

CANADIAN NET REIT ANNOUNCES 2026 FIRST-QUARTER RESULTS AND A DISTRIBUTION INCREASE

– REIT also announces monthly distributions for Q3 2026 –

Montréal (Québec), May 21, 2026 - Canadian Net Real Estate Investment Trust (“Canadian Net” or the “REIT”) (TSX-V: NET.UN) today reported its results for the quarter ended March 31st, 2026 (“Q1 2026”). The REIT also announced an increase in annual distributions and distributions for July, August and September 2026 (“Q3 2026”).

"We are pleased to report continued FFO per unit¹ growth and to announce a 3% increase in our distribution, a testament to the strength and predictability of our portfolio," said Kevin Henley, President and CEO. "As expected, FFO per unit¹ growth this quarter was impacted by the carrying cost of our recently issued debenture, which was raised precisely to accelerate our acquisition pipeline. This impact is temporary and will reverse as that capital is deployed into accretive opportunities. With a stronger balance sheet, an active acquisition pipeline, and a portfolio running at 100% occupancy, we are well-positioned to continue delivering FFO¹ growth as the year progresses."

RESULTS FOR Q1 2026

Canadian Net reported Funds from operations¹ (“FFO”) of \$3.41 million, or \$0.166 per unit, an increase of 1% compared to \$3.38 million, or \$0.164 per unit, for the quarter ended March 31, 2025 (“Q1 2025”).

Rental income was \$6.9 million in Q1 2026, an increase of 1.3% from Q1 2025. Net Operating Income¹ (“NOI”) in Q1 2026 was \$5.0 million, an increase of 0.6% from Q1 2025, reflecting an increase in rental income due to property acquisitions.

The REIT generated a net income attributable to unitholders of \$2.5 million in Q1 2026 compared to a net income of \$10.2 million in Q1 2025.

The increase in Normalized FFO¹ is derived from higher rental income from property acquisitions and lower interest charges on credit facilities. The increase in NOI¹ was mainly attributable to the increase in rental income from property acquisitions. Finally, the variance in net income attributable to unitholders is primarily attributable to the change in the fair value of investment properties.

DISTRIBUTIONS

Starting in July 2026, Canadian Net's annual distribution will increase from \$0.35 to \$0.36 per unit, representing a 3.0% increase. This marks another step in a long track record of distribution growth, with Canadian Net having grown its distributions by 188% since 2012.

Canadian Net announced that it will make monthly cash distributions of \$0.03 per unit, representing \$0.36 per unit on an annualized basis, on July 31st, August 31st and September 29th, 2026, to unitholders of record on July 15th, August 14th and September 15th, 2026, respectively.

The tables below represent other financial highlights and the reconciliations of certain non-IFRS measures for Q1 2026 and Q1 2025. This information should be read in conjunction with the Condensed Consolidated Financial Statements and Management's Discussion & Analysis (“MD&A”) for the quarters ended March 31st, 2026 and March 31st, 2025.

¹ Non-IFRS financial measure with no standardized IFRS meaning and may not be comparable to other issuers. Refer to the section “Non-IFRS financial measures”.

SUMMARY OF SELECTED FINANCIAL INFORMATION

Periods ended March 31	3 months		Δ	%
	2026	2025		
Financial info				
Property rental income	6,935,208	6,848,977	86,231	1%
Net income and comprehensive income	2,482,142	10,181,260	(7,699,118)	(76%)
NOI ⁽¹⁾	5,005,617	4,976,365	29,252	1%
FFO ⁽¹⁾	3,414,810	3,378,163	36,647	1%
Normalized FFO ⁽¹⁾	3,414,810	3,378,163	36,647	1%
AFFO ⁽¹⁾	3,333,201	3,298,952	34,249	1%
EBITDA ⁽¹⁾	4,212,890	11,958,886	(7,745,996)	(65%)
Adjusted EBITDA ⁽¹⁾	4,616,040	4,785,862	(169,822)	(4%)
Investment properties	291,086,934	295,093,745	(4,006,811)	(1%)
Adjusted investment properties ⁽¹⁾	343,267,860	344,781,633	(1,513,773)	(0%)
Total assets	318,791,684	321,276,862	(2,485,178)	(1%)
Mortgages	136,781,293	142,478,077	(5,696,784)	(4%)
Current portion of mortgages	22,503,133	16,376,220	6,126,913	37%
Credit facilities	9,065,000	13,545,000	(4,480,000)	(33%)
Total convertible debentures	3,902,070	5,866,277	(1,964,207)	(33%)
Total equity	140,030,079	138,056,530	1,973,549	1%
Weighted average units o/s - basic	20,602,309	20,566,343	35,966	-
Amounts on a per unit basis				
FFO ⁽¹⁾	0.166	0.164	0.002	1%
Normalized FFO ⁽¹⁾	0.166	0.164	0.002	1%
AFFO ⁽¹⁾	0.162	0.160	0.002	1%
Distributions	0.088	0.086	0.002	2%

(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".

NON-IFRS FINANCIAL MEASURES

The Trust's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"). In this press release, 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 news release should be read in conjunction with the Condensed Consolidated Interim 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 March 31, 2026, 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.

In addition, below are the reconciling tables for the non-IFRS measures used in this press release.

Reconciliation of Investment Properties to Adjusted Investment Properties

As at March 31	2026	2025	Δ
Investment Properties			
Developed properties	291,086,934	295,093,745	(1%)
Joint Venture Ownership⁽¹⁾			
Developed properties	50,836,323	47,992,251	6%
Properties under development	1,344,603	1,695,637	(21%)
Adjusted Investment Properties⁽²⁾	343,267,860	344,781,633	-

(1) Represents Canadian Net's proportionate share

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

Results of Operations

Periods ended March 31	3 months		Δ
	2026	2025	
Rental Income	6,935,208	6,848,977	86,231
Operating expenses	(1,929,591)	(1,872,612)	(56,979)
Net Operating Income ⁽¹⁾	5,005,617	4,976,365	29,252
Share of net income from investments in joint ventures	669,883	531,226	138,657
Change in fair values of investment properties	(500,519)	7,110,532	(7,611,051)
Unit-based compensation	(529,518)	(369,927)	(159,591)
Administrative expenses	(327,574)	(285,728)	(41,846)
Financial expenses	(1,835,747)	(1,781,208)	(54,539)
Net income attributable to unitholders	2,482,142	10,181,260	(7,699,118)
FFO ⁽¹⁾	3,414,810	3,378,163	1%
FFO per unit ⁽¹⁾	0.166	0.164	1%
Weighted avg. units o/s			
Basic	20,602,309	20,566,343	35,966

(1) This is a non-IFRS financial measure that does not have any standardized IFRS meaning and as such may not be comparable to other issuers. Refer to section "Non-IFRS financial measures"

Reconciliation of Net Income to Funds from Operations

Periods ended March 31	3 months		Δ
	2026	2025	
Net income attributable to unitholders	2,482,142	10,181,260	(7,699,118)
Δ in value of investment properties	500,519	(7,110,532)	7,611,051
Δ in value of investment properties in joint ventures	(196,910)	(62,752)	(134,158)
Unit-based compensation	529,518	369,927	159,591
Δ fair value adjustments on derivative financial instruments	99,541	260	99,281
FFO ⁽¹⁾	3,414,810	3,378,163	1%
FFO per unit ⁽¹⁾	0.166	0.164	1%
Distributions	1,802,544	1,773,437	29,107
Distributions per unit	0.088	0.086	2%
FFO per unit ⁽¹⁾ - after distributions	0.078	0.078	-
Distributions as a % of FFO ⁽¹⁾	53%	52%	1%
Weighted avg. units o/s			
Basic	20,602,309	20,566,343	35,966

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Adjusted Funds from Operations

Periods ended March 31	3 months		Δ
	2026	2025	
FFO ⁽¹⁾	3,414,810	3,378,163	36,647
Straight-line rent adjustment ⁽²⁾	(44,837)	(51,033)	6,196
Maintenance/cap-ex on existing properties	(36,772)	(28,178)	(8,594)
AFFO ⁽¹⁾	3,333,201	3,298,952	1%
AFFO per unit ⁽¹⁾	0.162	0.160	1%
Distributions per unit	0.088	0.086	2%
AFFO per unit ⁽¹⁾ - after distributions	0.074	0.074	-
Distributions as a % of AFFO ⁽¹⁾	54%	54%	-
Weighted avg. units o/s			
Basic	20,602,309	20,566,343	35,966

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

(2) Adjusted for the proportionate share of equity-accounted investments

Reconciliation of Net Income to EBITDA

Periods ended March 31	3 months		Δ
	2026	2025	
Net income attributable to unitholders	2,482,142	10,181,260	(7,699,118)
Net interest expense	1,730,748	1,777,626	(46,878)
EBITDA ⁽¹⁾	4,212,890	11,958,886	(7,745,996)
Δ in value of investment properties	500,519	(7,110,532)	7,611,051
Δ in value of investment properties in joint ventures	(196,910)	(62,752)	(134,158)
Δ in value of convertible debentures	99,541	260	99,281
Adjusted EBITDA ⁽¹⁾	4,616,040	4,785,862	(4%)
Interest expense	1,793,407	1,850,158	(56,751)
Principal repayments	1,301,427	1,199,839	101,588
Debt service requirements	3,094,834	3,049,997	1%
Interest coverage ratio based on adjusted EBITDA ⁽¹⁾	2.6x	2.6x	-
Debt service coverage based on adjusted EBITDA ⁽¹⁾	1.5x	1.6x	(0.1x)

(1) This is a non-IFRS financial measure that does not have any standardized IFRS meaning and as such may not be comparable to other issuers. Refer to section "Non-IFRS financial measures"

EARNINGS WEBCAST

Canadian Net will host a webcast on May 22nd at 9:00 a.m. (EST) to discuss the results.

The link to join the webcast is the following: <https://edge.media-server.com/mmc/p/aprhkqg6>

About Canadian Net – Canadian Net Real Estate Investment Trust is an open-ended trust that acquires and owns high-quality triple net and management-free commercial real estate properties.

Forward-Looking Statements - This press release contains forward-looking statements and information as defined by applicable securities laws. Canadian Net warns the reader that actual events may differ materially from current expectations due to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from the results anticipated in such statements. Among these include the risks related to economic conditions, the risks associated with the local real estate market, the dependence on the financial condition of tenants, the uncertainties related to real estate activities, the changes in interest rates, the availability of financing in the form of debt or equity, the effects related to the adoption of new IFRS standards, as well as other risks and factors described from time to time in the documents filed by Canadian Net with securities regulators, including the management report. Canadian Net does not update or modify its forward-looking statements even if future events occur or for any other reason unless required by law or any regulatory authority.

Neither the TSX Venture Exchange Inc. nor its Regulatory Services Provider (as that term is defined in the Policy of the TSX Venture Exchange and its Regulatory Services Provider) accepts any responsibility for the adequacy or accuracy of this release.

The March 31, 2026, financial statements and management discussion & analysis of Canadian Net may be viewed on SEDAR+ at www.sedarplus.ca.

For further information, please contact Kevin Henley at (450) 536-5328.