

COMINAR ANNOUNCES 2021 FIRST QUARTER RESULTS

Québec City, May 5, 2021 - Cominar Real Estate Investment Trust ("Cominar" or the "REIT") (TSX: CUF.UN) announces its results for the quarter ended March 31, 2021.

2021 FIRST QUARTER - HIGHLIGHTS

- **FFO¹** per unit of \$0.28 for the quarter compared to \$0.25 for the same period in 2020. Excluding a \$2.7 million settlement received from Sears Canada and \$1.4 million of consulting fees spent on the strategic review, FFO adjusted per unit was \$0.27. This includes the positive impact of a partial reversal of last quarter credit loss provisions in the amount of \$3.9 million, early termination fees in the amount of \$1.6 million and expense recoveries from last year in the amount of \$0.8 million
- **AFFO payout ratio¹** of 45.0% for the quarter compared to 100.0% for the same period in 2020
- **Same property NOI¹** increase of 0.4% for the quarter, including an increase of 0.7% for the office segment, a decrease of 5.1% for the retail segment and an increase of 6.8% for the industrial and flex segment
- **Rent collection** of 94.7% for the quarter (including amounts to be received from government agencies), slightly better than the collection rate as for 2020 fourth quarter after the same amount of days post period end at 94.2%. As an indication, as of today, rent collection for 2020 fourth quarter now stands at 98.1%
- **Expected credit losses** of \$2.5 million or 1.4% of operating revenues for the quarter, mainly due to COVID-19, of which \$0.0 for office (\$0.4 million in Q1 2020), \$2.4 million for retail (\$1.2 million in Q1 2020) and \$0.1 million for industrial and flex (\$0.2 million in Q1 2020)
- **In-place occupancy rate** decreased slightly from 91.7% as at December 31, 2020 to 91.2% at quarter end
- **New and renewal leasing** represented 72.8% of 2021 lease maturities
- **Growth in the average net rent** of renewed leases for the year ending December 31, 2021 stood at 8.4% and **growth in the average net rent** of renewed leases during the first quarter stood at 3.0%, driven by a 11.4% increase in the industrial segment, a 1.3% increase in the office segment and a 1.7% decrease in the retail segment
- As at March 31, 2021, available liquidity of \$381.4 million consisted of \$361.0 million of availability under our unsecured credit facility and \$20.4 million of cash and cash equivalents
- Subsequent to the quarter, Cominar converted its \$400.0 million unsecured revolving credit facility which was maturing in July 2021 into a \$250.0 million unsecured revolving credit facility maturing in April 2022 and a \$150.0 million secured revolving credit facility maturing in April 2023
- Disposition of 4 non-strategic assets (one office property and three retail properties) for a total consideration of \$21.0 million, in line with IFRS values
- Debt ratio was 54.5% as at March 31, 2021, down from 55.3% as at December 31, 2020
- The formal strategic review process to identify, review and evaluate a broad range of potential strategic alternatives with a view to continuing to enhance unitholder value announced on September 15, 2020 is ongoing

"Cominar's operating and financial results further demonstrate the resilience of our portfolio in these exceptional circumstances with a strong growth in the average net rent of renewed leases of 8.4% for our portfolio, coupled with a retention rate of 51%, ahead of the three previous years" said Sylvain Cossette, President and Chief Executive Officer of Cominar. Mr. Cossette added "Our strategic review is ongoing and further updates will be provided when necessary or appropriate."

"Operating results are pursuing their recovery despite the challenges brought by the pandemic, as evidenced by the SPNOI growth of 0.4% in the first quarter of 2021 compared to the pre-pandemic same period in 2020. Expected credit losses further reduced to 1.4% of operating revenues this quarter," stated Antoine Tronquoy, Executive Vice-President and Chief Financial Officer. "Subsequent to quarter end, we closed a new credit facility agreement to replace the in-place facility maturing in July with the unanimous support from the seven Canadian banks that have been participating in our banking syndicate."

FINANCIAL AND OPERATING HIGHLIGHTS

Cominar's first quarter of 2021 financial performance has been negatively impacted by the COVID-19 pandemic.

Net Income : Net income for the quarter ended March 31, 2021 amounted to \$50.3 million compared to net income of \$45.0 million for same quarter of 2020. The increase is mainly due to a slight increase in NOI and a decrease of finance charges related to \$4.6 million of penalties paid on mortgage repayments before maturity in the first quarter of 2020, partially offset by an increase in Trust administrative expenses related to \$1.4 million in strategic alternatives consulting fees.

Same Property NOI¹ ("SPNOI"): 2021 first quarter SPNOI increased by \$0.3 million or 0.4% when compared with the corresponding quarter of 2020 despite the negative impact of COVID-19 on operating revenues, which was minimized by Cominar's effort to reduce operating expenses. The increase can be broken down as a decrease of \$2.1 million in operating expenses, and an increase of \$4.1 million in other revenues (including \$2.7 million from Sears Canada settlement), partially offset by a decrease of \$5.4 million in rent (including parking) and a net increase of \$0.7 million in expected credit losses.

When compared to corresponding period of 2020, the contribution of our office portfolio as a percentage of SPNOI for the quarter ended March 31, 2021 increased by 0.2% (to 39.3% from 39.1%), our retail weighting decreased by 1.9% (to 32.2% from 34.1%) and our weighting to industrial and flex properties increased by 1.7% (to 28.5% from 26.8%)

Expected credit losses: For the quarter ended March 31, 2021, expected credit losses of \$2.5 million were recorded, mainly due to COVID-19, of which \$0.0 for office (\$0.4 million in Q1 2020), \$2.4 million for retail (\$1.2 million in Q1 2020) and \$0.1 million for industrial and flex (\$0.2 million in Q1 2020). Quarter expected credit losses were driven by \$5.3 million of expected credit losses on trade receivables, and \$1.0 million of expected credit losses related to rent reductions, partially offset by a partial reversal in the amount of \$3.9 million of last quarter provision.

FFO¹: FFO for the quarter ended March 31, 2021 amounted to \$51.5 million or \$0.28 per unit compared to \$0.25 for the previous year's comparable period due mainly to the slight increase in NOI and decrease of finance charges related to the \$4.6 million of penalties paid on mortgage repayments before maturity in the first quarter of 2020, partially offset by an increase in Trust administrative expenses related to \$1.4 million in strategic alternatives consulting fees. FFO adjusted for the quarter amounted to \$50.2 million or \$0.27 per unit. This includes the positive impact of a partial reversal of last quarter credit loss provisions in the amount of \$3.9 million, early termination fees in the amount of \$1.6 million and expense recoveries from last year in the amount of \$0.8 million.

AFFO¹: AFFO for the quarter ended March 31, 2021 amounted to \$37.1 million or \$0.20 per unit compared to \$32.8 million or \$0.18 per unit for the previous year's comparable period. AFFO increased from the corresponding quarter of 2020 due mainly to the increase in FFO, partially offset by increases in the provision for leasing costs and capital expenditures related to maintenance of rental income generating capacity. AFFO adjusted for the quarter amounted to \$35.7 million or \$0.20 per unit. **AFFO payout ratio¹** for the first quarter of 2021 was 45.0%, down from 100.0% in last year quarter, as a consequence of the increase in AFFO combined with the decrease in distributions effective since August 2020.

Occupancy: As at March 31, 2021, Cominar's in-place occupancy was 91.2%, a decrease of 0.5% when compared to year-end 2020. As at March 31, 2021 the committed occupancy rate was 93.3%, compared to 94.0% at year-end 2020.

Leasing activity: The retention rate for 2021 was 51.4% compared to 41.9% for previous year's comparable period. Average net rent on 2.7 million square feet of lease renewals for the year ending December 31, 2021 increased by 8.4% (18.3% for the industrial and flex portfolio, 9.5% for the office portfolio and 0.1% for the retail portfolio). New leasing totaled 1.1 million square feet. New and renewal leasing represented 72.8% of 2021 lease maturities.

BALANCE SHEET AND LIQUIDITY HIGHLIGHTS

Debt ratio: The debt ratio was 54.5% as at March 31, 2021, down from 55.3% as at December 31, 2020.

Debt to EBITDA¹ : As at March 31, 2021, debt to EBITDA¹ was 11.1x compared to 11.3x as at December 31, 2020.

Unencumbered asset to unsecured debt ratio: As at March 31, 2021, the unencumbered asset to unsecured debt ratio was 1.82:1, up from 1.76:1 as at December 31, 2020. Our pool of unencumbered properties totaled \$2.0 billion as at March 31, 2021.

Secured debt to gross book value: Was 37.3% as at March 31, 2021, down from 37.5% as at December 31, 2020.

As at March 31, 2021, Cominar had \$20.4 million of cash on hand, \$361.0 million of availability on its \$400 million unsecured renewable credit facility, resulting in total liquidity of \$381.4 million.

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

INVESTMENT HIGHLIGHTS

For the quarter ended March 31, 2021, investments in income properties including capital expenditures, leasing costs and leasehold improvements totaled \$24.5 million, down 27.3% from \$33.7 million for last year's comparable period. Including investments in development activities, first quarter capital expenditures totaled \$26.8 million, down 36.8% from \$42.5 million in 2020.

COVID-19 PANDEMIC UPDATE

Our collection rate for the first quarter of 2021 was 94.7% including amounts to be collected from government agencies, slightly better than the collection rate as for 2020 fourth quarter after the same amount of days post period end at 94.2%. As an indication, as of today, rent collection for 2020 fourth quarter now stands at 98.1%.

Expected credit losses for the first quarter of 2021 amounted to \$2.5 million (1.4% of operating revenues), consisting mainly of \$2.4 million for the retail segment (3.9% of operating revenues) and was favorably impacted by the partial reversal of last quarter provision of \$3.9 million of expected credit losses.

STRATEGIC REVIEW PROCESS

On September 15, 2020, we announced the initiation of a formal strategic review process to identify, review and evaluate a broad range of potential strategic alternatives with a view to continuing to enhance unitholder value. The strategic review process is overseen by a special committee of independent trustees designated by the Board, comprised of Luc Bachand, who acts as Chair of the committee, Mitchell Cohen, Karen Laflamme and René Tremblay. Zachary George and Paul Campbell were initially designated to be members of the committee. They however recused themselves respectively on September 23, 2020 and January 14, 2021 in light of the potential for actual or perceived conflicts of interest. René Tremblay was appointed member of the committee on December 7, 2020 to fill the vacancy created by Mr. George's departure. The REIT has not established a definitive timeline to complete the strategic review process and no decisions have been reached at this time. There can be no assurance that this strategic review process will result in any transaction or, if a transaction is undertaken, as to the terms or timing of such a transaction. The REIT does not currently intend to disclose further developments with respect to this process, unless and until it is determined that disclosure is necessary or appropriate.

NON-IFRS FINANCIAL MEASURES

Cominar's consolidated 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 interim management's discussion and analysis for the quarter ended March 31, 2021, available at Cominar.com and on Sedar.com.

RESULTS OF OPERATIONS

Quarters ended March 31	2021 ¹	2020 ¹
	\$	\$
Operating revenues	169,721	173,885
Operating expenses	(83,250)	(88,160)
Net operating income	86,471	85,725
Finance charges	(31,820)	(39,252)
Trust administrative expenses	(5,543)	(4,144)
Change in fair value of investment properties	(65)	1,208
Share of joint ventures' net income (loss)	1,365	1,583
Transaction costs	(144)	(146)
Net income and comprehensive income	50,264	44,974
Office Portfolio	26,881	26,660
Retail Portfolio	20,521	21,250
Industrial and Flex Portfolio	20,895	19,092
Corporate	(18,033)	(22,028)
Net income and comprehensive income	50,264	44,974

¹ Quarter ended March 31, 2021 includes the estimated financial impact of COVID-19, \$1.4 million in strategic alternatives consulting fees and \$2.7 million distribution received in respect of a claim settlement regarding Sears Canada (quarter ended March 31, 2020 includes \$4.6 million of penalties paid on mortgages repayments before maturity).

The decrease in operating revenues according to the condensed interim consolidated financial statements in the first quarter of 2021 compared with the corresponding quarter of 2020 resulted mainly from the financial impact of COVID-19 which impacted Cominar for the months of January to March 2021, from the decrease in recoverable expenses due to the decrease of operating expenses and from the properties sold in 2020 and 2021. That decrease was partly offset by a \$2.7 million received in respect of a claim settlement regarding Sears Canada.

The decrease in operating expenses according to the condensed interim consolidated financial statements in the first quarter of 2021 compared with the corresponding quarter of 2020 resulted mainly from the decreases of \$2.6 million in property maintenance in response to COVID-19 and \$2.6 million in property taxes, mainly due to direct transfers to tenants. Those decreases were partially offset by a net increase in the expected credit losses of \$0.7 million resulting from the reversal of \$3.8 million from last quarter provision.

Finance charges were down \$7.4 million in the first quarter of 2021 mainly due to the decrease in interest on debentures related to the net redemption of \$250.0 million of debentures since May 2020, a lower interest rate environment and \$4.6 million of penalties paid on mortgage repayments before maturity in the first quarter of 2020, partially offset by an increase in interest on bank borrowings related to the \$120.0 million secured credit facility which was only drawn in June 2020.

Finally, Trust administrative expenses increased by \$1.4 million when compared to the corresponding 2020 period due to \$1.4 million in strategic alternatives consulting fees. Excluding strategic alternatives consulting fees, Trust administrative were stable compared to the corresponding quarter of 2020.

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 2019, with the exception of results from the properties sold, acquired and under development in 2020 and 2021, 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	2021 ²	2020	
	\$	\$	% Δ
Property type			
Office	34,256	34,003	0.7
Retail	28,101	29,609	(5.1)
Industrial and flex	24,883	23,304	6.8
Same property NOI – Cominar's proportionate share ¹	87,240	86,916	0.4
Properties sold, acquired and under development in 2020 and 2021	1,545	1,365	13.2
NOI – Cominar's proportionate share ¹	88,785	88,281	0.6
NOI – Financial statements	86,471	85,725	0.9
NOI – Joint ventures	2,314	2,556	(9.5)

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

² Quarter ended March 31, 2021 includes the estimated financial impact of COVID-19.

2021 first quarter SPNOI increased 0.4% when compared with the corresponding quarter of 2020 despite the financial impact of COVID-19 on operating revenues, which was minimized by Cominar's effort to reduce its operating expenses.

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:

Quarters ended March 31	2021 ¹	2020 ¹
	\$	\$
Net income	50,264	44,974
Initial and re-leasing salary costs	990	992
Change in fair value of investment properties ²	65	(1,208)
Capitalizable interest on properties under development – joint ventures	48	137
Transaction costs	144	146
FFO ^{2,3}	51,511	45,041
Provision for leasing costs	(8,033)	(6,929)
Recognition of leases on a straight-line basis ²	(174)	(471)
Capital expenditures – maintenance of rental income generating capacity	(6,250)	(4,860)
AFFO ^{2,3}	37,054	32,781
Payout ratio of AFFO ^{3,4}	45.0 %	100.0 %
FFO - Office portfolio¹	27,470	25,770
FFO - Retail portfolio¹	20,933	21,872
FFO - Industrial and flex portfolio¹	21,093	19,291
FFO - Corporate¹	(17,985)	(21,892)
FFO	51,511	45,041
AFFO - Office portfolio¹	20,809	19,788
AFFO - Retail portfolio¹	15,216	17,717
AFFO - Industrial and flex portfolio¹	18,234	17,217
AFFO - Corporate¹	(17,205)	(21,941)
AFFO	37,054	32,781

¹ Quarter ended March 31, 2021 includes the estimated financial impact of COVID-19, \$1.4 million in strategic alternatives consulting fees and \$2.7 million distribution received in respect of a claim settlement regarding Sears Canada (quarter ended March 31, 2020 includes \$4.6 million of penalties paid on mortgage repayments before maturity).

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 quarter ended March 31, 2021 include, among others, \$1.4 million in strategic alternatives consulting fees and the estimated COVID-19 financial impact.

Excluding strategic alternatives consulting fees, penalties on mortgage repayments before maturity, FFO would have been \$50.2 million or \$0.27 per unit in 2021 compared to \$49.7 million or \$0.27 per unit in 2020. AFFO would have been \$35.7 million or \$0.20 per unit in 2021 compared to \$37.4 million or \$0.20 per unit in 2020 and consequently the AFFO adjusted payout ratio would have been the same.

OCCUPANCY RATES

As at March 31, 2021	Montreal		Québec City		Ottawa		Total	
	Committed	In-Place	Committed	In-Place	Committed	In-Place	Committed	In-Place
Property type								
Office	88.7 %	87.2 %	97.3 %	96.8 %	89.0 %	87.3 %	90.7 %	89.4 %
Retail	90.7 %	87.5 %	90.5 %	86.4 %	88.8 %	75.0 %	90.5 %	86.6 %
Industrial and flex	96.8 %	95.3 %	96.6 %	95.8 %	N/A	N/A	96.8 %	95.5 %
Portfolio total	93.3 %	91.4 %	94.4 %	92.4 %	89.0 %	85.5 %	93.3 %	91.2 %

SUBSEQUENT EVENT

On April 9, 2021, Cominar converted its \$400.0 million unsecured revolving credit facility which was maturing in July 2021 into a \$250.0 million unsecured revolving credit facility maturing in April 2022 and a \$150.0 million secured revolving credit facility maturing in April 2023.

ADDITIONAL FINANCIAL INFORMATION

Cominar's condensed interim consolidated financial statements and interim management's discussion and analysis for the first quarter of 2021 are filed with SEDAR at sedar.com and are available on Cominar's website at cominar.com.

CONFERENCE CALL ON MAY 5, 2021

On **Wednesday, May 5, 2021 at 11 a.m. (ET)**, Cominar's management will hold a conference call to present the results for the first quarter of 2021. 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 Wednesday, May 5, 2021 at 2 p.m. to Wednesday, May 12, 2021 at 11:59 p.m., by dialing **1 888 390-0541** and entering passcode: **145191 #**.

PROFILE AS AT MAY 5, 2021

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 310 high-quality office, retail and industrial properties, totaling 35.7 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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