

PRESS RELEASE

FOR IMMEDIATE RELEASE

August 20, 2021

CANADIAN NET REIT ANNOUNCES ITS RESULTS FOR THE QUARTER ENDED JUNE 30, 2021 AND DISTRIBUTIONS FOR THE MONTHS OF OCTOBER, NOVEMBER AND DECEMBER 2021

Montréal (Québec) - (TSX-V: NET.UN) Canadian Net Real Estate Investment Trust ("Canadian Net" or the "Trust") announces its results for the quarter ended June 30th, 2021, and monthly distributions for the months of October, November and December 2021.

RESULTS

For the quarter ended June 30th, 2021, Canadian Net reported recurring funds from operations ("Recurring FFO") per unit of \$0.150 compared to \$0.125 per unit for the quarter ended June 30, 2020, an increase of 20%. Recurring FFO was \$2,624,484, an increase of 43% relative to \$1,830,892 in Q2 2020. During Q2 2021, the Trust's property rental income was \$4,681,568 compared to \$3,203,394 in Q2 2020, an increase of 46%. Net Operating Income was \$3,412,257 compared to \$2,450,381 in Q2 2020, an increase of 39%. Canadian Net recorded a net income attributable to unitholders of \$6,220,770, or \$0.356 per unit, compared to \$2,515,312, or \$0.171 per unit in Q2 2020.

For the six-month period ended June 30th, 2021, Canadian Net reported Recurring FFO per unit of \$0.290 compared to \$0.235 per unit for the comparable period in 2020, an increase of 23%. Recurring FFO was \$5,057,751, an increase of 54% relative to \$3,293,605 for the same period in 2020. During the 6-month period ended June 30th, 2021, the Trust's property rental income was \$9,135,359 compared to \$6,067,000 for the same period in 2020, an increase of 51%. Net operating Income was \$6,691,671 compared to \$4,649,167 for the same period in 2020, an increase of 44%. Canadian Net recorded a net income attributable to unitholders of \$6,444,443, or \$0.370 per unit, compared to a net income of \$6,633,788, or \$0.474 per unit for the same period in 2020.

DISTRIBUTIONS

Canadian Net announces that it will make monthly cash distributions of \$0.025 per unit, representing \$0.30 per unit on an annualized basis, on October 29th, November 30th and December 31st, 2021, to unitholders of record on October 15th, November 15th and December 15th, 2021, respectively.

COLLECTIONS

During Q2 2021, Canadian Net collected 100% of its rents.

Jason Parravano, President and CEO says: "Q2 2021 marks our first quarter under our new brand, Canadian Net REIT. It was another solid quarter for the REIT as we continue to demonstrate significant per unit FFO growth. We completed a handful of transactions, added the Food Basics banner to our tenant roster and we acquired 3 parcels of land slated for development and redevelopment. Subsequent to quarter end, we announced and closed our first bought deal equity financing. After the exercise in full of the underwriters's over-allotment option, the REIT raised gross proceeds of approximately \$20.1M. This will allow us to continue with our growth initiatives and focus on delivering results for our unit holders."

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

SUMMARY OF SELECTED FINANCIAL INFORMATION

Periods ended June 30	6 months		Δ	%
	2021	2020		
Financial info				
Property rental income	9,135,359	6,067,000	3,068,359	51%
Total revenue	9,135,359	6,067,000	3,068,359	51%
Net income and comprehensive income	6,444,443	6,633,788	(189,345)	(3%)
NOI ⁽¹⁾	6,691,671	4,649,167	2,042,504	44%
FFO ⁽¹⁾	5,029,936	3,293,605	1,736,331	53%
Recurring FFO ⁽¹⁾⁽²⁾	5,057,751	3,293,605	1,764,146	54%
AFFO ⁽¹⁾	4,632,317	3,046,411	1,585,906	52%
EBITDA	9,265,266	7,376,512	1,888,754	26%
Adjusted EBITDA ⁽¹⁾	6,776,356	4,588,405	2,187,951	48%
Investment properties	209,636,216	142,107,148	67,529,068	48%
Adjusted investment properties ⁽³⁾	249,533,216	168,805,328	80,727,888	48%
Total assets	232,046,925	157,837,222	74,209,703	47%
Total mortgage/loans/long term debt ⁽⁴⁾	118,162,042	75,298,413	42,863,629	57%
(including revolving line of credit)	124,632,042	79,228,413	45,403,629	57%
Total convertible debentures	8,314,560	3,041,705	5,272,855	173%
Total equity	94,579,889	72,971,365	21,608,524	30%
Weighted average units o/s - basic	17,442,846	13,996,645	3,446,201	25%
Amounts on a per unit basis				
FFO	0.288	0.235	0.053	23%
Recurring FFO	0.290	0.235	0.055	23%
AFFO	0.266	0.218	0.048	22%
Distributions	0.150	0.128	0.022	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 June 30	3 months			6 months		
	2021	2020	Δ	2021	2020	Δ
Net income (loss) attributable to unitholders	6,220,770	2,515,312	(3,894,803)	6,444,443	6,633,788	(189,345)
Debt issuance costs	-	-	-	-	-	-
Δ in value of investment properties	(4,658,162)	14,908	(4,673,070)	(3,207,396)	(2,362,973)	(844,423)
Δ in value of investment properties in joint ventures	(447,461)	(20,228)	(427,233)	718,486	(425,134)	1,143,620
Unit based compensation	11,280	(75,550)	86,830	310,451	104,450	206,001
Δ in liability component of convertible debentures	-	56,167	(56,167)	-	18,379	(18,379)
Δ fair value adjustments on derivative financial instruments	1,463,847	(666,305)	2,130,152	750,470	(688,205)	1,438,675
Accretion of lease payments	7,184	6,804	380	14,271	13,516	755
Income taxes	(789)	(216)	(573)	(789)	(216)	(573)
FFO ⁽¹⁾	2,596,669	1,830,892	42%	5,029,936	3,293,605	53%
FFO per unit	0.149	0.125	19%	0.288	0.235	23%
Write off of transaction costs	27,815	-	27,815	27,815	-	27,815
Recurring FFO ⁽¹⁾	2,624,484	1,830,892	43%	5,057,751	3,293,605	54%
Recurring FFO per unit	0.150	0.125	20%	0.290	0.235	23%
Distributions	1,310,183	939,031	371,152	2,617,333	1,814,824	802,509
Distributions per unit	0.075	0.064	17%	0.150	0.128	17%
FFO per unit - after distributions	0.074	0.061	21%	0.138	0.108	28%
Recurring FFO per unit - after distributions	0.075	0.061	23%	0.140	0.108	30%
Distributions per unit as a % of FFO per unit	50%	51%	(1%)	52%	54%	(2%)
Recurring FFO per unit	50%	51%	(1%)	52%	54%	(2%)
Weighted avg. units o/s						
Basic	17,465,066	14,696,650	2,768,416	17,442,846	13,996,645	3,446,201

(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 June 30th, 2021, financial statements and management discussion & analysis of Canadian Net may be viewed on SEDAR at www.sedar.com.

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