



PRESS RELEASE

For Immediate Release

COMINAR ANNOUNCES 2020 FIRST QUARTER RESULTS

Québec City, Quebec, May 7, 2020 – Cominar Real Estate Investment Trust (“Cominar” or the “REIT”) (TSX: CUF.UN) is pleased to announce its results for the first quarter ended March 31, 2020.

2020 FIRST QUARTER – HIGHLIGHTS

- FFO⁽¹⁾ per unit (excluding penalties on mortgage repayments before maturity) was \$0.27 compared to \$0.26 in Q1 2019.
- 4.0% growth in same property NOI⁽¹⁾. 2020 guidance for same property NOI has been withdrawn as a result of the COVID-19 pandemic.
- Increase in the committed occupancy rate to 94.7% from 93.8% in 2019 and in the in-place occupancy rate to 91.3% from 89.7% in 2019.
- 17.4% growth in the average net rent of renewed leases compared to 3.0% in 2019.
- 6.0% year-over-year decrease in recurring trust administrative expenses, down to \$4.1 million from \$4.4 million in 2019.
- Reduction in leverage to 51.3% at the end of the quarter from 51.4% at year-end 2019 and 54.7% at the end of the first quarter in 2019.

“We are pleased with our first quarter results, which reflect the success of the operating, financial and human initiatives put in place in connection with our strategic plan,” said Sylvain Cossette, President and Chief Executive Officer of Cominar. Mr. Cossette added, “Although the impact of the pandemic on our Q1 2020 results was not material, since the mid-March declaration of a public health emergency by the Quebec government and closure of all non-essential services, many of our tenants’ businesses have been adversely affected, particularly in our retail portfolio. We have put in place initiatives to mitigate the impact of the pandemic on our employees, tenants and operations and will continue to act in the best interests of all of our stakeholders”.

“Our first quarter results demonstrate positive impact of our strategic plan on the REIT’s operations and provides us with a stronger platform from which to navigate impact of the COVID-19 pandemic on our business”, stated Heather C. Kirk, Executive Vice President and Chief Financial Officer. “Our current liquidity position of \$ 672 million provide us with strong financial flexibility to navigate the unknown impact and duration of the pandemic. We remain focused on supporting tenants requiring financial assistance while offsetting revenue pressures through capital expenditure and operating expense reductions and supporting our business through strategic financing initiatives”.

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

FINANCIAL AND OPERATING HIGHLIGHTS

- Net income for the quarter ended March 31, 2020, amounted to \$45.0 million compared to \$44.3 million in 2019. The increase is mainly due to the growth in same property net operating income of \$3.3 million or 4.0%, partially offset by a decrease in net operating income from properties sold in 2019 and 2020, and to a decrease in trust administrative expenses.
- Adjusted net income⁽¹⁾ for the quarter ended March 31, 2020 was \$48.5 million compared to \$46.9 million for last year's comparable quarter.
- FFO⁽¹⁾ per unit was \$0.25 for Q1 2020, compared to \$0.26 per unit for Q1 2019. The decrease is mainly due to the sale of \$188.9 million of properties during 2019 and 2020 and penalties on mortgage repayments before maturity, partially offset by growth in same property NOI. Excluding penalties on mortgage repayments before maturity, FFO would have been \$49.7 million or \$0.27 per unit in 2020 compared to \$47.9 million or \$0.26 per unit in 2019.
- AFFO⁽¹⁾ per unit was \$0.18 for Q1 2020, in line with Q1 2019. The decrease in FFO was offset by a \$1.5 million decrease in the provision for leasing costs. Excluding penalties on mortgage repayments before maturity, AFFO would have been \$37.4 million or \$0.20 per unit in 2020 compared to \$34.6 million or \$0.19 per unit in 2019.
- AFFO payout ratio⁽¹⁾ for Q1 2020 was 100.0%, in line with Q1 2019. Excluding penalties on mortgage repayments before maturity adjusted AFFO payout ratio would have been 90.0% in Q1 2020, compared to 94.7% in Q1 2019.
- Same property NOI for Q1 2020 was \$87.5 million compared to \$84.1 million for Q1 2019, resulting in a 4.0% year-over-year increase driven by 6.8% growth in the office portfolio combined with 6.0% growth in the industrial and flex portfolio, which was partially offset by a decrease of 0.6% in the retail portfolio.
- The growth in the average net rent of renewed leases was 17.4% in Q1 2020, compared to 3.0% in Q1 2019. Renewal rent growth was driven by strong increases of 19.1% in the office portfolio and 27.8% in the industrial and flex portfolio, slightly offset by a 0.3% decrease in the retail portfolio.
- The retention rate on expiring leases was 41.9% in Q1 2020 compared to 49.3% in Q1 2019. During the first quarter of 2020, we renewed 2.6 million square feet and signed 1.2 million square feet of new leases representing 62.2% of 2020 expiring leasable area.
- Committed occupancy increased 90 bps year-over-year to 94.7% as at March 31, 2020, from 93.8% as at March 31, 2019. In-place occupancy was 91.3% as at March 31, 2020, up 160 bps from 89.7% as at March 31, 2019.
- 24.0% year-over-year decrease in trust administrative expenses, down to \$4.1 million from \$5.5 million in 2019. Excluding a severance payment of \$1.0 million in 2019, 6.0%

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year-over-year decrease in recurring trust administrative expenses, down to \$4.1 million from \$4.4 million in 2019.

- As at March 31, 2020, the area previously occupied by Sears for which leases were signed or in advanced discussions was 63%, same as at December 31, 2019.

BALANCE SHEET AND LIQUIDITY HIGHLIGHTS

- The debt ratio was 51.3% as at March 31, 2020, compared to 51.4% as at December 31, 2019 and 54.7% as at March 31, 2019.
- The weighted average interest rate of the REIT was 3.93% as at March 31, 2020 down from 4.06% as at December 31, 2019.
- As at March 31, 2020, the balance of mortgages payable was \$2,116.7 million, up \$2.7 million from \$2,114.0 million as at December 31, 2019. This increase is explained by new mortgages contracted of \$103.4 million at a weighted average contractual rate of 2.83%, offset by repayments of balances of \$86.2 million at a weighted average contractual rate of 5.26% and by monthly repayments of capital totalling \$12.2 million.
- Debt to EBITDA (TTM) as at March 31, 2020 was 10.6x, in line with December 31, 2019 and with March 31, 2019. Net debt to EBITDA adjusted for cash was 10.2x as at March 31, 2020.
- As at March 31, 2020, the unencumbered asset ratio was 1.91x, up from 1.82x as at December 31, 2019. Our pool of 159 unencumbered properties totalled \$2.3 billion as at March 31, 2020.
- Unsecured debt to total net debt was 36.5% at March 31, 2020, unchanged from December 31, 2019.
- As at March 31, 2020, Cominar had \$123.6 million of cash on hand and \$400 million of availability on its \$400 million unsecured credit facility.
- Subsequent to the quarter, Cominar issued \$150 million of Series 12 senior unsecured debentures at an interest rate of 5.95% and maturing on May 5, 2025.

INVESTMENT HIGHLIGHTS

- For the quarter ended March 31, 2020, investments in income properties including capital expenditures, leasing costs and leasehold improvements totalled \$33.7 million, compared to \$32.0 million for last year's comparable period. Including investments in development activities, capital expenditures for the quarter totalled \$40.9 million, compared to \$33.3 million for Q1 2019.
- Investment properties held for sale as at March 31, 2020 totalled \$24.4 million, an increase from \$11.7 million at December 31, 2019.

COVID-19 PANDEMIC UPDATE

These are unprecedented times and Cominar is taking all necessary measures to ensure the health of its employees, support its tenants and best manage the short-term challenges to its business of the COVID-19 pandemic. Management established a COVID-19 response plan and has been communicating regularly with tenants. The REIT is providing financial assistance to qualifying tenants on a case-by-case basis by providing rent deferrals for the month of April. Deferred rent for qualifying tenants are due to be repaid generally over a period of up to 12 months.

The REIT owns a diversified portfolio of properties that is weighted, on a revenue basis, 37% to retail properties, 41% to office properties and 22% to industrial properties. The REIT estimates that approximately 32% of its office revenues and approximately 17% of its total revenues are derived from government or para-governmental tenancies. To date, the Trust had received 71% of the contractual rents for April, including 92% of rents collected in the office portfolio, 40% of rents collected in the retail portfolio and 83% of rents collected in the industrial portfolio. Our expectation is that many tenants will also require deferral support for May rental payments that the REIT continues to assess. The Quebec Government began a gradual reopening of the economy, including permitting retail establishments with exterior access to resume business as at May 4th, 2020, except for Montreal where the date is May 18th, 2020, and with manufacturing and construction to resume May 11th, 2020. Enclosed malls remain impacted pending a further announcement from the Quebec Government. <https://www.quebec.ca/en/health/health-issues/a-z/2019-coronavirus/gradual-resumption-activities-COVID19-related-pause/>

Office Portfolio

To date, Cominar has collected approximately 92% of billed office gross rent for the month of April 2020. Cominar has received rent deferral requests from tenants representing approximately 10% of the office portfolio gross rent. Arrangements for April rent deferrals have been agreed to for a total of \$0.73 million of monthly rent payments, which is equivalent to 3% to the April gross rent. Tenants representing approximately 33% of the REIT's office gross leasable area are currently open or operating.

Industrial Portfolio

To date, Cominar has collected approximately 83% of billed industrial gross rent for the month of April 2020. The REIT has received rent deferral requests from tenants representing approximately 19% of industrial portfolio rent. Arrangements for April rent deferrals have been agreed to for a total of \$0.69 million of monthly rent payments representing approximately 6% of the industrial portfolio gross rent. Tenants representing approximately 37% of the REIT's industrial gross leasable area are currently open or operating.

Retail Portfolio

To date, Cominar has collected approximately 40% of billed retail gross rent for the month of April 2020. Cominar has received rent deferral requests from tenants representing approximately 44% of retail portfolio gross rent. Arrangements for April rent deferrals have been

agreed to for a total of \$3.54 million of rent payments representing approximately 18% of the retail portfolio gross rent and the REIT continues to advance discussions with tenants in need of financial assistance. Retail tenants representing approximately 42% of the REIT's retail gross leasable area are currently open or operating following the initial stages of reopening the Quebec economy. A total of approximately 74% of the REIT's retail revenues are derived from its enclosed mall portfolio.

Cominar has a solid liquidity position from which to weather operating pressures, current market volatility and the heightened forecast risk created by the COVID-19 pandemic. Cominar's current liquidity totals \$672 million, consisting of \$272 million of cash (including proceeds from the recent issuance of the Series 12 of debentures) and \$400 million of undrawn capacity on its revolving line of credit, which exceeds 2020 debt maturities of \$480 million. In addition to current liquidity, the REIT is pursuing various initiatives to further bolster the balance and reduce liquidity risk. These include putting in place a new secured line of credit of \$120 million and a short term extension of the term on the \$240 million mortgage on CN Central station which matures in February 2021. The new secured line of credit which is expected to close by the end of May 2020 combined with the unsecured debenture issue would increase liquidity to \$792 million.

In light of the uncertainty surrounding the duration and severity of the pandemic, it is not possible to reliably estimate the length and severity of COVID-19 related impacts on the financial results, operations and portfolio value of the Trust. As announced on March 27, 2020, the REIT has withdrawn its 2020 guidance that is contained in its Management's Discussion and Analysis ("MD&A") for the year ended December 31, 2019. For more information on the risks presented to the REIT by the COVID-19 pandemic, please see the COVID-19 Impacts, Analysis and Risks section of the Trust's MD&A for the three-month period ended March 31, 2020 and the REIT's Annual Information Form.

FEDERAL GOVERNMENT COMMERCIAL RENT ASSISTANCE PROGRAM

On April 24th, the Federal government announced the Canada Emergency Commercial Rent Assistance (CECRA) program, a rent relief program targeted at small businesses. Cominar welcomes government initiatives to assist our tenants and will evaluate participation in the program once the specific details and structure of the eligibility and funding mechanisms are announced and finalized by government authorities.

VIRTUAL ANNUAL AND SPECIAL MEETING OF UNITHOLDERS

For the first time and given the exceptional circumstances of this unprecedented public health impact of the COVID-19 pandemic, Cominar's annual and special meeting will be held in a virtual format, which means online only. The meeting of unitholders will be held on May 13, 2020 at 11 am EST and will be conducted as a virtual meeting which will allow participation online. All registered Unitholders and duly appointed proxyholders can attend the virtual meeting online at <http://web.lumiagm.com/161839070> where they can participate, vote or submit questions during meeting's live webcast. Meeting documents, including the User Guide for logging on to the webcasting platform, are available at www.envisionreports.com/Cominar_2020.

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 uses 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-month period ended March 31, 2020, available at Cominar.com and on Sedar.com.

RESULTS OF OPERATIONS

Quarters ended March 31	2020 ⁽¹⁾	2019 ⁽¹⁾
	(\$000)	(\$000)
Operating revenues	172,109	181,944
Operating expenses	(86,384)	(95,259)
Net operating income	85,725	86,685
Finance charges	(39,252)	(36,751)
Trust administrative expenses	(4,144)	(5,453)
Change in fair value of investment properties	1,208	(221)
Share of joint ventures' net income	1,583	1,388
Transaction costs	(146)	(1,339)
Net income	44,974	44,309
Net income per unit	0.25	0.24

(1) The quarter ended March 31, 2020, includes \$4.6 million of penalties paid on mortgage repayments before maturity (\$1.0 million in severance allowance paid following the departure of an executive officer for the quarter ended March 31, 2019).

Net income for the quarter ended March 31, 2020, amounted to \$45.0 million compared to \$44.3 million in 2019. The increase is mainly due to the growth in same property net operating income of \$3.3 million or 4.0% and to a decrease in trust administrative expenses, partially offset by a decrease in net operating income from properties sold in 2019 and 2020.

SAME PROPERTY NET OPERATING INCOME⁽¹⁾

Same property NOI: 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. Same property NOI includes the results of properties owned by Cominar as at December 31 2018, with the exception of results for properties sold, acquired or under development in 2019 and 2020, 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.

Quarters ended March 31	2020 000\$	2019 000\$	% Δ
Property type			
Office	34,205	32,018	6.8
Retail	29,700	29,884	(0.6)
Industrial and flex	23,559	22,230	6.0
Same property NOI – Cominar's proportionate share⁽¹⁾	87,464	84,132	4.0
Properties sold, acquired or under development in 2019 and 2020	817	4,946	(83.4)
NOI – Cominar's proportionate share⁽¹⁾	88,281	89,078	(0.9)
NOI – Financial statements	85,725	86,685	(1.1)
NOI – Joint ventures	2,556	2,393	6.8

First quarter increase of 4.0% in same property NOI according to the condensed interim consolidated financial statements and on a proportionate basis in the first quarter of 2020 compared with the corresponding quarter of 2019 is mainly attributable to the positive impact of the decrease in operating expenses, the increase in all property types and all geographic markets of the average in-place occupancy and to the increase of the average net rent on lease renewals from the last twelve months.

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. It is Cominar's view that net income does not necessarily provide a complete measure of Cominar's recurring operating performance since net income includes items such as changes in fair value of investment property which may not be representative of recurring performance. Cominar considers FFO as a key measure of operating performance as it adjusts net income for items that are not recurring including gain

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

(loss) on sale of real estate assets as well as non-cash items such as the fair value adjustments on investment properties and Cominar ties employee incentives to this measure.

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. Cominar considers AFFO to be a useful measure of recurring economic earnings and considers AFFO in determining the appropriate level of distributions.

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

Quarters ended March 31	2020 (\$000)	2019 (\$000)
Net income	44,974	44,309
Initial and re-leasing salary costs	992	844
Change in fair value of investment properties	(1,208)	221
Capitalizable interest on properties under development – joint ventures	137	174
Transaction costs	146	1,339
FFO⁽¹⁾⁽²⁾	45,041	46,887
Provision for leasing costs	(6,929)	(8,429)
Recognition of leases on a straight-line basis	(471)	(163)
Capital expenditures – Maintenance of rental income generating capacity	(4,860)	(4,768)
AFFO⁽¹⁾⁽²⁾	32,781	33,527
Payout ratio of AFFO⁽²⁾⁽³⁾	100.0%	100.0%

(1) Including Cominar's proportionate share in joint ventures.

(2) Refer to section "Non-IFRS financial measure"

(3) Fully diluted.

Excluding penalties on mortgage repayments before maturity, FFO would have been \$49.7 million or \$0.27 per unit in Q1 2020 compared to \$47.9 million or \$0.26 per unit in Q1 2019.

Excluding the same, AFFO would have been \$37.4 million or \$0.20 per unit in Q1 2020 compared to \$34.6 million or \$0.19 per unit in Q1 2019 and consequently, AFFO adjusted payout ratio would have been 90.0%.

OCCUPANCY RATES

As at March 31, 2020	Montreal		Québec City		Ottawa		Total	
	Committed	In-place	Committed	In-place	Committed	In-place	Committed	In-place
Property type								
Office	91.0%	85.5%	98.1%	97.2%	93.4%	91.6%	93.0%	89.2%
Retail	93.8%	87.6%	91.8%	86.5%	88.5%	63.4%	92.8%	86.3%
Industrial and flex	96.8%	95.8%	97.6%	96.0%	N/A	N/A	97.0%	95.9%
Total	94.6%	91.2%	95.5%	92.5%	92.7%	87.2%	94.7%	91.3%

ADDITIONAL FINANCIAL INFORMATION

Cominar's condensed interim consolidated financial statements and interim management's discussion and analysis for the first quarter of 2020 are filed with SEDAR at sedar.com and are available on Cominar's website at cominar.com.

CONFERENCE CALL ON MAY 7, 2020

On **Thursday, May 7, 2020 at 11 a.m. (ET)**, Cominar's management will hold a conference call to present the results for the first quarter of 2020. 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 Thursday, May 7, 2020 at 2 p.m. to Thursday, May 14, 2020 at 11:59 p.m., by dialing **1 888 390-0541** and entering passcode: **744237#**.

PROFILE AS AT MAY 7, 2020

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 315 high quality office, retail and industrial properties, totalling 35.9 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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