Condensed Interim Consolidated Financial Statements

Quarter ended June 30, 2023
Unaudited

Cominar

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Consolidated Balance Sheets

[unaudited, in thousands of Canadian dollars]

	Note	June 30, 2023 $	December 31, 2022 $
Assets			
Investment properties			
Income properties	3	**1,932,986**	1,988,690
Land held for future development		**53,169**	52,700
		1,986,155	2,041,390
Investment properties held for sale	4	**211,426**	312,865
Investments in joint ventures	5	**21,053**	13,317
Mortgages receivable	6	**19,500**	10,000
Accounts receivable	7	**15,483**	17,823
Prepaid expenses and other assets		**18,271**	3,669
Cash and cash equivalents		**2,304**	38,063
Total assets		**2,274,192**	2,437,127
Liabilities			
Mortgages payable	8	**775,133**	775,431
Mortgages payable related to investment properties held for sale	4, 8	**70,053**	96,439
Debentures	9	**199,084**	269,916
Bank borrowings	10	**125,275**	—
Accounts payable and accrued liabilities	11	**65,392**	68,516
Total liabilities		**1,234,937**	1,210,302
Unitholder's equity			
Unitholder's equity		**1,039,255**	1,226,825
Total liabilities and unitholder's equity		**2,274,192**	2,437,127

See accompanying notes to the condensed interim consolidated financial statements.

Interim Consolidated Statements of Unitholder's Equity

For the periods ended June 30
[unaudited, in thousands of Canadian dollars]

	Unitholder's contributions $	Cumulative net income $	Cumulative distributions $	Contributed surplus $	Total $
Balance as at January 1, 2023	2,143,800	3,886,121	(4,803,096)	—	1,226,825
Net loss and comprehensive loss	—	(6,588)	—	—	(6,588)
Distributions to parent company (IRIS)	—	—	(180,982)	—	(180,982)
Balance as at June 30, 2023	**2,143,800**	**3,879,533**	**(4,984,078)**	**—**	**1,039,255**

	Unitholder's contributions $	Cumulative net income $	Cumulative distributions $	Contributed surplus $	Total $
Balance as at January 1, 2022	3,233,486	1,590,967	(2,350,252)	8,923	2,483,124
Net income and comprehensive income	—	41,192	—	—	41,192
Distributions to unitholders	—	—	(753,210)	—	(753,210)
Special distribution in units	1,300,000	—	(1,300,000)	—	—
Parent company (IRIS) subscription under the Arrangement	2,143,800	—	—	—	2,143,800
Repurchase of units under the Arrangement	(4,533,486)	2,389,686	—	—	(2,143,800)
Long-term incentive plan	—	490	—	(8,923)	(8,433)
Balance as at June 30, 2022	2,143,800	4,022,335	(4,403,462)	—	1,762,673

See accompanying notes to the condensed interim consolidated financial statements.

Interim Consolidated Statements of Comprehensive Income

For the periods ended June 30
[unaudited, in thousands of Canadian dollars]

		Quarter		Year-to-date (six months)	
		2023	2022	2023	2022
	Note	$	$	$	$
Operating revenues					
Rental revenue from investment properties	14	**73,491**	80,368	**151,461**	220,159
Operating expenses					
Operating costs		**(20,817)**	(21,566)	**(44,855)**	(60,162)
Realty taxes and services		**(15,357)**	(17,311)	**(32,501)**	(49,645)
Property administrative expenses		**(1,631)**	(2,180)	**(3,286)**	(6,042)
		(37,805)	(41,057)	**(80,642)**	(115,849)
Net operating income		**35,686**	39,311	**70,819**	104,310
Finance charges		**(15,526)**	(14,005)	**(27,885)**	(46,817)
Trust administrative expenses		**(7,954)**	(5,098)	**(15,575)**	(12,455)
Change in fair value of investment properties	3, 4	**(20,202)**	2,672	**(26,749)**	74,004
Share in joint ventures' net income	5	**1,828**	23	**1,828**	2,128
Transaction costs		**(4,391)**	(3,823)	**(9,026)**	(79,978)
Net income (loss) and comprehensive income (loss)		**(10,559)**	19,080	**(6,588)**	41,192

See accompanying notes to the condensed interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows

For the periods ended June 30
[unaudited, in thousands of Canadian dollars]

		Year-to-date (six months)	
		2023	2022
	Note	$	$
Operating activities			
Net income (loss)		**(6,588)**	41,192
Adjustments for:			
Excess of share of net income over distributions received from the joint ventures		**(1,828)**	(2,128)
Change in fair value of investment properties	3, 4	**26,749**	(74,004)
Depreciation and amortization		**1,735**	3,187
Recognition of leases on a straight-line basis		**337**	(16)
Financing costs and other asset write-offs		**—**	12,542
Changes in non-cash working capital items	15	**(14,265)**	(49,001)
Cash flows provided by (used in) operating activities		**6,140**	(68,228)
Investing activities			
Investments in income properties	3, 15	**(25,179)**	(24,571)
Investments in properties under development/land	15	**(482)**	(2,883)
Proceeds from the sale of investment properties net of assigned mortgages payable	3, 4	**97,453**	2,834,493
Proceeds from the dissolution of a joint venture	5	**—**	60,390
Proceeds from the disposition of interest in a joint venture	5	**—**	6,265
Contributions to the capital of the joint ventures	5	**(5,908)**	(584)
Change in other assets		**(369)**	467
Cash flows provided by investing activities		**65,515**	2,873,577
Financing activities			
Cash distributions to unitholders		**(180,982)**	(753,210)
Net variation of bank borrowings		**125,275**	(537,051)
Proceeds from mortgages payable	8	**270,000**	—
Financing costs incurred for mortgages payable	8	**(1,934)**	(101)
Financing costs incurred for Debentures	9	**(19)**	—
Parent company (IRIS) subscription under the Arrangement		**—**	1,766,886
Repurchase of units under the Arrangement		**—**	(2,049,744)
Settlement of long term incentive instruments under the Agreement		**—**	(8,923)
Repayments of debentures	9	**(71,097)**	(603,987)
Repayments of mortgages payable	8	**(239,983)**	(598,162)
Monthly repayments of mortgages payable	8	**(8,674)**	(14,966)
Cash flows used in financing activities		**(107,414)**	(2,799,258)
Net change in cash and cash equivalents		**(35,759)**	6,091
Cash and cash equivalents, beginning of period		**38,063**	7,604
Cash and cash equivalents, end of period		**2,304**	13,695
Other information			
Interest paid		**28,978**	44,730

See accompanying notes to the condensed interim consolidated financial statements.

Notes to Condensed Interim Consolidated Financial Statements

For the periods ended June 30, 2023 and 2022
[unaudited, in thousands of Canadian dollars]

1) Description of the Trust

Cominar Real Estate Investment Trust ("Cominar", the "Trust" or the "REIT") is an unincorporated trust created by a Contract of Trust on March 31, 1998, as amended and amended and restated to date, under the laws of the Province of Québec. As at June 30, 2023, Cominar owned and managed a real estate portfolio of 39 properties that covered a total area of approximately 10.8 million square feet in the Province of Québec and in Ottawa, Ontario.

The head office of Cominar is located at Complexe Jules-Dallaire – T3, 2820 Laurier Boulevard, Suite 750, Québec City, Québec, Canada, G1V 0C1. Additional information about the Trust is available on Cominar's website at www.cominar.com.

The board of trustees of the REIT (the "Board of Trustees") approved Cominar's condensed interim consolidated financial statements on August 2, 2023.

The Arrangement
On March 1, 2022, Cominar announced the closing of a transaction pursuant to which all of Cominar's then issued and outstanding units were acquired under a plan of arrangement for $11.75 per unit in cash by a consortium, Iris Acquisition II LP ("IRIS"), composed of an affiliate of Canderel Management Inc., certain affiliates of FrontFour Capital Group LLC, Artis Real Estate Investment Trust ("Artis"), partnerships managed by Sandpiper Group, and Koch Real Estate Investments, LLC ("KREI"), with KREI and Artis also providing preferred equity (the "Arrangement").

As part of the Arrangement, an affiliate of Mach Capital Inc. acquired certain of the REIT's office and retail properties and an affiliate of Blackstone Real Estate Services L.L.C. acquired most of the REIT's industrial portfolio.

As part of the Arrangement, Cominar's existing trustees resigned and were replaced by Alex Avery, Renzo Barazzuol, Navdeep Gill, Stephen Loukas, Samir Manji, Brett Miller, Ben Rodney, Ryan Ross and Jonathan Wener.

As a result of the completion of the Arrangement, the units of the REIT were delisted from the Toronto Stock Exchange at the close of trading on March 2, 2022.

2) Significant Accounting Policies

a) Basis of presentation

Cominar's unaudited condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, and comply notably with the requirements of IAS 34, "Interim Financial Reporting". They do not include all the disclosure that would normally be found in the Trust's annual consolidated financial statements. The accounting policies and application methods thereof have been consistently applied throughout each of the periods presented in these condensed interim consolidated financial statements, with the exception of hedging and derivative financial instruments, fixed interest rate swaps and financial instruments. These condensed interim consolidated financial statements should be read in conjunction with Cominar's annual consolidated financial statements prepared in accordance with IFRS for the year ended December 31, 2022.

b) Basis of preparation

Consolidation
These condensed interim consolidated financial statements include the accounts of Cominar and its wholly owned subsidiaries.

Use of estimates, assumptions and judgments
The preparation of the condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities at the date of the financial statements. Those estimates, assumptions and judgments also affect the disclosure of contingencies as at the date of the financial statements and the reported amounts of revenues and expenses during the period. The critical accounting estimates and judgments have been set out in note 2 to Cominar's consolidated financial statements for the year ended December 31, 2022. There have been no changes to the critical accounting estimates and judgments during the six-month period ended June 30, 2023.

Hedging and derivative financial instruments
Cominar applies general hedge accounting requirements of IFRS 9, Financial Instruments.

Fixed interest rate swaps
Periodically, Cominar uses fixed interest rate swaps to manage the interest rate risk associated with its mortgages payable. Where the general hedge accounting requirements are met, Cominar designates those fixed interest rate swaps as a cash flow hedge of the interest from its mortgages payable. Accordingly, changes in the fair value of the derivative financial instruments, which instruments are included in the balance sheet, are recognized in other comprehensive income. Realized gains and losses in accumulated other comprehensive income are reclassified to interest on mortgages payable over the same periods as the interest expense on the mortgages payable is recognized in earnings.

Financial instruments
Cominar groups its financial instruments into classes according to the purpose for which they were acquired and to their characteristics. Management determines such classification upon initial measurement, which is usually at the date of acquisition.

Cominar uses the following classifications for its financial instruments:

- Cash and cash equivalents, accounts receivable and mortgages receivable are classified as "Financial assets at amortized cost." They are initially measured at fair value. Subsequently, they are measured at amortized cost using the effective interest method. For Cominar, this value generally represents cost.

- Mortgages payable, debentures, bank borrowings, and accounts payable and accrued liabilities are classified as "Financial liabilities at amortized cost." They are initially measured at fair value. Subsequently, they are measured at amortized cost using the effective interest method.

- Derivatives financial instruments designated as cash flow hedges are classified as fair value through profit or loss (“FVTPL”) subject to hedge accounting requirements. These financial instruments are subsequently measured at fair value with changes in fair value recorded in net income in the period in which they arise. Financial instruments designated as FVTPL are recorded at fair value with changes in fair value attributable to changes in the Cominar’s own credit risk recorded in net income.

3) Income Properties

	Note	Six-month period ended June 30, 2023 $	Year ended December 31, 2022 $
Balance, beginning of period		**1,988,690**	2,517,447
Change in fair value		**(8,429)**	(64,766)
Capital costs		**22,377**	35,976
Dispositions		**—**	(16,000)
Net transfer to investment properties held for sale	4	**(69,970)**	(485,378)
Change in initial direct costs		**497**	1,753
Recognition of leases on a straight-line basis		**(179)**	(342)
Balance, end of period		**1,932,986**	1,988,690

Change in Fair Value of Investment Properties

Cominar opted to present its investment properties in the condensed interim consolidated financial statements according to the fair value model.

During the first six months of 2023, Cominar revalued all its investment properties using external valuations and definitive agreements to sell investment properties and determined that a net decrease of $26,749 was necessary to adjust the carrying amount of investment properties to fair value. The change in fair value related to investment properties held as at June 30, 2023, amounted to a net decrease of $19,496. At the end of the second quarter of 2023, Cominar reassessed the fair value for its entire portfolio, using external valuations and definitive agreements to sell investment properties.

4) Investment Properties Held for Sale

	Note	Six-month period ended June 30, 2023 Office and mixed-use properties $	Retail properties $	Total $	Year ended December 31, 2022 Total $
Investment properties held for sale					
Balance, beginning of period		**264,000**	**48,865**	**312,865**	3,363,500
Net transfer from (to) income properties [1]	3	**(32,961)**	**102,931**	**69,970**	485,378
Transfers from properties under development and land held for future development		**—**	**—**	**—**	7,867
Capitalized costs		**806**	**59**	**865**	11,709
Change in fair value		**(17,120)**	**(1,200)**	**(18,320)**	(27,706)
Dispositions		**(126,824)**	**(27,130)**	**(153,954)**	(3,527,883)
Balance, end of period		**87,901**	**123,525**	**211,426**	312,865

1 During the first quarter of 2023, Cominar transferred $78,625 of investment properties held for sale to investment properties. At this moment these properties no longer met the required criteria to be presented as held for sale.

	Note	Six-month period ended June 30, 2023 Office and mixed-use properties $	Retail properties $	Total $	Year ended December 31, 2022 Total $
Mortgages payable related to investment properties held for sale					
Balance, beginning of period		**96,439**	**—**	**96,439**	992,785
Transfer from (to) mortgages payable		**(30,092)**	**51,738**	**21,646**	140,718
Monthly repayments of principal		**(1,032)**	**—**	**(1,032)**	(6,954)
Repayments of balances		**—**	**—**	**—**	(469,850)
Mortgages payable assumed by a purchaser	8	**(47,000)**	**—**	**(47,000)**	(560,260)
Balance, end of period		**18,315**	**51,738**	**70,053**	96,439

5) Investments in Joint Ventures

June 30			2023	2022
Joint ventures	Address	City/province	Ownership interest	Ownership interest
Société en commandite Complexe Jules-Dallaire	2820 Laurier Boulevard	Québec, Québec	**—**	—[1]
Société en commandite Marais	Du Marais Street	Québec, Québec	**75%**	75%
Société en commandite Bouvier-Bertrand	Espace Bouvier	Québec, Québec	**—**	—[2]
Société en commandite Terrains Centropolis	Centropolis	Laval, Québec	**50%**	50%

1 Société en commandite Complexe Jules-Dallaire sold its property and was subsequently liquidated and dissolved in connection with the Arrangement
2 Cominar sold its 50% partnership interest in Société en commandite Bouvier-Bertrand on April 27, 2022

The business objective of these joint ventures is the ownership, management and development of real estate projects.

The following table summarizes the financial information on the investments in these joint ventures accounted for under the equity method:

	Six-month period ended June 30, 2023	Year ended December 31, 2022
	$	$
Investments in joint ventures, beginning of period	**13,317**	76,383
Contributions to the capital of the joint ventures	**5,908**	2,307
Share of joint ventures' net income and comprehensive income	**1,828**	1,282
Dissolution of a joint venture	**—**	(60,390)
Disposition of interest in a joint venture	**—**	(6,265)
Investments in joint ventures, end of period	**21,053**	13,317

The following tables summarize the joint ventures' net assets and net income as well as Cominar's proportionate share:

	Joint ventures		Cominar's proportionate share	
	June 30, 2023	December 31, 2022	June 30, 2023	December 31, 2022
	$	$	$	$
Properties under development	**27,629**	17,957	**13,815**	8,979
Land held for future development	**—**	7,000	**—**	5,250
Investment properties held for sale	**9,500**	—	**7,125**	—
Other assets	**546**	187	**275**	95
Other liabilities	**(308)**	(2,010)	**(162)**	(1,007)
Net assets of joint ventures	**37,367**	23,134	**21,053**	13,317

For the six-month periods ended June 30	Joint Ventures		Cominar's proportionate share	
	2023	2022	2023	2022
	$	$	$	$
Operating revenues	**—**	4,709	**—**	3,145
Operating expenses	**—**	(2,254)	**—**	(1,483)
Net operating income	**—**	2,455	**—**	1,662
Finance charges	**—**	(1,382)	**—**	(766)
Administrative expenses	**—**	(41)	**—**	(21)
Change in fair value	**2,438**	2,987	**1,828**	1,414
Transaction costs	**—**	(226)	**—**	(161)
Net income	**2,438**	3,793	**1,828**	2,128

6) Mortgages Receivable

	Six-month period ended June 30, 2023		Year ended December 31, 2022	
	$	Weighted average contractual rate	$	Weighted average contractual rate
Balance, beginning of period	**10,000**	4.50 %	—	— %
Mortgages receivable granted	**9,500**	5.21 %	10,000	4.50 %
Balance, end of period	**19,500**	4.85 %	10,000	4.50 %

The second ranking mortgages receivable shall be reimbursed between March 2025 and October 2026 and are subject to certain covenants.

7) Accounts Receivable

	June 30, 2023	December 31, 2022
	$	$
Trade receivables	**9,419**	12,028
Provision for expected credit losses	**(1,751)**	(4,017)
	7,668	8,011
Other receivables and accrued income	**7,815**	9,812
Total	**15,483**	17,823

8) Mortgages Payable

		Six-month period ended June 30, 2023		Year ended December 31, 2022	
	Note	$	Weighted average contractual rate	$	Weighted average contractual rate
Balance, beginning of period		**874,448**	**3.63 %**	2,059,632	3.53 %
Mortgages payable contracted		**270,000**	**6.37 %**	—	— %
Monthly repayments of principal		**(8,674)**	**— %**	(26,762)	— %
Repayments of balances		**(239,983)**	**6.74 %**	(598,162)	3.35 %
Mortgages payable assumed by purchasers	4	**(47,000)**	**3.10 %**	(560,260)	3.39 %
		848,791	**4.67 %**	874,448	3.63 %
Less: Deferred financing costs		**(3,605)**		(2,578)	
Balance, end of period[1]		**845,186**		871,870	

1 As at June 30, 2023, includes $70,053 in mortgages payable related to the investment properties held for sale ($96,439 as at December 31, 2022)

Mortgages payable are secured by immovable hypothecs on investment properties with a book value of $1,491,134. As at June 30, 2023, they bore annual contractual interest rates ranging from 3.10% to 6.37%, representing a weighted average contractual rate of 4.67%, and mature at various dates from September 2024 to December 2031. As at June 30, 2023, the weighted average effective interest rate was 4.80%.

As at June 30, 2023, all mortgages payable were bearing interest at fixed rates, with the exception of a mortgage bearing interest at variable rate based on the Canadian Dollar Offered Rate (CDOR) plus an applicable margin. On June 28, 2023 Cominar entered into a five-year CDOR fixed interest rate swap for a notional amount of $240,000. The effective date of the swap is July 5, 2023 and the period of five years ends on June 26, 2028. Under the terms of this swap, the interest rate is fixed at 6.37%. No fair value remeasurement was recorded for the fixed interest rate swaps for both the three and six-month periods ended June 30, 2023. Cominar has classified this as level 2 in the fair value hierarchy and has designated this as a cash flow hedge of Cominar's interest rate risk from its mortgages payable.

Some of the mortgages payable include restrictive covenants, with which Cominar was in compliance as at both June 30, 2023 and December 31, 2022.

9) Debentures

The following table presents characteristics of outstanding debentures as at June 30, 2023:

	Date of issuance	Contractual interest rate	Effective interest rate	Maturity date	Par value as at June 30, 2023 ($)
Series 11	May 2019	4.50 %	4.82 %	May 2024	**50,787**
Series 12	May 2020	5.95 %	6.24 %	May 2025	**149,131**
		5.58 %	**5.88 %**		**199,918**
Less: Deferred financing costs					**(834)**
Total					**199,084**

On May 23, 2023, Cominar repaid its Series 10 senior unsecured debentures totaling $71,097 and bearing interest at 4.247% using its credit facility and cash on hand.

10) Bank Borrowings

On April 24, 2023, Cominar entered into a credit agreement with a banking syndicate (the "Credit Agreement"). Under the terms of the Credit Agreement, lenders committed to provide Cominar with revolving facilities in an aggregate amount of up to $132,500 (collectively, the “Credit Facilities”) maturing on April 24, 2024 and secured by hypothecs on 3 properties with a book value of $267,666. Revolving Facility A allows Cominar to draw up to an aggregate of $80,000 and Revolving Facility B allows Cominar to draw up to an aggregate of $52,500. The Credit Facilities bear interest at the prime rate plus 70 basis points or at the bankers’ acceptance rate plus 170 basis points. As at June 30, 2023, bank borrowings under the Credit Facilities totaled $125,275 and availability was $7,225. The Credit Agreement limits the amount of distributions that can be made to IRIS and subordinates all of the outstanding units owned by IRIS and includes restrictive covenants, with which Cominar was in compliance as at June 30, 2023.

Cominar previously provided a secured guarantee of the obligations of IRIS, as borrower, under a credit agreement dated March 1, 2022 (as same was subsequently amended and supplemented from time to time) with, among others, Bank of Montreal, as administrative agent and lender (the “IRIS Credit Facility”). The IRIS Credit Facility was fully paid out and terminated on that date using a portion of the Credit Facilities on April 24, 2023.

11) Accounts Payable and Accrued Liabilities

	June 30, 2023 $	December 31, 2022 $
Trade accounts payable	**5,326**	401
Accrued interest payable	**4,291**	6,315
Prepaid rent and tenants’ deposits	**10,949**	11,378
Other accounts payable and accrued expenses	**42,197**	48,062
Commodity taxes and other non-financial liabilities	**2,629**	2,360
Total	**65,392**	68,516

12) Issued and Outstanding Units

	Six-month period ended June 30, 2023		Year ended December 31, 2022	
	Units	$	Units	$
Units issued and outstanding, beginning of period	182,451,027	2,143,800	182,451,026	3,233,486
Special distribution in units net of units consolidation impact	—	—	—	1,300,000
Non-redeemable units issuance to parent company (IRIS)	45,612,757	—	—	—
Parent company (IRIS) subscription under the Arrangement	—	—	182,451,027	2,143,800
Repurchase of units under the Arrangement	—	—	(182,451,026)	(4,533,486)
Units issued and outstanding, end of period	**228,063,784**	**2,143,800**	182,451,027	2,143,800

As at June 30, 2023, there were a total of 228,063,784 units of the REIT issued and outstanding, comprised of 182,451,027 units designated as "Redeemable Units" and 45,612,757 units designated as "Non-Redeemable Units". Non-Redeemable Units and Redeemable Units will at all times be equivalent in all respects, other than the right of redemption which only applies in respect of the Redeemable Units. All units, whether a Non-Redeemable Unit or a Redeemable Unit, represent a unitholder's undivided and proportionate ownership interest in Cominar. Each unit whether a Non-Redeemable Unit or a Redeemable Unit, confers the right to vote at any meeting and to participate equally and rateably in all Cominar distributions.

13) Distributions to the Unitholder

Cominar is governed by a Contract of Trust dated as of March 31, 1998, as amended or amended and restated from time to time. The trustees of the REIT intend to distribute Cominar's distributable income to its sole unitholder, IRIS. Distributable income generally means net income determined in accordance with IFRS, before adjustments to fair value, transaction costs, rental revenue derived from the recognition of leases on a straight-line basis, the provision for leasing costs, gains on the disposition of investment properties and certain other items not affecting cash, if applicable.

14) Operating Revenues

	Quarter			Year-to-date (six months)		
	Office and mixed-used properties	Retail properties	Total of operating revenues	Office and mixed-used properties	Retail properties	Total of operating revenues
Periods ended June 30, 2023	$	$	$	$	$	$
Lease revenues	28,992	32,878	61,870	60,240	67,772	128,012
Contingent rents	—	2,113	2,113	—	3,721	3,721
Parking revenues	2,666	109	2,775	5,337	215	5,552
Revenues from other services [1]	2,753	3,980	6,733	5,546	8,630	14,176
Total	**34,411**	**39,080**	**73,491**	**71,123**	**80,338**	**151,461**

1 Revenues from other services are estimated based on operating costs billable to tenants.

	Quarter				Year-to-date (six months)			
	Office and mixed-used properties	Retail properties	Industrial and flex properties	Total of operating revenues	Office and mixed-used properties	Retail properties	Industrial and flex properties	Total of operating revenues
Periods ended June 30, 2022	$	$	$	$	$	$	$	$
Lease revenues	33,583	34,777	84	68,444	86,307	79,400	25,977	191,684
Contingent rents	—	2,158	—	2,158	—	3,802	—	3,802
Parking revenues	2,573	142	2	2,717	4,687	261	(25)	4,923
Revenues from other services[1]	3,086	3,810	153	7,049	8,154	9,916	1,680	19,750
Total	39,242	40,887	239	80,368	99,148	93,379	27,632	220,159

1 Revenues from other services are estimated based on operating costs billable to tenants.

15) Supplemental Cash Flow Information

Periods ended June 30	Year-to-date (six months) 2023	2022
	$	$
Accounts receivable	**2,340**	4,042
Prepaid expenses and other assets	**(15,512)**	(18,945)
Accounts payable and accrued liabilities	**(1,093)**	(34,098)
Changes in non-cash working capital items	**(14,265)**	(49,001)
Other information		
Accounts payable and accrued liabilities relating to investing activities	**8,463**	955
Accounts receivable relating to investing activities	**1,548**	4,448
Subscription receivable from a parent company	**—**	282,743

16) Related Party Transactions

Since March 1, 2022, Cominar has been a 100% owned subsidiary of IRIS. In connection with their investment in IRIS, certain affiliates of IRIS created a joint venture to provide asset management services to Cominar. This entity is a related party to Cominar by virtue of common joint control.

During the six-month period ended June 30, 2023 Cominar entered into transactions with such entities, then related companies, in the normal course of business, the details of which are as follows:

		Quarter		Year-to-date (six months)	
Periods ended June 30		2023	2022	2023	2022
	Note	$	$	$	$
Parent company (IRIS) subscription under the Arrangement	12	**—**	—	**—**	2,143,800
Reimbursement of the subscription receivable from parent company (IRIS)	12	**—**	1,042,532	**—**	1,348,158
Cash distributions to parent company (IRIS)		**151,782**	745,000	**180,982**	745,000
Asset management fees and expense reimbursements to parent company (IRIS)		**—**	—	**—**	2,613
Asset management fees to a joint venture under common control		**1,501**	1,501	**3,001**	2,001
Professional fees to a company controlled by a member of the Board of Trustees		**675**	150	**1,350**	150

	June 30, 2023	December 31, 2022
	$	$
Accounts payable – joint venture under common control	**500**	500
Accounts payable – company controlled by a member of the Board of Trustees	**225**	225

17) Fair Value

Non-financial assets and their carrying amount and fair value as well as financial liabilities and their carrying amount and fair value, when that fair value does not approximate the carrying amount, are classified as follows:

		June 30, 2023		December 31, 2022	
		Carrying amount	Fair value	Carrying amount	Fair value
	Level	$	$	$	$
Recurring valuations of non-financial assets					
Investment properties	3	**2,197,581**	**2,197,581**	2,354,255	2,354,255
Financial assets					
Mortgages receivable	3	**19,500**	**18,832**	10,000	9,796
Financial liabilities					
Mortgages payable	2	**845,186**	**809,612**	871,870	830,403
Debentures	2	**199,084**	**191,767**	269,916	262,388

18) Financial Instruments

Interest rate risk
Interest rate risk is Cominar’s exposure to increases and decreases in financial instrument values caused by the fluctuation in interest rates. Cominar is exposed to cash flow risk due to the interest rate fluctuation in its floating rate interest-bearing financial obligations. Cominar from time to time may enter into fixed interest rate derivatives to manage its cash flow risk exposure. As at June 30, 2023, Cominar holds a floating-to-fixed interest rate swap in order to hedge a portion of the interest rate cash flow risk associated with floating interest rate debt.

Furthermore, upon refinancing of a borrowing, depending on the availability of funds in the market and lender perception of the Cominar’s risk, the margin that is added to the reference rate, such as CDOR or banker's acceptance rates, could vary and thereby directly influence the interest rate payable by Cominar.

19) Segmented Information

Following the Arrangement, Cominar’s activities consist of the ownership and management of a portfolio composed of two types of properties (office and mixed use properties and retail properties) located in the Province of Québec and in Ottawa, Ontario, each type being now considered as a segment. As such, Cominar revisited its allocation of properties to those two segments in order to reflect the new composition of its portfolio following the Arrangement. As part of this new allocation, properties that were previously classified in industrial and flex properties that were not disposed have been grouped with office and mixed-use properties. The accounting policies followed for each property type are the same as those disclosed in the significant accounting policies in the audited annual financial statements of the Trust.

Quarters ended	Office and mixed-use properties	Retail properties	Industrial and flex properties	Condensed interim consolidated financial statements
June 30, 2023	$	$	$	$
Rental revenue from investment properties	**34,411**	**39,080**	**—**	**73,491**
Net operating income	**16,990**	**18,696**	**—**	**35,686**
Change in fair value of investment properties	**(7,209)**	**(12,993)**	**—**	**(20,202)**
June 30, 2022	$	$	$	$
Rental revenue from investment properties	39,249	40,886	233	80,368
Net operating income	20,683	18,628	—	39,311
Change in fair value of investment properties	(1,887)	4,460	99	2,672

Six-month periods ended	Office and mixed-use properties	Retail properties	Industrial and flex properties	Condensed interim consolidated financial statements
June 30, 2023	$	$	$	$
Rental revenue from investment properties	**71,123**	**80,338**	**—**	**151,461**
Net operating income	**33,539**	**37,280**	**—**	**70,819**
Change in fair value of investment properties	**(17,270)**	**(9,479)**	**—**	**(26,749)**
June 30, 2022	$	$	$	$
Rental revenue from investment properties	99,155	93,378	27,626	220,159
Net operating income	47,939	40,135	16,236	104,310
Change in fair value of investment properties	71,206	2,471	327	74,004

	Office and mixed-use properties	Retail properties	Condensed interim consolidated financial statements
June 30, 2023	$	$	$
Income properties	**925,934**	**1,007,052**	**1,932,986**
Investment properties held for sale	**87,901**	**123,525**	**211,426**
December 31, 2022	$	$	$
Income properties	934,000	1,054,690	1,988,690
Investment properties held for sale	264,000	48,865	312,865

20) Subsequent Events

On July 7, 2023, Cominar completed the sale of a retail property held for sale located in Montréal for $38,577.

On August 1, 2023, Cominar completed the sale of a retail property held for sale located in Québec City for $6,871.

Cominar