

## COMINAR ANNOUNCES 2021 THIRD QUARTER RESULTS

Québec City, November 3, 2021 - Cominar Real Estate Investment Trust ("Cominar" or the "REIT") (TSX: CUF.UN) announces its results for the quarter ended September 30, 2021.

### 2021 THIRD QUARTER – HIGHLIGHTS

- **FFO<sup>1</sup>** per unit of \$0.28 for the quarter compared to \$0.25 for the same period in 2020. Excluding \$1.1 million of consulting fees spent on the strategic review process, FFO adjusted per unit was \$0.29. FFO per unit includes the positive impact of a partial reversal of last quarter and last year credit losses provisions in the amount of \$2.5 million
- **AFFO<sup>1</sup>** per unit of \$0.19 for the quarter compared to \$0.17 for the same period in 2020. Excluding \$1.1 million of consulting fees spent on the strategic review process, AFFO adjusted per unit was \$0.20. AFFO per unit includes the positive impact of a partial reversal of last quarter and last year credit losses provisions in the amount of \$2.5 million
- **AFFO payout ratio<sup>1</sup>** of 47.4% for the quarter compared to 70.6% for the same period in 2020
- **Same property NOI<sup>1</sup>** increase of 6.2% for the quarter, including a decrease of (5.3)% for the office segment, an increase of 19.6% for the retail segment and an increase of 10.5% for the industrial and flex segment
- **Rent collection** of 97.1% for the quarter (including amounts to be received from government agencies), slightly better than the 2021 second quarter rent collection of 96.3% after the same number of days post quarter end. As an indication, as of today, rent collection for the second quarter of 2021 now stands at 98.5%.
- **Expected credit losses** of \$(0.9) million or (0.6)% of operating revenues for the quarter, mainly due to partial reversals of prior periods, of which \$(0.2) million for office (\$0.9 million in 2020), \$(0.2) million for retail (\$7.0 million in 2020) and \$(0.5) million for industrial and flex (\$0.2 million in 2020)
- **In-place occupancy rate** decreased slightly from 91.7% as at December 31, 2020 to 91.4% at quarter end
- **New and renewal leasing** represented 101.3% of 2021 lease maturities
- **Growth in the average net rent** of renewed leases during the third quarter stood at 9.5%, driven by a 28.1% increase in the industrial segment, a 8.3% increase in the office segment and a (1.4)% decrease in the retail segment. **Growth in the average net rent** of renewed leases for the year ending December 31, 2021 stood at 8.3%
- As at September 30, 2021, available liquidity of \$341.0 million consisted of \$325.7 million of availability under our credit facilities and \$15.3 million of cash and cash equivalents
- Debt ratio was 55.1% as at September 30, 2021, down from 55.3% as at December 31, 2020
- On October 24, 2021, Cominar announced that it has entered into an arrangement agreement to be acquired by Iris Acquisition II LP, an entity created by a consortium led by Canderel Real Estate Property Inc. and including FrontFour Capital Group LLC, Artis REIT and partnerships managed by the Sandpiper Group, for a consideration of \$11.75 in cash per unit. The transaction will become effective only, among other, if it is approved by at least 66 2/3% of the votes cast by unitholders at a special meeting of unitholders called to consider the transaction. Closing of the transaction is expected to occur during the first quarter of 2022

*"Following the extensive Strategic Review Process, and based on the recommendation of the independent Trustees of the Board, we are pleased to have reached an outcome that provides full and fair value to our unitholders," said Sylvain Cossette, President and Chief Executive Officer of Cominar, "Through the review process, it became clear that Cominar's operations would be better-suited within a private company framework and we are confident that the acquiring parties are well positioned to continue investing in our assets over the long-term, while also serving our valued tenants and communities."*

## **FINANCIAL AND OPERATING HIGHLIGHTS**

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

**Net Income** : Net income for the quarter ended September 30, 2021 amounted to \$50.1 million compared to net income of \$44.1 million for 2020. The net income increase of \$6.0 million is mainly due to a \$6.5 million increase in NOI, partially offset by the change in fair value of investment properties of \$0.5 million.

**Same Property NOI<sup>1</sup> ("SPNOI")**: 2021 third quarter SPNOI increased by \$5.2 million or 6.2% when compared with the corresponding quarter of 2020. The decrease in same property operating revenues in the third quarter of 2021 compared with the corresponding quarter of 2020 resulted mainly from a decrease in our in-place occupancy rate in our office portfolio and a decrease in net rent in our retail portfolio, partly offset by an increase in our in-place occupancy rate and net rent in our industrial and flex portfolio. The decrease of \$7.0 million in operating expenses compared to the same period of 2020 is mainly related to the significant decrease in expected credit losses of \$8.9 million (favorably impacted by the partial reversal of \$0.5 million of the previous period expected credit losses provision), partly offset by an increase of \$1.0 million in property taxes billed to single tenants (also included in operating revenues, no impact on NOI) and a slight increase in buildings operating and maintenance costs following the increase in the level of activities in our office portfolio compared to the same period of 2020 as we emerge from the COVID-19 pandemic.

When compared to corresponding period of 2020, the contribution of our office portfolio as a percentage of SPNOI for the quarter ended September 30, 2021 decreased by (4.8)% (to 38.4% from 43.2%), our retail weighting increased by 3.6% (to 31.5% from 27.9%) and our weighting to industrial and flex properties increased by 1.2% (to 30.1% from 28.9%). The retail increase was mostly due to the COVID-19 related expected credit losses in 2020 which were higher than usual. Compared to pre-COVID-19 retail weighting level of 34.0%, the decrease was (250) basis points.

**Expected credit losses**: For the quarter ended September 30, 2021, expected credit losses of \$(0.9) million were recorded, of which \$(0.2) million is for office (\$1.6 million in 2020), \$(0.2) million is for retail (\$14.6 million in 2020) and \$(0.5) million is for industrial and flex (\$2.1 million in 2020). Quarter expected credit losses were driven by a partial reversal of 2020 expected credit losses provisions in the amount of \$0.5 million and a partial reversal of 2021 second quarter expected credit losses provision in the amount of \$1.9 million and the Trust recorded \$1.7 million of rent reductions, of which \$0.7 million was previously included in expected credit losses provision.

**FFO<sup>1</sup>**: FFO for the quarter ended September 30, 2021 amounted to \$51.2 million or \$0.28 per unit compared to \$0.25 per unit for the previous year's comparable period due to the \$6.5 million increase in NOI (refer to the NOI section). FFO adjusted for the quarter amounted to \$52.4 million or \$0.29 per unit.

**AFFO<sup>1</sup>**: AFFO for the quarter ended September 30, 2021 amounted to \$35.4 million or \$0.19 per unit compared to \$31.8 million or \$0.17 per unit for the previous year's comparable period. AFFO increased from the corresponding quarter of 2020 due to the increase in FFO, partially offset by increases in the provision for leasing costs and capital expenditures - maintenance of rental income generating capacity. AFFO adjusted for the quarter amounted to \$36.6 million or \$0.20 per unit. **AFFO payout ratio<sup>1</sup>** for the third quarter of 2021 was 47.4%, down from 70.6% 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 September 30, 2021, Cominar's in-place occupancy was 91.4%, a decrease of 0.3% when compared to year-end 2020. As at September 30, 2021 the committed occupancy rate was 93.7%, compared to 94.0% at year-end 2020.

**Leasing activity**: The retention rate for 2021 was 69.2% at the end of the third quarter compared to 65.1% for previous year's comparable period. Average net rent on 3.7 million square feet of lease renewals for the year ending December 31, 2021 increased by 8.3% (increases of 21.7% for the industrial and flex portfolio, 7.2% for the office portfolio and (0.3)% for the retail portfolio). New leasing totaled 1.7 million square feet for 2021. New and renewal leasing represented 101.3% of 2021 lease maturities.

<sup>1</sup> Refer to section "Non-IFRS financial measures" in this press release.

## **BALANCE SHEET AND LIQUIDITY HIGHLIGHTS**

**Debt ratio:** The debt ratio was 55.1% as at September 30, 2021, down from 55.3% as at December 31, 2020.

**Debt to EBITDA<sup>1</sup>:** As at September 30, 2021, the debt to EBITDA<sup>1</sup> was 10.5x compared to 11.3x as at December 31, 2020.

**Unencumbered asset to unsecured debt ratio:** As at September 30, 2021, the unencumbered asset to unsecured debt ratio was 1.64:1, down from 1.76:1 as at December 31, 2020. Our pool of unencumbered properties totaled \$1.7 billion as at September 30, 2021.

**Secured debt to gross book value:** Was 38.3% as at September 30, 2021, up from 37.5% as at December 31, 2020.

As at September 30, 2021, Cominar had \$15.3 million of cash on hand, \$325.7 million of availability on its credit facilities, resulting in total liquidity of \$341.0 million.

## **INVESTMENT HIGHLIGHTS**

For the nine-month period ended September 30, 2021, investments in income properties including capital expenditures, leasing costs and leasehold improvements totaled \$77.5 million, down 11.1% from \$87.1 million for last year's comparable period. Including investments in development activities, capital expenditures totaled \$82.1 million, down 24.1% from \$108.2 million in 2020.

## **COVID-19 PANDEMIC UPDATE**

Our collection rate for the third quarter of 2021 was 97.1% including amounts to be collected from government agencies, slightly better than the second quarter of 2021 rent collection rate of 96.3% after the same number of days post quarter end. As an indication, as of today, rent collection for the second quarter of 2021 stands at 98.5%.

Expected credit losses for the third quarter of 2021 amounted to \$(0.9) million ((0.6)% of operating revenues), consisting mainly of \$(0.5) million for the industrial and flex segment ((1.2)% of operating revenues). Expected credit losses for the quarter were driven by a partial reversal of 2020 expected credit losses provisions in the amount of \$0.5 million and a partial reversal of 2021 second quarter expected credit losses provision in the amount of \$1.9 million and the Trust recorded \$1.7 million of rent reductions, of which \$0.7 million was previously included in expected credit losses provision.

## **STRATEGIC REVIEW PROCESS**

On October 24, 2021, Cominar announced that it has entered into an arrangement agreement to be acquired by Iris Acquisition II LP, an entity created by a consortium led by Canderel Real Estate Property Inc. and including FrontFour Capital Group LLC, Artis REIT and partnerships managed by the Sandpiper Group. Under the terms of the arrangement agreement, subject to unitholder, court and other customary required approvals, the Purchaser will acquire, for a consideration of \$11.75 in cash per unit, all of the issued and outstanding units of Cominar. This represents attractive value for Cominar unitholders, representing a 16.3% premium to the 20-day volume weighted average price per unit for the period ending on October 22, 2021 and a 63.2% premium to the unit price prior to the announcement of the Strategic Review Process on September 15, 2020. The Consideration implies an equity value and enterprise value for Cominar of approximately \$2.2 billion and \$5.7 billion, respectively. Closing of the transaction is expected to occur during the first quarter of 2022.

## **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 three and nine-month periods ended September 30, 2021, available at [Cominar.com](http://Cominar.com) and on [Sedar.com](http://Sedar.com).*

<sup>1</sup> Refer to section "Non-IFRS financial measures" in this press release.

## RESULTS OF OPERATIONS

| Periods ended September 30                               | Quarter           |                   | Year-to-date (nine months) |                   |
|--|-------------------|-------------------|----------------------------|-------------------|
|  | 2021 <sup>1</sup> | 2020 <sup>1</sup> | 2021 <sup>2</sup>          | 2020 <sup>2</sup> |
|  | \$                | \$                | \$                         | \$                |
| Operating revenues                                       | <b>161,684</b>    | 162,505           | <b>495,683</b>             | 495,164           |
| Operating expenses                                       | <b>(74,231)</b>   | (81,589)          | <b>(236,321)</b>           | (255,933)         |
| <b>Net operating income</b>                              | <b>87,453</b>     | 80,916            | <b>259,362</b>             | 239,231           |
| Finance charges  | <b>(33,358)</b>   | (33,575)          | <b>(99,577)</b>            | (109,739)         |
| Trust administrative expenses                            | <b>(4,617)</b>    | (4,579)           | <b>(17,470)</b>            | (12,761)          |
| Change in fair value of investment properties            | <b>(506)</b>      | (45)              | <b>(130,136)</b>           | (319,468)         |
| Share of joint ventures' net income (loss)               | <b>1,256</b>      | 1,588             | <b>(2,867)</b>             | (5,310)           |
| Transaction costs  | <b>(127)</b>      | (161)             | <b>(337)</b>               | (5,298)           |
| Impairment of goodwill                                   | —                 | —                 | —                          | (15,721)          |
| <b>Net income (loss) before income taxes</b>             | <b>50,101</b>     | 44,144            | <b>8,975</b>               | (229,066)         |
| Current income taxes                                     | —                 | 1                 | —                          | 66                |
| <b>Net income (loss) and comprehensive income (loss)</b> | <b>50,101</b>     | 44,145            | <b>8,975</b>               | (229,000)         |
| Office Portfolio   | <b>23,505</b>     | 26,093            | <b>(10,601)</b>            | 28,260            |
| Retail Portfolio   | <b>19,749</b>     | 13,795            | <b>(217,902)</b>           | (208,960)         |
| Industrial and Flex Portfolio                            | <b>23,300</b>     | 20,076            | <b>292,679</b>             | 7,117             |
| Corporate  | <b>(16,453)</b>   | (15,819)          | <b>(55,201)</b>            | (55,417)          |
| <b>Net income (loss) and comprehensive loss</b>          | <b>50,101</b>     | 44,145            | <b>8,975</b>               | (229,000)         |

<sup>1</sup> Quarter ended September 30, 2021 includes the estimated financial impact of COVID-19 and \$1.1 million of strategic alternatives consulting fees (quarter ended September 30, 2020 includes the estimated financial impact of COVID-19 and \$0.3 million of strategic alternatives consulting fees).

<sup>2</sup> In addition to the quarter events explained above, nine-month period ended September 30, 2021 includes 3.9 million of strategic alternatives consulting fees and \$2.7 million distribution received in respect of a claim settlement regarding Sears Canada (the nine-month period ended September 30, 2020 includes \$2.5 million in yield maintenance fees paid in connection with the debenture Series 4 redemption and \$4.6 million of penalties paid on mortgage repayments before maturity).

The decrease in operating revenues according to the condensed interim consolidated financial statements in the third quarter of 2021 compared with the corresponding quarter of 2020 resulted mainly from a decrease in the in-place occupancy rate and a decrease in project management revenues in our office portfolio and a decrease in the average net rent of renewed leases in our retail portfolio, partly offset by an increase in the average net rent of renewed leases and an increase in the in-place occupancy rate in our industrial and flex portfolio.

The decrease in operating expenses according to the condensed interim consolidated financial statements in the third quarter of 2021 compared with the corresponding quarter of 2020 resulted mainly from a decrease of \$8.9 million in the expected credit losses, partly offset by an increase in property taxes billed to single tenants (also included in operating revenues, no impact on NOI) and a slight increase in operating expense and property maintenance.

Finance charges were down \$0.2 million in the third quarter of 2021 mainly due to a decrease in interest on debentures related to the net redemption of \$100.0 million on October 31, 2020 and a decrease in interest on mortgage payable related to a mortgages repayment of \$81.0 million in September 2020, partially offset by a decrease in capitalized interest.

Finally, excluding strategic alternatives consulting fees, Trust administrative expenses decreased by \$0.8 million when compared to the corresponding 2020 period due to the annual forecast downward adjustment of certain corporate expenses.

## **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.

| Periods ended September 30  | Quarter           |        |            | Year-to-date (nine months) |         |            |
|---|-------------------|--------|------------|----------------------------|---------|------------|
|   | 2021 <sup>2</sup> | 2020   | % $\Delta$ | 2021 <sup>2</sup>          | 2020    | % $\Delta$ |
|   | \$                | \$     | % $\Delta$ | \$                         | \$      | % $\Delta$ |
| <b>Property type</b>  |                   |        |            |                            |         |            |
| Office  | <b>33,912</b>     | 35,793 | (5.3)      | <b>101,425</b>             | 104,448 | (2.9)      |
| Retail  | <b>27,706</b>     | 23,162 | 19.6       | <b>83,581</b>              | 70,758  | 18.1       |
| Industrial and flex   | <b>26,475</b>     | 23,960 | 10.5       | <b>76,472</b>              | 69,478  | 10.1       |
| <b>Same property NOI – Cominar's proportionate share <sup>1</sup></b> | <b>88,093</b>     | 82,915 | 6.2        | <b>261,478</b>             | 244,684 | 6.9        |
| Properties sold, acquired and under development in 2020 and 2021      | <b>1,554</b>      | 530    | 193.2      | <b>4,664</b>               | 2,119   | 120.1      |
| <b>NOI – Cominar's proportionate share <sup>1</sup></b>               | <b>89,647</b>     | 83,445 | 7.4        | <b>266,142</b>             | 246,803 | 7.8        |
| <b>NOI – Financial statements</b>                                     | <b>87,453</b>     | 80,916 | 8.1        | <b>259,362</b>             | 239,231 | 8.4        |
| <b>NOI – Joint ventures</b>   | <b>2,194</b>      | 2,529  | (13.2)     | <b>6,780</b>               | 7,572   | (10.5)     |

<sup>1</sup> Refer to section "Non-IFRS financial measures" in this press release.

<sup>2</sup> Periods ended September 30 2021 and 2020 include the estimated financial impact of COVID-19.

Third quarter of 2021 SPNOI increased 6.2% when compared with the corresponding quarter of 2020. This increase resulted mainly from the decrease of expected credit losses, partly offset by a decrease in operating revenues.

## **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 (loss), as determined in accordance with IFRS, and funds from operations and adjusted funds from operations:

| Periods ended September 30  | Quarter           |                   | Year-to-date (nine months) |                   |
|---|-------------------|-------------------|----------------------------|-------------------|
|   | 2021 <sup>1</sup> | 2020 <sup>1</sup> | 2021 <sup>2</sup>          | 2020 <sup>2</sup> |
|   | \$                | \$                | \$                         | \$                |
| <b>Net income (loss)</b>  | <b>50,101</b>     | 44,145            | <b>8,975</b>               | (229,000)         |
| Initial and re-leasing salary costs                                     | 450               | 990               | 1,740                      | 2,836             |
| Change in fair value of investment properties <sup>3</sup>              | 506               | 45                | 136,953                    | 329,471           |
| Capitalizable interest on properties under development – joint ventures | 48                | 96                | 144                        | 369               |
| Transaction costs   | 127               | 161               | 337                        | 5,298             |
| Impairment of goodwill  | –                 | –                 | –                          | 15,721            |
| <b>FFO</b> <sup>3,4</sup>   | <b>51,232</b>     | 45,437            | <b>148,149</b>             | 124,695           |
| Provision for leasing costs   | (8,400)           | (8,057)           | (24,833)                   | (22,486)          |
| Recognition of leases on a straight-line basis <sup>3</sup>             | (396)             | 423               | (995)                      | 397               |
| Capital expenditures – maintenance of rental income generating capacity | (7,000)           | (6,045)           | (20,250)                   | (16,950)          |
| <b>AFFO</b> <sup>3,4</sup>  | <b>35,436</b>     | 31,758            | <b>102,071</b>             | 85,656            |
| <b>Per unit information:</b>  |                   |                   |                            |                   |
| FFO (FD) <sup>4,5</sup>   | 0.28              | 0.25              | 0.81                       | 0.68              |
| AFFO (FD) <sup>4,5</sup>  | 0.19              | 0.17              | 0.56                       | 0.47              |
| Weighted average number of units outstanding (FD) <sup>5</sup>          | 182,995,067       | 182,844,264       | 182,963,637                | 182,870,811       |
| Payout ratio of AFFO <sup>4,5</sup>                                     | 47.4 %            | 70.6 %            | 48.2 %                     | 102.1 %           |
| <b>FFO - Office portfolio</b>   | <b>24,270</b>     | 26,902            | <b>72,306</b>              | 73,300            |
| <b>FFO - Retail portfolio</b>   | <b>19,871</b>     | 13,989            | <b>58,845</b>              | 39,837            |
| <b>FFO - Industrial and flex portfolio</b>                              | <b>23,497</b>     | 20,268            | <b>65,237</b>              | 56,604            |
| <b>FFO - Corporate</b>  | <b>(16,406)</b>   | (15,722)          | <b>(48,239)</b>            | (45,046)          |
| <b>FFO</b>  | <b>51,232</b>     | 45,437            | <b>148,149</b>             | 124,695           |
| <b>AFFO - Office portfolio</b>  | <b>16,009</b>     | 19,681            | <b>56,891</b>              | 52,809            |
| <b>AFFO - Retail portfolio</b>  | <b>15,230</b>     | 10,316            | <b>47,358</b>              | 29,025            |
| <b>AFFO - Industrial and flex portfolio</b>                             | <b>20,604</b>     | 17,450            | <b>59,282</b>              | 48,867            |
| <b>AFFO - Corporate</b>   | <b>(16,407)</b>   | (15,689)          | <b>(61,460)</b>            | (45,045)          |
| <b>AFFO</b>   | <b>35,436</b>     | 31,758            | <b>102,071</b>             | 85,656            |

1 Quarter ended September 30, 2021 includes the estimated financial impact of COVID-19 and \$1.1 million of strategic alternatives consulting fees (quarter ended September 30, 2020 includes the estimated financial impact of COVID-19 and \$0.3 million of strategic alternatives consulting fees).

2 In addition to the quarter events explained above, the nine month period ended September 30, 2021 includes \$3.9 million of strategic alternatives consulting fees and a \$2.7 million distribution received in respect of a claim settlement regarding Sears Canada (the nine-month period ended September 30, 2020 includes \$2.5 million in yield maintenance fees paid in connection with the debenture Series 4 redemption and \$4.6 million of penalties paid on mortgage repayments before maturity).

3 Including Cominar's proportionate share in joint ventures.

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

5 Fully diluted.

FFO and AFFO for quarter ended September 30, 2021 include, among others, \$1.1 million (\$5.0 million for the nine-month period ended September 30, 2021) in strategic alternatives consulting fees and the estimated COVID-19 financial impact.

For the quarters ended September 30, excluding strategic alternatives consulting fees in 2021, FFO would have been \$52.4 million or \$0.29 per unit in 2021 compared to \$45.7 million or \$0.25 per unit in 2020 and AFFO would have been \$36.6 million or \$0.20 per unit in 2021 compared to \$32.0 million or \$0.18 per unit in 2020 and consequently the AFFO adjusted payout ratio would have been 45.0% compared to 66.7% in 2020.

## **OCCUPANCY RATES**

| September 30, 2021     | Montreal      |               | Québec City   |               | Ottawa        |               | Total         |               |
|------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                        | Committed     | In-Place      | Committed     | In-Place      | Committed     | In-Place      | Committed     | In-Place      |
| <b>Property type</b>   |               |               |               |               |               |               |               |               |
| Office                 | 88.2 %        | 85.3 %        | 96.3 %        | 95.4 %        | 89.8 %        | 88.5 %        | 90.3 %        | 88.2 %        |
| Retail                 | 91.5 %        | 87.1 %        | 91.8 %        | 86.9 %        | 87.9 %        | 74.2 %        | 91.5 %        | 86.6 %        |
| Industrial and flex    | 97.3 %        | 96.6 %        | 97.3 %        | 96.6 %        | —             | —             | 97.3 %        | 96.6 %        |
| <b>Portfolio total</b> | <b>93.5 %</b> | <b>91.4 %</b> | <b>94.9 %</b> | <b>92.5 %</b> | <b>89.6 %</b> | <b>86.4 %</b> | <b>93.7 %</b> | <b>91.4 %</b> |

## **SUBSEQUENT EVENT**

On October 24, 2021, Cominar announced that it has entered into an arrangement agreement (the “Arrangement Agreement”) to be acquired by Iris Acquisition II LP, an entity created by a consortium led by Canderel Real Estate Property Inc. and including FrontFour Capital Group LLC, Artis REIT and partnerships managed by the Sandpiper Group (collectively, the “Purchaser”) (the “Transaction”).

Under the terms of the Arrangement Agreement, subject to required approvals, the Purchaser will acquire, for a consideration of \$11.75 in cash per unit (the “Consideration”), all of the issued and outstanding units of Cominar.

The Transaction will become effective only, among other, if it is approved by at least 66 2/3% of the votes cast by unitholders at a special meeting of unitholders called to consider the Transaction on or about December 21, 2021. Closing of the transaction is expected to occur during the first quarter of 2022.

As part of the Transaction, Cominar has agreed that distributions for October, November and December, 2021 will be suspended. If the Transaction has not closed by January 15, 2022, Cominar intends to reinstate the distribution in respect of the second half of January, 2022 payable in February, 2022 to unitholders of record on January 31, 2022 and for each month thereafter.

The Arrangement Agreement includes customary provisions relating to non-solicitation, subject to customary “fiduciary out” provisions that entitle the Board to consider and, subject to certain conditions, accept a superior proposal if the Purchaser does not match the superior proposal. A termination fee of \$55.0 million will be payable by Cominar to the Purchaser in certain circumstances, including if the Purchaser fails to exercise its right to match in the context of a superior proposal supported by Cominar. A reverse-termination fee of \$110.0 million will be payable by the Purchaser to Cominar in the event the Purchaser fails to pay the Consideration in accordance with the Arrangement Agreement.

As part of the financial advisory agreement between Cominar, National Bank Inc. and BMO Nesbitt Burns Inc., a change of control fee has to be paid by Cominar when a change of control transaction is completed or Cominar announces, or enters into an agreement in respect of a change of control transaction that is subsequently completed. Total amount of this change of control fee is \$30.1 million, of which one quarter was payable upon the announcement of the change of control transaction, with the remainder payable at closing. As of September, 30 \$2,0 million were paid as strategic review fee and will be creditable against the change of control fee balance.

## **ADDITIONAL FINANCIAL INFORMATION**

Cominar’s condensed interim consolidated financial statements and interim management’s discussion and analysis for the third quarter of 2021 are filed with SEDAR at [sedar.com](http://sedar.com) and are available on Cominar’s website at [cominar.com](http://cominar.com).

## **CONFERENCE CALL ON NOVEMBER 3, 2021**

On **Wednesday, November 3, 2021 at 11 a.m.** (ET), Cominar’s management will hold a conference call to present the results for the third 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](http://cominar.com), under the Conference Call header. In addition, a replay of the conference call will be available from Wednesday, November 3, 2021 at 2 p.m. to Wednesday, November 10, 2021 at 11:59 p.m., by dialing **1 888 390-0541** and entering passcode: **792561 #**.

## **PROFILE AS AT NOVEMBER 3, 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. Its portfolio consists of 310 high-quality office, retail and industrial properties, totalling 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 through tax-efficient distributions, and maximize unit value via proactive portfolio management.

## **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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