CANADIANNET
REAL ESTATE INVESTMENT TRUST

Canadian Net Real Estate Investment Trust
Fonds de placement immobilier Canadien Net

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CANADIAN NET REIT ANNOUNCES 2026 SECOND-QUARTER RESULTS

– REIT also announces monthly distributions for Q4 2026 –

Montréal (Québec), August 18, 2026 - Canadian Net Real Estate Investment Trust ("Canadian Net" or the "REIT") (TSX-V: NET.UN) today reported its results for the quarter ended June 30th, 2026 ("Q2 2026") and distributions for October, November and December 2026 ("Q4 2026").

"We are pleased to report another quarter of FFO per unit[1] growth, with an increase of 3% quarter-over-quarter and 2% year-over-year," said Kevin Henley, President and CEO. "During the quarter, we continued executing on our strategy by acquiring a single-tenant Bureau en Gros property in Quebec, which closed late in Q2 and will contribute to results starting in the third quarter. Our portfolio remains in excellent shape, with 100% occupancy maintained and all 2026 lease renewals now completed. As it has throughout our history, our model continues to demonstrate its resilience, delivering consistent growth through disciplined acquisitions, proactive balance sheet management, organic rent growth, and steady mortgage paydown. Looking ahead, our focus is on unlocking further capital to fund future acquisitions and continue building on our organic growth momentum."

RESULTS FOR Q2 2026

Canadian Net reported Funds from operations[1] ("FFO") of $3.53 million, or $0.171 per unit, an increase of 3% compared to $3.41 million, or $0.166 per unit, for the quarter ended June 30, 2025 ("Q2 2025").

Rental income was $7.11 million in Q2 2026, an increase of 3.3% from Q2 2025. Net Operating Income[1] ("NOI") in Q2 2026 was $5.11 million, an increase of 1.7% from Q2 2025, reflecting mainly the increase in rental income from existing properties.

The REIT generated a net income attributable to unitholders of $3.5 million in Q2 2026 compared to a net loss of $1.4 million in Q2 2025.

RESULTS FOR THE 6-MONTH PERIOD ENDED JUNE 30, 2026

Canadian Net reported FFO[1] of $6.94 million, or $0.337 per unit, an increase of 2% compared to $6.79 million, or $0.330 per unit for the 6-month period ended June 30, 2025.

Rental income was $14.05 million for the 6-month period ended June 30, 2026, an increase of 2.3% from the same period in 2025. NOI[1] over the 6-month period ended June 30, 2026 was $10.12 million, an increase of 1.1% from the same period in 2025, reflecting mainly an increase in rental income due to property acquisitions and rent increases on existing properties.

The REIT generated a net income attributable to unitholders of $5.9 million for the 6-month period ended June 30, 2026 compared to a net income of $8.8 million for the same period last year.

The increase in FFO[1] is mainly derived from property acquisitions and increases in rent of certain existing properties, as well as lower interest charges on credit facilities and convertible debentures. The increase in FFO[1] was partially offset by higher interest charges on mortgage renewals. The increase in NOI[1] was mainly attributable to the increase in rental income from property acquisitions and rent increases on existing properties. Finally, the variance in net income attributable to unitholders is primarily attributable to the change in the fair value of investment properties.

DISTRIBUTIONS

[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".

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 October 30th, November 30th and December 31st, 2026, to unitholders of record on October 15th, November 13th and December 15th, 2026, respectively.

The tables below represent other financial highlights and the reconciliations of certain non-IFRS measures for Q2 2026 and Q2 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 June 30th, 2026 and June 30th, 2025.

SUMMARY OF SELECTED FINANCIAL INFORMATION

	6 months			
Periods ended June 30	**2026**	**2025**	**Δ**	**%**
Financial info				
Property rental income	14,045,821	13,734,937	310,884	2%
Net income and comprehensive income	5,937,086	8,832,067	(2,894,981)	(33%)
NOI (1)	10,119,626	10,005,893	113,733	1%
FFO (1)	6,941,903	6,790,199	151,704	2%
Normalized FFO (1)	6,941,903	6,790,199	151,704	2%
AFFO (1)	6,647,925	6,529,328	118,597	2%
EBITDA (1)	9,395,375	12,396,330	(3,000,955)	(24%)
Adjusted EBITDA (1)	9,542,586	9,777,061	(234,475)	(2%)
Investment properties	296,003,281	291,323,830	4,679,451	2%
Adjusted investment properties (1)	348,277,197	340,766,823	7,510,374	2%
Total assets	323,796,829	316,838,323	6,958,506	2%
Mortgages	140,227,166	143,165,499	(2,938,333)	(2%)
Current portion of mortgages	20,982,100	15,248,467	5,733,633	38%
Credit facilities	10,330,000	12,565,000	(2,235,000)	(18%)
Total convertible debentures	3,840,085	6,014,304	(2,174,219)	(36%)
Total equity	141,679,850	134,930,711	6,749,139	5%
Weighted average units o/s - basic	20,615,063	20,582,076	32,987	-
Amounts on a per unit basis				
FFO(1)	0.337	0.330	0.007	2%
Normalized FFO(1)	0.337	0.330	0.007	2%
AFFO(1)	0.322	0.317	0.005	2%
Distributions	0.175	0.173	0.003	1%

(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 June 30, 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 June 30	2026	2025	Δ
Investment Properties			
Developed properties	296,003,281	291,323,830	2%
Joint Venture Ownership[(1)]			
Developed properties	50,905,488	47,550,096	7%
Properties under development	1,368,428	1,892,897	(28%)
Adjusted Investment Properties[(2)]	**348,277,197**	**340,766,823**	2%

(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

	3 months			6 months		
Periods ended June 30	**2026**	**2025**	**Δ**	**2026**	**2025**	**Δ**
Rental Income	7,110,613	6,885,960	224,653	14,045,821	13,734,937	310,884
Operating expenses	(1,996,604)	(1,856,432)	(140,172)	(3,926,195)	(3,729,044)	(197,151)
Net Operating Income[(1)]	5,114,009	5,029,528	84,481	10,119,626	10,005,893	113,733
Share of net income from investments in joint ventures	465,724	(195,866)	661,590	1,135,607	335,360	800,247
Change in fair values of investment properties	245,000	(3,932,846)	4,177,846	(255,519)	3,177,686	(3,433,205)
Unit-based compensation	(328,088)	(207,474)	(120,614)	(857,606)	(577,401)	(280,205)
Administrative expenses	(276,731)	(255,553)	(21,178)	(604,305)	(541,281)	(63,024)
Financial expenses	(1,764,970)	(1,786,982)	22,012	(3,600,717)	(3,568,190)	(32,527)
Net income attributable to unitholders	3,454,944	(1,349,193)	4,804,137	5,937,086	8,832,067	(2,894,981)
FFO[(1)]	3,527,093	3,412,036	3%	6,941,903	6,790,199	2%
FFO per unit[(1)]	0.171	0.166	3%	0.337	0.330	2%
Weighted avg. units o/s Basic	20,627,675	20,597,637	30,038	20,615,063	20,582,076	32,987

(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

	3 months			6 months		
Periods ended June 30	**2026**	**2025**	**Δ**	**2026**	**2025**	**Δ**
Net income attributable to unitholders	3,454,944	(1,349,193)	4,804,137	5,937,086	8,832,067	(2,894,981)
Δ in value of investment properties	(245,000)	3,932,846	(4,177,846)	255,519	(3,177,686)	3,433,205
Δ in value of investment properties in joint ventures	(43,456)	621,585	(665,041)	(240,366)	558,833	(799,199)
Unit-based compensation	328,088	207,474	120,614	857,606	577,401	280,205
Δ fair value adjustments on derivative financial instruments	32,517	(676)	33,193	132,058	(416)	132,474
FFO[(1)]	3,527,093	3,412,036	3%	6,941,903	6,790,199	2%
FFO per unit[(1)]	0.171	0.166	3%	0.337	0.330	2%
Distributions	1,805,173	1,776,626	28,547	3,607,717	3,550,063	57,654
Distributions per unit	0.088	0.086	2%	0.175	0.173	1%
FFO per unit[(1)] - after distributions	0.083	0.080	4%	0.162	0.158	3%
Distributions as a % of FFO[(1)]	51%	52%	(1%)	52%	52%	-
Weighted avg. units o/s Basic	20,627,675	20,597,637	30,038	20,615,063	20,582,076	32,987

(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"

Adjusted Funds from Operations

	3 months			6 months		
Periods ended June 30	**2026**	**2025**	**Δ**	**2026**	**2025**	**Δ**
FFO [1]	3,527,093	3,412,036	115,057	6,941,903	6,790,199	151,704
Straight-line rent adjustment[2]	(30,125)	(33,159)	3,034	(74,962)	(84,192)	9,230
Maintenance/cap-ex on existing properties	(182,244)	(148,501)	(33,743)	(219,016)	(176,679)	(42,337)
AFFO[1]	3,314,724	3,230,376	3%	6,647,925	6,529,328	2%
AFFO per unit[1]	0.161	0.157	3%	0.322	0.317	2%
Distributions per unit	0.088	0.086	2%	0.175	0.173	1%
AFFO per unit[1] - after distributions	0.073	0.071	3%	0.147	0.145	2%
Distributions as a % of AFFO[1]	55%	55%	-	54%	54%	-
Weighted avg. units o/s Basic	20,627,675	20,597,637	30,038	20,615,063	20,582,076	32,987

(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

	3 months			6 months		
Periods ended June 30	**2026**	**2025**	**Δ**	**2026**	**2025**	**Δ**
Net income attributable to unitholders	3,454,944	(1,349,193)	4,804,137	5,937,086	8,832,067	(2,894,981)
Net interest expense	1,727,541	1,786,637	(59,096)	3,458,289	3,564,263	(105,974)
EBITDA[1]	5,182,485	437,444	4,745,041	9,395,375	12,396,330	(3,000,955)
Δ in value of investment properties	(245,000)	3,932,846	(4,177,846)	255,519	(3,177,686)	3,433,205
Δ in value of investment properties in joint ventures	(43,456)	621,585	(665,041)	(240,366)	558,833	(799,199)
Δ in value of convertible debentures	32,517	(676)	33,193	132,058	(416)	132,474
Adjusted EBITDA[1]	4,926,546	4,991,199	(1%)	9,542,586	9,777,061	(2%)
Interest expense	1,822,874	1,883,651	(60,777)	3,616,281	3,733,809	(117,528)
Principal repayments	1,275,160	1,264,240	10,920	2,576,587	2,464,079	112,508
Debt service requirements	3,098,034	3,147,891	(2%)	6,192,868	6,197,888	-
Interest coverage ratio based on adjusted EBITDA[1]	2.7x	2.6x	0.1x	2.6x	2.6x	-
Debt service coverage based on adjusted EBITDA[1]	1.6x	1.6x	-	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 August 19th 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/fyiuo39a

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.

The June 30, 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.