Interim Report

Quarter ended September 30, 2021
Unaudited

Cominar

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Interim Management's Discussion and Analysis

The following Interim Management's Discussion and Analysis ("MD&A") is provided to enable the reader to assess the results of operations of Cominar Real Estate Investment Trust ("Cominar," the "Trust" or the "REIT") for the quarter ended September 30, 2021, in comparison with the corresponding quarter of 2020, as well as its financial position as at that date and its outlook. Dated November 2, 2021, this interim MD&A reflects all significant information available as of that date and should be read in conjunction with the condensed interim consolidated financial statements and accompanying notes included in this report, as well as the consolidated financial statements, accompanying notes and MD&A appearing in Cominar's most recent Annual Report.

Unless otherwise indicated, all amounts are in thousands of Canadian dollars, except for per unit and per square-foot amounts, and are based on the condensed interim consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

Basis of presentation

Certain financial information in this Interim MD&A present the consolidated balance sheets and interim consolidated statements of comprehensive income, including Cominar's proportionate share in the assets, liabilities, revenues and charges of its joint ventures, hereinafter referred to as "Cominar's proportionate share," which are non-IFRS measures. Management believes that presenting the operating and financial results of Cominar, including its proportionate share in the assets, liabilities, revenues and charges of its joint ventures, provides more useful information to current and prospective investors to assist them in understanding Cominar's financial performance. Readers are referred to the section Reconciliations to Cominar's Proportionate Share for a complete reconciliation of Cominar's condensed interim consolidated financial statements prepared in accordance with IFRS to the financial information including its proportionate share in the assets, liabilities, revenues and charges of its joint ventures presented in this Interim MD&A.

Additional information on Cominar, including its 2020 Annual Information Form, is available on Cominar's website at www.cominar.com and on the Canadian Securities Administrators' ("CSA") website at www.sedar.com.

The Board of Trustees, under the recommendation of the Audit Committee, approved the contents of this Interim MD&A on November 2, 2021.

Message to Unitholders

Dear unitholders,

As these lines are published, we have just announced that we have entered into an agreement with a Canderel-led consortium set to acquire Cominar. This transaction will shortly be submitted to our unitholders for approval. You will receive more information on this agreement in the management information circular to be issued in the coming weeks, including an independent valuation provided by Desjardins Capital Markets, and you will be invited to a special meeting of unitholders scheduled for December 21, 2021. Preliminary information is available on our website in our October 24 press release.

As mentioned in the press release, this agreement follows an extensive strategic review process in consultation with three financial groups who have confirmed that the consideration to be received by unitholders under the transaction is fair. The offer represents a 16.3% premium to the 20-day volume-weighted average price per unit and provides unitholders with full and fair value, certainty and liquidity.

Over the last few years, the Cominar team has worked hard to formulate a bold plan to develop its assets and create more value in the communities where Cominar operates. The transaction involves real estate companies with deep Québec ties and is an excellent opportunity to advance Cominar's goals in our communities.

Until this agreement is confirmed and the transaction is closed, the Cominar team remains committed to our unitholders and will continue to make every effort to serve our clients and drive Cominar's financial success. The results of our third quarter show that we are keeping up our positive momentum following a year full of pitfalls due to the impact of the pandemic on our portfolio and our operations.

Our same property net operating income has grown by 6.2% in the third quarter and 6.9% for the six-month period ended September 30, 2021, compared to the same periods last year. In addition, the increase in net rent for expiring and renewed leases in 2021 is 9.5% in total and positive in all three asset classes.

The market fundamentals for the industrial sector remain strong, giving us exceptional results across all operational and financial parameters. The same property net operating income in our industrial portfolio increased by 10.5%, while growth of net rent for new leases was 28.1%, both up slightly from the previous quarter. The committed occupancy rate is 97.3%, which continues to put upward pressure on rents due to the lack of space in the market combined with the strong demand for them.

In the office sector, employers are still pushing back their return to the office, which has been impacting our results for this asset class, due largely to lower parking revenues. We have experienced a reduction in same property net operating income of 5.3% in the third quarter and 2.9% for the period ended September 30, compared to the same periods last year. However, we are continuing to increase the net rent of renewed leases, which grew by 8.3% in the third quarter. Though many are discussing various models for office space use, we believe there is a consensus regarding its relevance for the future. In fact, 95% of our leases expiring in 2021 are covered by renewals or new leases.

On the retail side, 97% of our leases expiring in 2021 are covered by renewals or new leases. We continue to announce new openings that contribute to our strategy of diversifying uses and reducing our exposure to riskier and underperforming sectors.

On the financial front, our FFO per unit is $0.29, $0.02 greater than forecast by financial analysts. At the end of the quarter, we had $341 million of liquidity, coupled with potential liquidity from our $1.7 billion portfolio of unencumbered assets.

On the human front, we are focusing our efforts on communicating with our employees following the announcement on October 24. We believe that Cominar is a treasure trove of talent and expertise and that the acquirers of Cominar's portfolio will want to benefit from their experience and familiarity with the portfolio. All the parties are working together to ensure employment continuity in the context of this transaction.

As mentioned earlier, this is a new step for Cominar. You will soon be given more information on the benefits of this agreement. In the meantime, our teams continue to work on a daily basis to deliver the expected results on the operational, financial and human levels. You can continue to count on our commitment.

René Tremblay
Chairman of the Board of Trustees

Sylvain Cossette
President and Chief Executive Officer

November 2, 2021

Highlights

Quarter ended September 30, 2021

Financial Highlights

FFO[1,2] per unit	**$0.28**
Growth in same property net operating income[1,2] Nine-month period ended September 30, 2021 : 6.9%	**6.2%**
Growth in the average net rent of renewed leases Nine-month period ended September 30, 2021 : 7.0%	**9.5%**
Committed occupancy rate	**93.7%**
In-place occupancy rate	**91.4%**
Rent collection[3]	**97.1%**
Debt ratio[1,2]	**55.1%**
AFFO[1] payout ratio[2] Nine-month period ended September 30, 2021 : 48.2%	**47.4%**

1 Refer to section "Non-IFRS Financial Measures".
2 Includes estimated financial impact of COVID-19.
3 Including amounts to be collected from government agencies.

Office

Reduction in same property net operating income [1] [2]	**(5.3)%**
Nine-month period ended September 30, 2021 : (2.9)%	
Growth in the average net rent of renewed leases	**8.3%**
Nine-month period ended September 30, 2021 : 4.5%	
Committed occupancy rate	**90.3%**
In-place occupancy rate	**88.2%**

Retail

Growth in same property net operating income [1] [2]	**19.6%**
Nine-month period ended September 30, 2021 : 18.1%	
Reduction in the average net rent of renewed leases	**(1.4)%**
Nine-month period ended September 30, 2021 : (2.1)%	
Committed occupancy rate	**91.5%**
In-place occupancy rate	**86.6%**

Industrial and flex

Growth in same property net operating income [1] [2]	**10.5%**
Nine-month period ended September 30, 2021 : 10.1%	
Growth in the average net rent of renewed leases	**28.1%**
Nine-month period ended September 30, 2021 : 21.2%	
Committed occupancy rate	**97.3%**
In-place occupancy rate	**96.6%**

[1] Refer to section "Non-IFRS Financial Measures".
[2] Includes estimated financial impact of COVID-19.

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.

Caution Regarding Forward-Looking Statements

From time to time, we make written or oral forward-looking statements within the meaning of applicable Canadian securities legislation. We may make such statements in this document and in other reports filed with Canadian regulators, in reports to unitholders or in other communications.This information includes, but is not limited to, statements made in the COVID 19 – Impacts analysis and risks, Results of Operations – Same Property Office Portfolio, Retail Properties Under Construction and Development Projects, Real Estate Operations – Retail, Real Estate Operations – Office, Industrial and Flex Financial and Operational Highlights, Results of Operations – Same Property Industrial and Flex Portfolio sections of this MD&A and other statements concerning Cominar’s objectives, its strategies to achieve those objectives, as well as statements with respect to management’s beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts including as regards the expected date of closing of the Transaction. By their nature, forward-looking statements involve risks, uncertainties and assumptions. Such forward-looking statements reflect our intentions, plans, expectations and opinions regarding our future growth, operating results, performance and business prospects and opportunities. Forward-looking statements are often identified by words and expressions such as "plans," "expects," "is expected," "budgeted," "scheduled," "estimated," "seeks," "aims," "forecasts," "intends," "anticipates," "believes," or by statements that certain actions, events or results "may," "could," "would," "might" or "will" be taken, occur, or be achieved, and other variants and similar expressions, as well as the negative and conjugated forms, as they relate to Cominar.

Cominar is subject to risks and uncertainties which may cause actual results of the REIT to be materially different from results expressed or implied in these forward looking statements. Assumptions that could cause actual results, performance or achievements to differ materially from those expressed or implied by forward-looking statements, include, but are not limited to, disease and epidemics, access to capital and debt financing, the effects of general economic and business conditions, risks associated with the ownership of the immovable properties, including climate change, industry competition, inflation, currency and interest rate fluctuations, risks associated with future property acquisitions, dispositions or developments, the recruitment and retention of employees and executives, legislative and/or regulatory developments, compliance with environmental laws and regulations, increases in maintenance and operating costs, limits on our activities, general uninsured losses, potential conflicts of interest, security threats and reliance on technology and related cybersecurity risk.

Given the current level of uncertainties arising from the COVID-19 pandemic, there can be no assurance regarding the impact of COVID-19 on the business, operations, and financial performance of Cominar and its tenants, as well as on consumer behaviors and the economy in general. General risks and uncertainties related to the COVID-19 pandemic also include, but are not limited to, the length, spread and severity of the pandemic; the spreading of variants, the timing of the roll out and efficacy of the vaccines, the nature and length of the restrictive measures, implemented or to be implemented by the various levels of government in Canada; Cominar's tenants' ability to pay rents as required under their leases; the availability of various support programs that are or may be offered by the various levels of government in Canada; the introduction or extension of temporary or permanent rent control or other form of regulation or legislation that may limit the Cominar's ability or its extent to raise rents based on market conditions upon lease renewals or restrict existing landlord rights or landlord' ability to reinforce such landlord rights; domestic and global supply chains; the pace of property lease-up and rents and yields achieved upon development completion; potential changes in leasing activities, market rents and property valuations; the capitalization rates that arm's length buyers and sellers are willing to transact on properties; the availability and extent of rent deferrals offered or to be offered by Cominar; domestic and global credit and capital markets, and the Cominar's ability to access capital on favorable terms or at all; the total return and dividend yield of Cominar's Units; and the health and safety of our employees, tenants and people in the communities that our properties serve. For further details on the risks related to COVID-19 and its potential impact on Cominar, refer to the *Risks and Uncertainties - COVID-19 Health Crisis* section of the 2020 annual report. Forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors which may cause our actual results or performance to be materially different from the outlook or any future results or performance implied by such statements.

We caution readers that the foregoing list of factors that may affect future results is not exhaustive. When relying on our forward-looking statements to make decisions with respect to Cominar, investors and others should carefully consider the foregoing factors, as well as other factors and uncertainties. Unless otherwise stated, all forward-looking statements are valid only as at the date of this Interim MD&A. We do not assume any obligation to update the aforementioned forward-looking statements, except as required by applicable laws.

Additional information about these factors can be found in the "Risks and Uncertainties" section of this Interim MD&A, as well as in the "Risk Factors" section of Cominar’s 2020 Annual Information Form.

Non-IFRS Financial Measures

Cominar's condensed interim consolidated financial statements are prepared in accordance with IFRS. However, in this Interim MD&A, we provide guidance and report on certain non-IFRS measures and other performance indicators which management uses to evaluate Cominar’s performance. Because non-IFRS measures do not have standardized meanings and may differ from similar measures presented by other entities, securities regulations require that non-IFRS measures be clearly defined and qualified, reconciled with their closest IFRS measure and given no more prominence than the latter. These measures, as well as the reasons why management believes these measures are useful to investors, are described below. Reconciliation can be found in the section dealing with each of these measures.

Cominar measures the success of its strategy using a number of performance indicators:

Non-IFRS Performance Indicators

- **Cominar’s proportionate share**: Cominar accounts for investments in joint ventures and associates as equity accounted investments in accordance with IFRS. Cominar’s proportionate share is a non-IFRS measure that adjusts Cominar’s financial statements to reflect Cominar’s equity accounted investments and its share of net income (loss) from equity accounted investments on a proportionately consolidated basis at Cominar’s ownership interest of the applicable investment. Cominar believes this measure is important for investors as it is consistent with how Cominar reviews and assesses operating performance of its entire portfolio. Throughout this Interim MD&A, the balances at Cominar’s proportionate share have been reconciled back to relevant IFRS measures;

- **Same property NOI ("SPNOI")**: SPNOI 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. SPNOI includes the results of properties owned by Cominar as at December 31 2019, with the exception of results for properties sold, acquired or 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;

- **Funds from operations ("FFO")**: 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 (loss) (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. It is Cominar’s view that net income does not necessarily provide a complete measure of Cominar’s recurring operating performance since net income includes items such as changes in fair value of investment property which may not be representative of recurring performance. Cominar considers FFO as a key measure of operating performance as it adjusts net income for items that are not recurring including gain (loss) on sale of real estate assets as well as non-cash items such as the fair value adjustments on investment properties and Cominar ties employee incentives to this measure;

- **Adjusted funds from operations ("AFFO")**: 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. Cominar considers AFFO to be a useful measure of recurring economic earnings and considers AFFO in determining the appropriate level of distributions;

- **Debt ratio**: Debt ratio is a non-IFRS measure used by Cominar to assess the financial balance essential to the prudent running of an organization. Debt ratio is calculated by adding mortgages payable, debentures, bank borrowings less cash and cash equivalents divided by the total assets minus cash and cash equivalent. Cominar’s Declaration of Trust limits the indebtedness of Cominar to a maximum of 65% of its total assets;

- **Debt to earnings before interest, income taxes, depreciation and amortization ("EBITDA") ratio**: Debt to EBITDA is a non-IFRS measure widely used in the real estate industry and is used by Cominar to assess Cominar's ability to pay down its debts. Cominar defines EBITDA as net operating income minus adjusted Trust administrative expenses and recognition of lease on a straight-line basis;

- **Interest coverage ratio**: Interest coverage ratio is a non-IFRS measure used by Cominar to assess Cominar's ability to pay interest on its debt from operating revenues and is calculated using net operating income minus adjusted Trust administrative expenses, divided by adjusted finance charges.

Other Performance Indicators

- **Committed occupancy rate**: Committed occupancy is a measure used by Cominar to give an indication of the future economic health of the geographical regions and sectors in which Cominar owns properties by taking the leasable area occupied by clients to which is added the leasable area of the leases signed but which have not already started, divided by the leasable area of our real estate portfolio excluding the areas currently under redevelopment;

- **In-place occupancy rate**: In-place occupancy is a measure used by Cominar to give an indication of the current economic health of the geographical regions and sectors in which Cominar owns properties by taking the leasable area occupied by clients, divided by the leasable area of our real estate portfolio;

- **Retention rate**: Retention rate is a measure used by Cominar to assess client satisfaction and loyalty;

- **Growth in the average net rent on renewed leases**: Growth in the average net rent on renewed leases is a measure used by Cominar to measure organic growth and gives an indication of Cominar's capacity to increase its rental income.

Reconciliation with closest IFRS measure and other relevant information regarding these performance indicators are provided in the appropriate sections of this Interim MD&A.

Financial and Operational Highlights

	Quarter[2]			Year-to-Date (nine months)[3]			
Periods ended September 30	2021	2020		2021	2020		
	$	$	% Δ	$	$	% Δ	Page
Financial performance							
Operating revenues — Financial statements	**161,684**	162,505	(0.5)	**495,683**	495,164	0.1	17
Operating revenues — Cominar's proportionate share [1]	**165,658**	166,711	(0.6)	**507,739**	508,051	(0.1)	17
NOI — Financial statements	**87,453**	80,916	8.1	**259,362**	239,231	8.4	21
NOI — Cominar's proportionate share [1]	**89,647**	83,445	7.4	**266,142**	246,803	7.8	21
Same property NOI [1]	**88,093**	82,915	6.2	**261,478**	244,684	6.9	21
Change in fair value of investment properties	**(506)**	(45)	1,024.4	**(130,136)**	(319,468)	(59.3)	19
Net income (loss)	**50,101**	44,145	13.5	**8,975**	(229,000)	(103.9)	25
Funds from operations (FFO) [1]	**51,232**	45,437	12.8	**148,149**	124,695	18.8	25
Adjusted funds from operations (AFFO) [1]	**35,436**	31,758	11.6	**102,071**	85,656	19.2	25
Cash flows provided by operating activities	**48,351**	30,321	59.5	**156,423**	71,840	117.7	28
Distributions	**16,420**	21,894	(25.0)	**49,262**	87,560	(43.7)	28
Total assets				**6,329,655**	6,559,587	(3.5)	16
Per unit financial performance							
Net income (loss) (basic and diluted)	**0.27**	0.24	12.5	**0.05**	(1.25)	(104.0)	25
Funds from operations (FFO)(FD) [1,4]	**0.28**	0.25	12.0	**0.81**	0.68	19.1	25
Adjusted funds from operations (AFFO)(FD) [1,4]	**0.19**	0.17	11.8	**0.56**	0.47	19.1	25
Distributions	**0.09**	0.12	(25.0)	**0.27**	0.48	(43.8)	28
Payout ratio of adjusted funds from operations (AFFO) (FD) [1,4]	**47.4 %**	70.6 %	(32.9)	**48.2 %**	102.1 %	(52.8)	25
Net asset value per unit				**14.72**	15.57	(5.5)	
Financing							
Debt ratio [1,5]				**55.1 %**	54.4 %		32
Debt/EBITDA ratio [1]				**10.5 x**	11.4 x		32
Interest coverage ratio [1,6]				**2.49:1**	2.28:1		33
Weighted average interest rate on total debt				**3.77 %**	3.80 %		29
Residual weighted average term of total debt (years)				**3.1**	4.1		29
Unsecured debt-to-total-debt ratio [7]				**30.6 %**	33.0 %		33
Secured debt to gross book value [8]				**38.3 %**	35.1 %		
Unencumbered income properties				**1,728,051**	2,004,519		33
Unencumbered assets to unsecured net debt ratio [9]				**1.64:1**	1.71:1		33
Operational data							
Number of investment properties				**310**	314		34
Leasable area (in thousands of sq. ft.)				**35,736**	35,821		34
Committed occupancy rate				**93.7 %**	93.8 %		36
In-place occupancy rate				**91.4 %**	91.3 %		36
Retention rate				**69.2 %**	65.1 %		36
Growth in the average net rent of renewed leases				**7.0 %**	8.8 %		36
Development activities							
Properties under development — Cominar's proportionate share [1]				**63,383**	53,537		16

1 *Refer to section "Non-IFRS Financial Measures".*
2 *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).*
3 *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).*
4 *Fully diluted.*
5 *Total of bank borrowings, mortgages payable and debentures, less cash and cash equivalents, divided by the total assets minus the total of cash and cash equivalents.*
6 *Net operating income less adjusted Trust administrative expenses divided by finance charges.*
7 *Unsecured debt divided by total debt.*
8 *Total secured bank borrowings and mortgages payable, divided by total assets.*
9 *Fair value of unencumbered income properties divided by the unsecured net debt.*

Selected Quarterly Information

Quarters ended	Sept. 2021 [2] $	Jun. 2021[3] $	Mar. 2021 [4] $	Dec. 2020 [5] $	Sept. 2020 [6] $	Jun. 2020 [7] $	Mar. 2020 [8] $	Dec. 2019 [9] $
Financial performance								
Operating revenues — Financial statements	**161,684**	164,278	169,721	166,156	162,505	160,550	173,885	173,931
Operating revenues — Cominar's proportionate share [1]	**165,658**	168,325	173,756	170,675	166,711	164,829	178,287	178,161
NOI — Financial statements	**87,453**	85,438	86,471	87,956	80,916	72,590	85,725	91,216
NOI — Cominar's proportionate share [1]	**89,647**	87,710	88,785	90,413	83,445	75,077	88,281	93,695
Change in fair value of investment properties	**(506)**	(129,565)	(65)	(150,295)	(45)	(320,631)	1,208	270,964
Net income (loss)	**50,101**	(91,390)	50,264	(100,277)	44,145	(318,119)	44,974	319,265
FFO [1]	**51,232**	45,406	51,511	50,943	45,437	34,217	45,041	49,165
AFFO [1]	**35,436**	29,581	37,054	44,268	31,758	21,117	32,781	35,622
Cash flows provided by operating activities	**48,351**	29,117	78,955	92,626	30,321	25,076	16,443	79,712
Distributions	**16,420**	16,421	16,421	16,420	21,894	32,840	32,827	32,773
Per unit financial performance								
Net income (loss) (basic)	**0.27**	(0.50)	0.28	(0.55)	0.24	(1.74)	0.25	1.75
Net income (loss) (diluted)	**0.27**	(0.50)	0.27	(0.55)	0.24	(1.74)	0.25	1.75
FFO (FD) [1,10]	**0.28**	0.25	0.28	0.28	0.25	0.19	0.25	0.27
AFFO (FD) [1,10]	**0.19**	0.16	0.20	0.24	0.17	0.12	0.18	0.20
Distributions	**0.09**	0.09	0.09	0.09	0.12	0.18	0.18	0.18

1 Refer to "Non-IFRS Financial Measures."
2 Includes the estimated financial impact of COVID-19 and, $1.1 million of strategic alternatives consulting fees.
3 Includes the estimated financial impact of COVID-19 and, $2.5 million of strategic alternatives consulting fees.
4 Includes the estimated financial impact of COVID-19, $1.4 million of strategic alternatives consulting fees and $2.7 million distribution received in respect of a claim settlement regarding Sears Canada.
5 Includes the estimated financial impact of COVID-19 and $1.7 million of strategic alternatives consulting fees.
6 Includes the estimated financial impact of COVID-19 and $0.3 million of strategic alternatives consulting fees.
7 Includes the estimated financial impact of COVID-19 and $2.5 million of yield maintenance fees paid in connection with the Series 4 debenture redemption.
8 Includes $4.6 million of penalties paid on mortgage repayments before maturity.
9 Includes $5.2 million of penalties paid on mortgage repayments before maturity.
10 Fully diluted.

General Business Overview

Cominar Real Estate Investment Trust is one of the largest property owners and managers in the Province of Quebec. As at September 30, 2021, Cominar owned a diversified portfolio of 310 properties, composed of office, retail and industrial and flex buildings, of which 193 were located in the Montreal area, 97 in the Quebec City area and 20 in the Ottawa area. Cominar's portfolio consisted of approximately 11.1 million square feet of office space, 9.4 million square feet of retail space and 15.3 million square feet of industrial and flex space, representing a total leasable area of 35.7 million square feet.

Cominar's focus is on growing NOI, net asset value and exploiting, when economically viable, expansion or redevelopment opportunities that provide attractive risk adjusted returns. Growth in cash flows from existing properties in the portfolio is expected to be achieved by: (i) increases in rental rates on existing and new leases; (ii) improved occupancy and retention rates, as well as proactive leasing strategies centered on value; (iii) sound management of operating costs; and (iv) disciplined allocation of capital and rigorous control of capital expenditures.

Cominar's 2020 and 2021 financial performance has been negatively impacted by the ongoing COVID-19 pandemic.

Real Estate Portfolio Summary as at September 30, 2021

Our properties are primarily in urban and populous areas, located along or in proximity of major traffic arteries, in proximity to existing and/or future transit infrastructure and generally benefit from high visibility while providing ease of access for Cominar's clients and their customers.

Property type	Number of properties	Leasable area (sq. ft.)	Committed occupancy rate	In-place occupancy rate	SPNOI % quarter ended September 30, 2021
Office	79	11,075,000	90.3 %	88.2 %	38.4 %
Retail	41	9,409,000	91.5 %	86.6 %	31.5 %
Industrial and flex	190	15,252,000	97.3 %	96.6 %	30.1 %
Total	**310**	**35,736,000**	**93.7 %**	**91.4 %**	**100.0 %**

Geographic market	Number of properties	Leasable area (sq. ft.)	Committed occupancy rate	In-place occupancy rate	SPNOI % quarter ended September 30, 2021
Montreal	193	23,493,000	93.5 %	91.4 %	64.2 %
Quebec City	97	9,702,000	94.9 %	92.5 %	29.6 %
Ottawa	20	2,541,000	89.6 %	86.4 %	6.2 %
Total	**310**	**35,736,000**	**93.7 %**	**91.4 %**	**100.0 %**

Our Objectives and Strategy

Objectives

Cominar’s primary objective is to maximize total return to unitholders through a combination of sustainable, tax-effective cash distributions and maximizing the Unit value through the proactive management of its portfolio of properties.

Our Strategy

In 2019, we completed a detailed strategic review of our operations and began the implementation of a clearly defined plan, presented to investors in October 2019, to solidify Cominar’s financial position, create value for unitholders and position the REIT for growth. Cominar was progressing well prior to the COVID-19 pandemic. The COVID-19 pandemic has had an adverse impact on the REIT's results and operations and on the implementation of our strategic plan.

Our 2019 strategic plan includes:

- A series of concrete actions to add additional revenue streams, reduce operating costs and streamline G&A. Initiatives include new sources of revenue, workforce optimization, outsourcing arrangements, operating cost reductions, process automation and leveraging technology among others.
- Creation of a dedicated asset management platform to maximize portfolio returns and enhance the investment decision making process. Our asset management team is in place and we have completed a thorough review of the majority of our portfolio.
- A focus on strengthening and de-risking our balance sheet and a commitment to prudent management of our capital structure including strategic refinancing and multi-year planning.
- A responsible approach to CAPEX aimed at creating value and maximizing free cash flow.
- Targeted dispositions as market conditions permit, including the reduction of our exposure to lower-quality, non-core assets, and the disposition of fully valued liquid assets to provide price discovery and unlock trapped equity value. Our asset strategy also includes the exploration of joint venture opportunities.

On September 15, 2020, we announced the initiation of a formal strategic review process to identify, review and evaluate a broad range of potential strategic alternatives with a view to continuing to enhance unitholder value. The strategic review process is overseen by a special committee of independent trustees designated by the Board, comprised of Luc Bachand, who acts as Chair of the committee, Mitchell Cohen, Karen Laflamme and René Tremblay. Zachary George and Paul Campbell were initially designated to be members of the committee. They however recused themselves respectively on September 23, 2020 and January 14, 2021 in light of the potential for actual or perceived conflicts of interest. René Tremblay was appointed member of the committee on December 7, 2020 to fill the vacancy created by Mr. George’s departure.

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.

Overview of the Third Quarter of 2021

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

Same Property NOI[1] ("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.

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.

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.

FFO[1]: FFO for the quarter ended September 30, 2021 amounted to $51.2 million or $0.28 per unit compared to $45.4 million or $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).

AFFO[1]: 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 payout ratio**[1] for the third quarter of 2021 was 47.4%, down from 70.6% in last year comparable quarter, as a consequence of the increase in AFFO combined with the decrease in distributions effective since August 2020.

Balance Sheet: As at September 30, 2021, Cominar's debt ratio was 55.1%, down from 55.3% at year-end 2020. The debt to EBITDA[1] ratio at the end of the third quarter of 2021 decreased to 10.5x, from 11.3x as at December 31, 2020. As at September 30, 2021 our unencumbered asset pool totaled $1.7 billion and our unencumbered asset ratio was 1.64x, down from 1.76x at year-end 2020.

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.

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. Average net rent on 2.7 million square feet of lease renewals for the nine-month period ended September 30, 2021 increased by 7.0% (21.2% for the industrial and flex portfolio, 4.5% for the office portfolio and (2.1)% for the retail portfolio) and average net rent on 3.7 million square feet of lease renewals for 2021 increased by 8.3% (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.

1 Refer to section "Non-IFRS Financial Measures".

COVID-19 - Impacts Analysis and Risks

In mid-March 2020 the Government of Quebec declared a provincial public health emergency and put in place during 2020 and 2021 numerous stringent measures to protect Quebecers and to slow the spread of the COVID-19 virus. These measures included among others closure of shopping malls and non-essential businesses. In the office segment, a significant number of our office tenants migrated to teleworking as requested by government authorities.

The REIT continues to act according to direction provided by the Federal, Provincial and Municipal governments to control the spread of COVID-19. The REIT continues to closely monitor business operations and may take further actions in response to directives of government and public health authorities or that are in the best interests of employees, tenants, suppliers or other stakeholders, as necessary. The COVID-19 pandemic has had and continues to have an adverse impact on the REIT's financial results and operations.

These and any additional changes in operations in response to COVID-19 have and could continue to materially impact the financial results and operations of the REIT and may affect tenants' ability or willingness to pay rent in full or at all, the REIT's ability to collect rent due by its tenants, consumer demand for tenants' products or services, temporary or long-term delays of development projects, temporary or long-term labor shortages or disruptions, temporary or long-term impacts on supply chains, increased risks to information technology systems and networks and the REIT's ability to access capital on acceptable terms or at all. Uncertain economic conditions resulting from the COVID-19 pandemic may, in the short or long term, materially adversely impact financial results and operations of the REIT.

The REIT continues to work with its tenants who are under financial pressure to find solutions on a case-by-case basis. The dynamic nature of the situation, which continues to evolve day-to-day, makes the longer-term financial impacts on the REIT difficult to predict.

Readers will find detailed information on COVID-19 impact analysis in the relevant sections of this interim MD&A.

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%.

The following table highlights expected credit losses for the periods ended September 30, 2021 and 2020:

	Quarter		Year-to-date (nine months)	
Periods ended September 30	2021	2020	2021	2020
	$	$	$	$
Expected credit losses on trade receivables	**528**	3,403	**5,976**	11,977
Expected credit losses - forgiven portion of the CECRA programs	**—**	1,771	**—**	4,787
Expected credit losses - prior quarter provisions reversal	**(1,919)**	—	**—**	—
Expected credit losses - prior year provisions reversal	**(533)**	—	**(6,555)**	—
Expected credit losses - conversion of provisions to rent reductions	**(675)**	—	**(2,623)**	—
Expected credit losses - rent reductions	**1,666**	2,842	**5,844**	11,243
Total expected credit losses	**(933)**	8,016	**2,642**	28,007
Percentage of operating revenues	**(0.6)%**	4.9 %	**0.5 %**	5.7 %

The third quarter of 2021 was favorably impacted 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 provisions in the amount of $1.9 million. During the third quarter of 2021, Cominar also recorded $1.7 million of rent reductions, of which $0.7 million was previously included in the expected credit losses provision.

Reconciliations to Cominar's Proportionate Share

In accordance with IFRS 11, joint ventures are accounted for under the equity method in Cominar's condensed interim consolidated financial statements. Cominar considers that presenting operating and financial results including Cominar's proportionate share of the assets, liabilities, revenues and charges of its joint ventures, provides more complete information on Cominar's financial performance.

The following tables present reconciliations of Cominar's condensed interim consolidated financial statements prepared in accordance with IFRS with its condensed interim consolidated financial statements including its proportionate share of the assets, liabilities, revenues and charges of its joint ventures.

	September 30, 2021			December 31, 2020		
	Condensed interim consolidated financial statements	Joint ventures	Cominar's proportionate share[1]	Consolidated financial statements	Joint ventures	Cominar's proportionate share[1]
	$	$	$	$	$	$
Assets						
Investment properties						
Income properties	**5,989,341**	**161,047**	**6,150,388**	6,077,025	161,885	6,238,910
Properties under development	**56,276**	**7,107**	**63,383**	26,315	10,850	37,165
Land held for future development	**48,010**	**6,129**	**54,139**	87,910	8,029	95,939
	6,093,627	**174,283**	**6,267,910**	6,191,250	180,764	6,372,014
Investment properties held for sale	**40,647**	**—**	**40,647**	20,990	—	20,990
Investments in joint ventures	**91,032**	**(91,032)**	**—**	97,497	(97,497)	—
Accounts receivable	**43,072**	**163**	**43,235**	51,816	1,529	53,345
Prepaid expenses and other assets	**46,015**	**238**	**46,253**	19,132	75	19,207
Cash and cash equivalents	**15,262**	**882**	**16,144**	13,594	1,204	14,798
Total assets	**6,329,655**	**84,534**	**6,414,189**	6,394,279	86,075	6,480,354
Liabilities						
Mortgages payable	**2,063,891**	**78,425**	**2,142,316**	2,105,906	80,499	2,186,405
Debentures	**1,071,568**	**—**	**1,071,568**	1,070,491	—	1,070,491
Bank borrowings	**361,711**	**4,100**	**365,811**	366,958	4,100	371,058
Accounts payable and accrued liabilities	**140,642**	**2,009**	**142,651**	126,443	1,476	127,919
Distributions payable to unitholders	**5,472**	**—**	**5,472**	—	—	—
Total liabilities	**3,643,284**	**84,534**	**3,727,818**	3,669,798	86,075	3,755,873
Unitholders' equity						
Unitholders' equity	**2,686,371**	**—**	**2,686,371**	2,724,481	—	2,724,481
Total liabilities and unitholders' equity	**6,329,655**	**84,534**	**6,414,189**	6,394,279	86,075	6,480,354

1 *Refer to section "Non-IFRS Financial Measures".*

Quarters ended September 30	2021 [1]			2020 [1]		
	Condensed interim consolidated financial statements	Joint ventures	Cominar's proportionate share[2]	Condensed interim consolidated financial statements	Joint ventures	Cominar's proportionate share[2]
	$	$	$	$	$	$
Operating revenues	**161,684**	**3,974**	**165,658**	162,505	4,206	166,711
Operating expenses	**(74,231)**	**(1,780)**	**(76,011)**	(81,589)	(1,677)	(83,266)
NOI	**87,453**	**2,194**	**89,647**	80,916	2,529	83,445
Finance charges	**(33,358)**	**(936)**	**(34,294)**	(33,575)	(937)	(34,512)
Trust administrative expenses	**(4,617)**	**(2)**	**(4,619)**	(4,579)	(4)	(4,583)
Change in fair value of investment properties	**(506)**	**—**	**(506)**	(45)	—	(45)
Share of joint ventures’ net income	**1,256**	**(1,256)**	**—**	1,588	(1,588)	—
Transaction costs	**(127)**	**—**	**(127)**	(161)	—	(161)
Impairment of goodwill	**—**	**—**	**—**	—	—	—
Net income before income taxes	**50,101**	**—**	**50,101**	44,144	—	44,144
Current income taxes	**—**	**—**	**—**	1	—	1
Net income and comprehensive income	**50,101**	**—**	**50,101**	44,145	—	44,145

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 Refer to section "Non-IFRS Financial Measures".

Nine-month periods ended September 30	2021 [1]			2020 [1]		
	Condensed interim consolidated financial statements	Joint ventures	Cominar's proportionate share [2]	Condensed interim consolidated financial statements	Joint ventures	Cominar's proportionate share [2]
	$	$	$	$	$	$
Operating revenues	**495,683**	**12,056**	**507,739**	495,164	12,887	508,051
Operating expenses	**(236,321)**	**(5,276)**	**(241,597)**	(255,933)	(5,315)	(261,248)
NOI	**259,362**	**6,780**	**266,142**	239,231	7,572	246,803
Finance charges	**(99,577)**	**(2,795)**	**(102,372)**	(109,739)	(2,868)	(112,607)
Trust administrative expenses	**(17,470)**	**(35)**	**(17,505)**	(12,761)	(11)	(12,772)
Change in fair value of investment properties	**(130,136)**	**(6,817)**	**(136,953)**	(319,468)	(10,003)	(329,471)
Share of joint ventures’ net loss	**(2,867)**	**2,867**	**—**	(5,310)	5,310	—
Transaction costs	**(337)**	**—**	**(337)**	(5,298)	—	(5,298)
Impairment of goodwill	**—**	**—**	**—**	(15,721)	—	(15,721)
Net income (loss) before income taxes	**8,975**	**—**	**8,975**	(229,066)	—	(229,066)
Current income taxes	**—**	**—**	**—**	66	—	66
Net income (loss) and comprehensive income	**8,975**	**—**	**8,975**	(229,000)	—	(229,000)

1 Nine-month period ended September 30, 2021 includes the estimated financial impact of COVID-19, $5.0 million of strategic alternatives consulting fees and a $2.7 million distribution received in respect of a claim settlement regarding Sears Canada (nine-month period ended September 30, 2020 includes the estimated financial impact of COVID-19, $0.3 million of strategic alternatives consulting fees, $2.5 million of yield maintenance fees paid in connection with the Series 4 debenture redemption and $4.6 million of penalties paid on mortgage repayments before maturity).
2 Refer to section "Non-IFRS Financial Measures".

Performance Analysis

Financial Position

The following table indicates the changes in assets and liabilities as well as in unitholders' equity between September 30, 2021, and December 31, 2020, as shown in our condensed interim consolidated financial statements:

	September 30, 2021 $	December 31, 2020 $	$ Δ	% Δ
Assets				
Investment properties				
Income properties	**5,989,341**	6,077,025	(87,684)	(1.4)
Properties under development	**56,276**	26,315	29,961	113.9
Land held for future development	**48,010**	87,910	(39,900)	(45.4)
	6,093,627	6,191,250	(97,623)	(1.6)
Investment properties held for sale	**40,647**	20,990	19,657	93.6
Investments in joint ventures	**91,032**	97,497	(6,465)	(6.6)
Accounts receivable	**43,072**	51,816	(8,744)	(16.9)
Prepaid expenses and other assets	**46,015**	19,132	26,883	140.5
Cash and cash equivalents	**15,262**	13,594	1,668	12.3
Total assets	**6,329,655**	6,394,279	(64,624)	(1.0)
Liabilities				
Mortgages payable	**2,063,891**	2,105,906	(42,015)	(2.0)
Debentures	**1,071,568**	1,070,491	1,077	0.1
Bank borrowings	**361,711**	366,958	(5,247)	(1.4)
Accounts payable and accrued liabilities	**140,642**	126,443	14,199	11.2
Distributions payable to unitholders	**5,472**	—	5,472	100.0
Total liabilities	**3,643,284**	3,669,798	(26,514)	(0.7)
Unitholders' equity				
Unitholders' equity	**2,686,371**	2,724,481	(38,110)	(1.4)
Total liabilities and unitholders' equity	**6,329,655**	6,394,279	(64,624)	(1.0)

Results of Operations

The following table highlights our results of operations for the periods ended September 30, 2021 and 2020, as shown in our condensed interim consolidated financial statements:

	Quarter [1]			Year-to-date (nine months)[2]		
Periods ended September 30	2021	2020		2021	2020	
	$	$	% Δ	$	$	% Δ
Operating revenues	**161,684**	162,505	(0.5)	**495,683**	495,164	0.1
Operating expenses	**(74,231)**	(81,589)	(9.0)	**(236,321)**	(255,933)	(7.7)
NOI	**87,453**	80,916	8.1	**259,362**	239,231	8.4
Finance charges	**(33,358)**	(33,575)	(0.6)	**(99,577)**	(109,739)	(9.3)
Trust administrative expenses	**(4,617)**	(4,579)	0.8	**(17,470)**	(12,761)	36.9
Change in fair value of investment properties	**(506)**	(45)	1,024.4	**(130,136)**	(319,468)	(59.3)
Share of joint ventures' net income (loss)	**1,256**	1,588	(20.9)	**(2,867)**	(5,310)	(46.0)
Transaction costs	**(127)**	(161)	(21.1)	**(337)**	(5,298)	(93.6)
Impairment of goodwill	**—**	—	—	**—**	(15,721)	100.0
Net income (loss) before income taxes	**50,101**	44,144	13.5	**8,975**	(229,066)	(103.9)
Current income taxes	**—**	1	(100.0)	**—**	66	(100.0)
Net income (loss) and comprehensive income (loss)	**50,101**	44,145	13.5	**8,975**	(229,000)	(103.9)

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).*

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.

The following tables highlights our results of operations for the periods ended September 30, 2021 by property type:

Quarter ended September 30, 2021	Office Properties [1] $	Retail Properties [1] $	Industrial and flex properties [1] $	Corporate [1] $	TOTAL $
Operating revenues	64,654	56,210	40,820	—	**161,684**
Operating expenses	(31,601)	(28,613)	(14,017)	—	**(74,231)**
NOI	33,053	27,597	26,803	—	**87,453**
Finance charges	(9,639)	(7,004)	(3,016)	(13,699)	**(33,358)**
Trust administrative expenses	(636)	(846)	(381)	(2,754)	**(4,617)**
Change of fair value of investment properties	(506)	—	—	—	**(506)**
Share of joint ventures' net income	1,254	2	—	—	**1,256**
Transaction costs	(21)	—	(106)	—	**(127)**
Net income (loss) and comprehensive income (loss)	**23,505**	**19,749**	**23,300**	**(16,453)**	**50,101**

1 Operating revenues and expenses are directly attributable to a property. Finance charges related to mortgages have been allocated to the related properties and the balance is allocated to Corporate. Trust administrative expenses related to leasing salaries have been allocated to the related property type and the balance is allocated to Corporate. Change in fair value of investment properties, share of joint ventures' net income and transaction costs are all allocated to the related property in each property type.

Nine-month period ended September 30, 2021	Office Properties [1] $	Retail Properties [1] $	Industrial and flex properties [1] $	Corporate [1] $	TOTAL $
Operating revenues	194,462	178,535	122,686	—	**495,683**
Operating expenses	(97,109)	(94,316)	(44,896)	—	**(236,321)**
NOI	97,353	84,219	77,790	—	**259,362**
Finance charges	(23,631)	(20,968)	(11,782)	(43,196)	**(99,577)**
Trust administrative expenses	(1,865)	(2,481)	(1,119)	(12,005)	**(17,470)**
Change in fair value of investment properties	(81,789)	(276,247)	227,900	—	**(130,136)**
Share of joint ventures' net loss	(472)	(2,395)	—	—	**(2,867)**
Transaction costs	(197)	(30)	(110)	—	**(337)**
Net income (loss) and comprehensive income (loss)	**(10,601)**	**(217,902)**	**292,679**	**(55,201)**	**8,975**

1 Operating revenues and expenses are directly attributable to a property. Finance charges related to mortgages have been allocated to the related properties and the balance is allocated to Corporate. Trust administrative expenses related to leasing salaries have been allocated to the related property type and the balance is allocated to Corporate. Change in fair value of investment properties, share of joint ventures' net loss and transaction costs are all allocated to the related property in each property type.

Net Operating Income

NOI is a measure presented in the statement of comprehensive income in Cominar's condensed interim financial statements, which is calculated as operating revenues less property operating expenses such as utilities, repairs and maintenance and realty taxes. NOI does not include finance charges or other expenses not specific to the day-to-day operation of Cominar's properties. Cominar considers NOI to be a valuable measure for evaluating the operating performance of its properties.

Cominar analyzes its segmented results of operations taking into account the proportionate share of its joint ventures to assess the operating performance of its investment properties.

	Quarter			Year-to-date (nine months)		
Periods ended September 30	2021 [1]	2020 [1]		2021 [1]	2020 [1]	
	$	$	% Δ	$	$	% Δ
NOI — Financial statements	**87,453**	80,916	8.1	**259,362**	239,231	8.4
NOI — Joint ventures	**2,194**	2,529	(13.2)	**6,780**	7,572	(10.5)
NOI — Cominar's proportionate share [2]	**89,647**	83,445	7.4	**266,142**	246,803	7.8

1 *The quarters and nine-month periods ended September 30, 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks".*
2 *Refer to section "Non-IFRS Financial Measures".*

NOI by Property Type

	Quarter			Year-to-date (nine months)		
Periods ended September 30	2021 [1]	2020 [1]		2021 [1]	2020 [1]	
	$	$	% Δ	$	$	% Δ
Property type						
Office	**35,171**	35,983	(2.3)	**103,917**	105,347	(1.4)
Retail	**27,672**	22,759	21.6	**84,435**	70,431	19.9
Industrial and flex	**26,804**	24,703	8.5	**77,790**	71,025	9.5
NOI — Cominar's proportionate share [2]	**89,647**	83,445	7.4	**266,142**	246,803	7.8

1 *The quarters and nine-month periods ended September 30, 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks".*
2 *Refer to section "Non-IFRS Financial Measures".*

Results of Operations - Same Property Portfolio

Cominar analyzes its results of operations taking into account the proportionate share of its joint ventures to assess the operating performance of its investment properties and pays particular attention to the performance of its same property portfolio. Same property portfolio includes the results of properties owned by Cominar as at December 31, 2019, with the exception of results from the properties sold, acquired or under development in 2020 and 2021, as well as the rental income arising from the recognition of leases on a straight-line basis.

	Quarter			Year-to-date (nine months)		
Periods ended September 30	2021 [1]	2020 [1]		2021 [1]	2020 [1]	
	$	$	% Δ	$	$	% Δ
Same property operating revenues - Cominar's proportionate share [2]	**163,311**	165,122	(1.1)	**500,169**	503,954	(0.8)
Same property operating expenses - Cominar's proportionate share [2]	**(75,218)**	(82,207)	(8.5)	**(238,691)**	(259,270)	(7.9)
SPNOI - Cominar's proportionate share [2]	**88,093**	82,915	6.2	**261,478**	244,684	6.9

1 *The quarters and nine-month periods ended September 30, 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks".*
2 *Refer to section "Non-IFRS Financial Measures".*

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.

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 the in-place occupancy rate and 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 in the in-place occupancy rate in our industrial and flex portfolio.

The decrease in same property operating expenses in the third quarter of 2021 compared with the corresponding quarter 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 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.

Net Operating Income - Same Property Portfolio

Periods ended September 30	Quarter			Year-to-date (nine months)		
	2021 [1]	2020 [1]		2021 [1]	2020 [1]	
	$	$	% Δ	$	$	% Δ
NOI — Financial statements	**87,453**	80,916	8.1	**259,362**	239,231	8.4
NOI — Joint ventures	**2,194**	2,529	(13.2)	**6,780**	7,572	(10.5)
NOI — Cominar's proportionate share [2]	**89,647**	83,445	7.4	**266,142**	246,803	7.8
Acquisitions, developments and dispositions — Cominar's proportionate share [3]	**(1,554)**	(530)	193.2	**(4,664)**	(2,119)	120.1
SPNOI — Cominar's proportionate share [2]	**88,093**	82,915	6.2	**261,478**	244,684	6.9

1 The quarters and nine-month periods ended September 30, 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - impact analysis and risks".
2 Refer to section "Non-IFRS Financial Measures".
3 Also includes rental income arising from the recognition of leases on a straight-line basis.

NOI by Property Type and Geographic Market - Same Property Portfolio

Same property NOI by property type

Periods ended September 30	Quarter			Year-to-date (nine months)		
	2021 [1]	2020 [1]		2021 [1]	2020 [1]	
	$	$	% Δ	$	$	% Δ
Property type						
Office	**33,912**	35,793	(5.3)	**101,425**	104,448	(2.9)
Retail	**27,706**	23,162	19.6	**83,581**	70,758	18.1
Industrial and flex	**26,475**	23,960	10.5	**76,472**	69,478	10.1
SPNOI — Cominar's proportionate share [2]	**88,093**	82,915	6.2	**261,478**	244,684	6.9

1 The quarters and nine-month periods ended September 30, 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - impact analysis and risks".
2 Refer to section "Non-IFRS Financial Measures".

Growth of 6.2% in SPNOI was driven by 19.6% growth in the retail segment (mainly related to the decrease of expected credit losses) and 10.5% growth in the industrial and flex segment partially offset by a 5.3% decline in the office segment mainly related to the decrease of the in-place occupancy.

Same property NOI weighting by property type

Periods ended September 30	Quarter		Year-to-date (nine months)	
	2021	2020	2021	2020
Property type				
Office	**38.4 %**	43.2 %	**38.8 %**	42.7 %
Retail	**31.5 %**	27.9 %	**32.0 %**	28.9 %
Industrial and flex	**30.1 %**	28.9 %	**29.2 %**	28.4 %
SPNOI — Cominar's proportionate share [1]	**100.0 %**	100.0 %	**100.0 %**	100.0 %

1 Refer to section "Non-IFRS Financial Measures".

For the third quarter of 2021 Cominar’s weighting to retail SPNOI increased 360 basis points to 31.5% while industrial and flex SPNOI increased 120 basis points to 30.1% and office SPNOI decreased 480 basis points to 38.4%. The retail increase was mostly due to COVID-19 related expected credit losses in 2020 which were higher than usual. Compared to the pre-COVID-19 retail weighting level of 34.0%, the decrease was (250) basis points.

Same property NOI by geographic market

Periods ended September 30	Quarter 2021 [1]	Quarter 2020 [1]		Year-to-date (nine months) 2021 [1]	Year-to-date (nine months) 2020 [1]	
	$	$	% Δ	$	$	% Δ
Geographic market						
Montreal	**56,563**	52,535	7.7	**166,669**	154,572	7.8
Quebec City	**26,077**	24,761	5.3	**76,476**	73,065	4.7
Ottawa [2]	**5,453**	5,619	(3.0)	**18,333**	17,047	7.5
SPNOI — Cominar's proportionate share [3]	**88,093**	82,915	6.2	**261,478**	244,684	6.9

1 The quarters and nine-month periods ended September 30, 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - impact analysis and risks".
2 For presentation purposes, the Gatineau area is included in the Ottawa geographic market.
3 Refer to section "Non-IFRS Financial Measures".

Same property NOI weighting by geographic market

Periods ended September 30	Quarter 2021	Quarter 2020	Year-to-date (nine months) 2021	Year-to-date (nine months) 2020
Geographic market				
Montreal	**64.2 %**	63.3 %	**63.8 %**	63.1 %
Quebec City	**29.6 %**	29.9 %	**29.2 %**	29.9 %
Ottawa [1]	**6.2 %**	6.8 %	**7.0 %**	7.0 %
SPNOI — Cominar's proportionate share [2]	**100.0 %**	100.0 %	**100.0 %**	100.0 %

1 For presentation purposes, the Gatineau area is included in the Ottawa geographic market.
2 Refer to section "Non-IFRS Financial Measures".

Same property average in-place occupancy by property type

Periods ended September 30	Quarter 2021	Quarter 2020	Quarter Δ	Year-to-date (nine months) 2021	Year-to-date (nine months) 2020	Year-to-date (nine months) Δ
Property type						
Office	**88.2 %**	91.4 %	(3.2)	**89.1 %**	90.6 %	(1.5)
Retail	**85.8 %**	85.8 %	0.0	**85.7 %**	86.0 %	(0.3)
Industrial and flex	**96.0 %**	94.4 %	1.6	**95.7 %**	95.0 %	0.7
Total	**90.9 %**	91.2 %	(0.3)	**91.0 %**	91.3 %	(0.3)

Same property average in-place occupancy by geographic market

Periods ended September 30	Quarter 2021	Quarter 2020	Quarter Δ	Year-to-date (nine months) 2021	Year-to-date (nine months) 2020	Year-to-date (nine months) Δ
Geographic market						
Montreal	**91.0 %**	91.1 %	(0.1)	**91.2 %**	91.0 %	0.2
Quebec City	**92.0 %**	92.5 %	(0.5)	**92.0 %**	92.9 %	(0.9)
Ottawa [1]	**85.6 %**	87.5 %	(1.9)	**85.4 %**	87.2 %	(1.8)
Total	**90.9 %**	91.2 %	(0.3)	**91.0 %**	91.3 %	(0.3)

1 For presentation purposes, the Gatineau area is included in the Ottawa geographic market.

Finance Charges

Periods ended September 30	Quarter			Year-to-date (nine months)		
	2021	2020		2021	2020	
	$	$	% Δ	$	$	% Δ
Interest on mortgages payable [1]	**18,380**	19,169	(4.1)	**55,137**	62,759	(12.1)
Interest on debentures [2]	**12,147**	13,164	(7.7)	**36,397**	44,442	(18.1)
Interest on bank borrowings	**2,496**	2,708	(7.8)	**8,697**	6,326	37.5
Amortization of deferred financing costs and other costs	**1,263**	1,199	5.3	**3,925**	3,327	18.0
Less: Capitalized interest [3]	**(928)**	(2,665)	(65.2)	**(4,579)**	(7,115)	(35.6)
Total finance charges — Financial statements	**33,358**	33,575	(0.6)	**99,577**	109,739	(9.3)
Adjusted finance charges [4]	**33,358**	33,575	(0.6)	**99,577**	102,629	(3.0)
Percentage of operating revenues	**20.6 %**	20.7 %		**20.1 %**	22.2 %	
Weighted average interest rate on total debt				**3.77 %**	3.80 %	

1 *Nine-month period ended September 30, 2020 includes $4.6 million of penalties paid on mortgage repayments before maturity.*
2 *Nine-month period ended September 30, 2020 includes $2.5 million of yield maintenance fees paid in connection with the Series 4 debenture redemption.*
3 *Capitalized interest on properties under development and on major revitalization projects for income properties that take place over a substantial period of time.*
4 *Excludes penalties on mortgage repayments before maturity and yield management fees paid in connection with the Series 4 debenture redemption.*

The decrease in finance charges during the third quarter of 2021, compared with the corresponding quarter of 2020, is 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.

Trust Administrative Expenses

Periods ended September 30	Quarter			Year-to-date (nine months)		
	2021	2020		2021	2020	
	$	$	% Δ	$	$	% Δ
Salaries and other benefits	**2,675**	2,673	0.1	**7,700**	7,841	(1.8)
Compensation expense related to long-term incentive plan	**690**	831	(17.0)	**2,177**	2,488	(12.5)
Professional fees	**24**	170	(85.9)	**1,346**	650	107.1
Costs associated with public companies	**68**	232	(70.7)	**547**	640	(14.5)
Strategic alternatives consulting fees	**1,156**	250	362.4	**5,044**	250	1,917.6
Other fees	**4**	423	(99.1)	**656**	892	(26.5)
Total Trust administrative expenses — Financial statements	**4,617**	4,579	0.8	**17,470**	12,761	36.9
Adjusted Trust administrative expenses [1]	**3,461**	4,329	(20.1)	**12,426**	12,511	(0.7)

1 *The quarter and the nine-month period ended September 30, 2021 exclude strategic alternatives consulting fees of $1.1 million and $5.0 million respectively ($0.3 million for the quarter and the nine-month period ended September 30, 2020).*

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

Net Income (Loss)

	Quarter			Year-to-date (nine months)		
Periods ended September 30	2021	2020		2021	2020	
	$	$	% Δ	$	$	% Δ
Net income (loss)	**50,101**	44,145	13.5	**8,975**	(229,000)	(103.9)
Net income (loss) per unit (basic and diluted)	**0.27**	0.24	12.5	**0.05**	(1.25)	(104.0)
Weighted average number of units outstanding (basic)	**182,754,958**	182,640,075		**182,743,191**	182,590,814	
Weighted average number of units outstanding (diluted)	**182,995,067**	182,844,264		**182,963,637**	182,590,814	

The net income increase for the third quarter of 2021 compared to the corresponding period of 2020 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.

Funds from Operations and Adjusted Funds from Operations

Although the concepts of funds from operations ("FFO") and adjusted funds from operations ("AFFO") are not IFRS financial measures, they are widely used in the real estate investment trust industry as they adjust net income for items that are not related to the trend in occupancy levels, rental rates and property operating costs.

REALpac defines FFO as net income (calculated in accordance with IFRS), adjusted for, among other things, change in the fair value of investment properties, deferred taxes and income taxes related to a disposition of properties, initial and re-leasing salary costs, adjustments relating to the accounting of joint ventures under the equity method and transaction costs incurred upon a business combination or a disposition of properties.

REALpac defines AFFO as FFO net of rental revenue derived from the recognition of leases on a straight-line basis, capital expenditures for maintaining the ability to generate income and leasing costs.

FFO and AFFO are not a substitute for net income established in accordance with IFRS when measuring Cominar's performance. While our methods of calculating FFO and AFFO comply with REALpac recommendations, they may differ from and not be comparable to those used by other entities.

The fully diluted weighted average number of units outstanding used for the calculation of FFO and AFFO takes into account the potential issuance of units under the long-term incentive plan, when dilutive.

The following table presents a reconciliation of net income, as determined in accordance with IFRS, and FFO and AFFO:

Funds from Operations and Adjusted Funds from Operations

Periods ended September 30	Quarter 2021 [1]	Quarter 2020 [1]		Year-to-date (nine months) 2021 [2]	Year-to-date (nine months) 2020 [2]	
	$	$	% Δ	$	$	% Δ
Net income (loss)	**50,101**	44,145	13.5	**8,975**	(229,000)	(103.9)
Initial and re-leasing salary costs	**450**	990	(54.5)	**1,740**	2,836	(38.6)
Change in fair value of investment properties[3]	**506**	45	1,024.4	**136,953**	329,471	(58.4)
Capitalizable interest on properties under development — joint ventures	**48**	96	(50.0)	**144**	369	(61.0)
Transaction costs	**127**	161	(21.1)	**337**	5,298	(93.6)
Impairment of goodwill	**—**	—	—	**—**	15,721	(100.0)
FFO [3,4]	**51,232**	45,437	12.8	**148,149**	124,695	18.8
Provision for leasing costs	**(8,400)**	(8,057)	4.3	**(24,833)**	(22,486)	10.4
Recognition of leases on a straight-line basis [3]	**(396)**	423	(193.6)	**(995)**	397	(350.6)
Capital expenditures — maintenance of rental income generating capacity	**(7,000)**	(6,045)	15.8	**(20,250)**	(16,950)	19.5
AFFO [3,4]	**35,436**	31,758	11.6	**102,071**	85,656	19.2
Per unit information:						
FFO (FD) [4,5]	**0.28**	0.25	12.0	**0.81**	0.68	19.1
AFFO (FD) [4,5]	**0.19**	0.17	11.8	**0.56**	0.47	19.1
Weighted average number of units outstanding (FD) [5]	**182,995,067**	182,844,264		**182,963,637**	182,870,811	
Payout ratio of AFFO [4,5]	**47.4 %**	70.6 %		**48.2 %**	102.1 %	

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, 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".
5 Fully diluted.

Periods ended September 30	Quarter 2021	Quarter 2020		Year-to-date (nine months) 2021	Year-to-date (nine months) 2020	
	$	$	% Δ	$	$	% Δ
FFO - Office properties[1]	**24,270**	26,902	(9.8)	**72,306**	73,300	(1.4)
FFO - Retail properties[1]	**19,871**	13,989	42.0	**58,845**	39,837	47.7
FFO - Industrial and flex properties[1]	**23,497**	20,268	15.9	**65,237**	56,604	15.3
FFO - Corporate[1]	**(16,406)**	(15,722)	4.4	**(48,239)**	(45,046)	7.1
FFO	**51,232**	45,437	12.8	**148,149**	124,695	18.8
AFFO - Office properties[1]	**16,009**	19,681	(18.7)	**56,891**	52,809	7.7
AFFO - Retail properties[1]	**15,230**	10,316	47.6	**47,358**	29,025	63.2
AFFO - Industrial and flex properties[1]	**20,604**	17,450	18.1	**59,282**	48,867	21.3
AFFO - Corporate[1]	**(16,407)**	(15,689)	4.6	**(61,460)**	(45,045)	36.4
AFFO	**35,436**	31,758	11.6	**102,071**	85,656	19.2

1 Refer to section "Results of Operations" for net income breakdown by property type. Initial and re-leasing salary costs are allocated to each property type proportionally to the leasing salaries. Provision for leasing costs and capital expenditures — maintenance of rental income generating capacity are allocated based on the budgeted leasing costs and the estimated capital maintenance expenditures.

FFO for the quarter ended September 30, 2021 amounted to $51.2 million or $0.28 per unit compared to $45.4 million or $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).

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.

FFO adjusted and AFFO adjusted

To provide investors with useful information to assess its operating results, Cominar presents in the following table FFO adjusted and AFFO adjusted, which are measures not defined by IFRS and by Realpac. As these measures do not have a standardized meaning, they may differ from those presented by other entities and the results of these calculations should not be considered as measures defined by IFRS or by Realpac.

	Quarter			Year-to-date (nine months)		
Periods ended September 30	2021	2020		2021	2020	
	$	$	% Δ	$	$	% Δ
FFO [1,2] (Realpac definition)	**51,232**	45,437	12.8	**148,149**	124,695	18.8
Penalties on mortgage repayments before maturity	**—**	—	—	**—**	4,623	(100.0)
Sears Canada settlement	**—**	—	—	**(2,715)**	—	(100.0)
Debenture redemption costs	**—**	—	—	**—**	2,487	(100.0)
Strategic alternatives consulting fees	**1,156**	250	362.4	**5,044**	250	1,917.6
FFO adjusted [1,2]	**52,388**	45,687	14.7	**150,478**	132,055	14.0
FFO adjusted (FD) per unit [2,3]	**0.29**	0.25		**0.82**	0.72	
AFFO [1,2]	**35,436**	31,758	11.6	**102,071**	85,656	19.2
Penalties on mortgage repayments before maturity	**—**	—	—	**—**	4,623	(100.0)
Sears Canada settlement	**—**	—	—	**(2,715)**	—	(100.0)
Debenture redemption costs	**—**	—	—	**—**	2,487	(100.0)
Strategic alternatives consulting fees	**1,156**	250	362.4	**5,044**	250	1,917.6
AFFO adjusted [1,2]	**36,592**	32,008	14.3	**104,400**	93,016	12.2
AFFO adjusted (FD) per unit [2,3]	**0.20**	0.18		**0.57**	0.51	

1 *Including Cominar's proportionate share in joint ventures.*
2 *Refer to section "Non-IFRS Financial Measures".*
3 *Fully diluted.*

FFO adjusted and AFFO adjusted for the third quarter of 2021 and 2020 include the estimated financial impact of COVID-19 (refer to section "COVID-19 - impact analysis and risks").

Provision for Leasing Costs

The provision for leasing costs which Cominar deducts in computing the AFFO represents the amortization, over the terms of the leases, of leasehold improvements and initial direct costs, which include brokerage fees incurred when negotiating and preparing leases. This allows for better reconciliation of the investments made with the operating revenues generated over the terms of the leases. During the third quarter of 2021, the actual costs incurred by Cominar were $7.8 million in leasehold improvements and $3.3 million in leasing costs, while the provision for leasing costs amounted to $8.4 million.

	Quarter		Year-to-date (nine months)	
Periods ended September 30	2021	2020	2021	2020
	$	$	$	$
Leasehold improvements	**7,821**	7,358	**24,547**	16,886
Leasing costs	**3,288**	2,341	**6,729**	6,089
Actual leasing costs — Cominar's proportionate share [1, 2]	**11,109**	9,699	**31,276**	22,975
Provision for leasing costs in the calculation of AFFO [3]	**8,400**	8,057	**24,833**	22,486

1 *See the reconciliation of capital expenditures as per the financial statements in section "Acquisitions, Investments and Dispositions".*
2 *Refer to section "Non-IFRS Financial Measures".*
3 *Including Cominar's proportionate share in joint ventures.*

Capital Expenditures - Maintenance of Rental Income Generating Capacity

The capital expenditures -- maintenance of rental income generating capacity, which Cominar deducts in computing AFFO, corresponds to management's estimate of the non-income generating portion of 2021 projected expenditures that have to be incurred primarily for major repair and maintenance expenditures, for example, some common areas, roofing, parking, as well as the replacement of equipment. In order to establish the allocation of capital expenditures between maintenance of rental income generating capacity and increase of rental income generating capacity, Cominar analyzes the work carried out according to its nature (common areas, roofing, parking, equipment, etc.), the age and location of the properties, the property type, market conditions as well as historical data. Capital expenditures related to maintenance of rental income generating capacity do not include current repair and maintenance costs, as they are already deducted in determining NOI.

Capital expenditures incurred that are designed to create, improve or increase net operating income of income properties are considered as a way of increasing rental income generating capacity and constitute investment activities for Cominar (see the "Investment in income properties" section). The calculation of AFFO does not take into account these capital expenditures aiming to increase rental income generating capacity.

During the third quarter of 2021, the actual costs incurred by Cominar were $4.7 million, while the deduction in the calculation of AFFO amounted to $7.0 million. Year to date, actual costs incurred were $11.7 million and management expects capital expenditures related to maintenance of rental income generating capacity for the year 2021 to be substantially at usual annual levels.

Distributions

Cominar is governed by a Contract of Trust whereby the Trustees, under the discretionary power attributed to them, intend to distribute a portion of Cominar's distributable income to unitholders. 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, changes to goodwill and certain other items not affecting cash, if applicable.

Distributions to Unitholders

	Quarter			Year-to-date (nine months)		
Periods ended September 30	2021	2020		2021	2020	
	$	$	% Δ	$	$	% Δ
Distributions to unitholders	**16,420**	21,894	(25.0)	**49,262**	87,560	(43.7)
Per unit distribution	**0.09**	0.12		**0.27**	0.48	

On August 5, 2020, Cominar decreased the monthly distribution from $0.06 per unit to $0.03 per unit, beginning with the distribution of August 2020 paid in September 2020.

In accordance with CSA guidelines, Cominar also provides the following table to allow readers to assess sources of cash distributions and how they reconcile to net income (loss):

Periods ended September 30	2021 (three months)	2021 (nine months)	2020 (nine months)	2019 (nine months)
	$	$	$	$
Net income (loss)	**50,101**	**8,975**	(229,000)	143,239
Cash flows provided by operating activities - Financial statements	**48,351**	**156,423**	71,840	112,156
Distributions to unitholders	**16,420**	**49,262**	87,560	98,295
Surplus (deficit) of cash flows provided by operating activities compared with distribution to unitholders	**31,931**	**107,161**	(15,720)	13,861

For the first nine months of 2021, cash flows provided by operating activities presented a $107.2 million surplus over distributions to unitholders. The surplus of cash of $107.2 million after nine months compared to $(15.7) million in 2020 resulted mainly from a stronger NOI, a favorable change in non-cash working capital items, namely in accounts receivable, and from the 2020 decrease in distributions to unitholders.

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.

Liquidity and Capital Resources

During the third quarter of 2021, Cominar generated $48.4 million in cash flows provided by operating activities as per its financial statements. Short-term obligations and commitments, including the monthly payments of distributions and the repayments of debentures and mortgages payable at maturity, are funded from operations, asset sales, proceeds from new mortgages payable, proceeds from debenture issuances, cash and equivalents and amounts available on the credit facilities.

Debt Management

Cominar seeks to spread the maturities of its debt instruments over a number of years to manage interest rate and refinancing risk, and to provide flexibility in maintaining the overall debt level of the portfolio, taking into account availability of financing, market conditions, as well as the financial terms of the leases that produce its cash flows. Cominar finances itself primarily with long-term, fixed-rate debt and seeks to maintain a conservative debt to gross book value ratio.

As at September 30, 2021, Cominar's debt ratio stood at 55.1% (55.3% as at December 31, 2020) consisting of mortgages, senior unsecured debentures and bank loans less cash and cash equivalents. Mortgages payable represented approximately 59.0% of total debt, senior unsecured debentures represented approximately 30.6%, while bank borrowings represented approximately 10.3%. As at September 30, 2021, the weighted average annual contractual rate was 3.77% (3.76% as at December 31, 2020) and the residual weighted average remaining term was 3.1 years (3.8 years as at December 31, 2020) .

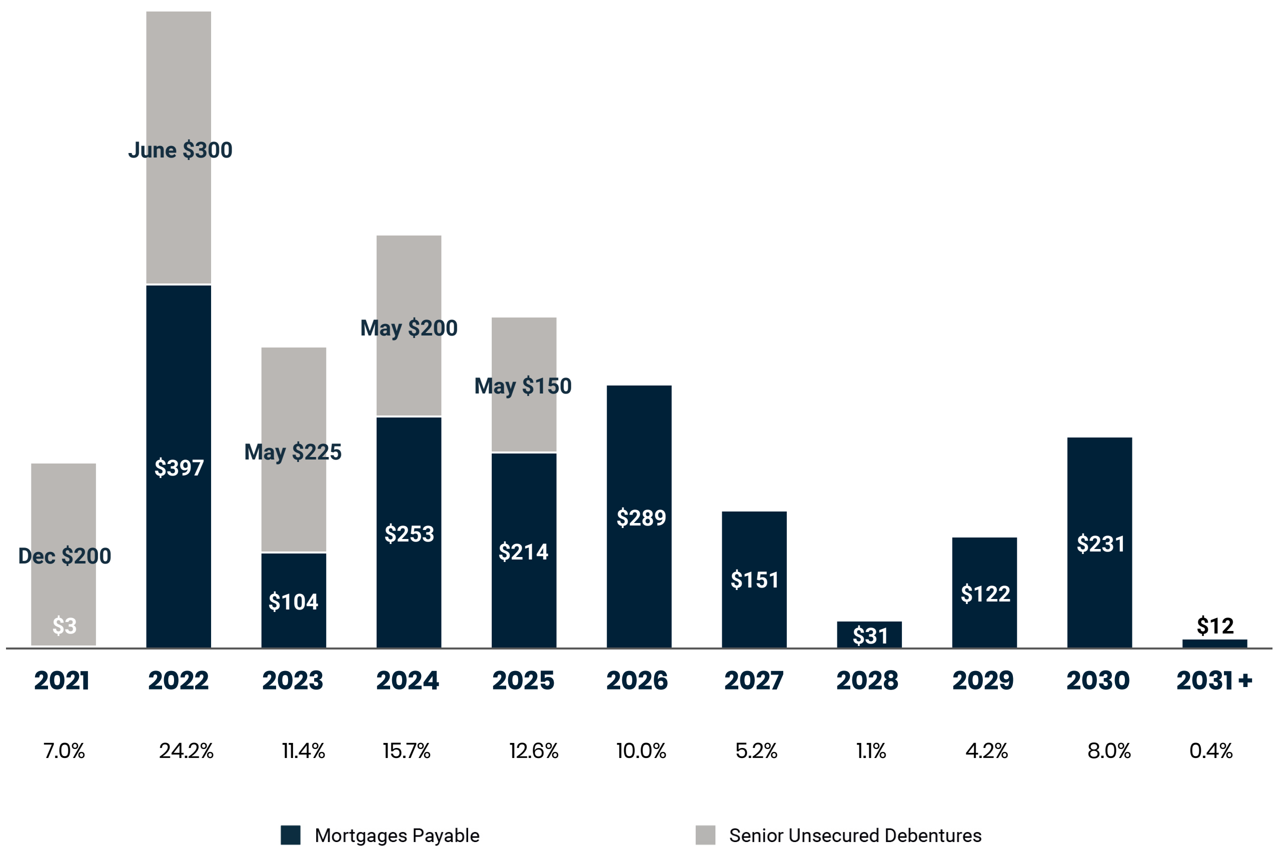
As at September 30, 2021, 88.4% of Cominar's total debt was fixed rate and 11.6% was variable rate.

Debt Summary

	September 30, 2021			December 31, 2020		
	$	Weighted average contractual rate	Residual weighted average term	$	Weighted average contractual rate	Residual weighted average term
Mortgages payable	**2,063,891**	**3.53 %**	**4.3 years**	2,105,906	3.54 %	4.9 years
Debentures	**1,071,568**	**4.51 %**	**1.5 years**	1,070,491	4.51 %	2.3 years
Bank borrowings secured	**361,711**	**2.93 %**	**1.6 years**	292,800	2.90 %	2.4 years
Bank borrowings unsecured	**—**	**3.18 %**	**0.7 year**	74,158	2.56 %	0.6 years
Total debt	**3,497,170**	**3.77 %**	**3.1 years**	3,543,355	3.76 %	3.8 years
Cash and cash equivalents	**(15,262)**	**1.20 %**		(13,594)	0.70 %	
Net debt	**3,481,908**			3,529,761		

Long Term Debt Maturities

As at September 30, 2021
[$ million]



Mortgages Payable

As at September 30, 2021, the balance of mortgages payable was $2,063.9 million, down $42.0 million from $2,105.9 million as at December 31, 2020. This decrease is mainly explained by monthly repayments of capital totaling $37.3 million. As at September 30, 2021, the weighted average contractual rate was 3.53% and the effective weighted average interest rate was 3.90%, stable since December 31, 2020.

Contractual maturities of mortgages payable

Years ending December 31	Repayment of principal $	Balances at maturity $	Total $	Weighted average contractual rate
2021 (period from October 1 to December 31)	12,201	2,791	**14,992**	5.30 %
2022	42,123	397,010	**439,133**	3.06 %
2023	55,951	104,292	**160,243**	4.17 %
2024	47,152	252,602	**299,754**	3.91 %
2025	37,812	213,508	**251,320**	3.18 %
2026	22,044	288,527	**310,571**	3.52 %
2027	19,367	151,199	**170,566**	3.25 %
2028	14,447	30,836	**45,283**	4.48 %
2029	11,952	122,034	**133,986**	3.56 %
2030	3,561	231,411	**234,972**	4.00 %
2031 and thereafter	2,069	11,649	**13,718**	4.19 %
Total	**268,679**	**1,805,859**	**2,074,538**	**3.53 %**

Cominar’s contractual mortgage maturities are staggered over a number of years to reduce risks related to renewal. As at September 30, 2021, the residual weighted average term of mortgages payable was 4.3 years.

The $240.0 million CN Central Station mortgage maturity has been extended for one year from February 2021 to February 2022 on an interest-only basis and Cominar is in discussion with the borrower for the 2022 renewal of the mortgage.

Senior Unsecured Debentures

	Date of issuance	Contractual interest rate	Effective interest rate	Dates of interest payments	Maturity date	Nominal value as at September 30, 2021 $
Series 8	December 2014	4.25 %	4.34 %	June 8 and December 8	December 2021	200,000
Series 9	June 2015	4.16 %	4.25 %	June 1 and December 1	June 2022	300,000
Series 10	May 2016	4.25 %	4.34 %	May 23 and November 23	May 2023	225,000
Series 11	May 2019	4.50 %	4.82 %	May 15 and November 15	May 2024	200,000
Series 12	May 2020	5.95 %	6.24 %	May 5 and November 5	May 2025	150,000
Weighted average interest rate		**4.51 %**	**4.67 %**			
Total						**1,075,000**

As at September 30, 2021, the residual weighted average term of senior unsecured debentures was 1.5 years.

Bank Borrowings

On April 9, 2021, Cominar converted the $400.0 million unsecured revolving credit facility which was maturing in July 2021 into a $250.0 million unsecured revolving credit facility maturing in April 2022 and a $150.0 million secured revolving credit facility maturing in April 2023. This credit facility bears interest at the prime rate plus 175 basis points for the unsecured portion and 150 basis points for the secured portion, or at the bankers' acceptance rate plus 275 basis points for the unsecured portion and 250 basis points for the secured portion. As at September 30, 2021, the $150.0 million portion of the credit facility was secured by immovable hypothecs on investment properties with a book value of $259.4 million. These credit facilities contain certain restrictive covenants, with which Cominar was in compliance as at September 30, 2021. As at September 30, 2021, bank borrowings under those facilities totaled $74.3 million and availability was $325.7 million.

As at September 30, 2021, Cominar had a non-revolving secured credit facility of $167.4 million maturing in September 2023. This credit facility bears interest at the prime rate plus 150 basis points or at the bankers' acceptance rate plus 250 basis points and have quarterly principal repayments of $1,8 million. As at September 30, 2021, this credit facility was secured by immovable hypothecs on investment properties with a book value of $285.8 million. This credit facility contains certain restrictive covenants, with which Cominar was in compliance as at September 30, 2021. As at September 30, 2021, this secured credit facility was fully used.

As at September 30, 2021, Cominar had a non-revolving secured credit facility of $120,0 million maturing in September 2022. This credit facility bears interest at the prime rate plus 150 basis points or at the bankers' acceptance rate plus 250 basis points. As at September 30, 2021, this credit facility was secured by immovable hypothecs on investment properties with a book value of $192.6 million. This credit facility contains certain restrictive covenants, with which Cominar was in compliance as at September 30, 2021. As at September 30, 2021, this secured credit facility was fully used.

		September 30, 2021		
Type	Maturity	Drawn amount ($)	Undrawn amount ($)	Interest rate
Unsecured credit facility (revolving)	April 2022	—	250,000	BA's + 275 bps
Secured credit facility (non revolving)	September 2022	120,000	—	BA's + 250 bps
Secured credit facility (revolving)	April 2023	74,300	75,700	BA's +250 bps
Secured credit facility (non revolving)	September 2023	167,400	—	BA's + 250 bps
Total		**361,700**	**325,700**	

Debt Ratio

Debt ratio is a non-IFRS measure used by Cominar to manage debt levels. Debt ratio is calculated by adding mortgages payable, debentures and bank borrowings less cash and cash equivalents divided by the total assets minus cash and cash equivalents. Cominar's Declaration of Trust limits the indebtedness of Cominar to a maximum of 65% of its total assets.

	September 30, 2021	December 31, 2020
	$	$
Mortgages payable	**2,063,891**	2,105,906
Debentures	**1,071,568**	1,070,491
Bank borrowings	**361,711**	366,958
Cash and cash equivalents	**(15,262)**	(13,594)
Total net debt	**3,481,908**	3,529,761
Total assets less cash and cash equivalents	**6,314,393**	6,380,685
Debt ratio [1, 2]	**55.1 %**	55.3 %

1 *The debt ratio is equal to the total of, mortgages payable, debentures and bank borrowings less cash and cash equivalents, divided by total assets less cash and cash equivalents.*
2 *Refer to section "Non-IFRS Financial Measures".*

Debt/EBITDA Ratio

The debt to earnings before interest, income taxes, depreciation and amortization ("EBITDA") ratio is a non-IFRS measure widely used in the real estate industry and measures Cominar's ability to pay down its debts. Cominar defines EBITDA as net operating income minus adjusted Trust administrative expenses and recognition of leases on a straight-line basis.

	September 30, 2021	December 31, 2020
	$	$
Mortgages payable	**2,063,891**	2,105,906
Debentures	**1,071,568**	1,070,491
Bank borrowings	**361,711**	366,958
Total debt	**3,497,170**	3,543,355
NOI (last 12 months)	**347,318**	327,187
Adjusted Trust administrative expenses (last 12 months) [1]	**(15,194)**	(15,279)
Recognition of leases on a straight-line basis (last 12 months)	**216**	1,485
EBITDA (last 12 months) [2]	**332,340**	313,393
Debt/EBITDA ratio [2]	**10.5 x**	11.3x

1 Exclude strategic alternatives consulting fees of $5.0 million in 2021 and $0.3 million en 2020.
2 Refer to section "Non-IFRS Financial Measures".

Interest Coverage Ratio

The interest coverage ratio is a non-IFRS measure used by Cominar to assess Cominar's ability to pay interest on its debt from operating revenues and is calculated by Cominar using net operating income minus adjusted Trust administrative expenses, divided by adjusted finance charges.

	September 30, 2021	December 31, 2020
	$	$
NOI (last 12 months)	**347,318**	327,187
Adjusted Trust administrative expenses (last 12 months) [1]	**(15,194)**	(15,279)
	332,124	311,908
Adjusted finance charges (last 12 months) [2]	**133,478**	136,530
Interest coverage ratio [3]	**2.49:1**	2.28 : 1

1 Exclude strategic alternatives consulting fees of $5.0 million in 2021 and $0.3 million en 2020.
2 Excludes $2.5 million of yield maintenance fees paid in connection with the Series 4 debenture redemption in the second quarter of-2020 and $4.6 million of penalties paid on mortgage repayments before maturity in the first quarter of 2020.
3 Refer to section "Non-IFRS Financial Measures".

Unencumbered Assets and Unsecured Debt

	September 30, 2021		December 31, 2020	
	Number of properties	Fair value of properties ($)	Number of properties	Fair value of properties ($)
Unencumbered income office properties [1]	**36**	**650,076**	35	709,049
Unencumbered income retail properties [1]	**24**	**438,752**	27	645,265
Unencumbered income industrial and flex properties [1]	**74**	**639,223**	78	634,715
Total unencumbered income properties [1]	**134**	**1,728,051**	140	1,989,029
Unencumbered assets to unsecured net debt ratio [2, 3]		**1.64:1**		1.76:1
Unsecured debt-to-total-debt ratio [3, 4]		**30.6 %**		32.2 %

1 Includes investment properties held for sale.
2 Fair value of unencumbered income properties divided by unsecured net debt.
3 Refer to section "Non-IFRS Financial Measures".
4 Unsecured debt divided by total debt.

As at September 30, 2021, the unencumbered assets to unsecured net debt ratio stood at 1.64:1, above the required ratios of 1.30:1 and 1.40:1 contained in the restrictive covenant of outstanding debentures (except debentures Series 11 and Series 12 which do not have that covenant) and the unsecured credit facility, respectively. The decline of this ratio from 1.76:1 as at December 31, 2020 to 1.64:1 as at September 30, 2021 is accounted for by the fact that the $400.0 million unsecured revolving credit facility which was maturing in July 2021 was partially converted into a $150.0 million secured revolving credit facility. Even if only $74.3 million was drawn under the secured revolving credit facility as at September 30, 2021, the impact on the unencumbered assets to unsecured net debt ratio is the same as if the $150.0 million line was fully drawn.

Off-Balance Sheet Arrangements and Contractual Commitments

Cominar has no off-balance sheet arrangements that have or are likely to have a material impact on its results of operations or its financial position, including its cash position and sources of financing.

Cominar has no significant contractual commitments other than those arising from its long-term debt and payments due under construction contracts and emphyteutic leases on land held for income properties.

Property Portfolio

	September 30, 2021	December 31, 2020
	$	$
Income properties — Cominar's proportionate share [1]	**6,150,388**	6,238,910
Properties under development and land held for future development — Cominar's proportionate share [1]	**117,522**	133,104
Investment properties held for sale	**40,647**	20,990
Number of income properties	**310**	314
Leasable area (sq. ft.)	**35,736,000**	35,821,000

1 *Refer to section "Non-IFRS Financial Measures".*

Summary by property type

September 30, 2021	Office Properties	Retail Properties	Industrial and flex properties	Cominar's proportionate share
	$	$	$	$
Income properties	**2,323,776**	**1,650,873**	**2,175,739**	**6,150,388**
Properties under development	**—**	**34,036**	**29,347**	**63,383**

	September 30, 2021		December 31, 2020	
	Number of properties	Leasable area (sq. ft.)	Number of properties	Leasable area (sq. ft.)
Office	**79**	**11,075,000**	80	11,089,000
Retail	**41**	**9,409,000**	44	9,480,000
Industrial and flex	**190**	**15,252,000**	190	15,252,000
Total	**310**	**35,736,000**	314	35,821,000

Summary by geographic market

	September 30, 2021		December 31, 2020	
	Number of properties	Leasable area (sq. ft.)	Number of properties	Leasable area (sq. ft.)
Montreal	**193**	**23,493,000**	194	23,517,000
Quebec City	**97**	**9,702,000**	100	9,763,000
Ontario - Ottawa [1]	**20**	**2,541,000**	20	2,541,000
Total	**310**	**35,736,000**	314	35,821,000

1 *For presentation purposes, the Gatineau area is included in the Ottawa geographic market.*

Acquisitions, Investments and Dispositions

Investments in Income Properties and Investment Properties Held for Sale

Cominar continues to invest in its investment properties in the normal course of business. Investments made include expansions, modernizations, modifications and upgrades to existing properties with a view to increasing or maintaining their rental income generating capacity. During the third quarter of 2021, Cominar incurred $12.6 million [$22.6 million in the corresponding quarter of 2020] in capital expenditures specifically to increase the rental income generating capacity of its properties. These capital expenditures include, among others, investments of $8.6 million in revitalizations and redevelopments. Cominar also incurred $4.7 million [$1.7 million in the corresponding quarter of 2020] in capital expenditures to maintain rental income generating capacity, consisting mainly of major repair and maintenance expenses, as well as property equipment replacements. Capital expenditures related to maintenance of rental income generating capacity do not include current repair and maintenance costs, as these are already deducted from revenues in determining NOI.

Finally, Cominar invested in leasehold improvements that aim to increase the value of its buildings through higher lease rates and higher occupancy, as well as in other leasing costs, mostly brokerage fees and tenant inducements. The level of investment required may vary from quarter to quarter since it depends closely on lease renewals and the signing of new leases. The level of investment also depends on increases in rental space through expanded, upgraded or acquired properties, or rental space transferred from properties under development. During the third quarter of 2021, Cominar made investments of $7.8 million in leasehold improvements and $3.3 million in leasing costs [$7.4 million in leasehold improvements and $2.3 million in leasing costs in the corresponding quarter of 2020].

The following table shows the details of the capital expenditures and leasing costs reported in the condensed interim consolidated financial statements with respect to our investment properties, including investment properties held for sale and Cominar's proportionate share in joint ventures:

	Quarter			Year-to-date (nine months)		
Periods ended September 30	2021	2020		2021	2020	
	$	$	% Δ	$	$	% Δ
Capital expenditures — increase of rental income generating capacity						
Revitalization and redevelopment	**8,609**	10,161	(15.3)	**20,589**	32,153	(36.0)
Capitalized interests on revitalization and redevelopment	**546**	831	(34.3)	**1,701**	1,766	(3.7)
Structural work for common areas, parking, preparation of base building etc.	**3,451**	11,614	(70.3)	**12,256**	25,445	(51.8)
Capital expenditures — increase of rental income generating capacity	**12,606**	22,606	(44.2)	**34,546**	59,364	(41.8)
Capital expenditures — maintenance of rental income generating capacity	**4,723**	1,671	182.6	**11,663**	4,805	142.7
Total	**17,329**	24,277	(28.6)	**46,209**	64,169	(28.0)
Leasehold improvements	**7,821**	7,358	6.3	**24,547**	16,886	45.4
Leasing costs	**3,288**	2,341	40.5	**6,729**	6,089	10.5
Subtotal capital expenditures	**28,438**	33,976	(16.3)	**77,485**	87,144	(11.1)
Properties under development	**888**	1,863	(52.3)	**1,703**	15,673	(89.1)
Capitalized interests on properties under development	**674**	1,856	(63.7)	**2,956**	5,430	(45.6)
Total capital expenditures (including capitalized interests) [1]	**30,000**	37,695	(20.4)	**82,144**	108,247	(24.1)
Total capital expenditures (excluding capitalized interests) [1]	**28,780**	35,008	(17.8)	**77,487**	101,051	(23.3)

1 *Includes income properties, properties under development, investment properties held for sale and Cominar's proportionate share in joint ventures.*

During the third quarter of 2021, Cominar invested $10.9 million in office income properties, $15.2 million in retail income properties, and $3.9 million in industrial and flex income properties, compared to $15.6 million, $20.5 million and $1.6 million respectively for the corresponding quarter of 2020.

Investment Properties Held for Sale

	Nine-month period ended September 30, 2021				Year ended December 31, 2020
	Office properties	Retail properties	Industrial and flex properties	Total	Total
	$	$	$	$	$
Investment properties					
Balance, beginning of period	**3,000**	**17,990**	**—**	**20,990**	11,730
Transfer from income properties	**40,050**	**—**	**—**	**40,050**	36,160
Transfers from properties under development and land held for future development	**—**	**597**	**4,250**	**4,847**	—
Capitalized costs[1]	**451**	**115**	**—**	**566**	93
Change in fair value	**(451)**	**(115)**	**—**	**(566)**	(2,788)
Dispositions	**(3,000)**	**(17,990)**	**(4,250)**	**(25,240)**	(24,205)
Balance, end of period	**40,050**	**597**	**—**	**40,647**	20,990

1 *Includes (55) ($(50) in 2020) of recognition of leases on a straight-line basis.*

During the nine-month period ended September 30, 2021, Cominar sold 4 investment properties held for sale for a total sales price of $25.2 million.

Dispositions of Investment Properties Held for Sale

Address	Area	Property type	Leasable area sq. ft.	Transaction date	Selling price $
355, rue du Marais, Québec, Québec	Quebec	Retail	38,000	March 10, 2021	5,800
325, rue du Marais, Québec, Québec	Quebec	Retail	80,000	March 10, 2021	10,500
230, boulevard des Bois-Francs Sud, Victoriaville, Québec	Quebec	Retail	8,000	March 30, 2021	1,690
3669-3681, boulevard des Sources, Dollard-des-Ormeaux, Québec	Montreal	Office	24,000	February 15, 2021	3,000
—	Montreal	Land	—	July 5, 2021	4,250
			150,000		**25,240**

Dispositions of Properties Under Development and Land Held for Future Development

Date	Property type	Number of properties	Geographic market	Total selling price ($)
June 2, 2021	Land	—	Quebec City	**5,500**

Real Estate Operations

Occupancy Rate

Occupancy rate track record

	Committed			In-place		
	September 30, 2021	Dec. 31, 2020	September 30, 2020	September 30, 2021	Dec. 31, 2020	September 30, 2020
Property type						
Office	**90.3 %**	93.1 %	93.0 %	**88.2 %**	91.4 %	91.9 %
Retail	**91.5 %**	90.8 %	90.9 %	**86.6 %**	86.3 %	85.6 %
Industrial and flex	**97.3 %**	96.7 %	96.3 %	**96.6 %**	95.3 %	94.6 %
Total	**93.7 %**	94.0 %	93.8 %	**91.4 %**	91.7 %	91.3 %

Committed occupancy rate refers to the leasable area occupied by clients to which we add the leasable area of signed leases which have not started yet divided by the leasable area of the portfolio, excluding space under redevelopment. This metric highlights the area considered to be leased over the area that is actually available for lease.

The in-place occupancy rate refers to the leasable area occupied by clients, divided by the portfolio's leasable area. This metric highlights the leasable area that currently generates rental income.

Leasing Activity

	Office	Retail	Industrial and flex	Total
Leases maturing in 2021				
Number of clients	172	523	187	882
Leasable area (sq. ft.)	1,720,769	1,543,940	2,143,122	5,407,831
Renewed leases				
Number of clients	95	258	114	467
Leasable area (sq. ft.)	1,311,770	970,759	1,458,713	3,741,242
Retention rate	**76.2 %**	**62.9 %**	**68.1 %**	**69.2 %**
New leases				
Number of clients	42	71	78	191
Leasable area (sq. ft.)	322,361	528,497	887,195	1,738,053
Unexpected departures				
Number of clients	14	21	7	42
Leasable area (sq. ft.)	156,000	64,000	93,000	313,000

Growth in the average net rent of renewed leases

	Quarter ended September 30, 2021		Nine-month period ended September 30, 2021		Year ending December 31, 2021		Year ended December 31, 2020	
	Renewed leasable area (sq. ft.)	Growth in the average net rent	Renewed leasable area (sq. ft.)	Growth in the average net rent	Renewed leasable area (sq. ft.)	Growth in the average net rent	Renewed leasable area (sq. ft.)	Growth in the average net rent
Property type								
Office	107,905	8.3 %	783,451	4.5 %	1,311,770	7.2 %	1,072,480	7.6 %
Retail	214,661	(1.4)%	741,471	(2.1)%	970,759	(0.3)%	1,169,633	(4.3)%
Industrial and flex	314,521	28.1 %	1,208,611	21.2 %	1,458,713	21.7 %	2,286,512	18.0 %
Portfolio total	**637,087**	**9.5 %**	**2,733,533**	**7.0 %**	**3,741,242**	**8.3 %**	**4,528,625**	**7.4 %**

Growth in the average net rent on renewed leases is measured by comparing the rent at the end of the lease to the rent at the beginning of the lease's renewal.

As at September 30, 2021, 69.2% [65.1% in 2020] of the leasable area maturing in 2021 was renewed representing 3.7 million square feet at 8.3% growth in the average net rent, and 60.4% of leases that matured during the third quarter of 2021 was renewed representing 0.9 million square feet at 9.5% growth in the average net rent. New leases were also signed, representing 1.7 million square feet of leasable area for 2021, while tenants whose leases were not expiring that left before the end of their lease totaled a leasable area of 0.3 million square feet. As at September 30, 2021, 101.3% of the leasable area maturing in 2021 and 89.4% of leasable area maturing in the third quarter of 2021 were covered by renewals and new leases.

Lease Maturities

Years ending December 31	2022	2023	2024	2025	2026
Office					
Leasable area (sq. ft.)	1,208,758	1,504,463	1,295,974	1,268,818	666,922
% of total portfolio — Office	10.9 %	13.6 %	11.7 %	11.5 %	6.0 %
Retail					
Leasable area (sq. ft.)	1,312,991	1,079,860	869,335	829,043	617,921
% of portfolio — Retail	14.0 %	11.5 %	9.2 %	8.8 %	6.6 %
Industrial and flex					
Leasable area (sq. ft.)	2,795,190	2,444,737	1,857,870	1,871,398	1,626,918
% of portfolio — Industrial and flex	18.3 %	16.0 %	12.2 %	12.3 %	10.7 %
Portfolio total					
Leasable area (sq. ft.)	5,316,939	5,029,060	4,023,179	3,969,259	2,911,761
% of portfolio — Total	14.9 %	14.1 %	11.3 %	11.1 %	8.1 %

The following table summarizes information on leases as at September 30, 2021:

	Residual weighted average term (years)	Weighted average term of leases (years)	Average leased area per client (sq. ft.)	Average minimum rent ($/sq. ft.)
Property type				
Office	5.4	8.6	12,197	18.29
Retail	5.0	8.1	4,979	19.05
Industrial and flex	6.9	7.5	16,705	7.42
Weighted average of total portfolio	**6.0**	**8.0**	**9,775**	**13.51**

Cominar has a broad, highly diversified retail client base consisting of approximately 3,450 tenants occupying an average of 9,775 square feet each. The stability and quality of cash flows provided by operating activities are enhanced by the fact that approximately 14.1% of operating revenues come from government agencies, over 100 leases.

Top 10 clients

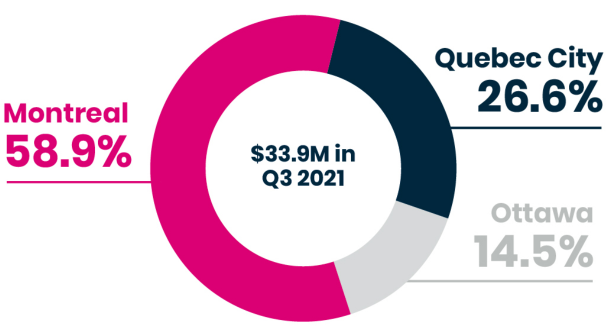
Top 10 clients	% of leasable area [1]	% of operating revenues[1]
Société québécoise des infrastructures	5.6 %	6.3 %
Public Works Canada	3.9 %	4.5 %
Canadian National Railway Company	1.8 %	3.4 %
Infra MTL Inc.	3.1 %	2.3 %
Canadian Tire group	1.6 %	1.4 %
Loblaws group	0.8 %	0.9 %
Desjardins Property Management	0.7 %	0.9 %
Winners merchants	0.7 %	0.8 %
Metro group	0.8 %	0.8 %
Dollarama	0.6 %	0.8 %
Total	**19.6 %**	**22.1 %**

1 Based on tenants in-place as at September 30, 2021

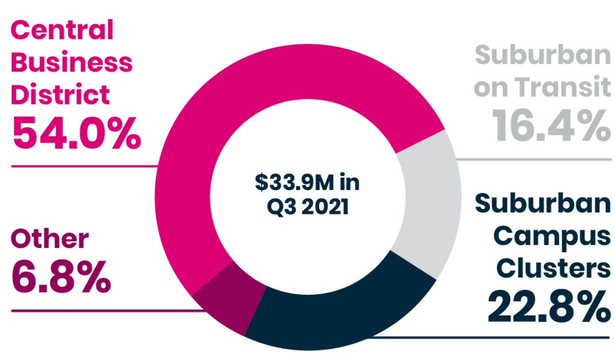
Office Highlights

Quarter ended September 30, 2021	
Reduction in same property net operating income[1,2] Nine-month period ended September 30, 2021 : (2.9)%	**(5.3)%**
Growth in the average net rent of renewed leases Nine-month period ended September 30, 2021 : 4.5%	**8.3%**
Committed occupancy rate	**90.3%**
In-place occupancy rate	**88.2%**
Rent collection[3]	**98.4%**

Same Property NOI by Geographic Market[4]



Same Property NOI by Segment[4]



[1] Refer to section "Non-IFRS Financial Measures".
[2] Includes estimated financial impact of COVID-19.
[3] Including amounts to be collected from government agencies.
[4] Split as per quarter ended September 30, 2021.

Office Financial and Operational Highlights

Periods ended September 30	Quarter[2] 2021	2020		Year-to-date (nine months)[2] 2021 [2]	2020	
	$	$	% Δ	$	$	% Δ
Financial performance						
Operating revenues — Cominar's proportionate share [1]	**68,415**	69,602	(1.7)	**205,914**	209,379	(1.7)
NOI — Cominar's proportionate share [1]	**35,171**	35,983	(2.3)	**103,917**	105,347	(1.4)
Same property NOI [1]	**33,912**	35,793	(5.3)	**101,425**	104,448	(2.9)
Change in fair value of investment properties	**(506)**	(123)	311.4	**(81,789)**	(40,055)	104.2
Net income (loss)	**23,505**	26,093	(9.9)	**(10,601)**	28,260	(137.5)
Funds from operations (FFO) [1]	**24,270**	26,902	(9.8)	**72,306**	73,300	(1.4)
Adjusted funds from operations (AFFO) [1]	**16,009**	19,681	(18.7)	**56,891**	52,809	7.7
Income properties fair value — Cominar's proportionate share [1]				**2,323,776**	2,305,797	0.8
Financing						
Mortgages payable — Cominar's proportionate share [1]				**875,180**	894,743	
Unencumbered income properties				**650,076**	732,724	
Mortgages payable to income properties ratio [1,3]				**37.7 %**	38.8 %	
Operational data						
Number of investment properties				**79**	79	
Leasable area (in thousands of sq. ft.)				**11,075**	10,990	
Committed occupancy rate				**90.3 %**	93.0 %	
In-place occupancy rate				**88.2 %**	91.9 %	
Retention rate				**76.2 %**	64.2 %	
Growth in the average net rent of renewed leases				**4.5 %**	7.6 %	
Development activities						
Properties under development — Cominar's proportionate share [1]				**—**	25,185	

1 Refer to section "Non-IFRS Financial Measures".
2 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks".
3 Total of mortgages payable divided by total of income properties fair value - Cominar's proportionate share.

COVID-19 - Impact Analysis and Risks - Office

Operations

Throughout most of 2020 and since the beginning of 2021, the Quebec government has taken several measures to reduce the progression of the COVID-19 pandemic. In the office sector, teleworking has remained compulsory for people working in the public sector and is strongly recommended for private sector employees, with the exception of workers whose employers deem their presence essential to continue the activities of the organization.

In the wake of a fourth wave and the rapid progression of the Delta variant, the return to office date for public sector employees is yet to be determined.

Due to the temporary low level of occupancy in our office properties, we have seen a significant reduction in parking revenues for the sixth consecutive quarter which still represents the biggest negative impact on the office sector NOI. We are starting to see an increase in revenues in some of our most traffic sensitive properties such as Place Alexis-Nihon and Gare Centrale in Montreal. Properties with a government dominant occupancy are also impacted the most for now. We are actively seeking new operating strategies and opportunities to improve revenues from our parking operations in the post-COVID-19 environment.

Our collection rate for the third quarter of 2021 was 96.8%, compared to 96.4% for the second quarter of 2021. Including amounts to be collected from government agencies, our collection rate for the third quarter of 2021 stood at 98.4%.

The temporary adoption of teleworking strategies during the pandemic has triggered a general reflection on the short to medium term needs for office space, putting several expansion projects of our tenants on a holding pattern. Vacancy rates have been on the rise over the past two years in all markets and our portfolio has maintained occupancy levels in line or above the market average in all three main markets. We are currently experiencing modest increases on net rents at renewal for the office segment. Based on the increased competitiveness in our markets, we currently have to structure transactions differently with shorter terms and/or higher incentives on a case-by-case basis.

Agility measures

In response to the recent increase in construction costs, we are carefully reviewing all capex spending in order to invest strategically. With the gradual return of office workers, our operations teams continue to make every effort to keep operating expenses at an optimal level while continuing to implement sanitary measures to meet government health requirements in our office buildings.

At the same time, we have strengthened our collection process and are closely monitoring the financial health of our tenants. When appropriate, and if they are available, we direct them to the applicable and pertinent government assistance programs.

Trade Receivables and Expected Credit Losses - Office

The following table presents office net trade receivables as at September 30, 2021 and December 31, 2020:

Office trade receivables	September 30, 2021	December 31, 2020
	$	$
Trade receivables	**16,410**	18,729
Provision for expected credit losses	**(1,425)**	(3,420)
Total net trade receivables	**14,985**	15,309

Office trade receivables include $4.7 million invoiced to tenants during the third quarter of 2021 for work performed in their premises and $6.9 million due by government agencies (up $3.5 million from December 31, 2020) for which final leases still need to be received, a condition for rental payments to be in effect although the occupancy is already effective. Government receivables are not at risk in those circumstances.

The following table highlights expected credit losses for the periods ended September 30, 2021 and 2020 :

	Quarter		Year-to-date (nine months)	
Periods ended September 30	2021	2020	2021	2020
	$	$	$	$
Expected credit losses on trade receivables	**210**	203	**1,340**	1,430
Expected credit losses - forgiven portion of the CECRA programs	**—**	286	**—**	456
Expected credit losses - prior quarter provisions reversal	**(377)**	—	**—**	—
Expected credit losses - prior year provisions reversal	**(224)**	—	**(1,867)**	—
Expected credit losses - rent reductions	**151**	386	**151**	950
Total expected credit losses	**(240)**	875	**(376)**	2,836
Percentage of operating revenues	**(0.4)%**	1.3 %	**(0.2)%**	1.4 %

Expected credit losses for the quarter ended September 30, 2021 were favorably impacted by a partial reversal of 2020 expected credit losses provisions in the amount of $0.2 million and a partial reversal of 2021 second quarter expected credit losses provision in the amount of $0.4 million.

Results of Operations - Office

The following table highlights our office results of operations as shown in our condensed interim consolidated financial statements for the periods ended September 30, 2021 and 2020:

	Quarter			Year-to-date (nine months)		
Periods ended September 30	2021 [1]	2020		2021 [1]	2020	
	$	$	% Δ	$	$	% Δ
Operating revenues	**64,654**	65,613	(1.5)	**194,462**	197,477	(1.5)
Operating expenses	**(31,601)**	(32,060)	(1.4)	**(97,109)**	(99,223)	(2.1)
NOI	**33,053**	33,553	(1.5)	**97,353**	98,254	(0.9)
Finance charges	**(9,639)**	(8,058)	19.6	**(23,631)**	(24,386)	(3.1)
Trust administrative expenses	**(636)**	(669)	(4.9)	**(1,865)**	(1,937)	(3.7)
Change in fair value of investment properties	**(506)**	(123)	311.4	**(81,789)**	(40,055)	104.2
Share of joint ventures' net income (loss)	**1,254**	1,551	(19.1)	**(472)**	(139)	239.6
Transaction costs	**(21)**	(161)	(87.0)	**(197)**	(3,481)	(94.3)
Net income (loss) before income taxes	**23,505**	26,093	(9.9)	**(10,601)**	28,256	(137.5)
Current income taxes	**—**	—	—	**—**	4	(100.0)
Net income (loss) and comprehensive income (loss)	**23,505**	26,093	(9.9)	**(10,601)**	28,260	(137.5)

1 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks".

The decrease in operating revenues 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.

NOI for the third quarter of 2021 decreased only by 1.5% when compared to the corresponding period of 2020 despite a full year of COVID-19 impacting our operating revenues, which was counter-balanced by our efforts to reduce operating expenses.

Despite the gradual return of office workers, operating expenses have decreased by $0.3 million in property maintenance while expected credit losses have decreased by $1.1 million for the quarter and $3.2 million for the nine-month period as the economy improves gradually along with our collection levels.

In addition, the decrease in occupancy levels was partially offset by a sustained growth in rents for leases renewed during the last twelve months. In all, over 0.8 million square feet have been renewed since October 1st, 2020 with positive net rental growth in all of our three markets averaging 8.0%.

Results of Operations - Same Property Office Portfolio

Cominar analyzes its results of operations taking into account the proportionate share of its joint ventures to assess the operating performance of its investment properties and pays particular attention to the performance of its same property portfolio. Same property office NOI excludes rental income arising from the recognition of leases on a straight-line basis.

Same property office portfolio NOI

	Quarter			Year-to-date (nine months)		
Periods ended September 30	2021 [1]	2020		2021 [1]	2020	
	$	$	% Δ	$	$	% Δ
Same property operating revenues - Cominar's proportionate share [2]	**66,641**	68,750	(3.1)	**201,580**	206,863	(2.6)
Same property operating expenses - Cominar's proportionate share [2]	**(32,729)**	(32,957)	(0.7)	**(100,155)**	(102,415)	(2.2)
SPNOI - Cominar's proportionate share [2]	**33,912**	35,793	(5.3)	**101,425**	104,448	(2.9)

1 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks".
2 Refer to section "Non-IFRS Financial Measures".

Periods ended September 30	Quarter 2021 [1]	Quarter 2020		Year-to-date (nine months) 2021 [1]	Year-to-date (nine months) 2020	
	$	$	% Δ	$	$	% Δ
Geographic Market						
Montreal	**19,958**	20,426	(2.3)	**59,567**	59,675	(0.2)
Quebec City	**9,025**	9,745	(7.4)	**27,472**	28,364	(3.1)
Ottawa [2]	**4,929**	5,622	(12.3)	**14,386**	16,409	(12.3)
SPNOI — Cominar's proportionate share [3]	**33,912**	35,793	(5.3)	**101,425**	104,448	(2.9)

1 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - impact analysis and risks"
2 For presentation purposes, the Gatineau area is included in the Ottawa geographic market.
3 Refer to section "Non-IFRS Financial Measures".

Year to date, the SPNOI decreased by 2.9% mostly related to a 3.7% decrease year-over-year of the in-place occupancy rate and a $3.2 million decrease in parking revenues. Since we are now comparing pandemic impacted quarters, the trend in parking revenues across our office portfolio is a 3% decrease in the third quarter with a stabilization or even an increase in some of our most traffic sensitive properties. Properties with a government dominant occupancy remain the most impacted for now, since public sector employees are still under the obligation to work from home.

In Montreal, the SPNOI for the third quarter has decreased by 2.3%. The decrease is related to a 4.8% decrease of the in-place occupancy over the past twelve months, mostly driven by central business district (CBD) in-place occupancy that decreased by 7.8%, following the expiry of a lease at 1555 Carrie-Derick for 82,000 square feet at end of December 2020 and a few leases totaling 49,000 square feet at 1080 Beaver-Hall. The SPNOI decrease was partially offset by fewer expected credit losses than anticipated.

The Quebec City portfolio recorded a decrease of 7.4% in SPNOI in the third quarter, mostly related to the impact of revenues in the third quarter of 2020 for early termination penalties, to the decrease of 32% in urban parking revenues and to a decrease of the in-place occupancy rate of 1.4% when compared to the same period last year. The decrease was partially offset by a reduction of expected credit losses.

The 12.3% decrease in SPNOI in Ottawa is explained by a 3.3% decrease of the in-place occupancy rate following the expiry of a 100,000 square feet at 1000 Innovation Drive in Kanata, for which we already have significant committed and prospective leasing activity totaling 70,000 square feet.

Overall, our intensive efforts to control and optimize expenses, along with a solid rent collection drive has allowed us to compensate for an important part of the negative impact of the pandemic, namely the decrease of occupancy with a few key lease expiries and the reduction in parking revenues. With over 48% of their income derived from governmental agencies leases, the Quebec City and Ottawa markets are expected to continue to provide a stable contribution in the coming years.

Periods ended September 30	Quarter 2021 [1]	Quarter 2020		Year-to-date (nine months) 2021 [1]	Year-to-date (nine months) 2020	
	$	$	% Δ	$	$	% Δ
Segment						
Central Business District	**18,293**	19,348	(5.5)	**53,421**	57,002	(6.3)
Suburban on Transit	**5,561**	6,174	(9.9)	**17,670**	16,949	4.3
Suburban Campus Clusters	**7,735**	7,802	(0.9)	**23,697**	23,340	1.5
Other	**2,323**	2,469	(5.9)	**6,637**	7,157	(7.3)
SPNOI — Cominar's proportionate share [2]	**33,912**	**35,793**	(5.3)	**101,425**	**104,448**	(2.9)

1 Quarter ended September 30, 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - impact analysis and risks"
2 Refer to section "Non-IFRS Financial Measures".

In the third quarter of 2021, our CBD properties continued to support a decline in parking revenues and occupancy following a few key lease expiries. We anticipate that the demand for parking facilities will gradually come back when office workers return to the office. As mandatory teleworking directives are lifted, we expect that many workers may prefer to use their car over public transit, at least in the short term. We anticipate that the fundamentals of CBD attractiveness will return in the medium to long term while short term performance will fluctuate until the confidence in public transit is restored and the remaining subleases and new supplies coming in the market are absorbed.

Post-COVID-19, we anticipate that many organizations will expand their suburban location strategies in order to serve their workforce that will prefer a “work-near-home” solution.

In Montreal, the market is already showing signs of this throughout the suburban office markets as the Midtown, West Island and Center East markets were among the most active markets where new tenants are migrating, likely due to the new supply and the proximity to employees' homes and access to the soon-to-be-delivered light rail transit system. Accordingly, market asking rents were on the rise in suburbs and mid town markets and absorption in the suburban market was the second highest in Canada during the third quarter of 2021. On the other hand, absorption is declining in the downtown core, while asking rents remain unchanged. Year to date, our Montreal suburbs generated 6.3% SPNOI growth propelled by the commencement of major leases totaling 230,000 square feet at 5100 Sherbrooke and 255 Crémazie, while our CBD declined 11.0% due to the decrease in occupancy following the expiry of a 82,000 square foot lease at 1555 Carrie-Derrick in December 2020.

This context is favorable for Cominar to capture leasing opportunities as approximately 70% of our office vacancy resides in the suburbs, in which our occupancy rate already performs well vs the market (86.7% vs 83.2%) and where vacancy is mostly concentrated in one specific asset (Place Laval) that, alone, accounts for over 40% of our Montreal suburb vacancy. Excluding Place Laval, our office occupancy in the suburbs would be 90.1%. In parallel, while the CBD market occupancy rate decreased to 86.8% in Montreal, our CBD portfolio demonstrates resilience in the circumstances, with an occupancy of 91.1% and a weighted average lease term of 5.6 years.

Same property office portfolio NOI weighting

	Quarter		Year-to-date (nine months)	
Periods ended September 30	2021	2020	2021	2020
Geographic market				
Montreal	**58.9 %**	57.1 %	**58.7 %**	57.1 %
Quebec City	**26.6 %**	27.2 %	**27.1 %**	27.2 %
Ottawa [1]	**14.5 %**	15.7 %	**14.2 %**	15.7 %
SPNOI — Cominar's proportionate share [2]	**100.0 %**	100.0 %	**100.0 %**	100.0 %

1 For presentation purposes, the Gatineau area is included in the Ottawa geographic market.
2 Refer to section "Non-IFRS Financial Measures".

The weighing of our SPNOI per geographic market remains stable year over year, despite the parking revenues decrease in Montreal.

	Quarter		Year-to-date (nine months)	
Periods ended September 30	2021	2020	2021	2020
Segment				
Central Business District	**54.0 %**	54.1 %	**52.7 %**	54.6 %
Suburban on Transit	**16.4 %**	17.2 %	**17.4 %**	16.2 %
Suburban Campus Clusters	**22.8 %**	21.8 %	**23.4 %**	22.3 %
Other	**6.8 %**	6.9 %	**6.5 %**	6.9 %
SPNOI — Cominar's proportionate share [1]	**100.0 %**	100.0 %	**100.0 %**	100.0 %

1 Refer to section "Non-IFRS Financial Measures"

Our CBD portfolio remains a most important SPNOI driver in the office sector but its contribution has diminished in the first three quarters of 2021, mostly because of the temporary reduction in parking revenues and a decrease in occupancy following a major lease expiry at the end of 2020. In the past year, the contribution of the suburbs and the outskirts of the CBD increased, assisted by a major lease with a para-governmental entity in Montreal-East. This may also be a continuing trend and an opportunity for Cominar as demand for suburban office solutions is increasing faster than in the CBD in the COVID-19 environment. Therefore, we anticipate that the suburban office contribution may continue to increase over the coming quarters.

Office property portfolio

Office	September 30, 2021 Number of properties	September 30, 2021 Leasable area sq. ft	December 31, 2020 Number of properties	December 31, 2020 Leasable area sq. ft
Geographic Market				
Montreal	**48**	**6,464,000**	50	6,554,000
Quebec City	**13**	**2,419,000**	13	2,409,000
Ottawa [1]	**18**	**2,192,000**	17	2,093,000
Office portfolio total	**79**	**11,075,000**	80	11,056,000

1 *For presentation purposes, the Gatineau area is included in the Ottawa geographic market.*

Office	September 30, 2021 Number of properties	September 30, 2021 Leasable area sq. ft	December 31, 2020 Number of properties	December 31, 2020 Leasable area sq. ft
Segment				
Central Business District	**15**	**4,773,000**	15	4,763,000
Suburban on Transit	**21**	**2,288,000**	22	2,354,000
Suburban Campus Clusters	**29**	**2,681,000**	28	2,582,000
Other	**14**	**1,333,000**	15	1,357,000
Office portfolio total	**79**	**11,075,000**	80	11,056,000

Investments in Office Properties

Periods ended September 30	Quarter 2021	Quarter 2020		Year-to-date (nine months) 2021	Year-to-date (nine months) 2020	
	$	$	% Δ	$	$	% Δ
Capital expenditures — increase of rental income generating capacity	**1,431**	8,453	(83.1)	**8,330**	17,551	(52.5)
Capital expenditures — maintenance of rental income generating capacity	**3,388**	(13)	(26,161.5)	**7,518**	2,397	213.6
Leasehold improvements	**4,042**	3,227	25.3	**13,648**	5,984	128.1
Leasing costs	**2,043**	1,523	34.1	**3,276**	3,484	(6.0)
Properties under development	**8**	2,410	(99.7)	**1,497**	16,424	(90.9)
Total capital expenditures (including capitalized interests)[1]	**10,912**	15,600	(30.1)	**34,269**	45,840	(25.2)
Total capital expenditures (excluding capitalized interests)[1]	**10,878**	**14,020**	(22.4)	**32,738**	41,241	(20.6)

1 *Includes Cominar's share of joint ventures*

Real Estate Operations - Office

Occupancy Rate

Occupancy rate track record

Office	Committed		In-place	
	Sept. 30, 2021	Dec. 31, 2020	Sept. 30, 2021	Dec. 31, 2020
Geographic Market				
Montreal	**88.2 %**	91.7 %	**85.3 %**	90.1 %
Quebec City	**96.3 %**	97.7 %	**95.4 %**	97.2 %
Ottawa [1]	**89.8 %**	92.1 %	**88.5 %**	88.6 %
Office portfolio total	**90.3 %**	93.1 %	**88.2 %**	91.4 %

1 For presentation purposes, the Gatineau area is included in the Ottawa geographic market.

The in-place office occupancy rate decreased by 3.2% during the first three quarters of 2021 when compared to December 31, 2020 following the expiry of a few key leases in a market where leasing activity is at a stand-still due to the pandemic, while our committed occupancy decreased by 2.8%. In Montreal, the decrease in occupancy is mostly related to the departure of a few large tenants totaling 190,000 square feet in the CBD. The in-place occupancy remained fairly stable in Ottawa since the beginning of the year as we are experiencing significant leasing activity in Kanata, where we had an important departure of 60,000 square feet in 2021 first quarter. Finally, the 1.8% decrease in Quebec City is explained by the non-renewal of smaller sized units and some space reduction, the largest one being 11,000 square feet at 150 René-Léveques Blvd. Overall, our in-place occupancy has decreased by only 1.0% since the beginning of the pandemic (at the end of the first quarter of 2020) and our current committed occupancy of 90.3% remains above the market average in all of our three markets.

Office	Committed		In-place	
	Sept. 30, 2021	Dec. 31, 2020	Sept. 30, 2021	Dec. 31, 2020
Segment				
Central Business District	**94,3**	96.1 %	**92,5**	95.6 %
Suburban on Transit	**91,7**	92.1 %	**89,0**	91.7 %
Suburban Campus Clusters	**85,6**	88.0 %	**84,3**	86.5 %
Other	**83,8**	93.1 %	**79,0**	88.8 %
Office portfolio total	**90,3**	93.1 %	**88,2**	91.4 %

Approximately 70% of our office vacancy is located in the suburban market. What we considered as a challenge in previous years is now seen as an opportunity as we expect an increase in suburban office demand to continue in the post-COVID-19 reality. We anticipate that some of the office space requirement by corporations will transition to the suburbs. We also anticipate that on-going transit infrastructure projects in all of our three markets will provide additional demand in suburbs. As we deploy our suburban office strategy, an increase in occupancy in the suburban should play in favor of Cominar in the coming years while the CBD gradually regains momentum.

Office Leasing Activity

Leases maturing in 2021	
Number of clients	172
Leasable area (sq. ft.)	1,720,769
Renewed leases	
Number of clients	95
Leasable area (sq. ft.)	1,311,770
Retention rate	**76.2 %**
New leases	
Number of clients	42
Leasable area (sq. ft.)	322,361
Unexpected departures	
Number of clients	14
Leasable area (sq. ft.)	156,000

During the nine-month period ended September 30, 2021, 76.2% of the office leasable area maturing in 2021 was renewed. New leases were also signed representing 0.3 million square feet of leasable area, while tenants whose leases were not expiring and that left before the end of their lease totaled a leasable area of 0.2 million square feet. As at September 30, 2021, 95.0% of the leasable area maturing in 2021 was covered by renewals and new leases.

Growth in the average net rent of renewed leases

Office	Quarter ended September 30, 2021		Nine-month period ended September 30, 2021		Year ending December 31, 2021		Year ended December 31, 2020	
	leasable area (sq. ft.)	in the average net rent	Renewed leasable area (sq. ft.)	in the average net rent	leasable area (sq. ft.)	in the average net rent	leasable area (sq. ft.)	in the average net rent
Geographic Market								
Montreal	87,688	9.6 %	321,090	5.6 %	486,698	5.3 %	573,000	8.0 %
Quebec City	20,217	2.3 %	225,388	6.3 %	256,902	6.1 %	251,000	3.4 %
Ottawa [1]	—	- %	236,973	0.6 %	568,170	9.7 %	248,000	12.8 %
Office portfolio total	**107,905**	**8.3 %**	**783,451**	**4.5 %**	**1,311,770**	**7.2 %**	**1,072,000**	**7.6 %**

1 For presentation purposes, the Gatineau area is included in the Ottawa geographic market.

Growth in the average net rent on renewed leases is measured by comparing the rent at the end of the lease to the rent at the beginning of the lease's renewal. Our rental growth for the leases maturing in 2021 is a solid 7.2% year to date, mostly driven by increases in Quebec City and Ottawa related to two major governmental leases totaling over 440,000 square feet.

Office Lease Maturities

Years ending December 31	2022	2023	2024	2025	2026
Leasable area (sq. ft.)	1,208,758	1,504,463	1,295,974	1,268,818	666,922
% of portfolio — Office	10.9 %	13.6 %	11.7 %	11.5 %	6.0 %

The following table summarizes information on office leases as at September 30, 2021:

	Residual weighted average term (years)	Weighted average term of leases (years)	Average leased area per client (sq. ft.)	Average minimum rent ($/sq. ft.)
Office leases	5.4	8.6	12,197	18.29

Cominar has a broad, highly diversified office client base consisting of approximately 850 tenants occupying an average of approximately 12,197 square feet each. The top three tenants, Société Québécoise des Infrastructures, Public Works Canada and Canadian National Railway Company, account respectively for approximately 5.7%, 4.3% and 3.4% of operating revenues over several leases with staggered maturities in respect of the government portion. The stability and quality of cash flows provided by operating activities are enhanced by the fact that approximately 32.0% of operating revenues come from government agencies.

In a post-COVID-19 environment, we expect that weighted average lease terms may diminish slightly, at least for a short time until the long term impacts of the pandemic are understood. As tenants redefine their new occupancy strategies, we may then see longer weighted average lease terms resurface after the optimal configurations and office strategies are determined. As for flexible leasing options, we believe they will play a larger role. Cominar is actively analyzing various solutions which will cater to tenants looking for flexible tenancies and work environments.

Top 10 office clients

The following table presents our top ten office clients:

Top 10 office clients	% of office leasable area [1]	% of office operating revenues [1]
Société québécoise des infrastructures	4.7 %	5.7 %
Public Works Canada	3.7 %	4.3 %
Canadian National Railway Company	1.8 %	3.4 %
Institut Royal pour l'avancement des sciences (McGill)	0.4 %	0.7 %
Ford motor company of Canada, Limited	0.4 %	0.7 %
Ville de Montréal	0.4 %	0.5 %
Centre de services scolaire de Montréal (School Board)	0.6 %	0.5 %
Desjardins Property Management	0.4 %	0.5 %
Autorité des marchés financiers (Government Agency)	0.3 %	0.4 %
HSBC Bank of Canada	0.2 %	0.4 %
Total	**12.9 %**	**17.1 %**

1 Based on tenants in place as at September 30, 2021

Field of activity	% of office leasable area [1]	% of office operating revenues [1]
Government and paragovernmental institutions	28.0 %	32.0 %
Professional, scientific and technical services	17.0 %	16.0 %
Financial services, real estate and bank services	17.0 %	14.0 %
Wholesale, Distribution, transportation and logistics	15.0 %	13.0 %
Technologies	6.0 %	6.0 %
Education	5.0 %	5.0 %
Administrative services	5.0 %	4.0 %
Manufacturing	3.0 %	3.0 %
Medical services	3.0 %	3.0 %
Others	1.0 %	4.0 %
Total	**100.0 %**	**100.0 %**

1 Based on tenants in place as at September 30, 2021

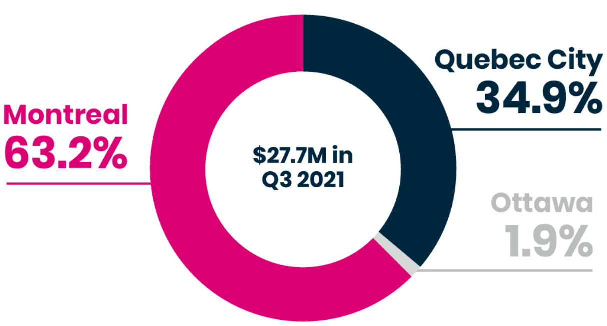
The Office portfolio is leased on a long-term basis to creditworthy tenants, with 55% of office revenues from tenants being companies or affiliates of companies with an investment grade rating from DBRS, Standard & Poor's, Moody's or Fitch ratings.

Retail Highlights

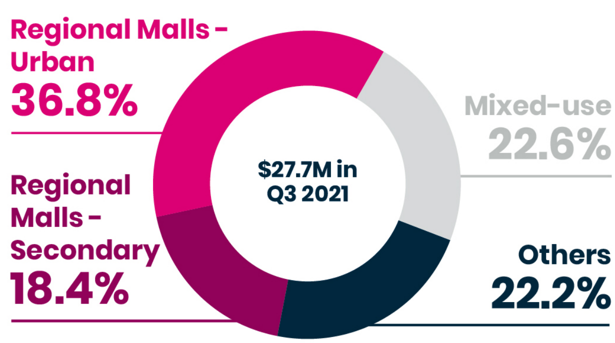
Quarter ended September 30, 2021

Growth in same property net operating income[1,2] Nine-month period ended September 30, 2021 : 18.1%	**19.6%**
Reduction in the average net rent of renewed leases Nine-month period ended September 30, 2021 : (2.1)%	**(1.4)%**
Committed occupancy rate	**91.5%**
In-place occupancy rate	**86.6%**
Rent collection	**95.0%**

Same Property NOI by Geographic Market[3]



Same Property NOI by Asset Type[3]



[1] Refer to section "Non-IFRS Financial Measures".
[2] Includes estimated financial impact of COVID-19.
[3] Split as per quarter ended September 30, 2021.

Retail Financial and Operational Highlights

	Quarter[2]			Year-to-date (nine months)[2]		
Periods ended September 30	2021	2020		2021[2]	2020	
	$	$	% Δ	$	$	% Δ
Financial performance						
Operating revenues — Cominar's proportionate share[1]	**56,423**	59,137	(4.6)	**179,139**	180,184	(0.6)
NOI — Cominar's proportionate share[1]	**27,672**	22,759	21.6	**84,435**	70,431	19.9
Same property NOI[1]	**27,706**	23,162	19.6	**83,581**	70,758	18.1
Change in fair value of investment properties	**—**	73	(100.0)	**(276,247)**	(246,214)	12.2
Net income (loss)	**19,749**	13,795	43.2	**(217,902)**	(208,960)	4.3
Funds from operations (FFO)[1]	**19,871**	13,989	42.0	**58,845**	39,837	47.7
Adjusted funds from operations (AFFO)[1]	**15,230**	10,316	47.6	**47,358**	29,025	63.2
Income properties fair value — Cominar's proportionate share[1]				**1,650,873**	2,034,299	(18.8)
Financing						
Mortgages payable — Cominar's proportionate share[1]				**745,736**	792,126	
Unencumbered income properties				**438,752**	682,312	
Mortgages payable to income properties ratio[1,3]				**45.2 %**	38.9 %	
Operational data						
Number of investment properties				**41**	44	
Leasable area (in thousands of sq. ft.)				**9,409**	9,480	
Committed occupancy rate				**91.5 %**	90.9 %	
In-place occupancy rate				**86.6 %**	85.6 %	
Retention rate				**62.9 %**	65.2 %	
Reduction in the average net rent of renewed leases				**(2.1)%**	(2.1)%	
Development activities						
Properties under development — Cominar's proportionate share[1]				**34,036**	28,352	

1 Refer to section "Non-IFRS Financial Measures".
2 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks".
3 Total of mortgages payable divided by total of income properties fair value - Cominar's proportionate share.

COVID-19 - Impact Analysis and Risks - Retail

As a result of the pandemic, shopping centers were closed from December 24, 2020 until February 8, 2021, except for essential services (the latter representing 28.0% of retail operating revenues). In April and May 2021, a number of regions (Greater Quebec City area, Lower St-Lawrence, Chaudieres-Appalaches and Outaouais) were shut down again (except for essential services) for an average duration of five weeks. During the quarter ended September 30, 2021, no regions were shut down like in the previous two quarters of 2021.

During the quarter ended September 30, 2021 we saw a 3.0% increase footfall in all non-urban core properties (excludes Alexis-Nihon and Place de la Cité) over the comparable 2020 quarter and a (17.0%) decrease in footfall over the comparable 2019 pre pandemic level. The footfall during quarter ended September 30, 2021 is a net improvement from the previous two quarters of 2021.

We experienced a 3.0% increase in the total comparable sales in all non-urban core properties (excludes Alexis-Nihon and Place de la Cité) over comparable 2020 quarter. Despite a (17.0%) in decrease footfall over the comparable 2019 pre pandemic level, we experienced a 1.0% increase in total comparable sales in all non-urban core properties (excludes Alexis-Nihon and Place de la Cité) over comparable 2019 pre pandemic level.

Essential services, sporting good, electronics and home furniture and decor are categories that experienced strong sales through the third quarter of 2021 and which are most likely to lease additional square footage in our malls. Mid fashion category is starting to recover with a majority of operators coming back to 2019 levels for the quarter. The ones on a slower recovery pace are the dress and menswear categories. Restaurants, cinemas and gyms are still restricted in their capacity to operate until November 1, 2021 and the vaccination passport imposed since September 1' 2021 by the Quebec government is another temporarily hurdle to their full recovery.

Our collection rate for the third quarter of 2021 was 95.0% compared to 93.4% for the second quarter of 2021.

Trade Receivables and Expected Credit Losses - Retail

The following table presents retail net trade receivables as at September 30, 2021 and December 31, 2020:

Retail trade receivables	September 30, 2021	December 31, 2020
	$	$
Trade receivables	**9,576**	15,430
Provision for expected credit losses	**(3,193)**	(7,356)
Total net trade receivables	**6,383**	8,074

The following table highlights expected credit losses for the periods ended September 30, 2021 and 2020:

Periods ended September 30	Quarter		Year-to-date (nine months)	
	2021	2020	2021	2020
	$	$	$	$
Expected credit losses on trade receivables	**142**	3,617	**3,921**	9,456
Expected credit losses - forgiven portion of the CECRA programs	**—**	1,286	**—**	3,781
Expected credit losses - prior quarter provisions reversal	**(1,136)**	—	**—**	—
Expected credit losses - prior year provision reversal	**(54)**	—	**(3,326)**	—
Expected credit losses - conversion of provisions to rent reductions	**(675)**	—	**(2,623)**	—
Expected credit losses - rent reductions	**1,520**	2,078	**5,698**	9,476
Total expected credit losses	**(203)**	6,981	**3,670**	22,713
Percentage of operating revenues	**(0.4)%**	11.8 %	**2.1 %**	12.7 %

Expected credit losses for the quarter ended September 30, 2021 were favorably impacted by the partial reversal of 2020 expected credit losses provisions in the amount of $0.1 million and a partial reversal of 2021 second quarter expected credit losses provisions in the amount of $1.1 million. During the quarter ended September 30, 2021, we also recorded $1.5 million of rent reductions, of which $0.7 million was previously included in the expected credit losses provision.

Results of Operations - Retail

The following table highlights our results of operations as shown in our condensed interim consolidated financial statements for the periods ended September 30, 2021 and 2020:

Periods ended September 30	Quarter			Year-to-date (nine months)		
	2021 [1]	2020		2021 [1]	2020	
	$	$	% Δ	$	$	% Δ
Operating revenues	**56,210**	58,918	(4.6)	**178,535**	179,199	(0.4)
Operating expenses	**(28,613)**	(36,257)	(21.1)	**(94,316)**	(109,247)	(13.7)
NOI	**27,597**	22,661	21.8	**84,219**	69,952	20.4
Finance charges	**(7,004)**	(7,667)	(8.6)	**(20,968)**	(23,133)	(9.4)
Trust administrative expenses	**(846)**	(1,309)	(35.4)	**(2,481)**	(2,577)	(3.7)
Change in fair value of investment properties	**—**	73	(100.0)	**(276,247)**	(246,214)	12.2
Share of joint ventures' net income (loss)	**2**	37	(94.6)	**(2,395)**	(5,171)	(53.7)
Transaction costs	**—**	—	—	**(30)**	(1,817)	(98.3)
Net income (loss) and comprehensive income (loss)	**19,749**	13,795	43.2	**(217,902)**	(208,960)	4.3

1 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks".

NOI for the third quarter of 2021 increased by 21.8% when compared with the corresponding quarter of 2020 and is mainly due to a decrease of $7.2 million in expected credit losses.

Results of Operations - Same Property Retail Portfolio

Cominar analyzes its results of operations taking into account the proportionate share of its joint ventures to assess the operating performance of its investment properties and pays particular attention to the performance of its same property portfolio. SPNOI excludes rental income arising from the recognition of leases on a straight-line basis.

Same property retail portfolio NOI

	Quarter			Year-to-date (nine months)		
Periods ended September 30	2021 [1]	2020 [1]		2021 [2]	2020	
	$	$	% Δ	$	$	% Δ
Same property operating revenues - Cominar's proportionate share [3]	**56,292**	59,112	(4.8)	**177,579**	180,514	(1.6)
Same property operating expenses - Cominar's proportionate share [3]	**(28,586)**	(35,950)	(20.5)	**(93,998)**	(109,756)	(14.4)
SPNOI - Cominar's proportionate share [3]	**27,706**	23,162	19.6	**83,581**	70,758	18.1

1 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks".
2 In addition to the quarter events explained above, the nine month period ended September 30, 2021 includes $2.6 million distribution received in respect of a claim settlement regarding Sears Canada.
3 Refer to section "Non-IFRS Financial Measures".

	Quarter			Year-to-date (nine months)		
Periods ended September 30	2021 [1]	2020 [1]		2021 [2]	2020	
	$	$	% Δ	$	$	% Δ
Geographic Market						
Montreal	**17,513**	14,976	16.9	**51,249**	44,687	14.7
Quebec City	**9,669**	8,189	18.1	**28,385**	25,433	11.6
Ottawa [3]	**524**	(3)	(17,566.7)	**3,947**	638	518.7
SPNOI — Cominar's proportionate share [4]	**27,706**	23,162	19.6	**83,581**	**70,758**	18.1

1 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks".
2 In addition to the quarter events explained above, the nine month period ended September 30, 2021 includes a $2.6 million distribution received in respect of a claim settlement regarding Sears Canada.
3 For presentation purposes, the Gatineau area is included in the Ottawa geographic market. Mainly, Galeries de Hull.
4 Refer to section "Non-IFRS Financial Measures".

Ottawa SPNOI for the nine-month period ended September 30, 2021 increased by $3.3 million mainly due to the claim settlement regarding Sears Canada in the first quarter of 2021.

	Quarter			Year-to-date (nine months)		
Periods ended September 30	2021 [1]	2020 [1]		2021 [2]	2020	
	$	$	% Δ	$	$	% Δ
Asset Type						
Regional Malls - Urban	**10,207**	4,597	122.0	**32,069**	25,086	27.8
Regional Malls - Secondary	**5,093**	1,535	231.8	**15,533**	12,836	21.0
Mixed-Use	**6,259**	5,827	7.4	**20,231**	20,225	—
Others	**6,147**	11,203	(45.1)	**15,748**	12,611	24.9
SPNOI — Cominar's proportionate share [3]	**27,706**	23,162	19.6	**83,581**	70,758	18.1

1 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks".
2 In addition to the quarter events explained above, the nine-month period ended September 30, 2021 includes a $2.6 million distribution received in respect of a claim settlement regarding Sears Canada.
3 Refer to section "Non-IFRS Financial Measures".

Regional Malls - Urban SPNOI for the nine-month period ended September 30, 2021 was favorably impacted by a $2.6 million claim settlement regarding Sears Canada in the first quarter of 2021.

Same property retail portfolio NOI weighting

Periods ended September 30	Quarter 2021	Quarter 2020	Year-to-date (nine months) 2021	Year-to-date (nine months) 2020
Geographic market				
Montreal	**63.2 %**	64.6 %	**61.3 %**	63.2 %
Quebec City	**34.9 %**	35.4 %	**34.0 %**	35.9 %
Ottawa [1]	**1.9 %**	0.0 %	**4.7 %**	0.9 %
SPNOI — Cominar's proportionate share [2]	**100.0 %**	100.0 %	**100.0 %**	100.0 %

1 For presentation purposes, the Gatineau area is included in the Ottawa geographic market.
2 Refer to section "Non-IFRS Financial Measures".

Periods ended September 30	Quarter 2021	Quarter 2020	Year-to-date (nine months) 2021	Year-to-date (nine months) 2020
Asset types				
Regional Malls - Urban	**36.8 %**	19.8 %	**38.4 %**	35.5 %
Regional Malls - Secondary	**18.4 %**	6.6 %	**18.6 %**	18.1 %
Mixed-Use	**22.6 %**	25.2 %	**24.2 %**	28.6 %
Others	**22.2 %**	48.4 %	**18.8 %**	17.8 %
SPNOI — Cominar's proportionate share [1]	**100.0 %**	100.0 %	**100.0 %**	100.0 %

1 Refer to section "Non-IFRS Financial Measures".

Retail property portfolio

Retail	September 30, 2021 Number of properties	September 30, 2021 Leasable area sq. ft	December 31, 2020 Number of properties	December 31, 2020 Leasable area sq. ft
Geographic Market				
Montreal	**19**	**5,218,000**	19	5,218,000
Quebec City	**20**	**3,842,000**	23	3,913,000
Ottawa [1]	**2**	**349,000**	2	349,000
Retail portfolio total	**41**	**9,409,000**	44	9,480,000

1 For presentation purposes, the Gatineau area is included in the Ottawa geographic market.

Retail	September 30, 2021 Number of properties	September 30, 2021 Leasable area sq. ft	December 31, 2020 Number of properties	December 31, 2020 Leasable area sq. ft
Asset type				
Regional Malls - Urban	**7**	**3,865,000**	7	3,865,000
Regional Malls - Secondary	**6**	**1,918,000**	6	1,918,000
Mixed-Use	**2**	**1,415,000**	2	1,415,000
Others	**26**	**2,211,000**	29	2,282,000
Retail portfolio total	**41**	**9,409,000**	44	9,480,000

Investments in Retail Properties

Periods ended September 30	Quarter			Year-to-date (nine months)		
	2021	2020		2021	2020	
	$	$	% Δ	$	$	% Δ
Capital expenditures — increase of rental income generating capacity	**10,696**	14,109	(24.2)	**23,997**	39,175	(38.7)
Capital expenditures — maintenance of rental income generating capacity	**395**	1,344	(70.6)	**1,480**	1,786	(17.1)
Leasehold improvements	**2,857**	3,827	(25.3)	**6,146**	7,310	(15.9)
Leasing costs	**576**	172	234.9	**1,128**	869	29.8
Properties under development	**689**	1,001	(31.2)	**2,281**	3,780	(39.7)
Total capital expenditures (including capitalized interests)[1]	**15,213**	20,453	(25.6)	**35,032**	52,920	(33.8)
Total capital expenditures (excluding capitalized interests)[1]	**14,113**	19,346	(27.0)	**31,991**	50,323	(36.4)

1 Includes Cominar's share of joint ventures

Capital expenditures - increase of rental income generating capacity totaled $10.7 million for the quarter ended September 30, 2021.

Retail Properties Under Construction and Development Projects

Société en commandite Chaudière-Duplessis - Ilot Mendel
Cominar continues to review its alternatives for the development of Ilot Mendel, a 2.0 million square foot retail development site located at the intersection of Highways 40 and 540, two of the main arteries of Quebec City. Ilot Mendel is located next to Quebec City's IKEA store, which occupies just over 1 million square feet, including the parking areas. In September 2019, a 57,000 square foot Decathlon sporting goods store also opened to the public on this site.

As announced by the City of Quebec, it is anticipated that the site will eventually be served by a new public transit network (Tramway) with a station directly on site. A densification study has been completed for a residential portion with a minimum of 1,000 units near the future tramway station (subject to zoning). Consequently, the size of the retail portion of the project has been reduced from our initial plans to add an additional residential area of 125,000 square feet. The City of Quebec is continuing to refine its vision for the sector which is in line with our objectives to have a mixed-use project with residential, retail and industrial uses. We are expecting the City of Quebec to communicate the updated vision after the municipal elections. Further development of this site will depend on market conditions, tenant demand and zoning changes by the City of Quebec.

In addition, Cominar owns land located south of the retail project that is intended, among other things, for industrial purposes, with a potential developable area of 250,000 square feet, for which a zoning change is necessary and is also part of the vision discussed above. The City of Quebec requires a portion of that land for the tramway project and the extension of Mendel street to the south and we are in negotiation with the City in that regard.

Société en commandite Bouvier-Bertrand (Quebec City) and Société en commandite Marais (Quebec City)
Cominar and Groupe Dallaire are limited partners in Société en commandite Bouvier-Bertrand and Société en commandite Marais. The limited partnerships were created to carry out the development of land in Quebec City. The Bouvier-Bertrand site is in large part completed except for a small residual parcel, and alternatives for the Marais site are under review.

Intensification Opportunities

Ten transit-oriented retail properties have been identified as offering intensification opportunities with potentially 14,430 residential units, subject to upzoning. We have been active in meeting various municipalities involved.

Property	Location	Zoning status	Estimated potential of doors
Quartier Laval	Greater Montreal	Full rights	2,500
Place du Commerce	Greater Montreal	Anticipated upzoning Q2 2022	2,300
CN Central Station	Montreal	Full rights	2,000
Mail Champlain	Greater Montreal	Anticipated upzoning Q2 2022	2,000
Place Longueuil	Greater Montreal	Anticipated upzoning Q1 2022	1,500
Îlot Mendel	Quebec City	Anticipated upzoning Q1 2022	1,000
Centre Laval	Greater Montreal	Full rights	1,000
Rockland	Montreal	Anticipated upzoning early Q2 2022	800
Galeries de Hull	Gatineau	Full rights	800
Centropolis [1]	Greater Montreal	Full rights	530
Total			14,430

1. *We have concluded a first partnership with Cogir/Divco for the development of 500 units at Centropolis, with the construction of the first phase (approximately 364 doors) expected to commence in first quarter of 2022.*

There can be no assurance that these developments will be completed, including that upzoning will be obtained.

Real Estate Operations - Retail

Occupancy Rate

Occupancy rate track record

Retail	Committed		In-place	
	Sept. 30, 2021	Dec. 31, 2020	Sept. 30, 2021	Dec. 31, 2020
Geographic market				
Montreal	**91.5 %**	91.3 %	**87.1 %**	87.8 %
Quebec City	**91.8 %**	90.3 %	**86.9 %**	86.0 %
Ottawa [1]	**87.9 %**	87.5 %	**74.2 %**	65.2 %
Retail portfolio total	**91.5 %**	90.8 %	**86.6 %**	86.3 %

1 For presentation purposes, the Gatineau area is included in the Ottawa geographic market.

Retail	Committed Sept. 30, 2021	Committed Dec. 31, 2020	In-place Sept. 30, 2021	In-place Dec. 31, 2020
Asset type				
Regional Malls - Urban	**91,5**	91.6 %	**85,2**	83.5 %
Regional Malls - Secondary	**94,8**	93.4 %	**90,2**	88.5 %
Mixed-Use	**92,8**	95.0 %	**89,7**	95.0 %
Others	**87,7**	84.3 %	**83,9**	82.8 %
Retail portfolio total	**91,5**	90.8 %	**86,6**	86.3 %

Retail Leasing Activity

Leases maturing in 2021	
Number of clients	523
Leasable area (sq. ft.)	1,543,940
Renewed leases	
Number of clients	258
Leasable area (sq. ft.)	970,759
Retention rate	**62.9 %**
New leases	
Number of clients	71
Leasable area (sq. ft.)	528,497
Unexpected departures	
Number of clients	21
Leasable area (sq. ft.)	64,000

During the nine-month period ended September 30, 2021, 62.9% of the retail leasable area maturing in 2021 was renewed. We have remained active on the leasing front with 528,497 square feet of new leases in-place for 2021. As at September 30, 2021, 97.1% of the leasable area maturing in 2021 was covered by renewals and new leases.

During the quarter ended September 30, 2021, in-place occupancy has been favorably impacted by 155,000 square feet of new leases including:

- Tesla (Cyrille-Duquet, Qc) 31,000 square feet
- Urban Planet (Mail Champlain) 21,000 square feet
- Archambault (Les Rivières) 15,000 square feet
- Éconofitness (Alexis Nihon) 17,000 square feet

Additional sizeable leases committed that will be in-place by year end 2021, total 131,000 square feet:

- GBI Experts-Conseils (Galeries Rive-Nord, office space) 36,000 square feet
- Econofitness (Carrefour Charlesbourg) 14,000 square feet
- Econofitness (Galeries de Hull) 14,000 square feet
- Econofitness (les Rivieres) 15,000 square feet
- Dollorama (Galeries de Hull) 15,000 square feet
- Griffon (4 leases) 20,000 square feet
- Hart (Centre Rivière-du-Loup) 17,000 square feet

Additional sizeable leases committed and expected to be in-place by year end 2022, total 83,000 square feet:

- AVRIL health oriented grocer (Place de la Cité) 30,000 square feet
- Elna Medical Clinic (Rockland) 17,000 square feet
- Bicycles Quilicot (Centre Laval) 10,000 square feet
- CIMA (Centre Rivière-du-Loup) 9,000 square feet
- LA VUE (3 leases) 17,000 square feet

Growth in the average net rent of renewed leases

Retail	Quarter ended September 30, 2021		Nine-month period ended September 30, 2021		Year ending December 31, 2021		Year ended December 31, 2020	
	Renewed leasable area (sq. ft.)	Growth in the average net rent	Renewed leasable area (sq. ft.)	Growth in the average net rent	Renewed leasable area (sq. ft.)	Growth in the average net rent	Renewed leasable area (sq. ft.)	Growth in the average net rent
Geographic Market								
Montreal	103,499	(1.4)%	460,570	(2.2)%	590,686	(0.3)%	583,000	(7.8)%
Quebec City	99,117	(2.6)%	265,057	(2.7)%	357,516	(0.5)%	544,000	(1.0)%
Ottawa [1]	12,045	6.7 %	15,844	5.4 %	22,557	3.6 %	43,000	9.8 %
Retail portfolio total	**214,661**	**(1.4)%**	**741,471**	**(2.1)%**	**970,759**	**(0.3)%**	**1,170,000**	**(4.3)%**

1 *For presentation purposes, the Gatineau area is included in the Ottawa geographic market.*

Growth in the average net rent on renewed leases is measured by comparing the rent at the end of the lease to the rent at the beginning of the lease's renewal.

Retail Lease Maturities

Years ending December 31	2022	2023	2024	2025	2026
Leasable area (sq. ft.)	1,312,991	1,079,860	869,335	829,043	617,921
% of portfolio — Retail	14.0 %	11.5 %	9.2 %	8.8 %	6.6 %

The following table summarizes information on retail leases as at September 30, 2021:

	Residual weighted average term (years)	Weighted average term of leases (years)	Average leased area per client (sq. ft.)	Average minimum rent ($/sq. ft.)
Retail leases	5.0	8.1	4,979	19.05

Cominar has a broad, highly diversified retail client base consisting of approximately 1,700 tenants occupying an average of approximately 4,979 square feet each. The top three clients, Canadian Tire group, Loblaws group and Winners merchants, account respectively for approximately 3.6%, 2.5% and 2.1% of retail operating revenues over several leases with staggered maturities.

Top 10 retail clients

The following table presents our top ten retail clients:

Top 10 retail clients	% of retail leasable area[1]	% of retail operating revenues [1]
Canadian Tire group	6.5 %	3.6 %
Loblaws group	3.0 %	2.5 %
Winners merchants	2.9 %	2.1 %
Metro group	3.3 %	2.1 %
Dollarama	2.1 %	1.9 %
Marie-Claire group	1.8 %	1.7 %
Sobey's	2.1 %	1.5 %
Decathlon	2.4 %	1.5 %
Leon's/The Brick	1.8 %	1.3 %
Bell group	0.5 %	1.3 %
Total	**26.4 %**	**19.5 %**

1 *Based on tenants in place as at September 30, 2021*

Uses by category

Categories	% of retail leasable area[1]	% of retail operating revenues[1]	Key banners
Fashion	20.5 %	18.6 %	marie claire, ARDENE, Hudson's Bay, H&M
Restaurants	7.5 %	13.6 %	MTY Group, McDonald's, Tim Hortons, Subway, A&W
Health & Beauty / Personal Care	6.7 %	10.4 %	Shoppers Drug Mart, New Look, Jean Coutu, Yves Rocher
General Merchandise & Variety Store	13.6 %	9.9 %	Dollarama, Canadian Tire, Renaud-Bray, Staples
Grocery/Specialty food	9.4 %	6.7 %	Sobeys, metro, Loblaws, avril, Laura Secord
Furniture, Home Furnishings & Decor	8.5 %	6.5 %	Leon's, Linen Chest, RONA, The Brick
Sporting Goods	7.3 %	5.9 %	Sports Experts, Decathlon, Foot Locker, La Cordée
Value Fashion	6.9 %	5.0 %	Winners, L'Équipeur, Aubainerie, Marshalls
Electronics	2.1 %	5.4 %	Bell, Rogers, Telus, Vidéotron
Office & Medical Spaces	4.1 %	3.1 %	nordia, iA Groupe financier, la cité médicale
Entertainment	5.8 %	4.2 %	Cineplex Entertainment, Econofitness, Clip 'n Climb, Énergie Cardio
Government and para-government institutions	2.5 %	2.7 %	SAQ, Québec, Canada
Others	5.1 %	8.2 %	Tesla, Swarovski, Pandora
Total	**100.0 %**	**100.0 %**	

1 Based on tenants in place as at September 30, 2021

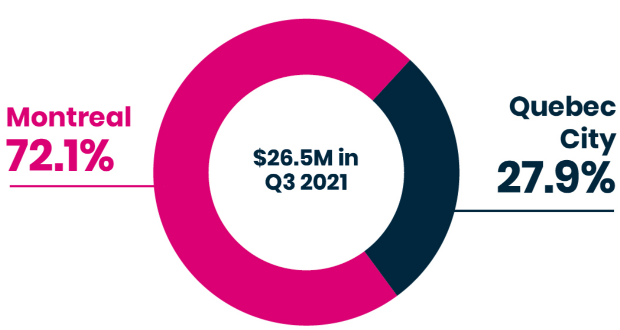
Our objective is to decrease our exposure to mid-market fashion and increase our ratio of tenant categories that provide more resilience to economic downturns such as grocery, specialty food, general merchandise and furniture, home furnishings & décor, discount/value fashion brands and medical/proximity services. 34.0% of retail revenues come from tenants being companies or affiliates of companies with an investment grade rating from DBRS, Standard & Poor's, Moody's or Fitch ratings.

Industrial and Flex Highlights

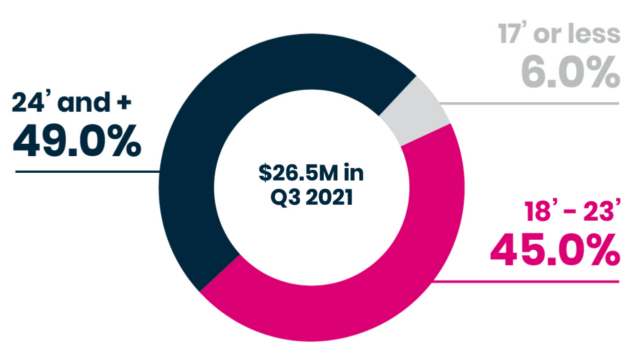
Quarter ended September 30, 2021

Growth in same property net operating income[1,2] Nine-month period ended September 30, 2021 : 10.1%	**10.5%**
Growth in the average net rent of renewed leases Nine-month period ended September 30, 2021 : 21.2%	**28.1%**
Committed occupancy rate	**97.3%**
In-place occupancy rate	**96.6%**
Rent collection	**98.0%**

Same Property NOI by Geographic Market[3]



Clear Heights % of Portfolio Leasable Area



[1] Refer to section "Non-IFRS Financial Measures".
[2] Includes estimated financial impact of COVID-19.
[3] Split as per quarter ended September 30, 2021.

Industrial and Flex Financial and Operational Highlights

Periods ended September 30	Quarter[2] 2021	Quarter[2] 2020		Year-to-date (nine months)[2] 2021 [2]	Year-to-date (nine months)[2] 2020	
	$	$	% Δ	$	$	% Δ
Financial performance						
Operating revenues — Cominar's proportionate share [1]	**40,820**	37,972	7.5	**122,686**	118,488	3.5
NOI — Cominar's proportionate share [1]	**26,804**	24,703	8.5	**77,790**	71,025	9.5
Same property NOI [1]	**26,475**	23,960	10.5	**76,472**	69,478	10.1
Change in fair value of investment properties	**—**	6	(100.0)	**227,900**	(33,199)	(786.5)
Net income	**23,300**	20,076	16.1	**292,679**	7,117	4,012.4
Funds from operations (FFO) [1]	**23,497**	20,268	15.9	**65,237**	56,604	15.3
Adjusted funds from operations (AFFO) [1]	**20,604**	17,450	18.1	**59,282**	48,867	21.3
Income properties fair value — Cominar's proportionate share [1]				**2,175,739**	1,783,626	22.0
Financing						
Mortgages payable — Cominar's proportionate share [1]				**521,400**	503,120	
Unencumbered income properties				**639,223**	589,483	
Mortgages payable to income properties ratio [1,3]				**24.0 %**	28.2 %	
Operational data						
Number of investment properties				**190**	191	
Leasable area (in thousands of sq. ft.)				**15,252**	15,351	
Committed occupancy rate				**97.3 %**	96.3 %	
In-place occupancy rate				**96.6 %**	94.6 %	
Retention rate				**68.1 %**	65.4 %	
Growth in the average net rent of renewed leases				**21.2 %**	20.0 %	
Development activities						
Properties under development — Cominar's proportionate share [1]				**29,347**	—	

1 Refer to section "Non-IFRS Financial Measures".
2 Quarter ended September 30, 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - impact analysis and risks"
3 Total of mortgages payable divided by the total income properties fair value - Cominar's proportionate share.

COVID-19 - Impact Analysis and Risks - Industrial and Flex

Our Industrial segment continues to perform very well in the COVID-19 environment, in line with sound industrial market fundamentals.

As we move towards a post COVID-19 environment, we expect that demand will continue to be very strong, mostly propelled by e-commerce advances, growth in last-mile logistics, food storage and an acceleration of investments in life sciences in the coming years.

Equally, the recent disruptions in supply chains, along with expectations of higher standards from customers with respect to omni-channel solutions, may push many organizations to review their inventory levels and management strategies, which in turn may offer continued growth opportunities in 3PL and re-shoring of manufacturing activities.

Fast and low-cost delivery remain the priority for e-commerce clients when buying online. As a result, warehouses located nearby to urban centers, commonly referred to as last-mile logistics are in very high demand and we expect a very competitive environment for these types of assets as same-day deliveries are becoming a standard. Cominar's Montreal industrial portfolio is located in three major nodes (South shore, St-Laurent/Lachine/Dorval, Laval) and is extremely well located to take advantage of these opportunities which provide the highest rents as well-located last-mile facilities allow for lower operational costs and access to proximity labor.

In addition, the shortage of land to develop industrial properties has driven the price of land to new records. Combined with increasing urbanistic design conditions, higher construction costs keep putting pressure on net rents for newly built properties, which are promoted in double digit net rents. This situation is therefore providing additional room to grow rents for existing properties. Cominar, as the largest industrial property owner in the Province of Quebec, has 48% of it leases expiring over the next three years with rents below market rates, putting the REIT in a desirable position to create value through sustained rental increases.

On the leasing front, the industrial segment remained our sector of activity least affected by the COVID-19 pandemic.

In both the Greater Montreal and Quebec City markets where we dominate, demand has remained strong and the adoption of e-commerce and the need for distribution space close to consumer basins continues to fuel this demand for our industrial assets. There is a shortage of quality space in many markets. The Montreal market is again breaking records for the third quarter in a row, achieving a vacancy rate below 2.0% with rising rents. During the third quarter of 2021, the growth in average net rents for renewals in our properties reached over 28.0% and currently stands at 22.0% for leases maturing in 2021.

Our collection rate for the third quarter of 2021 stood at 98.0%, compared to 97.4% for the second quarter of 2021. The bankruptcies of our clients who were unable to weather the pandemic is again creating opportunities to solidify the portfolio with stronger and more resilient tenants at higher rental rates due to the increasing demand.

Agility measures

In this context of strong demand, we are seeking to maximize rents, strengthen our tenant base and strategically plan the life cycle of our assets. For example, we are currently reducing our exposure to the entertainment and fitness sectors in our flex portfolio and increasing our exposure to distribution and logistics.

In response to the significant increase in construction costs, we are carefully reviewing all capex spending in order to invest strategically. Our operations teams continue to make every effort to keep operating expenses at optimal levels, while ensuring the appropriate sanitary measures are in place to maintain a safe access to our buildings.

At the same time, we have strengthened our collection process and are closely monitoring the business and financial situation of our tenants. When pertinent, and while they are offered, we direct them to the appropriate resources for government assistance programs.

Trade Receivables and Expected Credit Losses - Industrial and flex

The following table presents industrial and flex net trade receivables as at September 30, 2021 and December 31, 2020:

Industrial and flex trade receivables	September 30, 2021	December 31, 2020
	$	$
Trade receivables	**3,595**	6,357
Provision for expected credit losses	**(1,045)**	(2,859)
Total net trade receivables	**2,550**	3,498

The following table highlights expected credit losses for the periods ended September 30, 2021 and 2020:

	Quarter		Year-to-date (nine months)	
Periods ended September 30	2021	2020	2021	2020
	$	$	$	$
Expected credit losses on trade receivables	**176**	(417)	**715**	1,091
Expected credit losses - forgiven portion of the CECRA programs	**—**	199	**—**	550
Expected credit losses - prior quarter provisions reversal	**(406)**	—	**—**	—
Expected credit losses - prior year provision reversal	**(255)**	—	**(1,362)**	—
Expected credit losses - rent reductions	**(5)**	378	**(5)**	817
Total expected credit losses	**(490)**	160	**(652)**	2,458
Percentage of operating revenues	**(1.2)%**	0.4 %	**(0.5)%**	2.1 %

Expected credit losses for the quarter ended September 30, 2021 were favorably impacted by the partial reversal of 2020 expected credit losses provisions in the amount of $0.3 million and a partial reversal of the 2021 second quarter expected credit losses provision in the amount of $0.4 million.

Results of Operations - Industrial and Flex

The following table highlights our results of operations as shown in our condensed interim consolidated financial statements for the periods ended September 30, 2021 and 2020:

Periods ended September 30	Quarter			Year-to-date (nine months)		
	2021 [1]	2020		2021 [1]	2020	
	$	$	% Δ	$	$	% Δ
Operating revenues	**40,820**	37,974	7.5	**122,686**	118,488	3.5
Operating expenses	**(14,017)**	(13,272)	5.6	**(44,896)**	(47,463)	(5.4)
NOI	**26,803**	24,702	8.5	**77,790**	71,025	9.5
Finance charges	**(3,016)**	(4,739)	(36.4)	**(11,782)**	(13,888)	(15.2)
Trust administrative expenses	**(381)**	106	(459.4)	**(1,119)**	(1,162)	(3.7)
Change in fair value of investment properties	**—**	6	(100.0)	**227,900**	(33,199)	(786.5)
Transaction costs	**(106)**	—	(100.0)	**(110)**	—	(100.0)
Impairment of goodwill	**—**	—	—	**—**	(15,721)	100.0
Net income before income taxes	**23,300**	20,075	16.1	**292,679**	7,055	4,048.5
Current income taxes	**—**	1	(100.0)	**—**	62	(100.0)
Net income and comprehensive income	**23,300**	20,076	16.1	**292,679**	7,117	4,012.4

1 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - impact analysis and risks"

NOI for the third quarter of 2021 was 8.5% higher than the comparable period of 2020 despite the financial impact of COVID-19. The 7.5% increase in operating revenues was mainly due to a 2.0% increase in the in-place occupancy rate, to the growth of 19.0% in the average net rent of renewed leases for the last twelve months, and 26.0% higher rent on new leases vs departures.

We are in an excellent position to maintain growth in our industrial and flex portfolio NOI through rent increases over the next quarters, as 35.0% of the portfolio expires in 2022 and 2023 with an average in-place rent significantly below market.

Results of Operations - Same Property Industrial and Flex Portfolio

Cominar analyzes its results of operations taking into account the proportionate share of its joint ventures to assess the operating performance of its investment properties and pays particular attention to the performance of its same property portfolio. SPNOI excludes rental income arising from the recognition of leases on a straight-line basis.

Same property industrial and flex portfolio NOI

Periods ended September 30	Quarter			Year-to-date (nine months)		
	2021 [1]	2020		2021 [1]	2020	
	$	$	% Δ	$	$	% Δ
Same property operating revenues - Cominar's proportionate share [2]	**40,378**	37,261	8.4	**121,010**	116,578	3.8
Same property operating expenses - Cominar's proportionate share [2]	**(13,903)**	(13,301)	4.5	**(44,538)**	(47,100)	(5.4)
SPNOI - Cominar's proportionate share [2]	**26,475**	23,960	10.5	**76,472**	69,478	10.1

1 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks".
2 Refer to section "Non-IFRS Financial Measures".

Periods ended September 30	Quarter			Year-to-date (nine months)		
	2021 [1]	2020		2021 [1]	2020	
	$	$	% Δ	$	$	% Δ
Geographic Market						
Montreal	**19,092**	17,133	11.4	**55,854**	50,210	11.2
Quebec City	**7,383**	6,827	8.1	**20,618**	19,268	7.0
SPNOI — Cominar's proportionate share [2]	**26,475**	23,960	10.5	**76,472**	69,478	10.1

1 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19.. Refer to section "COVID-19 - Impact analysis and risks".
2 Refer to section "Non-IFRS Financial Measures".

The 11.4% SPNOI growth for the third quarter of 2021 in Montreal is mainly related to a significant 2.1% increase of the in-place occupancy year-over-year and to a material decrease of expected credit losses when compared to the same period in 2020. Rents are increasing at a fast pace in the Greater Montreal market (GMA) as the shortage of available spaces broke another record with vacancy under 2.0% for the GMA. Of the 1.7 million square feet of leases maturing in 2021, 1.2 million square feet have already been renewed with an average net rent increase of 21.0%.

The Quebec City portfolio experienced a SPNOI increase of 8.1% in the third quarter of 2021.The increase is mostly related to substantial rent increases of over 21.0% in the past 12 months, to a 1.5% increase of the in-place occupancy rate and to an important decrease of expected credit losses when compared to the same period in 2020.

As our industrial portfolio nears full occupancy, it is expected, as part of our strategy, to see short term fluctuations in SPNOI growth as we are provoking tenancy turnovers in order to capture the best opportunities in the market with net rent increases and long term SPNOI growth and value creation.

Same property industrial and flex portfolio NOI weighting

Periods ended September 30	Quarter		Year-to-date (nine months)	
	2021	2020	2021	2020
Geographic market				
Montreal	**72.1 %**	71.5 %	**73.0 %**	72.3 %
Quebec City	**27.9 %**	28.5 %	**27.0 %**	27.7 %
SPNOI — Cominar's proportionate share [1]	**100.0 %**	100.0 %	**100.0 %**	100.0 %

1 Refer to section "Non-IFRS Financial Measures".

Single tenant vs multi-tenant properties by square foot

Industrial and flex	Single Tenant	Multi-Tenant	Total
Geographic Market			
Montreal	40.0 %	60.0 %	100.0 %
Quebec City	18.0 %	82.0 %	100.0 %
Global	**34.0 %**	**66.0 %**	**100.0 %**

Industrial and flex property portfolio

Industrial and flex	September 30, 2021		December 31, 2020	
	Number of properties	Leasable area sq. ft	Number of properties	Leasable area sq. ft
Geographic Market				
Montreal	**126**	**11,811,000**	126	11,811,000
Quebec City	**64**	**3,441,000**	64	3,441,000
Industrial and flex portfolio total	**190**	**15,252,000**	190	15,252,000

Investments in Industrial and Flex Properties

Periods ended September 30	Quarter			Year-to-date (nine months)		
	2021	2020		2021	2020	
	$	$	% Δ	$	$	% Δ
Capital expenditures — increase of rental income generating capacity	**479**	44	988.6	**2,219**	2,638	(15.9)
Capital expenditures — maintenance of rental income generating capacity	**940**	340	176.5	**2,665**	622	328.5
Leasehold improvements	**921**	304	203.0	**4,753**	3,592	32.3
Leasing costs	**670**	647	3.6	**2,325**	1,736	33.9
Properties under development	**865**	307	181.8	**881**	899	(2.0)
Total capital expenditures (including capitalized interests)	**3,875**	1,642	136.0	**12,843**	9,487	35.4
Total capital expenditures (excluding capitalized interests)	**3,790**	1,642	130.8	**12,757**	9,487	34.5

Industrial and flex development opportunities

We are making progress on an important industrial development site:

The Curé-Labelle Development Project is a 1.7 million square foot parcel of land strategically located at the heart of Laval. It boasts an ideal location in the Greater Montreal region offering quick access to the region's main highways. Phase 1 was recently revisited by combining the two original and smaller phases into a 515,000 square feet state-of-the-art warehouse building, with an executed lease with a select retailer and strong covenant. As a result, the project was resubmitted for architectural implementation and integration plan (PIIA) and for permit approval at the City of Laval. Beginning of construction is planned for the first quarter of 2022, with the site preparation work now essentially completed and an expected delivery for end of 2022.

We are also conducting a thorough analysis in order to identify strategic land assembly, property redevelopment and densification opportunities within our industrial and flex portfolio, to capture the best last-mile high-rent opportunities. Several sites have been identified on a preliminary basis as potentially offering redevelopment and densification opportunities, offering a potential of up to approximately 530,000 square feet of additional gross leasable area. We are also exploring roof-lifting and self-storage conversion opportunities in properties located in dense urban locations. Our leasing strategy is evolving to allow us to create windows of opportunity at different times over the next few years to redevelop these sites, resulting in a pipeline of opportunities that can be planned and marketed.

Real Estate Operations - Industrial and Flex

Occupancy Rate

Occupancy rate track record

Industrial and flex	Committed		In-place	
	Sept. 30, 2021	Dec. 31, 2020	Sept. 30, 2021	Dec. 31, 2020
Geographic Market				
Montreal	**97.3 %**	96.6 %	**96.6 %**	95.2 %
Quebec City	**97.3 %**	96.9 %	**96.6 %**	95.7 %
Industrial and flex global and same property portfolio	**97.3 %**	96.7 %	**96.6 %**	95.3 %

In both markets, the in-place occupancy has grown steadily for the past twelve months, reaching 96.6% as at September 30, 2021, which is 2.0% higher than a year ago. Over the past twelve months, 807,000 square feet with average net rents of $5.80 per square foot were not renewed, largely offset by 1.0 million of new leases that have commenced, with average net rents of $7.30 per square foot, representing a 25.9% increase. Furthermore, leases that we signed since January 1, 2021 have an average net rent of $8.05 per square foot, which is 14.0% higher than the 2020 comparable period and 30.0% higher than 2019.

Sacrificing occupancy when required is a direct result of our leasing strategy as we strive to increase rents and provoke some tenancy turnovers to realize rent uplift with new tenancies. We expect this movement to continue for upcoming quarters as we capture the best opportunities in rent conversion in a highly favorable rental environment. At this moment, we consider the occupancy rate and tenancy turnovers to be at their optimal levels, allowing us to capture market opportunities while generating growing cash flow streams.

Industrial and Flex Leasing Activity

Leases maturing in 2021	
Number of clients	187
Leasable area (sq. ft.)	2,143,122
Renewed leases	
Number of clients	114
Leasable area (sq. ft.)	1,458,713
Retention rate	**68.1 %**
New leases	
Number of clients	78
Leasable area (sq. ft.)	887,195
Unexpected departures	
Number of clients	7
Leasable area (sq. ft.)	93,000

During the nine-month period ended September 30, 2021, 1.5 million square feet or 68.1% of the industrial and flex leasable area maturing in 2021 was renewed. New leases were also signed, representing 0.9 million square feet of leasable area, while tenants whose leases were not expiring and which left before the end of their lease totaled 0.1 million square feet of leasable area. As at September 30, 2021, 109.5% of the leasable area maturing in 2021 was covered by renewals and new leases. Our primary focus for the industrial portfolio remains rental growth and value creation.

Growth in the average net rent of renewed leases

Industrial and flex	Quarter ended September 30, 2021		Nine-month period ended September 30, 2021		Year ending December 31, 2021		Year ended December 31, 2020	
	Renewed leasable area (sq. ft.)	Growth in the average net rent	Renewed leasable area (sq. ft.)	Growth in the average net rent	Renewed leasable area (sq. ft.)	Growth in the average net rent	Renewed leasable area (sq. ft.)	Growth in the average net rent
Geographic Market								
Montreal	239,544	27.5 %	970,452	20.4 %	1,156,469	21.1 %	1,836,000	20.3 %
Quebec City	74,977	29.6 %	238,159	24.5 %	302,244	23.9 %	450,000	10.6 %
Industrial and flex portfolio total	**314,521**	**28.1 %**	**1,208,611**	**21.2 %**	**1,458,713**	**21.7 %**	**2,286,000**	**18.0 %**

Growth in the average net rent on renewed leases is measured by comparing the rent at the end of the lease to the rent at the beginning of the lease's renewal. The growth in the average net rent has increased continuously from quarter to quarter, resulting in over 28.1% growth for leases coming to maturity in the third quarter of 2021, along with a 74.1% retention rate for the quarter.

Industrial and Flex Lease Maturities

Years ending December 31	2022	2023	2024	2025	2026
Leasable area (sq. ft.)	2,795,190	2,444,737	1,857,870	1,871,398	1,626,918
% of portfolio — Industrial and flex	18.3 %	16.0 %	12.2 %	12.3 %	10.7 %

A total of 5.7 million square feet are coming to maturity by the end of 2023. Approximately 73.0% of these maturities are located in the Greater Montreal region and show an in-place average net rent of $6.29 per square foot, which is already significantly under market. As market rents are increasing at a sustained rhythm of 15% to 20% per year, the increase in rents, particularly in the Montreal area, represents an extraordinary valuable value creation opportunity. Capturing the upside rent potential, even at the expense of short term vacancy and NOI fluctuations with tenant departures, remains an important pillar in our industrial strategic plan.

The following table summarizes information on industrial and flex leases as at September 30, 2021:

	Residual weighted average term (years)	Weighted average term of leases (years)	Average leased area per client (sq. ft.)	Average minimum rent ($/sq. ft.)
Industrial and flex leases	6.9	7.5	16,705	7.42

Cominar has a broad, highly diversified industrial and flex client base consisting of approximately 880 tenants occupying an average of approximately 16,705 square feet each. The top three clients Infra MTL Inc. (at la Gare Centrale), LDC Logistics Development corp. and Société québécoise des infrastructures, account respectively for approximately 2.3%, 0.5% and 0.4% of operating revenues. The stability and quality of cash flows provided by operating activities are enhanced by the fact that approximately 12.8% of operating revenues come from government agencies or related agencies.

Top 10 industrial and flex clients

The following table presents our top ten industrial and flex clients:

Top 10 industrial and flex clients	% of industrial and flex leasable area [2]	% of industrial and flex operating revenues [2]
Infra MTL Inc. [1]	3.1 %	2.3 %
LDC Logistics Development corp	1.6 %	0.5 %
Société québécoise des infrastructures	0.6 %	0.4 %
Desjardins Property Management	0.4 %	0.4 %
Wolseley Canada	0.6 %	0.3 %
Groupe Colabor	0.7 %	0.3 %
Nortek Air Solutions Quebec	0.6 %	0.3 %
Jerry Cohen Forwarders	0.4 %	0.3 %
Englobe Corp	0.2 %	0.2 %
GTI storage & handling inc.	0.4 %	0.2 %
Total	**8.6 %**	**5.2 %**

1 Infra MTL inc. is a wholly owned subsidiary of the Caisse de dépôt et placement du Quebec and is related to the REM project.
2 Based on tenants in place as at September 30, 2021

Field of activity	% of industrial and flex leasable area [1]	% of industrial and flex operating revenues [1]
Wholesale, Distribution, transportation and logistics	67.0 %	63.0 %
Manufacturing	13.0 %	17.0 %
Professional, scientific and technical services	8.0 %	8.0 %
Government and paragovernmental institutions	3.0 %	3.0 %
Financial services, real estate and bank services	2.0 %	2.0 %
Retail, food and entertainment	2.0 %	2.0 %
Heavy industry	1.0 %	1.0 %
Technologies	1.0 %	1.0 %
Administrative services	1.0 %	1.0 %
Medical services	1.0 %	1.0 %
Other	1.0 %	1.0 %
Total	**100.0 %**	**100.0 %**

1 Based on tenants in place as at September 30, 2021

Corporate Financial and Operational Highlights

	Quarter[2]			Year-to-date (nine months)		
Periods ended September 30	2021	2020		2021	2020	
	$	$	% Δ	$	$	% Δ
Financial performance						
Finance charges	**(13,699)**	(13,110)	4.5	**(43,196)**	(48,333)	(10.6)
Trust administrative expenses	**(2,754)**	(2,707)	1.7	**(12,005)**	(7,085)	69.4
Net loss	**(16,453)**	(15,819)	4.0	**(55,201)**	(55,417)	(0.4)
Funds from operations (FFO) [1]	**(16,406)**	(15,722)	4.4	**(48,239)**	(45,046)	7.1
Adjusted funds from operations (AFFO) [1]	**(16,407)**	(15,689)	4.6	**(61,460)**	(45,045)	36.4
Financing[3]						
Unsecured credit facility				**—**	8,448	
Secured credit facilities				**361,711**	294,600	
Debentures				**1,071,568**	1,170,054	

1 Refer to section "Non-IFRS Financial Measures".
2 Quarters ended September 30 2021 and 2020 include the estimated financial impact of COVID-19. Refer to section "COVID-19 - Impact analysis and risks"..
3 Refer to section Liquidity and Capital resources.

Corporate expenses

Corporate expenses comprise finance charges related to unsecured debentures and the credit facilities and Trust administrative expenses not allocated to properties.

Finance charges

The decrease in finance charges related to Corporate during the third quarter of 2021, compared with the corresponding quarter of 2020, is 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.

Trust administrative expenses

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

Issued and Outstanding Units

Ownership interests in Cominar are represented by a single class of units, unlimited in number. Units represent a unitholder's undivided and proportionate ownership interest in Cominar. Each unit confers the right to one vote at any unitholders' meeting and to participate equally and rateably in all Cominar distributions. All issued units are fully paid.

	Nine-month period ended September 30, 2021	Year ended December 31, 2020
	Units	Units
Units issued and outstanding, beginning of period	**182,451,026**	182,111,365
Exercise of options, conversion of restricted units and deferred units	**—**	339,661
Units issued and outstanding, end of period	**182,451,026**	182,451,026

Additional information	November 2, 2021
Issued and outstanding units	182,451,026
Outstanding unit options	3,067,550
Deferred units, restricted units and performance units	701,625

Long Term Incentive Plan

				Unit options	
Nine-month period ended September 30, 2021	Performance units	Deferred units	Restricted units	Quantity	Weighted average exercise price $
Outstanding, beginning of period	479,798	362,009	1,359	3,385,150	14.16
Granted	—	24,894	—	—	—
Forfeited	(189,959)	—	—	(291,500)	14.14
Accrued distributions	10,901	8,743	32	—	—
Outstanding, end of period	**300,740**	**395,646**	**1,391**	**3,093,650**	**14.16**
Vested units/options, end of period	**—**	**303,738**	**1,391**	**3,093,650**	**14.16**

As at September 30, 2021, the maximum number of units that may be issued under the long-term incentive plan is 16,055,878 units.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

The President and Chief Executive Officer and the Executive Vice President and Chief Financial Officer of Cominar are responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in Canadian Securities Administrators' Multilateral Instrument 52-109.

No changes were made to the Trust's internal controls over financial reporting during the third quarter of 2021 that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

Significant Accounting Policies and Estimates used in the Condensed Interim Consolidated Financial Statements

a) Basis of presentation

Our Interim MD&A is based upon Cominar's condensed interim consolidated financial statements, which have been prepared in accordance with IFRS applicable to the preparation of interim 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 and are the same as those used in the preparation of the audited annual financial statements as at December 31, 2020. The preparation and presentation of the condensed interim consolidated financial statements and any other financial information contained in this Interim MD&A includes the proper selection and application of appropriate accounting principles and policies, which require management to make estimates and informed judgments. Our estimates are based upon assumptions which we believe to be reasonable, such as those often based upon past experience. They represent the basis of our judgments to establish the carrying amounts of assets and liabilities which, in reality, could not have come from anywhere else. Use of other accounting policies or methods of estimation might have yielded different amounts than those presented. Actual results could differ.

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 condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities in 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, 2020. There have been no changes to the critical accounting estimates and judgments during the nine-month period ended September 30, 2021.

- ***COVID-19 related critical accounting estimates and judgments***
  The continued spread of the of respiratory illness caused by the novel coronavirus ("COVID 19") globally have materially and adversely impacted Cominar and certain of its tenants' businesses and operations and could continue to impact Cominar and its tenants' business and operations in the short term and in the long term. Certain aspects of Cominar's business and operations that have been impacted or could be potentially impacted in the future include, without limitation, employee health, rental income, occupancy, tenant improvements, demand for space and market rents, which all ultimately affect the current and future valuation of our portfolio of properties and other factors that depend on future developments beyond Cominar's control. Expected credit losses related to tenant's financial strength during this pandemic are also subject to significant uncertainty.

  Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

- ***Investment properties***
  Investment properties are recorded at fair value at the balance sheet date. Fair value is determined using valuations from internal and independent real estate appraisers, performed in accordance with recognized valuation techniques, as well as definitive agreements to sell investment properties. Techniques used include the discounted cash flow method that involves estimating expected future cash flows, as well as discount and terminal capitalization rates, and the direct capitalized net operating income method that involves stabilized net operating income and overall capitalization rates. Estimates regarding stabilized net operating income, expected future cash flows, overall capitalization rates, discount and terminal capitalization rates have all been impacted by the current COVID-19 and impacts have been considered in these condensed interim consolidated financial statements.

- ***Provision for expected credit losses***

  Cominar's provision for expected credit losses includes estimates of the uncertainty of the recoverability of rents related to tenants and for the uncertainty of the recoverability of all other trade receivables

Risks and Uncertainties

Like all real estate entities, Cominar is exposed, in the normal course of business, to various risk factors that may have an impact on its ability to attain strategic objectives, despite all the measures implemented to counter them. Accordingly, unitholders should consider the following risks and uncertainties when assessing Cominar's outlook in terms of investment potential:

– COVID-19 Health Crisis
– Access to capital and debt financing, and current global financial conditions
– Debt financing
– Ownership of immovable property
– Environmental matters
– Climate change
– Legal risks
– Competition
– Property development program
– Recruitment and retention of employees and executives
– Government regulation
– Limit on activities
– General uninsured losses
– Cybersecurity events
– Risk factors related to the ownership of securities
– Risk factors related to the ownership of senior debenture

To obtain a complete description of the risks and uncertainties identified by Cominar, the reader is referred to our Annual Report for the year ended December 31, 2020, as well as our Annual Information Form for the year ended December 31, 2020.

Condensed Interim Consolidated Financial Statements

Cominar Real Estate Investment Trust

Quarter ended September 30, 2021
Unaudited

Consolidated Balance Sheets

[unaudited, in thousands of Canadian dollars]

	Note	September 30, 2021 $	December 31, 2020 $
Assets			
Investment properties			
Income properties	4	**5,989,341**	6,077,025
Properties under development	5	**56,276**	26,315
Land held for future development	5	**48,010**	87,910
		6,093,627	6,191,250
Investment properties held for sale	6	**40,647**	20,990
Investments in joint ventures	7	**91,032**	97,497
Accounts receivable	8	**43,072**	51,816
Prepaid expenses and other assets		**46,015**	19,132
Cash and cash equivalents		**15,262**	13,594
Total assets		**6,329,655**	6,394,279
Liabilities			
Mortgages payable		**2,063,891**	2,105,906
Debentures		**1,071,568**	1,070,491
Bank borrowings	9	**361,711**	366,958
Accounts payable and accrued liabilities		**140,642**	126,443
Distributions payable to unitholders		**5,472**	—
Total liabilities		**3,643,284**	3,669,798
Unitholders' equity			
Unitholders' equity		**2,686,371**	2,724,481
Total liabilities and unitholders' equity		**6,329,655**	6,394,279

See accompanying notes to the condensed interim consolidated financial statements.

Interim Consolidated Statements of Unitholders' Equity

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

	Note	Unitholders' contributions $	Cumulative net income $	Cumulative distributions $	Contributed surplus $	Total $
Balance as at January 1, 2021		3,233,486	1,783,589	(2,300,990)	8,396	2,724,481
Net income and comprehensive income		—	8,975	—	—	8,975
Distributions to unitholders	10	—	—	(49,262)	—	(49,262)
Long-term incentive plan		—	611	—	1,566	2,177
Balance as at September 30, 2021		**3,233,486**	**1,793,175**	**(2,350,252)**	**9,962**	**2,686,371**

	Note	Unitholders' contributions $	Cumulative net income $	Cumulative distributions $	Contributed surplus $	Total $
Balance as at January 1, 2020		3,228,903	2,112,583	(2,197,010)	6,325	3,150,801
Net loss and comprehensive loss		—	(229,000)	—	—	(229,000)
Distributions to unitholders	10	—	—	(87,560)	—	(87,560)
Unit issuances		4,556	—	—	(978)	3,578
Long-term incentive plan		—	208	—	2,280	2,488
Balance as at September 30, 2020		3,233,459	1,883,791	(2,284,570)	7,627	2,840,307

See accompanying notes to the condensed interim consolidated financial statements.

Interim Consolidated Statements of Comprehensive Income (Loss)

For the periods ended September 30
[unaudited, in thousands of Canadian dollars, except per unit amounts]

		Quarter		Year-to-date (nine months)	
		2021	2020	2021	2020
	Note	$	$	$	$
Operating revenues					
Rental revenue from investment properties	11	**161,684**	162,505	**495,683**	495,164
Operating expenses					
Operating costs		**(30,831)**	(38,665)	**(105,824)**	(124,639)
Realty taxes and services		**(38,813)**	(38,543)	**(116,518)**	(118,635)
Property management expenses		**(4,587)**	(4,381)	**(13,979)**	(12,659)
		(74,231)	(81,589)	**(236,321)**	(255,933)
Net operating income		**87,453**	80,916	**259,362**	239,231
Finance charges	13	**(33,358)**	(33,575)	**(99,577)**	(109,739)
Trust administrative expenses	14	**(4,617)**	(4,579)	**(17,470)**	(12,761)
Change in fair value of investment properties	4, 5, 6	**(506)**	(45)	**(130,136)**	(319,468)
Share in joint ventures' net income (loss)	7	**1,256**	1,588	**(2,867)**	(5,310)
Transaction costs		**(127)**	(161)	**(337)**	(5,298)
Impairment of goodwill		**—**	—	**—**	(15,721)
Net income (loss) before income taxes		**50,101**	44,144	**8,975**	(229,066)
Current income taxes		**—**	1	**—**	66
Net income (loss) and comprehensive income (loss)		**50,101**	44,145	**8,975**	(229,000)
Net income (loss) per unit (basic and diluted)	15	**0.27**	0.24	**0.05**	(1.25)

See accompanying notes to the condensed interim consolidated financial statements.

Interim Consolidated Statements of Cash Flows

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

		Quarter		Year-to-date (nine months)	
		2021	2020	2021	2020
	Note	$	$	$	$
Operating activities					
Net income (loss)		**50,101**	44,145	**8,975**	(229,000)
Adjustments for:					
Share of net loss (income) and distributions received from the joint ventures	7	**(506)**	(1,588)	**6,690**	5,797
Change in fair value of investment properties	4, 5, 6	**506**	45	**130,136**	319,468
Depreciation and amortization		**1,576**	1,569	**4,867**	4,438
Compensation expense related to long-term incentive plan		**690**	831	**2,177**	2,488
Impairment of goodwill		**—**	—	**—**	15,721
Recognition of leases on a straight-line basis	4, 6	**(392)**	318	**(946)**	323
Changes in non-cash working capital items	16	**(3,624)**	(14,999)	**4,524**	(47,395)
Cash flows provided by operating activities		**48,351**	30,321	**156,423**	71,840
Investing activities					
Investments in income properties	4, 16	**(34,085)**	(30,928)	**(86,483)**	(90,708)
Investments in properties under development and land held for future development	5, 16	**(1,483)**	(6,524)	**(5,767)**	(20,659)
Net proceeds from the sale of investment properties	3, 6	**4,250**	14,250	**27,840**	16,955
Contributions to the capital of a joint venture	7	**(200)**	(6)	**(225)**	(6)
Change in other assets		**(44)**	(542)	**182**	(605)
Cash flows used in investing activities		**(31,562)**	(23,750)	**(64,453)**	(95,023)
Financing activities					
Cash distributions to unitholders	10	**(16,422)**	(27,367)	**(43,790)**	(82,088)
Bank borrowings		**15,831**	6,648	**(5,247)**	123,048
Net proceeds from mortgages payable		**(485)**	79,415	**(485)**	201,734
Net proceeds from issuance of debentures		**(2)**	—	**(99)**	148,148
Unit issuance net proceeds		**—**	(22)	**—**	3,578
Repayments of debentures		**—**	—	**—**	(300,000)
Repayments of mortgages payable		**—**	(80,973)	**(3,375)**	(180,991)
Monthly repayments of mortgages payable		**(11,992)**	(12,748)	**(37,306)**	(37,337)
Cash flows used in financing activities		**(13,070)**	(35,047)	**(90,302)**	(123,908)
Net change in cash and cash equivalents		**3,719**	(28,476)	**1,668**	(147,091)
Cash and cash equivalents, beginning of period		**11,543**	34,019	**13,594**	152,634
Cash and cash equivalents, end of period		**15,262**	5,543	**15,262**	5,543
Other information					
Interest paid		**21,342**	21,749	**88,772**	97,287
Cash distributed by a joint venture	7	**750**	—	**3,823**	487

See accompanying notes to the condensed interim consolidated financial statements.

Notes to Condensed Interim Consolidated Financial Statements

For the periods ended September 30, 2021 and 2020
[unaudited, in thousands of Canadian dollars, except per unit amounts]

1) Description of the Trust

Cominar Real Estate Investment Trust ("Cominar" or the "Trust") is an unincorporated closed-end real estate investment Trust created by a Contract of Trust on March 31, 1998, under the laws of the Province of Quebec. As at September 30, 2021, Cominar owned and managed a real estate portfolio of 310 high-quality properties that covered a total area of 35.7 million square feet in the Province of Quebec and in Ottawa.

Cominar is listed on the Toronto Stock Exchange, and its units trade under the symbol "CUF.UN." The head office is located at Complexe Jules-Dallaire – T3, 2820 Laurier Boulevard, Suite 850, Québec City, Quebec, Canada, G1V 0C1. Additional information about the Trust is available on Cominar's website at www.cominar.com.

The Board of Trustees approved Cominar's condensed interim consolidated financial statements on November 2, 2021 .

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 disclosures that will 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. 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 fiscal year ended December 31, 2020.

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 condensed interim consolidated financial statements in accordance with IFRS requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities in 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, 2020. There have been no changes to the critical accounting estimates and judgments during the nine-month period ended September 30, 2021.

- ***COVID-19 related critical accounting estimates and judgments***
  The continued spread of the of respiratory illness caused by the novel coronavirus ("COVID 19") globally have materially and adversely impacted Cominar and certain of its tenants' businesses and operations and could continue to impact Cominar and its tenants' business and operations in the short term and in the long term. Certain aspects of Cominar's business and operations that have been impacted or could be potentially impacted in the future include, without limitation, employee health, rental income, occupancy, tenant improvements, demand for space and market rents, which all ultimately affect the current and future valuation of our portfolio of properties and other factors that depend on future developments beyond Cominar's control. Expected credit losses related to tenant's financial strength during this pandemic are also subject to significant uncertainty.

  Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

- ***Investment properties***
  Investment properties are recorded at fair value at the balance sheet date. Fair value is determined using valuations from internal and independent real estate appraisers, performed in accordance with recognized valuation techniques, as well as definitive agreements to sell investment properties. Techniques used include the discounted cash flow method that involves estimating expected future cash flows, as well as discount and terminal capitalization rates, and the direct capitalized net operating income method that involves stabilized net operating income and overall capitalization rates. Estimates regarding stabilized net operating income, expected future cash flows, overall capitalization rates, discount and terminal capitalization rates have all been impacted by the current COVID-19 and impacts have been considered in these condensed interim consolidated financial statements.

- ***Provision for expected credit losses***
  Cominar's provision for expected credit losses includes estimates of the uncertainty of the recoverability of rents related to tenants and for the uncertainty of the recoverability of all other trade receivables.

3) Dispositions

Dispositions of Income Properties Held for Sale

Date	Property type	Number of properties	Geographic market	Total selling price ($)
February 15, 2021	Office	1	Montreal	3,000
March 10, 2021	Retail	2	Quebec City	16,300
March 30, 2021	Retail	1	Quebec City	1,690
July 5, 2021	Land	—	Montreal	4,250
		4		**25,240**

Dispositions of Properties Under Development and Land Held for Future Development

Date	Property type	Number of properties	Geographic market	Total selling price ($)
June 2, 2021	Land	—	Quebec City	**5,500** [1]

1 As at September 30, 2021, $2,600 had been cashed and $2,900 was receivable

4) Income Properties

	Note	Nine-month period ended September 30, 2021	Year ended December 31, 2020
		$	$
Balance, beginning of period		**6,077,025**	6,412,739
Change in fair value		**(125,565)**	(456,189)
Capital costs		**70,216**	119,196
Transfer to investment properties held for sale	6	**(40,050)**	(36,160)
Transfer from properties under development and land held for future development	5	**—**	30,800
Change in initial direct costs		**6,714**	8,124
Recognition of leases on a straight-line basis		**1,001**	(1,485)
Balance, end of period		**5,989,341**	6,077,025

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. Fair value is determined based on valuations performed using internal and independent real estate appraisers, or according to definitive agreements to sell investment properties when applicable. External valuations were carried out by independent national firms holding a recognized and relevant professional qualification and having recent experience in the location and category of the investment properties being valued.

During the quarter ended September 30, 2021, Cominar revisited its real estate portfolio fair value and determined that no adjustment was necessary to present the carrying amount of investment properties to fair value.

5) Properties Under Development and Land Held for Future Development

	Note	Nine-month period ended September 30, 2021 $	Year ended December 31, 2020 $
Balance, beginning of period		**114,225**	141,978
Change in fair value		**(4,005)**	(10,786)
Capital costs		**1,529**	17,640
Disposition	3	**(5,500)**	—
Recognition of leases on a straight-line basis		**—**	50
Transfer to Income Properties	4	**—**	(30,800)
Transfers to investment properties held for sale	6	**(4,847)**	—
Contribution to a joint venture		**—**	(11,138)
Capitalized interests		**2,879**	7,153
Change in initial direct costs		**5**	128
Balance, end of period		**104,286**	114,225
Breakdown:			
Properties under development		**56,276**	26,315
Land held for future development		**48,010**	87,910

6) Investment Properties Held for Sale

Cominar has engaged in a process to sell certain investment properties and expects to close these transactions within the next few months.

During the nine-month period ended September 30, 2021, Cominar transferred 1 income property having a fair value of $40,050 and 2 lands held for future development having a fair value of $4,847 to investment properties held for sale.

		Nine-month period ended September 30, 2021				Year ended December 31, 2020
	Note	Office properties $	Retail properties $	Industrial and flex properties $	Total $	Total $
Investment properties held for sale						
Balance, beginning of period		**3,000**	**17,990**	**—**	**20,990**	11,730
Transfer from income properties	4	**40,050**	**—**	**—**	**40,050**	36,160
Transfers from properties under development and land held for future development	5	**—**	**597**	**4,250**	**4,847**	—
Capitalized costs [1]		**451**	**115**	**—**	**566**	93
Change in fair value		**(451)**	**(115)**	**—**	**(566)**	(2,788)
Dispositions	3	**(3,000)**	**(17,990)**	**(4,250)**	**(25,240)**	(24,205)
Balance, end of period		**40,050**	**597**	**—**	**40,647**	20,990

1 Includes (55) ($(50) in 2020) of recognition of leases on a straight-line basis.

7) Investments in Joint Ventures

As at September 30			2021	2020
Joint ventures	Address	City/province	Ownership interest	Ownership interest
Société en commandite Complexe Jules-Dallaire	2820 Laurier Boulevard	Québec, Quebec	**75%**	75%
Société en commandite Marais	Du Marais Street	Québec, Quebec	**75%**	75%
Société en commandite Bouvier-Bertrand	Espace Bouvier	Québec, Quebec	**50%**	50%
Société en commandite Terrains Centropolis	Centropolis	Laval, Quebec	**50%**	N/A

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:

	Nine-month period ended September 30, 2021	Year ended December 31, 2020
	$	$
Investments in joint ventures, beginning of period	**97,497**	97,456
Contributions to the capital of the joint ventures	**225**	5,586
Share of joint ventures' net loss and comprehensive loss	**(2,867)**	(5,058)
Cash distributions by a joint venture	**(3,823)**	(487)
Investments in joint ventures, end of period	**91,032**	97,497

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

	Joint ventures		Cominar's proportionate share	
	September 30, 2021	December 31, 2020	September 30, 2021	December 31, 2020
	$	$	$	$
Income properties	**228,490**	227,270	**161,047**	161,885
Properties under development	**14,213**	21,699	**7,107**	10,850
Land held for future development	**8,172**	10,705	**6,129**	8,029
Other assets	**2,319**	4,289	**1,283**	2,808
Mortgages payable	**(113,607)**	(116,593)	**(78,425)**	(80,499)
Bank borrowings [1]	**(8,200)**	(8,200)	**(4,100)**	(4,100)
Other liabilities	**(3,157)**	(2,346)	**(2,009)**	(1,476)
Net assets of joint ventures	**128,230**	136,824	**91,032**	97,497

1 *Société en commandite Bouvier-Bertrand has a $12,500 credit facility, which is guaranteed by the joint venturers.*

	Quarter				Year-to-date (nine months)			
	Joint Ventures		Cominar's proportionate share		Joint Ventures		Cominar's proportionate share	
Periods ended September 30	2021	2020	2021	2020	2021	2020	2021	2020
	$	$	$	$	$	$	$	$
Operating revenues	**5,635**	5,953	**3,974**	4,206	**17,070**	18,441	**12,056**	12,887
Operating expenses	**(2,543)**	(2,424)	**(1,780)**	(1,677)	**(7,533)**	(7,696)	**(5,276)**	(5,315)
Net operating income	**3,092**	3,529	**2,194**	2,529	**9,537**	10,745	**6,780**	7,572
Finance charges	**(1,312)**	(1,335)	**(936)**	(937)	**(3,956)**	(4,104)	**(2,795)**	(2,868)
Administrative expenses	**(6)**	(7)	**(2)**	(4)	**(65)**	(22)	**(35)**	(11)
Change in fair value	**—**	—	**—**	—	**(9,400)**	(15,900)	**(6,817)**	(10,003)
Net income (loss)	**1,774**	2,187	**1,256**	1,588	**(3,884)**	(9,281)	**(2,867)**	(5,310)

8) Accounts Receivable

	Note	September 30, 2021 $	December 31, 2020 $
Trade receivables		**29,581**	40,516
Provision for expected credit losses	12	**(5,663)**	(13,635)
		23,918	26,881
Interest-bearing accounts receivable		**479**	575
Canadian Emergency Wage Subsidy		**721**	4,758
Other receivables and accrued income		**17,954**	19,602
Total		**43,072**	51,816

9) Bank Borrowings

On April 9, 2021, Cominar converted the $400,000 unsecured revolving credit facility which was maturing in July 2021 into a $250,000 unsecured revolving credit facility maturing in April 2022 and a $150,000 secured revolving credit facility maturing in April 2023. This credit facility bears interest at the prime rate plus 175 basis points for the unsecured portion and 150 basis points for the secured portion, or at the bankers' acceptance rate plus 275 basis points for the unsecured portion and 250 basis points for the secured portion. As at September 30, 2021, the $150,000 portion of the credit facility was secured by immovable hypothecs on investment properties with a book value of $259,360. These credit facilities contain certain restrictive covenants, with which Cominar was in compliance as at September 30, 2021. As at September 30, 2021, bank borrowings under those facilities totaled $74,311 and availability was $325,689.

As at September 30, 2021, Cominar had a non-revolving secured credit facility of $167,400 maturing in September 2023. This credit facility bears interest at the prime rate plus 150 basis points or at the bankers’ acceptance rate plus 250 basis points and have quarterly principal repayments of $1,800. As at September 30, 2021, this credit facility was secured by immovable hypothecs on investment properties with a book value of $285,845. This credit facility contains certain restrictive covenants, with which Cominar was in compliance as at September 30, 2021. As at September 30, 2021, this secured credit facility was fully used.

As at September 30, 2021, Cominar had a non-revolving secured credit facility of $120,000 maturing in September 2022. This credit facility bears interest at the prime rate plus 150 basis points or at the bankers’ acceptance rate plus 250 basis points. As at September 30, 2021, this credit facility was secured by immovable hypothecs on investment properties with a book value of $192,584. This credit facility contains certain restrictive covenants, with which Cominar was in compliance as at September 30, 2021. As at September 30, 2021, this secured credit facility was fully used.

10) Issued and Outstanding Units

	Nine-month period ended September 30, 2021		Year ended December 31, 2020	
	Units	$	Units	$
Units issued and outstanding, beginning of period	**182,451,026**	**3,233,486**	182,111,365	3,228,903
Exercise of options, conversion of restricted units and deferred units	**—**	**—**	339,661	4,583
Units issued and outstanding, end of period	**182,451,026**	**3,233,486**	182,451,026	3,233,486

Long Term Incentive Plan

Nine-month period ended September 30, 2021	Performance units	Deferred units	Restricted units	Unit Options Quantity	Unit Options Weighted average exercise price $
Outstanding, beginning of period	479,798	362,009	1,359	3,385,150	14.16
Granted	—	24,894	—	—	—
Forfeited	(189,959)	—	—	(291,500)	14.14
Accrued distributions	10,901	8,743	32	—	—
Outstanding, end of period	**300,740**	**395,646**	**1,391**	**3,093,650**	**14.16**
Vested units/options, end of period	**—**	**303,738**	**1,391**	**3,093,650**	**14.16**

As at September 30, 2021, the maximum number of units that may be issued under the long-term incentive plan is 16,055,878 units.

Distributions to Unitholders

Cominar is governed by a Contract of Trust whereby the Trustees, under the discretionary power attributed to them, intend to distribute a portion of its distributable income to unitholders. Distributable income generally means net income determined in accordance with IFRS, before fair value adjustments, transaction costs, rental revenue derived from the recognition of leases on a straight-line basis, provision for leasing costs, gains on disposal of investment properties and certain other items not affecting cash, if applicable.

Periods ended September 30	Quarter 2021 $	Quarter 2020 $	Year-to-date (nine months) 2021 $	Year-to-date (nine months) 2020 $
Distributions to unitholders	**16,420**	21,894	**49,262**	87,560
Distributions per unit	**0.09**	0.12	**0.27**	0.48

11) Operating Revenues

Periods ended September 30, 2021	Quarter				Year-to-date (nine months)			
	Office properties	Retail properties	Industrial and flex properties	Total of operating revenues	Office properties	Retail properties	Industrial and flex properties	Total of operating revenues
	$	$	$	$	$	$	$	$
Lease revenues	58,012	52,923	39,889	150,824	174,072	164,687	117,696	456,455
Parking revenues	2,561	58	12	2,631	7,148	254	46	7,448
Revenues from other services [1]	4,079	3,230	920	8,229	13,241	13,594	4,945	31,780
Total	**64,652**	**56,211**	**40,821**	**161,684**	**194,461**	**178,535**	**122,687**	**495,683**

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

Periods ended September 30, 2020	Quarter				Year-to-date (nine months)			
	Office properties	Retail properties	Industrial and flex properties	Total of operating revenues	Office properties	Retail properties	Industrial and flex properties	Total of operating revenues
	$	$	$	$	$	$	$	$
Lease revenues	58,286	55,044	36,940	150,270	173,166	166,659	113,695	453,520
Parking revenues	2,639	103	13	2,755	10,353	319	37	10,709
Revenues from other services [1]	4,735	3,722	1,023	9,480	14,004	12,173	4,758	30,935
Total	65,660	58,869	37,976	162,505	197,523	179,151	118,490	495,164

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

12) Expected credit losses

Provision for expected credit losses

	Nine-month period ended September 30, 2021	Year ended December 31, 2020
	$	$
Balance, beginning of period	**13,635**	6,482
Net provision recognized as expense	**(3,202)**	16,573
Tenant receivables written off during the period	**(4,770)**	(9,420)
Balance, end of period	**5,663**	13,635

Expected credit losses

Periods ended September 30	Quarter		Year-to-date (nine months)	
	2021	2020	2021	2020
	$	$	$	$
Expected credit losses (reversal) on trade receivables	**(2,599)**	3,403	**(3,202)**	11,977
Expected credit losses - forgiven portion of the CECRA programs	**—**	1,771	**—**	4,787
Expected credit losses - rent reductions	**1,666**	2,842	**5,844**	11,243
Expected credit losses expensed	**(933)**	8,016	**2,642**	28,007

13) Finance Charges

Periods ended September 30	Quarter		Year-to-date (nine months)	
	2021	2020	2021	2020
	$	$	$	$
Interest on mortgages payable	**18,380**	19,169	**55,137**	62,759
Interest on debentures	**12,147**	13,164	**36,397**	44,442
Interest on bank borrowings	**2,496**	2,708	**8,697**	6,326
Amortization of deferred financing costs and other costs	**1,263**	1,199	**3,925**	3,327
Less: Capitalized interest [1]	**(928)**	(2,665)	**(4,579)**	(7,115)
Total	**33,358**	33,575	**99,577**	109,739

1 Includes capitalized interest on properties under development and on major revitalization projects for income properties that take place over a substantial period of time. The weighted average interest rate used in 2021 was 4.08% [4.16% in 2020].

14) Trust Administrative Expenses

Periods ended September 30	Quarter		Year-to-date (nine months)	
	2021	2020	2021	2020
	$	$	$	$
Salaries and other benefits	**2,675**	2,673	**7,700**	7,841
Compensation related to the long-term incentive plan	**690**	831	**2,177**	2,488
Professional fees	**24**	170	**1,346**	650
Public company costs	**68**	232	**547**	640
Strategic alternatives consulting fees	**1,156**	250	**5,044**	250
Other expenses	**4**	423	**656**	892
Total	**4,617**	4,579	**17,470**	12,761

15) Per Unit Calculation Basis

Periods ended September 30	Quarter		Year-to-date (nine months)	
	2021	2020	2021	2020
	Units	Units	Units	Units
Weighted average number of units outstanding – basic	**182,754,958**	182,640,075	**182,743,191**	182,590,814
Dilutive effect related to the long-term incentive plan	**240,109**	204,189	**220,446**	—
Weighted average number of units outstanding – diluted	**182,995,067**	182,844,264	**182,963,637**	182,590,814

The calculation of the diluted weighted average number of units outstanding does not take into account the effect of the conversion into units of 3,486,298 options and unvested performance units, deferred units and restricted units outstanding at the end of the period ended September 30, 2021 [4,630,944 in 2020], due to the fact they are antidilutive.

16) Supplemental Cash Flow Information

	Quarter		Year-to-date (nine months)	
Periods ended September 30	2021	2020	2021	2020
	$	$	$	$
Accounts receivable	**4,194**	16,843	**11,644**	(33,044)
Prepaid expenses and other assets	**(28,129)**	(37,471)	**(31,605)**	(33,702)
Accounts payable and accrued liabilities	**20,311**	5,629	**24,485**	19,351
Changes in non-cash working capital items	**(3,624)**	(14,999)	**4,524**	(47,395)
Other information				
Accounts payable and accrued liabilities relating to investing activities	**1,979**	10,905	**1,979**	10,905
Accounts receivable relating to investing activities	**4,448**	4,014	**4,448**	4,014

17) Fair Value

Cominar uses a three-level hierarchy to classify its fair value measurements. The hierarchy reflects the relative weight of inputs used in the valuation. The levels in the hierarchy are:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3 – Inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs)

Cominar's policy is to recognize transfers between hierarchy levels on the date of changes in circumstances that caused the transfer. There were no transfers made between hierarchy levels during the nine-month period ended September 30, 2021 and fiscal year 2020.

The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, distributions payable to unitholders and bank borrowings approximates the carrying amount since they are short-term in nature or bear interest at current market rates.

The fair value of mortgages payable and debentures has been estimated based on current market rates for financial instruments with similar terms and maturities.

Classification

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:

		September 30, 2021		December 31, 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
	Level	$	$	$	$
Recurring valuations of non-financial assets					
Investment properties	3	**6,077,998**	**6,077,998**	6,185,925	6,185,925
Financial liabilities					
Mortgages payable	2	**2,063,891**	**2,108,518**	2,105,906	2,128,211
Debentures	2	**1,071,568**	**1,254,022**	1,070,491	1,104,247

18) Segmented Information

Cominar's activities include a diversified portfolio of three property types located in the Province of Quebec and in Ottawa, Ontario. 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. Cominar uses net operating income as its main criterion to measure operating performance, that is, the operating revenues less the operating expenses of its investment properties.

The segments include Cominar's proportionate share in joint ventures. The Joint ventures column reconciles the segment information including the proportionate share in assets, liabilities, revenues and charges, to the information presented in these consolidated interim financial statements, where the investments in joint ventures are accounted for using the equity method.

Quarters ended	Office Properties	Retail Properties	Industrial and flex properties	Cominar's proportionate share	Joint ventures	Condensed interim consolidated financial statements
September 30, 2021	$	$	$	$	$	$
Rental revenue from investment properties	**68,415**	**56,423**	**40,820**	**165,658**	**(3,974)**	**161,684**
Change in fair value of investment properties	**(506)**	**—**	**—**	**(506)**	**—**	**(506)**
Net operating income	**35,171**	**27,672**	**26,804**	**89,647**	**(2,194)**	**87,453**
Share of joint ventures' net income	**—**	**—**	**—**	**—**	**1,256**	**1,256**
September 30, 2020	$	$	$	$	$	$
Rental revenue from investment properties	69,602	59,137	37,972	166,711	(4,206)	162,505
Change in fair value of investment properties	(124)	73	6	(45)	—	(45)
Net operating income	35,983	22,759	24,703	83,445	(2,529)	80,916
Share of joint ventures' net income	—	—	—	—	1,588	1,588

Nine-month periods ended	Office Properties	Retail Properties	Industrial and flex properties	Cominar's proportionate share	Joint ventures	Condensed interim consolidated financial statements
September 30, 2021	$	$	$	$	$	$
Rental revenue from investment properties	**205,914**	**179,139**	**122,686**	**507,739**	**(12,056)**	**495,683**
Change in fair value of investment properties	**(86,225)**	**(278,628)**	**227,900**	**(136,953)**	**6,817**	**(130,136)**
Net operating income	**103,917**	**84,435**	**77,790**	**266,142**	**(6,780)**	**259,362**
Share of joint ventures' net loss	**—**	**—**	**—**	**—**	**(2,867)**	**(2,867)**
September 30, 2020	$	$	$	$	$	$
Rental revenue from investment properties	209,379	180,184	118,488	508,051	(12,887)	495,164
Change in fair value of investment properties	(44,617)	(251,655)	(33,199)	(329,471)	10,003	(319,468)
Net operating income	105,347	70,431	71,025	246,803	(7,572)	239,231
Share of joint ventures' net loss	—	—	—	—	(5,310)	(5,310)

September 30, 2021	Office Properties	Retail Properties	Industrial and flex properties	Cominar's proportionate share	Joint ventures	Condensed interim consolidated financial statements
	$	$	$	$	$	$
Income properties	**2,323,776**	**1,650,873**	**2,175,739**	**6,150,388**	**(161,047)**	**5,989,341**
Investment properties held for sale	**40,050**	**597**	**—**	**40,647**	**—**	**40,647**
Investments in joint ventures	**—**	**—**	**—**	**—**	**91,032**	**91,032**
December 31, 2020	$	$	$	$	$	$
Income properties	2,417,676	1,889,299	1,931,935	6,238,910	(161,885)	6,077,025
Investment properties held for sale	3,000	17,990	—	20,990	—	20,990
Investments in joint ventures	—	—	—	—	97,497	97,497

19) 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 $55,000 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 $110,000 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 $30,148, 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, $2,000 were paid as strategic review fee and will be creditable against the change of control fee balance.

Corporate Information

Board of Trustees

Key Officers

Sylvain Cossette
President and Chief Executive Officer

Antoine Tronquoy
Executive Vice President
and Chief Financial Officer

Marie-Andrée Boutin, MBA
Executive Vice President,
Retail and Development

Bernard Poliquin
Executive Vice President, Office and Industrial
and Chief Real Estate Operations Officer

Nathalie Rousseau
Executive Vice President,
Asset Management and Transactions

Unitholders Information

Cominar Real Estate Investment Trust

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Email: info@cominar.com
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Listing

The units of Cominar Real Estate Investment Trust are listed on the Toronto Stock Exchange under the trading symbol CUF.UN.

Transfer Agent

Computershare Trust Company of Canada
1500 Robert-Bourassa Boulevard, Suite 700
Montreal (Quebec) Canada H3A 3S8

Tel.: 514 982-7555
Fax: 514 982-7580
Toll-free: 1-800 564-6253
Email: service@computershare.com

Taxability of Distributions

In 2020, 100% of the distributions made by Cominar to unitholders were returns of capital, reducing the adjusted cost base of the units.

Legal Counsel

Davies Ward Phillips & Vineberg LLP

Auditors

PricewaterhouseCoopers s.r.l./s.e.n.c.r.l

Unitholders Distribution Reinvestment Plan

In 2017, Cominar suspended the distribution reinvestment plan. If Cominar decides to resume the plan in the future, the unitholders who were registered in the plan at the time of its suspension and who are still registered at the time of its resumption shall automatically resume their participation in the plan.

For further information about the DRIP, please refer to the DRIP section of our website at www.cominar.com or contact us by email at info@cominar.com or contact the Transfer Agent.