

## PRESS RELEASE

### FOR IMMEDIATE RELEASE

November 24, 2021

### **CANADIAN NET REIT ANNOUNCES ITS RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2021, A 13% INCREASE IN ITS PER UNIT DISTRIBUTIONS FOR 2022 AND Q1 2022 MONTHLY DISTRIBUTIONS**

**Montréal (Québec) - (TSX-V: NET.UN)** Canadian Net Real Estate Investment Trust ("Canadian Net" or the "Trust") announces its results for the quarter ended September 30<sup>th</sup>, 2021, an increase in its per unit distributions for a 10<sup>th</sup> consecutive year, and monthly distributions for the months of January, February and March 2022.

#### RESULTS

**For the quarter ended September 30<sup>th</sup>, 2021**, Canadian Net reported recurring funds from operations ("Recurring FFO") per unit of \$0.145 compared to \$0.127 per unit for the quarter ended September 30<sup>th</sup>, 2020, an increase of 14%. Recurring FFO was \$2,790,255, an increase of 50% relative to \$1,864,681 in Q3 2020. During Q3 2021, the Trust's property rental income was \$4,885,412 compared to \$3,219,366 in Q3 2020, an increase of 52%. Net Operating Income was \$3,725,787 compared to \$2,477,609 in Q3 2020, an increase of 50%. Canadian Net recorded a net income attributable to unitholders of \$11,192,478, or \$0.583 per unit, compared to \$2,139,737, or \$0.145 per unit in Q3 2020.

**For the nine-month period ended September 30<sup>th</sup>, 2021**, Canadian Net reported Recurring FFO per unit of \$0.435 compared to \$0.361 per unit for the comparable period in 2020, an increase of 21%. Recurring FFO was \$7,848,006, an increase of 53% relative to \$5,139,573 for the same period in 2020. During the 9-month period ended September 30<sup>th</sup>, 2021, the Trust's property rental income was \$14,020,771 compared to \$9,286,366 for the same period in 2020, an increase of 51%. Net operating Income was \$10,417,458 compared to \$7,126,776 for the same period in 2020, an increase of 46%. Canadian Net recorded a net income attributable to unitholders of \$17,636,921, or \$0.978 per unit, compared to a net income of \$8,773,525, or \$0.616 per unit for the same period in 2020.

#### DISTRIBUTIONS

Starting in January 2022, the annual distribution will go from \$0.30 to \$0.34 per unit, representing an increase of 13.3%. With this increase, Canadian Net's distributions have increased 172% since its first distributions in 2012, representing a compounded annual growth rate of 10.5%.

Canadian Net announces that it will make monthly cash distributions of \$0.0283 per unit, representing \$0.34 per unit on an annualized basis, on January 31<sup>st</sup>, February 28<sup>th</sup> and March 31<sup>st</sup>, 2022, to unitholders of record on January 14<sup>th</sup>, February 15<sup>th</sup> and March 15<sup>th</sup>, 2022, respectively.

#### COLLECTIONS

During Q3 2021, Canadian Net collected 100% of its rents.

Jason Parravano, President and CEO says: "Q3 marked an important milestone for the REIT as we completed our first ever bought deal equity financing which will position us for growth headed into 2022. In addition, I am proud today to announce our 10<sup>th</sup> consecutive distribution increase. This increase highlights

our ability to continue to execute on not only per unit FFO growth but per unit cash flow growth, with the ultimate goal of delivering returns to our unit holders.”

The tables below represent other financial highlights as well as the reconciliation from net income to FFO for the periods ended September 30<sup>th</sup>, 2021, and its comparative period. This information should be read in conjunction with the Consolidated Financial Statements and MD&A for the quarter ended September 30<sup>th</sup>, 2021, and Consolidated Financial Statements and MD&A for the quarter ended September 30<sup>th</sup>, 2020.

## SUMMARY OF SELECTED FINANCIAL INFORMATION

Periods ended September 30	9 months		Δ	%
	2021	2020		
<b>Financial info</b>				
Property rental income	14,020,771	9,286,366	4,734,405	51%
Total revenue	14,020,771	9,296,656	4,724,115	51%
Net income and comprehensive income	17,636,921	8,773,525	8,863,396	101%
NOI <sup>(1)</sup>	10,417,458	7,126,776	3,290,682	46%
FFO <sup>(1)</sup>	7,820,191	5,149,863	2,670,328	52%
Recurring FFO <sup>(1)(2)</sup>	7,848,006	5,139,573	2,708,433	53%
AFFO <sup>(1)</sup>	7,234,005	4,747,684	2,486,321	52%
EBITDA	21,336,069	10,334,813	11,001,256	106%
Adjusted EBITDA <sup>(1)</sup>	10,716,808	7,074,997	3,641,811	51%
Investment properties	225,342,146	140,230,496	85,111,650	61%
Adjusted investment properties <sup>(3)</sup>	268,241,443	171,615,448	96,625,995	56%
Total assets	254,507,121	159,169,429	95,337,692	60%
Total mortgage/loans/long term debt <sup>(4)</sup> (including revolving line of credit)	118,970,214	73,912,110	45,058,104	61%
Total convertible debentures	8,228,420	3,004,263	5,224,157	174%
Total equity	123,207,391	74,303,173	48,904,218	66%
Weighted average units o/s - basic	18,030,472	14,239,993	3,790,479	27%
<b>Amounts on a per unit basis</b>				
FFO	0.434	0.362	0.072	20%
Recurring FFO	0.435	0.361	0.074	21%
AFFO	0.401	0.333	0.068	20%
Distributions	0.225	0.192	0.033	17%

(1) See appropriate sections for reconciliation to the closest IFRS measure and section "Explanation of non-IFRS financial measures"

(2) Recurring FFO excludes "Other revenues" as presented on the Consolidated Financial Statements

(3) Adjusted Investment Properties includes the Trust's proportionate share of value of investment properties owned through joint ventures; Refer to Note 4 Properties) and Note 5 ([1] value of developed properties, [2] leased properties and [3] properties under development) in Canadian Net's financial statements

(4) Excludes convertible debentures

## RECONCILIATION OF NET INCOME TO FFO

Periods ended September 30	3 months			9 months		
	2021	2020	Δ	2021	2020	Δ
Net income (loss) attributable to unitholders	11,192,478	2,139,737	9,052,741	17,636,921	8,773,525	8,863,396
Δ in value of investment properties	(6,794,914)	101,944	(6,896,858)	(10,002,310)	(2,261,029)	(7,741,281)
Δ in value of investment properties in joint ventures	(1,335,437)	(573,653)	(761,784)	(616,951)	(998,787)	381,836
Unit based compensation	(1,905)	(66,046)	64,141	308,546	38,404	270,142
Δ fair value adjustments on derivative financial instruments	(277,250)	85,924	(363,174)	473,220	(602,281)	1,075,501
Accretion of lease payments	7,283	6,898	385	21,554	20,414	1,140
Income taxes	-	167	(167)	(789)	(383)	(406)
Realized loss on sale of an investment property	-	180,000	(180,000)	-	180,000	(180,000)
FFO <sup>(1)</sup>	2,790,255	1,874,971	49%	7,820,191	5,149,863	52%
FFO per unit	0.145	0.127	14%	0.434	0.362	20%
Other expenses (revenues)	-	(10,290)	10,290	27,815	(10,290)	38,105
Recurring FFO <sup>(1)</sup>	2,790,255	1,864,681	50%	7,848,006	5,139,573	53%
Recurring FFO per unit	0.145	0.127	14%	0.435	0.361	21%
Distributions	1,446,381	940,929	505,452	4,063,714	2,755,753	1,307,961
Distributions per unit	0.075	0.064	17%	0.225	0.192	17%
FFO per unit - after distributions	0.070	0.063	13%	0.209	0.170	23%
Recurring FFO per unit - after distributions	0.070	0.063	13%	0.210	0.169	24%
Distributions per unit as a % of						
FFO per unit	52%	50%	2%	52%	53%	(1%)
Recurring FFO per unit	52%	50%	2%	52%	53%	(1%)
Weighted avg. units o/s						
Basic	19,186,564	14,726,689	4,459,875	18,030,472	14,239,993	3,790,479

(1) See appropriate sections for reconciliation to the closest IFRS measure and section "Explanation of non-IFRS financial measures"

**About Canadian Net** – Canadian Net Real Estate Investment Trust is an open-ended trust that acquires and owns high quality triple net and management-free commercial real estate properties.

**Forward-Looking Statements** - This press release contains forward-looking statements and information as defined by applicable securities laws. Canadian Net warns the reader that actual events may differ materially from current expectations due to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in such statements. Among these include the risks related to economic conditions, the risks associated with the local real estate market, the dependence to the financial condition of tenants, the uncertainties related to real estate activities, the changes in interest rates, the availability of financing in the form of debt or equity, the effects related to the adoption of new IFRS standards, as well as other risks and factors described from time to time in the documents filed by Canadian Net with securities regulators, including the management report. Canadian Net does not update or modify its forward-looking statements even if future events occur or for any other reason, unless required by law or any regulatory authority.

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The September 30<sup>th</sup>, 2021, financial statements and management discussion & analysis of Canadian Net may be viewed on SEDAR at [www.sedar.com](http://www.sedar.com).

For further information please contact Jason Parravano at (450) 536-5328.