PRESS RELEASE
For Immediate Release

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COMINAR ANNOUNCES 2019 THIRD QUARTER RESULTS, CONTINUED IMPROVEMENT IN ORGANIC GROWTH AND MEANINGFUL RESULTS FROM STRATEGIC PLAN

Québec City, Quebec, November 8, 2019 – Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) (TSX: CUF.UN) is pleased to announce its results for the quarter ended September 30, 2019.

2019 THIRD QUARTER – HIGHLIGHTS

- FFO(1) per unit (excluding restructuring costs) was $0.29 unchanged from Q3 2018
- 3.8% growth in same property NOI(1). Increase in 2019 guidance for same property NOI growth to 2.5% to 3.0%
- Increase in the committed occupancy rate to 94.4% from 93.3% in 2018 and the in-place occupancy rate to 90.3% from 87.3% in 2018
- 2.4% growth in the average net rent of renewed leases
- 11.5% year-over-year decrease in trust administrative expenses, down to $3.8 million from $4.3 million in 2018
- Reduction in leverage to 53.8% at the end of the quarter from 55.3% at year-end 2018

“We are pleased with the progress we have made in the third quarter toward our objectives of improving our organic growth, strengthening and de-risking our balance sheet, optimizing our portfolio and setting a path to value creation through intensification opportunities. Our same property NOI growth was 3.8%, with positive organic growth coming from each of our asset classes and each of our portfolio geographies”, said Sylvain Cossette, President and Chief Executive Officer of Cominar. “Our unrelenting focus on the execution of our strategic plan is delivering meaningful results and while there is still more work to do, it is clear that we have hit an inflection point. The team is excited about the prospects for the remainder of 2019 and for the potential to build on our momentum. I am confident that our new strategic direction, which is structured to deliver operating efficiencies, accelerate NOI growth and crystallize untapped portfolio value will create short and long-term value for unitholders” added Mr. Cossette.

“Although we have sold $210 million of assets year-to-date, we delivered FFO per unit of $0.29 (excluding restructuring costs, debt redemption costs and a one-time payment from Target), unchanged from the third quarter of 2018, which is a reflection of the positive impact of our strategic initiatives on our bottom line”, stated Heather C. Kirk, Executive Vice President and Chief Financial Officer. “Financing activity remained active in the third quarter and we continue to pursue additional initiatives to strengthen our balance sheet and improve financial flexibility. Year to date we have originated $1.3 billion of new debt including a $400 million unsecured revolving line of credit, a $300 million secured line of credit, $200 million of unsecured debentures and $381 million of secured mortgage financings. We are exploring opportunities to early-repay high interest rate, low LTV mortgages in order to reduce interest costs, enhance our

(1) Refer to section “Non-IFRS financial measures” in this press release.

unencumbered asset test ratio and extend mortgage terms. The current interest rate environment positions us well to refinance debt in support of FFO growth", added Ms. Kirk.

FINANCIAL AND OPERATING HIGHLIGHTS

- Net income for the quarter ended September 30, 2019, amounted to $47.5 million compared to $64.6 million in 2018. This reflects an increase of $0.9 million in restructuring costs, a decrease of $0.5 million in trust administrative expenses and a $16.0 million change in the fair value of investment properties.
- Adjusted net income(1) for the quarter ended September 30, 2019 was $51.7 million compared to $51.9 million for last year's comparable quarter. The decrease is mainly due to a decrease in net operating income resulting from the sale of properties in 2018 and 2019 partially offset by a $3.4 million increase in same property NOI and a $0.5 million decrease in trust administrative expenses.
- FFO(1) per unit was $0.28 for Q3 2019, compared to $0.29 per unit for Q3 2018. Excluding $1.0 million received in connection with a settlement with Target Canada Co., $1.1 million of debenture redemption costs and $0.9 million of restructuring costs, FFO per unit for Q3 2019 was $0.29 in line with Q3 2018.
- AFFO(1) per unit was $0.21 for Q3 2019, compared to $0.23 per unit for Q3 2018. Excluding $1.0 million from the Target Canada settlement, $1.1 million of debenture redemption costs and $0.9 million of restructuring costs, AFFO was $0.22 per unit.
- AFFO payout ratio(1) for Q3 2019 increased to 85.7% from 78.3% for Q3 2018.
- Same property NOI(1) for Q3 2019 was $92.7 million compared to $89.3 million for Q3 2018, resulting in a 3.8% year-over-year increase driven by 8.1% growth in the industrial and flex portfolio combined with 4.1% growth in the office portfolio and 0.6% growth in the retail portfolio. The increase in same property NOI(1) was mainly related to an increase in average in-place occupancy for all property types and for all geographic markets.
- The growth in the average net rent on renewed leases was 2.4% in Q3 2019, compared to 0.9% in Q3 2018. Renewal rent growth was driven by a strong 10.6% increase in the industrial and flex portfolio and a 2.1% increase in the office portfolio partially offset by a 2.7% decrease in the retail portfolio.
- The retention rate on expiring leases was 66.0% in Q3 2019 versus 64.6% in Q3 2018. During the first nine months of 2019, we renewed 3.4 million square feet and signed 1.9 million square feet of new leases representing 102.3% of 2019 expiring leasable area.
- Committed occupancy increased 110 bps year-over-year to 94.4% as at September 30, 2019, from 93.3% as at September 30, 2018. In-place occupancy was 90.3% as at September 30, 2019, up 240 bps from 87.9% as at September 30, 2018.
- Our weighting to industrial and flex properties as a percentage of NOI has increased to 25.4% for the quarter ended September 30, 2019, compared to 24.6% for the quarter ended September 30, 2018. The contribution of our office portfolio remained essentially stable at 39.7% and our retail weighting decreased to 34.9% from 36.9%.
- 11.5% year-over-year decrease in trust administrative expenses, down to $3.8 million for Q3 2019 from $4.3 million in Q3 2018.
- As at September 30, 2019, the area previously occupied by Sears for which leases were signed or in advanced discussions was 70%, up from 61% as at June 30, 2019.

(1) Refer to section "Non-IFRS financial measures" in this press release.

BALANCE SHEET AND LIQUIDITY HIGHLIGHTS

- The debt ratio[(1)] was 53.8% as at September 30, 2019, down from 55.3% at year-end 2018 and up from 51.9% as at September 30, 2018. The decrease compared to year-end 2018 is related primarily to the use of property dispositions proceeds to repay debt.
- On July 23, 2019, Cominar closed on an unsecured renewable credit facility of up to $400 million maturing in July 2021. As at September 30, 2019, $117.9 million was drawn on this facility.
- On September 20, 2019, Cominar entered into a 4-year agreement for a new secured credit facility of up to $300 million maturing in September 2023. As at September 30, 2019, the facility was undrawn.
- On September 26, 2019, Cominar redeemed its $300 million 4.23% Series 2 debentures due in December 2019.
- In Q3 2019, four mortgage financings were put in place totaling $262 million, at an average LTV of 64%, an average term of 6.8 years and an average interest rate of 3.45%, bringing the amount of new mortgages completed year to date to $381 million.
- Debt to EBITDA[(1)] as at September 30, 2019 was 10.3x compared to 10.3x as at December 31, 2018.
- As at September 30, 2019, the unencumbered asset ratio was 1.50:1, down from 1.53:1 as at December 31, 2018. Our pool of unencumbered properties totalled $2.2 billion as at September 30, 2019.
- Unsecured debt to total debt was 40.9% as at September 30, 2019, down from 51.8% as at December 31, 2018.
- As at September 30, 2019, Cominar had $16.1 million of cash on hand, $282.1 million of availability on its $400 million unsecured renewable operating and acquisition credit facility and $300 million of availability on its $300 million secured credit facility.

INVESTMENT HIGHLIGHTS

- For the quarter ended September 30, 2019, investments in income properties including capital expenditures, leasing costs and leasehold improvements totalled $31.6 million, down 33.0% from $47.1 million for last year's comparable period. Including investments in development activities, capital expenditures for the quarter totaled $43.7 million, down 11.6% from $49.4 million in Q3 2018.
- For the nine-month period ended September 30, 2019, investments in income properties including capital expenditures, leasing costs and leasehold improvements totalled $95.2 million, down 43.4% from $168.1 million for last year's comparable period. Including investments in development activities, year to date capital expenditures totaled $116.4 million, down 35.6% from $180.7 million in 2018.
- Investment properties held for sale as at September 30, 2019 totalled $66.5 million, a decrease from $188.7 million at December 31, 2018, mainly due to the year-to-date sale of properties for gross proceeds of $210.5 million. The REIT is pursuing further portfolio optimization through selective asset sales and is targeting approximately $250 million of dispositions by year-end 2019.

(1) Refer to section "Non-IFRS financial measures" in this press release.

NON-IFRS FINANCIAL MEASURES

Cominar's financial statements are prepared in accordance with IFRS. Management uses a number of measures, which are not standardized under IFRS and should not be construed as an alternative to financial measures calculated in accordance with IFRS. Cominar use those measures to better assess its performance. Cominar's proportionate share, same property net operating income, funds from operations (FFO), adjusted funds from operations (AFFO), debt ratio and debt to EBITDA are not measures recognized by International Financial Reporting Standards (IFRS) and do not have standardized meanings prescribed by IFRS. Such measures may differ from similar computations as reported by similar entities and, accordingly, may not be comparable to similar measures reported by such other entities. These non-IFRS financial measures are more fully defined and discussed in Cominar's management discussion and analysis for the three and nine-month periods ended September 30, 2019, available at Cominar.com and on Sedar.com.

RESULTS OF OPERATIONS

	Quarter		Year-to-date (nine months)	
For the periods ended September 30	2019	2018	2019	2018[(1)]
	$	$	$	$
Operating revenues	**171,539**	172,665	**530,110**	558,577
Operating expenses	**(80,101)**	(81,688)	**(263,004)**	(277,241)
Net operating income	**91,438**	90,977	**267,106**	281,336
Finance charges	**(37,486)**	(36,373)	**(110,635)**	(115,844)
Trust administrative expenses	**(3,818)**	(4,314)	**(13,109)**	(17,149)
Change in fair value of investment properties	**(2,559)**	13,393	**5,511**	9,062
Share of joint ventures' net income	**1,487**	1,560	**4,378**	4,093
Transaction costs	**(748)**	—	**(5,238)**	(19,981)
Restructuring costs	**(858)**	—	**(4,774)**	—
Derecognition of goodwill	**—**	(594)	**—**	(594)
Net income before income taxes	**47,456**	64,649	**143,239**	140,923
Income taxes				
Current	**—**	—	**—**	(6,391)
Deferred	**—**	—	**—**	6,539
	—	—	**—**	148
Net income	**47,456**	64,649	**143,239**	141,071

(1) The nine-month period ended September 30, 2018 includes results of 95 non-core properties sold to Slate for total consideration of $1.14 billion during the first quarter of 2018.

Net income for the third quarter of 2019 amounted to $47.5 million compared to $64.6 million in 2018. This reflects an increase of $0.9 million in restructuring costs, a decrease of $0.5 million in trust administrative expenses and a $16.0 million change in the fair value of investment properties. Excluding the change in fair value of investment properties, which is non-monetary as well as for severance allowances, transaction costs, restructuring costs and governance and strategic alternatives consulting fees which are not related to the trend in occupancy levels, rental rates and property operating costs, adjusted net income would have been $51.7 million compared to $51.9 million in 2018.

SAME PROPERTY NET OPERATING INCOME

Same property NOI is a non-IFRS measure used by Cominar to provide an indication of the period-over-period operating profitability of the same property portfolio, that is, Cominar's ability to increase revenues, manage costs, and generate organic growth. The same property NOI includes the results of properties owned by Cominar as at December 31 2017, with the exception of results from the properties sold, acquired and under development in 2018 and 2019, as well as the rental income arising from the recognition of leases on a straight-line basis that is a non-cash item and which, by excluding it, will allow this measure to present the impact of actual rents collected by Cominar.

	Quarter			Year-to-date (nine months)		
For the periods ended September 30	2019 $	2018 $	% Δ	2019 $	2018 $	% Δ
Property type						
Office	**37,415**	35,950	4.1	**108,480**	105,131	3.2
Retail	**31,599**	31,396	0.6	**92,012**	92,938	(1.0)
Industrial and flex	**23,706**	21,938	8.1	**68,754**	64,048	7.3
Same property NOI(1) – Cominar's proportionate share(2)	**92,720**	89,284	3.8	**269,246**	262,117	2.7
Properties sold, acquired and under development in 2018 and 2019	**1,194**	4,264	(72.0)	**5,214**	26,314	(80.2)
NOI – Cominar's proportionate share(2)	**93,914**	93,548	0.4	**274,460**	288,431	(4.8)
NOI – Financial statements	**91,438**	90,977	0.5	**267,106**	281,336	(5.1)
NOI – Joint ventures	**2,476**	2,571	(3.7)	**7,354**	7,095	3.7

(1) The same property net operating income revenues includes the results of properties owned by Cominar as at December 31 2017, with the exception of results from the properties sold, acquired and under development in 2018 and 2019, as well as the rental income arising from the recognition of leases on a straight-line basis.

(2) Refer to section "Non-IFRS financial measures" in this press release.

Third quarter increase of 3.8% in same property NOI according to Cominar's proportionate share is attributable to the increase, in all property types and in all geographic markets, of the average in-place occupancy rate for the quarter ended September 30, 3019 when compared to the corresponding period of 2018.

FUNDS FROM OPERATIONS (FFO) AND ADJUSTED FUNDS FROM OPERATIONS (AFFO)

FFO is a non-IFRS measure which represents a standard real estate benchmark used to measure an entity's performance, and is calculated by Cominar as defined by REALpac as net income (calculated in accordance with IFRS) adjusted for, among other things, changes in the fair value of investment properties, deferred taxes and income taxes related to a disposition of properties, derecognition and impairment of goodwill, initial and re-leasing salary costs, adjustments relating to the accounting of joint ventures and transaction costs incurred upon a business combination or a disposition of properties. Management believes FFO to be a useful earnings measure as it adjusts net income for items that are not related to the trend in occupancy levels, rental rates and property operating costs.

AFFO is a non-IFRS measure which, by excluding from the calculation of FFO the rental income arising from the recognition of leases on a straight-line basis, the investments needed to maintain the property portfolio's capacity to generate rental income and a provision for leasing costs is calculated as defined by REALpac. Management believes AFFO provides a meaningful measure of Cominar's capacity to generate steady profits.

The following table presents a reconciliation of net income, as determined in accordance with IFRS, and funds from operations and adjusted funds from operations:

	Quarter		Year-to-date (nine months)	
For the periods ended September 30	2019 $	2018 $	2019 $	2018(1) $
Net income	**47,456**	64,649	**143,239**	141,071
Taxes on disposition of properties	**—**	—	**—**	6,391
Deferred income taxes	**—**	—	**—**	(6,539)
Initial and re-leasing salary costs	**879**	729	**2,481**	2,635
Change in fair value of investment properties(2)	**2,559**	(13,393)	**(5,511)**	(9,062)
Capitalizable interest on properties under development – joint ventures	**160**	154	**515**	462
Transaction costs	**748**	—	**5,238**	19,981
Derecognition of goodwill	**—**	594	**—**	594
FFO(2)(3)	**51,802**	52,733	**145,962**	155,533
Provision for leasing costs	**(8,075)**	(7,306)	**(24,524)**	(21,612)
Recognition of leases on a straight-line basis(2)	**254**	(159)	**128**	(1,016)
Capital expenditures – maintenance of rental income generating capacity	**(5,611)**	(4,019)	**(16,228)**	(11,801)
AFFO(2)(3)	**38,370**	41,249	**105,338**	121,104
Per unit information:				
FFO (FD)(3)(4)	**0.28**	0.29	**0.80**	0.85
AFFO (FD)(3)(4)	**0.21**	0.23	**0.58**	0.66
Weighted average number of units outstanding (FD)(4)	**182,405,977**	182,230,018	**181,321,925**	182,361,216
Payout ratio of AFFO(3)(4)	**85.7%**	78.3%	**93.1%**	89.7%

(1) FFO and AFFO for the nine-month period ended September 30, 2018 include results of 95 non-core properties sold for total consideration of $1.14 billion during the first quarter of 2018.
(2) Including Cominar's proportionate share in joint ventures.
(3) Refer to section "Non-IFRS financial measures" in this press release.
(4) Fully diluted.

FFO and AFFO for the third quarter ended September 30, 2019 include, among others, debenture redemption costs of $1.1 million, restructuring costs of $0.9 million and a settlement from Target Canada of $1.0 million. Excluding these adjustments, FFO per unit would have been stable at $0.29 per unit compared to 2018.

OCCUPANCY RATES

	Montreal		Québec City		Ottawa		Total	
	Committed	In-Place	Committed	In-Place	Committed	In-Place	Committed	In-Place
Property Type								
Office	89.2%	85.9%	97.7%	95.5%	94.3%	89.0%	92.1%	88.7%
Retail	95.0%	86.9%	92.9%	86.3%	89.7%	55.5%	94.0%	85.4%
Industrial and flex	96.1%	94.2%	97.2%	95.4%	N/A	N/A	96.4%	94.5%
Portfolio total	**93.9%**	**90.3%**	**95.6%**	**91.7%**	**93.8%**	**83.9%**	**94.4%**	**90.3%**

ADDITIONAL FINANCIAL INFORMATION

Cominar's condensed interim consolidated financial statements and interim management's discussion and analysis for the third quarter of 2019 are filed with SEDAR at sedar.com and are available on Cominar's website at cominar.com.

CONFERENCE CALL ON NOVEMBER 8, 2019

On **Friday, November 8, 2019 at 11 a.m.** (ET), Cominar's management will hold a conference call to present the results for the third quarter of 2019. In order to participate please dial **1 888 390-0546**. A presentation will be available before the conference call on the REIT's website at cominar.com, under the Conference Call header. In addition, a replay of the conference call will be available from Friday, November 8, 2019 at 2 p.m. to Friday, November 15, 2019 at 11:59 p.m., by dialing **1 888 390-0541** and entering passcode: **464278#.**

PROFILE AS AT NOVEMBER 8, 2019

Cominar is one of the largest diversified real estate investment trusts in Canada and is the largest commercial property owner in the Province of Québec. Our portfolio consists of 331 high-quality office, retail and industrial properties, totalling 36.5 million square feet located in the Montreal, Québec City and Ottawa areas. Cominar's primary objective is to maximize total return to unitholders by way of tax-efficient distributions and maximizing the unit value through the proactive management of our portfolio.

FORWARD-LOOKING STATEMENTS

This press release may contain forward-looking statements with respect to Cominar and its operations, strategy, financial performance and financial position. These statements generally can be identified by the use of forward-looking words such as “may”, “will”, “expect”, “estimate”, “anticipate”, “intend”, “believe” or “continue” or the negative thereof or similar variations and the use of conditional and future tenses. The actual results and performance of Cominar discussed herein could differ materially from those expressed or implied by such statements. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations. Some important factors that could cause actual results to differ materially from expectations include, among other things, general economic and market factors, competition, changes in government regulation and the factors described under “Risk Factors” in Cominar's Annual Information Form. The cautionary statements qualify all forward-looking statements attributable to Cominar and persons acting on its behalf. Unless otherwise stated, all forward-looking statements speak only as of the date of this press release. Cominar does not assume any obligation to update the aforementioned forward-looking statements, except as required by applicable laws.

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