

PRESS RELEASE

FOR IMMEDIATE RELEASE

May 25, 2022

CANADIAN NET REIT ANNOUNCES ITS RESULTS FOR THE QUARTER ENDED MARCH 31, 2022, AND Q3 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 March 31st, 2022, and monthly distributions for the months of July, August, and September 2022.

RESULTS

For the quarter ended March 31st, 2022, Canadian Net reported funds from operations per unit¹ ("FFO per unit") of \$0.151 compared to \$0.140 per unit for the quarter ended March 31st, 2021, an increase of 8%. Funds from Operations¹ ("FFO") was \$3,070,278, an increase of 26% relative to \$2,433,267 in Q1 2021. The increase was primarily due to the impact of the newly acquired properties, partially offset by interest on mortgages associated with said properties.

During Q1 2022, the Trust's property rental income was \$5,431,695 compared to \$4,453,791 in Q1 2021, an increase of 22%. Net Operating Income¹ ("NOI") was \$4,207,759 compared to \$3,279,414 in Q1 2021, an increase of 28%. The increases were primarily due to the impact of the newly acquired properties.

Canadian Net also recorded a net income attributable to unitholders of \$1,480,986 compared to \$223,673 in Q1 2021. The positive variance was primarily due to the impact of NOI¹ from newly acquired properties, partially offset by interest on mortgages associated with said properties, as well as the change in fair value of investment properties.

DISTRIBUTIONS

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 July 29th, August 31st, and September 30th, 2022, to unitholders of record on July 15th, August 15th, and September 15th, 2022, respectively.

Jason Parravano, President and CEO says: "I am pleased to once again share with you another quarter of per unit FFO¹ growth. 2022 is off to another great start, having already purchased 9 properties since the beginning of the year and continuing to grow the portfolio."

The tables below represent other financial highlights as well as the reconciliations of certain non-IFRS measures for the periods ended March 31st, 2022, and its comparative period. This information should be read in conjunction with the Consolidated Financial Statements and MD&A for the quarter ended March 31st, 2022, and the Consolidated Financial Statements and MD&A for the quarter ended March 31st, 2021.

¹ This is a non-IFRS financial measure that does not have any standardized IFRS meaning and as such may not be comparable to other issuers. Refer to section "Non-IFRS Financial Measures".

SUMMARY OF SELECTED FINANCIAL INFORMATION

Periods ended March 31	3 months		Δ	%
	2022	2021		
Financial info				
Property rental income	5,431,695	4,453,791	977,904	22%
Net income and comprehensive income	1,480,986	223,673	1,257,313	562%
NOI ⁽¹⁾	4,207,759	3,279,414	928,345	28%
FFO ⁽¹⁾	3,070,278	2,433,267	637,011	26%
AFFO ⁽¹⁾	2,923,746	2,236,544	687,202	31%
Investment properties	267,390,147	187,591,316	79,798,831	43%
Adjusted investment properties ⁽¹⁾	314,071,396	225,561,827	88,509,569	39%
Total assets	293,285,225	208,549,407	84,735,818	41%
Mortgages	128,636,709	97,813,717	30,822,992	32%
Long-term debt	60,000	75,000	(15,000)	(20%)
Current portion of mortgages and long term-debt	14,396,253	8,970,774	5,425,479	60%
Credit facilities	6,115,000	1,050,000	5,065,000	482%
Total convertible debentures	8,332,811	8,128,852	203,959	3%
Total equity	131,130,975	89,408,345	41,722,630	47%
Weighted average units o/s - basic	20,320,019	17,420,614	2,899,405	17%
Amounts on a per unit basis				
FFO ⁽¹⁾	0.151	0.140	0.011	8%
AFFO ⁽¹⁾	0.144	0.128	0.016	12%
Distributions	0.085	0.075	0.010	13%

(1) This is a non-IFRS financial measure that does not have any standardized IFRS meaning and as such may not be comparable to other issuers. Refer to section "Non-IFRS financial measures".

ADJUSTED INVESTMENT PROPERTIES

As at March 31	2022	2021	Δ
Investment Properties			
Developed properties	267,390,147	187,591,316	43%
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Joint Venture Ownership⁽¹⁾			
Developed properties	43,776,289	35,035,830	25%
Properties under development	2,904,960	2,934,681	(1%)
Adjusted Investment Properties⁽²⁾	314,071,396	225,561,827	39%

(1) Represents Canadian Net's proportionate share

(2) This is a non-IFRS financial measure that does not have any standardized IFRS meaning and as such may not be comparable to other issuers. Refer to section "Non-IFRS financial measures"

RESULTS OF OPERATIONS

Periods ended March 31	3 months		Δ
	2022	2021	
Rental Income	5,431,695	4,453,791	977,904
Operating costs	(1,223,936)	(1,174,377)	(49,559)
Net Operating Income ⁽¹⁾	4,207,759	3,279,414	928,345
Share of net income (loss) from investments in joint ventures	1,056,100	(801,624)	1,857,724
Increase/(decrease) in fair values of investment properties	(1,491,410)	(1,450,766)	(40,644)
Financial expenses	1,668,936	298,748	1,370,188
Administrative expenses	237,279	205,432	31,847
Unit-based compensation	385,248	299,171	86,077
Net income and comprehensive income	1,480,986	223,673	1,257,313
FFO ⁽¹⁾	3,070,278	2,433,267	26%
FFO per unit ⁽¹⁾	0.151	0.140	8%
Weighted avg. units o/s			
Basic	20,320,019	17,420,614	2,899,405

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FUNDS FROM OPERATIONS

Periods ended March 31	3 months		Δ
	2022	2021	
Net income attributable to unitholders	1,480,986	223,673	1,257,313
Δ in value of investment properties	1,491,410	1,450,766	40,644
Δ in value of investment properties in joint ventures	(633,855)	1,165,947	(1,799,802)
Unit-based compensation	385,248	299,171	86,077
Δ fair value adjustments on derivative financial instruments	339,006	(713,377)	1,052,383
Accretion of lease payments	7,483	7,087	396
FFO ⁽¹⁾	3,070,278	2,433,267	26%
FFO per unit ⁽¹⁾	0.151	0.140	8%
Distributions	1,724,930	1,307,150	417,780
Distributions per unit	0.085	0.075	13%
FFO per unit ⁽¹⁾ - after distributions	0.066	0.065	2%
Distributions per unit as a % of FFO per unit ⁽¹⁾	56%	54%	2%
Weighted avg. units o/s Basic	20,320,019	17,420,614	2,899,405

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ADJUSTED FUNDS FROM OPERATIONS

Periods ended March 31	3 months		Δ
	2022	2021	
FFO ⁽¹⁾	3,070,278	2,433,267	637,011
Amortization of finance charges included in interest expense	-	-	-
Straight-line rent adjustment ⁽²⁾	(117,820)	(148,290)	30,470
Maintenance/cap-ex on existing properties	(28,712)	(48,433)	19,721
Leasing costs on existing properties	-	-	-
Debt extinguishment penalties	-	-	-
AFFO ⁽¹⁾	2,923,746	2,236,544	31%
AFFO per unit ⁽¹⁾	0.144	0.128	12%
Distributions per unit	0.085	0.075	13%
AFFO per unit ⁽¹⁾ - after distributions	0.059	0.053	11%
Distributions per unit ⁽¹⁾ as a % of AFFO per unit ⁽¹⁾	59%	58%	1%
Weighted avg. units o/s Basic	20,320,019	17,420,614	2,899,405

(1) This is a non-IFRS financial measure that does not have any standardized IFRS meaning and as such may not be comparable to other issuers. Refer to section "Non-IFRS financial measures"

(2) Adjusted for proportionate share of equity accounted investments

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.

Non-IFRS Financial Measures – The Trust's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-IFRS financial measures: FFO, FFO per unit, AFFO, AFFO per unit, NOI, and Adjusted Investment Properties. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning, and may not be comparable with similar measures presented by other issuers. Canadian Net has presented such non-IFRS measures as management of the Trust believes they are relevant measures of Canadian Net's underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to net income, cash generated from (utilized in) operating activities, or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow, and profitability. For a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS, please refer to the "Non-IFRS Financial Measures" section in Canadian Net's management's discussion and analysis for the three-month period ended March 31, 2022, available under Canadian Net's profile on SEDAR at www.sedar.com.

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.

Neither the TSX Venture Exchange Inc., nor its Regulatory Services Provider (as that term is defined in the Policy of the TSX Venture Exchange and its Regulatory Services Provider) accepts any responsibility for the adequacy or accuracy of this release.

The March 31st, 2022, financial statements and management discussion & analysis of Canadian Net may be viewed on SEDAR at www.sedar.com.

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