services agreement ("**MSA**") between Nova and Alcanna nor the potential to access debt financing available through the operating line of credit from Alcanna; both of which were made available to the Company to support its aggressive growth strategy and both of which survive an Alcanna change of control.

Alcanna provides Nova, on flat fee basis, a number of management and administrative services outlined in the MSA between the two companies. The terms of the MSA with Alcanna guarantees a continuation of services and service levels until March 2023, including in the event of a change of control as the one contemplated in the Transaction.

In addition, the Company currently has access to an operating line of credit with Alcanna for up to \$10 million which also survives an Alcanna change of control.

Nova is committed to working with Sundial and the provincial regulators to ensure the Company remains fully compliant with the various provincial regulatory frameworks that govern cannabis retailing in Canada and looks forward to continuing to work with all of its Licenced Producer partners and industry stakeholders to continue to

provide the products our customers want at every-day low prices.

ABOUT NOVA CANNABIS INC.

Nova is one of Canada's largest and fastest growing cannabis retailers with a goal to disrupt the cannabis retail market by offering a wide range of high-quality cannabis products at every-day best value prices. The Company currently operates 62 locations across Alberta, Ontario, and Saskatchewan, primarily under its Value Buds and Nova Cannabis banners. The Company is majority owned by Alcanna Inc. (TSX: CLIQ). Additional information about Nova Cannabis Inc. is available at www.sedar.com and the Company's website at www.novacannabis.ca.

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