

97

Properties

\$291 M

Inv. Properties

\$340 M

Adj. Inv. Properties¹

\$0.35

Annual Dist.

52%

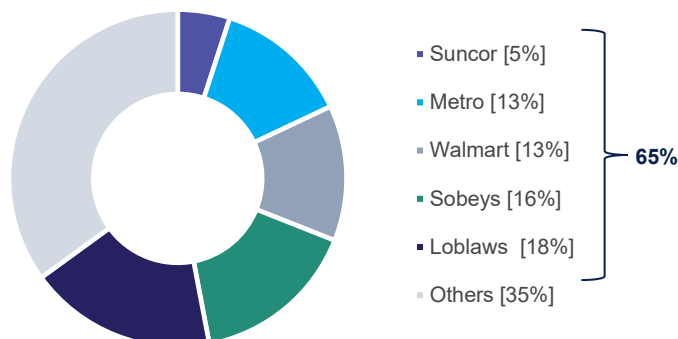
Dist./ FFO¹

CORPORATE PROFILE

Canadian Net is an open-ended real estate investment trust that has a mission to acquire and retain high quality commercial real estate leased on a long-term, management-free, net basis.

- Holds interests in 97 properties in Eastern Canada;
- 100% occupancy rate;
- Tenants composed of (1) necessity-based retailers, (2) national c-store chains, (3) QSRs, (4) others;
- **Insiders own ~17% of the Trust.**

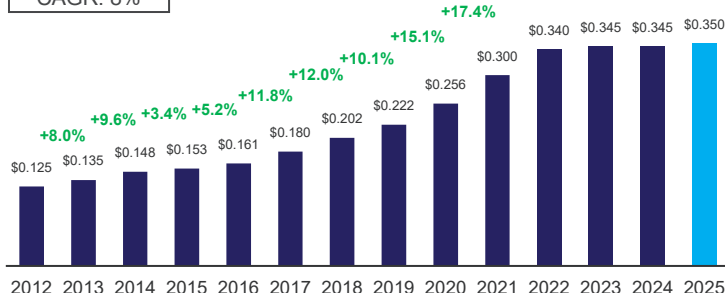
TOP 5 TENANTS (based on NOI¹) – H1 2025



PER UNIT HIGHLIGHTS

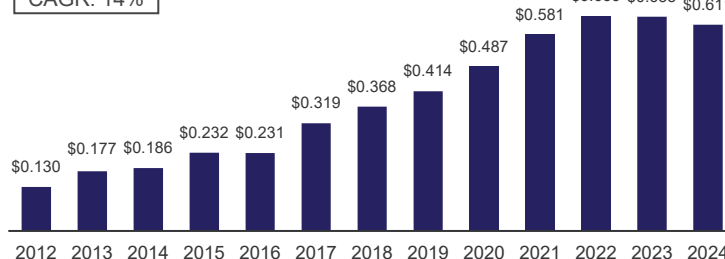
Distribution per unit

CAGR: 8%



Normalized FFO per unit¹

CAGR: 14%



BUSINESS MODEL

1. TRIPLE NET AND MANAGEMENT-FREE LEASES

Triple Net

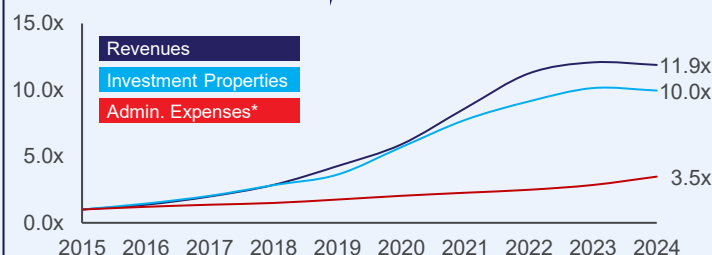
Variable costs (insurance, taxes, maintenance, etc.) are assumed by tenants

- **More stable & predictable cash flows for Canadian Net**

Management-free

Tenants are responsible for the management of the property (maintenance, minor renovations, etc.)

- **Overhead does not increase with new acquisitions**
- **New revenues translated into distributions faster**



*Excluding unit-based compensation

2. PROPERTY TYPE

- Leased to **credit rated national tenants**
- Choice of location for tenant is **revenue-driven** (need good access, visibility & high traffic) unlike other segments that are expense-driven (need to cut costs, not related to the success of the business)
- **Higher probabilities of renewal**
- **Less tenant improvements** needed to keep the tenant as location is crucial for the business, hence **smoother cash flow** for Canadian Net

3. ACQUISITION STRATEGY

- Properties are being acquired from various sources as well as retailers under sale and leaseback agreements
- Canadian Net also participates in select developments
- Typical transaction is too large for individual investors but not large enough for larger firms

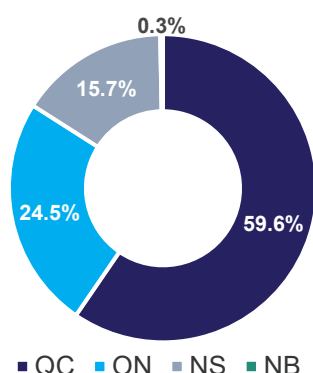
SUMMARY OF FINANCIAL INFORMATION

Periods ended June 30	6 months			
	2025	2024	Δ	%
Financial info				
Property rental income	13,734,937	13,133,535	601,402	5%
Net income and comprehensive income (loss)	8,832,067	(7,655,470)	16,487,537	(215%)
NOI ⁽¹⁾	10,005,893	9,613,679	392,214	4%
FFO ⁽¹⁾	6,790,199	6,293,681	496,518	8%
AFFO ⁽¹⁾	6,529,328	5,932,783	596,545	10%
EBITDA ⁽¹⁾	12,396,330	(4,050,096)	16,446,426	(406%)
Adjusted EBITDA ⁽¹⁾	9,777,061	9,494,836	282,225	3%
Investment properties	291,323,830	258,260,480	33,063,350	13%
Adjusted investment properties ⁽¹⁾	340,766,823	316,875,874	23,890,949	8%
Total assets	316,838,323	293,750,859	23,087,464	8%
Mortgages	143,165,499	128,394,304	14,771,195	12%
Current portion of mortgages and long-term debt	15,248,467	15,878,598	(630,131)	(4%)
Mortgages on investment properties held for sale	-	3,673,379	(3,673,379)	(100%)
Credit facilities	12,565,000	17,725,000	(5,160,000)	(29%)
Total convertible debentures	6,014,304	5,789,159	225,145	4%
Total equity	134,930,711	118,446,204	16,484,507	14%
Weighted average units o/s - basic	20,582,076	20,546,748	35,328	-
Amounts on a per unit basis				
FFO ⁽¹⁾	0.330	0.306	0.024	8%
AFFO ⁽¹⁾	0.317	0.289	0.028	10%
Distributions	0.173	0.173	-	-
Financial ratios				
Weighted avg. interest rate	3.98%	3.88%	0.10%	
Debt to total assets ⁽¹⁾	56%	58%	(2%)	
Debt to total assets - Excluding convertible debentures ⁽¹⁾	54%	55%	(1%)	
Interest coverage ratio based on adjusted EBITDA ⁽¹⁾	2.6x	2.5x	0.1x	
Debt service coverage ratio based on adjusted EBITDA ⁽¹⁾	1.6x	1.6x	-	
Distributions as a % of FFO ⁽¹⁾	52%	56%	(4%)	
Distributions as a % of AFFO ⁽¹⁾	54%	60%	(6%)	

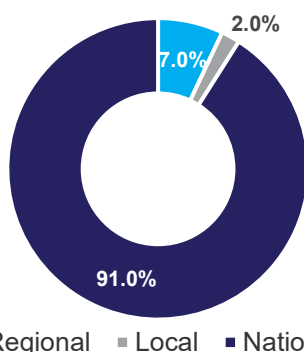
(1) This is a non-IFRS financial measure with no standardized IFRS meaning and may not be comparable to other issuers. Refer to the sections "Non-IFRS financial measures".

PORTFOLIO OVERVIEW

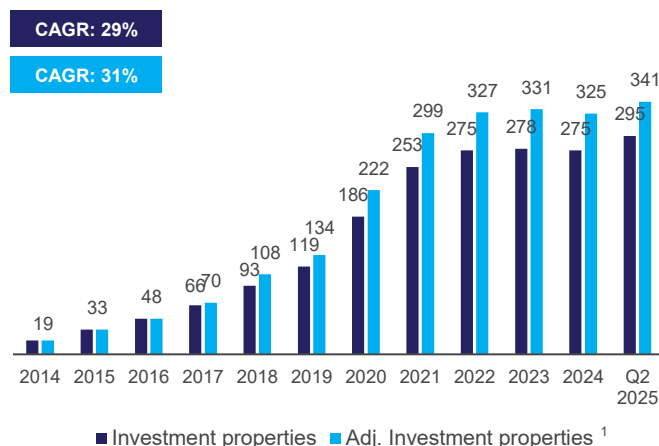
Portfolio by GLA



H1 2025 Tenant Mix by NOI¹



Portfolio (\$M)



WHY INVEST?

Canadian Net is the only REIT in Canada that allows investors to get exposure to the highly reliable NNN and management-free retail real estate sector

Strategy

- Consolidation strategy within an unexploited real estate niche in Canada
- Business model leads to lean overhead⁽¹⁾ with virtually no capex
- Deal size under the radar of large REITs & institutions but too large for individual investors
- Debt financing strategy which strives to create wealth for its unitholders⁽²⁾
- **Significant insider ownership (currently ~17%)**

Properties

- Properties with exceptional locations leased to AAA tenants
- Built-in lease escalations provide stable and predictable cash flow
- 100% occupancy leads to practically no rental losses
- Average lease term remaining of 6.1 years

Units

- Consistent distribution increases since its inception in 2011:
 - Annual distributions set at \$0.35 from July 2025 (paid monthly)
- Distribution funded by existing cash flow and not debt

Partners



NON-IFRS FINANCIAL MEASURES

The Trust's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this fact sheet, as a complement to results provided in accordance with IFRS, the Trust discloses and discusses certain non-IFRS financial measures: FFO, FFO per unit, Normalized FFO, Normalized FFO per unit, AFFO, AFFO per unit, NOI, and Adjusted Investment Properties. These non-IFRS measures are not defined by IFRS, do not have a standardized meaning, and may not be comparable with similar measures presented by other issuers. Canadian Net has presented such non-IFRS measures as management of the Trust believes they are relevant measures of Canadian Net's underlying operating performance and debt management. Non-IFRS measures should not be considered as alternatives to net income, cash generated from (utilized in) operating activities, or comparable metrics determined in accordance with IFRS as indicators of the Trust's performance, liquidity, cash flow, and profitability. Information appearing in this news release is a select summary of results. This document should be read in conjunction with the condensed consolidated financial statements and MD&A for the Trust. Please refer to the "Non IFRS Financial Measures" section in Canadian Net's management's discussion and analysis for the period ended **June 30, 2025**, available under Canadian Net's profile on SEDAR+ at www.sedarplus.ca for a full description of these measures and, where applicable, a reconciliation to the most directly comparable measure calculated in accordance with IFRS. Such explanation is incorporated by reference herein.