

PRESS RELEASE

FOR IMMEDIATE RELEASE

March 22, 2023

CANADIAN NET REIT ANNOUNCES ITS RESULTS FOR THE YEAR ENDED DECEMBER 31, 2022, AND Q2 2023 MONTHLY DISTRIBUTIONS

Montréal (Québec) - (TSX-V: NET.UN) Canadian Net Real Estate Investment Trust ("Canadian Net" or the "Trust") announces its results for the year ended December 31st, 2022, and monthly distributions for the months of April, May and June 2023.

Jason Parravano, President and CEO says: "It is my pleasure to share with you our 2022 results, which demonstrate another great year of per unit FFO growth. Despite a turbulent year, we managed to complete 10 acquisitions to help propel our results. Going into 2023, we remain diligent as we navigate a more volatile interest rate environment, as well as other macroeconomic headwinds. Our focus is to optimize our existing properties in order to deliver consistent results for our unit holders."

RESULTS

For the quarter ended December 31st, 2022, Canadian Net reported funds from operations per unit¹ ("FFO per unit") of \$0.162 compared to \$0.147 per unit for the quarter ended December 31st, 2021, an increase of 10%. Funds from Operations¹ ("FFO") was \$3,329,459, an increase of 12% relative to \$2,971,560 in Q4 2021.

During Q4 2022, the Trust's property rental income was \$7,052,983 compared to \$4,932,753 in Q4 2021, an increase of 43%. Net Operating Income¹ ("NOI") was \$4,878,281 compared to \$3,904,277 in Q4 2021, an increase of 25%.

Canadian Net also recorded a loss attributable to unitholders of \$9,309,990 compared to a net income of \$7,453,246 in Q4 2021.

For the twelve-month period ended December 31st, 2022, Canadian Net reported FFO per unit¹ of \$0.636 compared to \$0.581 per unit for the same period in 2021, an increase of 9%. FFO¹ was \$13,039,054, an increase of 21% relative to \$10,791,751 for the twelve-month period ended December 31st, 2021.

During the period, the Trust's property rental income was \$24,729,024 compared to \$18,953,524 for the same period in 2021, an increase of 30%. NOI¹ was \$18,372,314 compared to \$14,321,735 for the same period in 2021, an increase of 28%.

Canadian Net also recorded a net loss attributable to unitholders of \$6,493,632 compared to net income of \$25,090,167 for the same period in 2021.

The FFO¹ increase was primarily due to the impact of the newly acquired properties, partially offset by interest on mortgages associated with said properties and higher interest rates on existing variable-rate mortgages and credit facilities. On the rental income and NOI¹ sides, the increases can be explained by the impact of the newly acquired properties. Finally, the net income variance can be attributed 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 the fair value of investment properties.

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".

DISTRIBUTIONS

Canadian Net announces that it will make monthly cash distributions of \$0.02875 per unit, representing \$0.345 per unit on an annualized basis, on April 28th, May 31st and June 30th, 2023, to unitholders of record on April 14th, May 15th and June 15th, 2023, respectively.

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

SUMMARY OF SELECTED FINANCIAL INFORMATION

| Periods ended December 31 | 12 months | | Δ | % |
|---|-------------|-------------|--------------|--------|
| | 2022 | 2021 | | |
| Financial info | | | | |
| Property rental income | 24,729,024 | 18,953,524 | 5,775,500 | 30% |
| Net income (loss) and comprehensive income (loss) | (6,493,632) | 25,090,167 | (31,583,799) | (126%) |
| NOI ⁽¹⁾ | 18,372,314 | 14,321,735 | 4,050,579 | 28% |
| FFO ⁽¹⁾ | 13,039,054 | 10,791,751 | 2,247,303 | 21% |
| AFFO ⁽¹⁾ | 12,152,784 | 10,033,624 | 2,119,160 | 21% |
| EBITDA ⁽¹⁾ | (226,479) | 29,653,605 | (29,880,084) | (101%) |
| Adjusted EBITDA ⁽¹⁾ | 18,693,878 | 14,946,751 | 3,747,127 | 25% |
| Investment properties | 275,425,158 | 252,947,654 | 22,477,504 | 9% |
| Adjusted investment properties ⁽¹⁾ | 326,897,963 | 298,465,593 | 28,432,370 | 10% |
| Total assets | 303,059,853 | 278,165,686 | 24,894,167 | 9% |
| Mortgages | 135,680,946 | 121,549,841 | 14,131,105 | 12% |
| Long-term debt | 45,000 | 60,000 | (15,000) | (25%) |
| Current portion of mortgages and long term-debt | 16,516,785 | 11,796,018 | 4,720,767 | 40% |
| Mortgages on investment properties held for sale | 3,498,066 | - | 3,498,066 | n/a |
| Credit facilities | 15,725,362 | 2,885,000 | 12,840,362 | 445% |
| Total convertible debentures | 8,635,474 | 8,416,510 | 218,964 | 3% |
| Total equity | 118,687,767 | 129,814,467 | (11,126,700) | (9%) |
| Weighted average units o/s - basic | 20,514,719 | 18,575,569 | 1,939,150 | 10% |
| Amounts on a per unit basis | | | | |
| FFO ⁽¹⁾ | 0.636 | 0.581 | 0.055 | 9% |
| AFFO ⁽¹⁾ | 0.592 | 0.540 | 0.052 | 10% |
| Distributions | 0.340 | 0.300 | 0.040 | 13% |

(1) This is a non-IFRS financial measure with no standardized IFRS meaning and may not be comparable to other issuers. Refer to the section "Non-IFRS financial measures".

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. Information appearing in this news release is a select summary of results. This news release should be read in conjunction with the condensed consolidated financial statements and MD&A for the Trust. Please refer to the "Non IFRS Financial Measures" section in Canadian Net's management's discussion and analysis for the period ended December 31, 2022, available under Canadian Net's profile on SEDAR at www.sedar.com for a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS. Such explanation is incorporated by reference herein.

In addition, below are the reconciling tables for the non-IFRS measures used in this press release.

Reconciliation of Investment Properties to Adjusted Investment Properties

| As at December 31 | 2022 | 2021 | Δ |
|---|--------------------|--------------------|------------|
| Investment Properties | | | |
| Developed properties | 275,425,158 | 252,947,654 | 9% |
| Investment properties held for sale | 5,868,069 | - | n/a |
| Joint Venture Ownership⁽¹⁾ | | | |
| Developed properties | 42,886,822 | 42,374,347 | 1% |
| Properties under development | 2,717,914 | 3,143,592 | (14%) |
| Adjusted Investment Properties⁽²⁾ | 326,897,963 | 298,465,593 | 10% |

(1) Represents Canadian Net's proportionate share

(2) This is a non-IFRS financial measure with no standardized IFRS meaning and may not be comparable to other issuers. Refer to the section "Non-IFRS financial measures"

Results of Operations

| Periods ended December 31 | 3 months | | | 12 months | | |
|---|--------------|-------------|--------------|--------------|-------------|--------------|
| | 2022 | 2021 | Δ | 2022 | 2021 | Δ |
| Rental Income | 7,052,983 | 4,932,753 | 2,120,230 | 24,729,024 | 18,953,524 | 5,775,500 |
| Operating costs | (2,174,702) | (1,028,476) | (1,146,226) | (6,356,710) | (4,631,789) | (1,724,921) |
| Net Operating Income ⁽¹⁾ | 4,878,281 | 3,904,277 | 974,004 | 18,372,314 | 14,321,735 | 4,050,579 |
| Share of net income (loss) from investments in joint ventures | (1,835,735) | 1,100,189 | (2,935,924) | (900,504) | 2,966,517 | (3,867,021) |
| Increase/(decrease) in fair values of investment properties | (10,388,173) | 3,354,091 | (13,742,264) | (16,741,220) | 13,356,401 | (30,097,621) |
| Realized gain on disposition of investment properties | - | 57,674 | (57,674) | - | 57,674 | (57,674) |
| Unit-based compensation | (95,441) | (49) | (95,392) | (602,617) | (308,595) | (294,022) |
| Administrative expenses | (218,504) | (192,252) | (26,252) | (891,206) | (811,390) | (79,816) |
| Financial expenses | (1,653,357) | (625,316) | (1,028,041) | (5,733,338) | (4,346,807) | (1,386,531) |
| Deferred income taxes | 2,939 | (145,368) | 148,307 | 2,939 | (145,368) | 148,307 |
| Net income and comprehensive income | (9,309,990) | 7,453,246 | (16,763,236) | (6,493,632) | 25,090,167 | (31,583,799) |
| FFO ⁽¹⁾ | 3,329,459 | 2,971,560 | 12% | 13,039,054 | 10,791,751 | 21% |
| FFO per unit ⁽¹⁾ | 0.162 | 0.147 | 10% | 0.636 | 0.581 | 9% |
| Weighted avg. units o/s | | | | | | |
| Basic | 20,592,733 | 20,193,078 | 399,655 | 20,514,719 | 18,575,569 | 1,939,150 |

(1) This is a non-IFRS financial measure with no standardized IFRS meaning and may not be comparable to other issuers. Refer to the section "Non-IFRS financial measures"

Reconciliation Of Net Income to Funds From Operations

| Periods ended December 31 | 3 months | | | 12 months | | |
|---|-------------|-------------|--------------|-------------|--------------|--------------|
| | 2022 | 2021 | Δ | 2022 | 2021 | Δ |
| Net income (loss) attributable to unitholders | (9,309,990) | 7,453,246 | (16,763,236) | (6,493,632) | 25,090,167 | (31,583,799) |
| Δ in value of investment properties | 10,388,173 | (3,354,091) | 13,742,264 | 16,741,220 | (13,356,401) | 30,097,621 |
| Δ in value of investment properties in joint ventures | 2,299,667 | (642,015) | 2,941,682 | 2,718,206 | (1,258,966) | 3,977,172 |
| Unit based compensation | 95,441 | 49 | 95,392 | 602,617 | 308,595 | 294,022 |
| Δ fair value adjustments on derivative financial instruments | (148,393) | (564,707) | 416,314 | (539,069) | (91,487) | (447,582) |
| Interest on the lease liability | - | 7,383 | (7,383) | 7,483 | 28,936 | (21,453) |
| Income taxes | 4,561 | 154,868 | (150,307) | 2,229 | 154,080 | (151,851) |
| Realized (gain) loss on sale of investment properties | - | (57,674) | 57,674 | - | (57,674) | 57,674 |
| Realized (gain) loss on sale of investment properties in joint ventures | - | (25,499) | 25,499 | - | (25,499) | 25,499 |
| FFO ⁽¹⁾ | 3,329,459 | 2,971,560 | 12% | 13,039,054 | 10,791,751 | 21% |
| FFO per unit ⁽¹⁾ | 0.162 | 0.147 | 10% | 0.636 | 0.581 | 9% |
| Distributions | 1,748,368 | 1,513,944 | 234,424 | 6,966,904 | 5,577,658 | 1,389,246 |
| Distributions per unit | 0.085 | 0.075 | 13% | 0.340 | 0.300 | 13% |
| FFO per unit ⁽¹⁾ - after distributions | 0.077 | 0.072 | 6% | 0.296 | 0.281 | 5% |
| Distributions per unit as a % of FFO per unit ⁽¹⁾ | 53% | 51% | 2% | 53% | 52% | 1% |
| Weighted avg. units o/s | | | | | | |
| Basic | 20,592,733 | 20,193,078 | 399,655 | 20,514,719 | 18,575,569 | 1,939,150 |

(1) This is a non-IFRS financial measure with no standardized IFRS meaning and may not be comparable to other issuers. Refer to the section "Non-IFRS financial measures"

Adjusted Funds from Operations

| Periods ended December 31 | 3 months | | | 12 months | | |
|--|------------|------------|-----------|------------|------------|-----------|
| | 2022 | 2021 | Δ | 2022 | 2021 | Δ |
| FFO ⁽¹⁾ | 3,329,459 | 2,971,560 | 357,899 | 13,039,054 | 10,791,751 | 2,247,303 |
| Amortization of finance charges included in interest expense | - | - | - | - | - | - |
| Straight-line rent adjustment ⁽²⁾ | (113,612) | (152,640) | 39,028 | (475,892) | (599,960) | 124,068 |
| Maintenance/cap-ex on existing properties ⁽³⁾ | (241,330) | (19,301) | (222,029) | (410,378) | (158,167) | (252,211) |
| Leasing costs on existing properties | - | - | - | - | - | - |
| Debt extinguishment penalties | - | - | - | - | - | - |
| AFFO ⁽¹⁾ | 2,974,517 | 2,799,619 | 6% | 12,152,784 | 10,033,624 | 21% |
| AFFO per unit ⁽¹⁾ | 0.144 | 0.139 | 4% | 0.592 | 0.540 | 10% |
| Distributions per unit | 0.085 | 0.075 | 13% | 0.340 | 0.300 | 13% |
| AFFO per unit ⁽¹⁾ - after distributions | 0.059 | 0.064 | (7%) | 0.252 | 0.240 | 5% |
| Distributions per unit ⁽¹⁾ as a % of AFFO per unit ⁽¹⁾ | 59% | 54% | 5% | 57% | 56% | 1% |
| Weighted avg. units o/s | | | | | | |
| Basic | 20,592,733 | 20,193,078 | 399,655 | 20,514,719 | 18,575,569 | 1,939,150 |

(1) This is a non-IFRS financial measure with no standardized IFRS meaning and may not be comparable to other issuers. Refer to the section "Non-IFRS financial measures"

(2) Adjusted for the proportionate share of equity-accounted investments

(3) The maintenance/cap-ex on existing properties for 2022 includes a charge of approximately \$188,000 for the expansion of a property, which will generate additional income

Reconciliation of Net Income to EBITDA

| Periods ended December 31 | 3 months | | | 12 months | | |
|---|-------------|-------------|--------------|-------------|--------------|--------------|
| | 2022 | 2021 | Δ | 2022 | 2021 | Δ |
| Net income attributable to unitholders | (9,309,990) | 7,453,246 | (16,763,236) | (6,493,632) | 25,090,167 | (31,583,799) |
| Net interest expense | 1,798,956 | 1,186,697 | 612,259 | 6,262,620 | 4,431,479 | 1,831,141 |
| Interest on the lease liability | - | (7,383) | 7,383 | (7,483) | (28,936) | 21,453 |
| Income taxes | 4,561 | 154,868 | (150,307) | 2,229 | 154,080 | (151,851) |
| Other financial charges | 2,794 | 3,326 | (532) | 9,787 | 6,815 | 2,972 |
| EBITDA ⁽¹⁾ | (7,503,679) | 8,790,754 | (16,294,433) | (226,479) | 29,653,605 | (29,880,084) |
| Δ in value of investment properties | 10,388,173 | (3,354,091) | 13,742,264 | 16,741,220 | (13,356,401) | 30,097,621 |
| Δ in value of investment properties in joint ventures | 2,299,667 | (642,015) | 2,941,682 | 2,718,206 | (1,258,966) | 3,977,172 |
| Δ in value of convertible debentures | (148,393) | (649,916) | 501,523 | (465,889) | (377,068) | (88,821) |
| Δ in value of warrants | - | 85,209 | (85,209) | (73,180) | 285,581 | (358,761) |
| Adjusted EBITDA ⁽¹⁾ | 5,035,768 | 4,229,941 | 19% | 18,693,878 | 14,946,751 | 25% |
| Interest expense | 1,888,160 | 1,061,279 | 826,881 | 6,582,923 | 4,393,839 | 2,189,084 |
| Principal repayments | 1,124,398 | 891,573 | 232,825 | 4,374,378 | 3,315,890 | 1,058,488 |
| Debt service requirements | 3,012,558 | 1,952,852 | 54% | 10,957,301 | 7,709,729 | 42% |
| Interest coverage ratio based on adjusted EBITDA ⁽¹⁾ | 2.7x | 4.0x | (1.3x) | 2.8x | 3.4x | (0.6x) |
| Debt service coverage based on adjusted EBITDA ⁽¹⁾ | 1.7x | 2.2x | (0.5x) | 1.7x | 1.9x | (0.2x) |

(1) This is a non-IFRS financial measure with no standardized IFRS meaning and may not be comparable to other issuers. Refer to the section "Non-IFRS financial measures"

EARNINGS WEBCAST

Canadian Net will host a webcast on March 23rd, 2023, at 10:00 am (EST) in order to discuss the results.

The link to join the webcast is the following: <https://edge.media-server.com/mmc/p/cxgqnnv3r>

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.

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 December 31th, 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.