



PRO REAL ESTATE INVESTMENT TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND
FINANCIAL CONDITION
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024

May 8, 2024



ABOUT PROREIT

PROREIT is a Canadian industrial-focused real estate investment trust, owning and managing a portfolio of high-quality commercial properties located in mid-sized cities benefiting from robust economies. Founded in 2013, we are present in ten Canadian provinces, with a high concentration in Eastern and Central Canada.

120
Number
of Properties ⁽¹⁾

6.2M
Gross Leasable Area ("GLA")
(Square Feet) ⁽¹⁾

97.7%
Occupancy
Rate ⁽²⁾

HIGH QUALITY PORTFOLIO WITH A STRONG INDUSTRIAL FOCUS



83%
GLA - Industrial ⁽¹⁾



12%
GLA - Retail ⁽¹⁾



5%
GLA - Office ⁽¹⁾

Q1 2024 HIGHLIGHTS

\$1.0B
Total
Assets ⁽¹⁾

\$25.7M
Property Revenue

1.7%
Property Revenue
Increase ⁽³⁾

\$14.8M
Net Operating Income
Increase ⁽³⁾

1.9%
Net Operating Income
Increase ⁽³⁾

91.6%
AFFO Payout
Ratio – Basic ⁽⁴⁾

3.89%
Weighted Average Interest
Rate on Mortgage Debt ⁽¹⁾

\$39.5M
In Available
Credit Facility ⁽¹⁾

SIGNIFICANT VALUE EMBEDDED IN OUR PORTFOLIO

55.6%
of 2024 GLA has been
Renewed at 33.5% Positive Average Spreads ⁽¹⁾

69.0%
of Base Rent from National and
Government Tenants ⁽¹⁾

OUR COMMITMENT TO SUSTAINABILITY

➤ Third annual ESG report published in
May 2024

➤ ESG steering committee, responsible for day-to-day
management of ESG program

(1) As at March 31, 2024. Of the 120 properties, 78 are 100% owned and 42 are 50% owned. For properties that are 50% owned, GLA numbers reported herein represent 50% of the total GLA of such properties.

(2) Includes committed space of approximately 90,903 square feet, as at March 31, 2024.

(3) Comparison period is the three month period ended March 31, 2023.

(4) Represents a non-IFRS measure. See "Non-IFRS Measures".

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

TABLE OF CONTENTS

PART I

Message from the CEO	1
Financial and Operational Highlights	3
Management's Discussion and Analysis	3
Forward-Looking Statements	4
Non-IFRS Measures	5

PART II

REIT Overview	7
Objectives and Strategies	8
Summary of Significant Events	9
Subsequent Events	9
Outlook	9

PART III

Results of Operations	10
Segmented Analysis	14
Portfolio Profile	15
Leasing Activity	17

PART IV

Liquidity and Capital Resources	17
Capitalization and Debt Profile	18
Distributions and Adjusted Funds from Operations	23
Issued and Outstanding Securities	25
Financial Instruments	25

PART V

Controls and Procedures	27
Risks and Uncertainties	27
Critical Accounting Estimates	27
Material accounting policies and future changes in accounting policies	28
Summary of Quarterly Results	29



120 Troop Avenue, Dartmouth, Nova Scotia

Dear fellow unitholders:

We have started the year on solid footing and continue to reap the benefits of our stated strategy to focus on the industrial sector. We remained committed to further optimizing our portfolio, notably by disposing of non-core properties and strengthening our balance sheet.

Delivering results

In the first quarter, we generated Same Property Net Operating Income⁽¹⁾ growth of 7.8% year-over-year both for our industrial assets and our overall portfolio, thanks to our robust lease renewal spreads and rental steps.

This quarter, we also completed the sale of three non-core properties for gross proceeds of \$26.1 million and entered into binding agreements for the sale of two additional non-core retail properties for gross proceeds of \$7.0 million, which are scheduled to close in the second quarter of 2024. These two sales will increase our industrial segment exposure to 83.1% of gross leasable area ("GLA") and 76.1% of net operating income ("NOI"), on a pro forma basis.

Our successful property sales in the first quarter allowed us to reduce our total debt year-over-year by \$25.1 million to \$493.6 million, bringing our Adjusted Debt to Gross Book Value⁽¹⁾ to 49.5% at March 31, 2024. For the remainder of 2024, mortgage maturities amount to \$17.8 million and we expect to renew them at market terms.

Our financial discipline contributed to our performance with property revenue up 1.7% and NOI up 1.9% year-over-year, despite having 10 fewer properties in our portfolio, compared to the same period in the previous year. This reduction in the number of properties owned, coupled with higher interest expense and leasing costs, are the main drivers behind the increase in our AFFO payout ratio⁽¹⁾ in the first quarter of 2024.

Healthy leasing momentum

Leasing activities remained strong through the quarter and we have now renewed or replaced 55.6% of GLA maturing in 2024 at a positive average spread of 33.5% for the entire portfolio and of 47.7% for our industrial properties.

We are also delighted to have signed a 15-year lease with a new quality international tenant starting in February 2025 following the expiry of the current lease for a 128,000-square-foot property with annual rent steps and a base rent that is in excess of 30% over the expiring lease.

While our occupancy rate remained solid at 97.7% at March 31, 2024 (including committed space), it has been temporarily impacted by transitional vacancies in a few industrial properties which are experiencing good leasing momentum.

Advancing on our ESG journey

We are also pleased to share that, on May 8, 2024, we published our third annual Sustainability Report, which highlights our commitments, strategy and accomplishments relating to environmental, social and governance ("ESG") factors. As we adapt to evolving stakeholder expectations, we maintained our focus on adopting additional best practices, while taking into consideration recognized ESG standards and guidelines, such as the Sustainability Accounting Standards Board ("SASB") Standards for the real estate industry, GRESB and recommendations from the Task Force on Climate-related Financial Disclosures ("TCFD"). As a team, we are proud of our progress to date and are committed to continuing to improve as we move forward on our ESG journey. We invite you to consult our 2023 Sustainability Report, which is available in the Sustainability section of our corporate website.

Committed to our strategy

As we look ahead in 2024, we will continue to focus on recycling capital and further increasing our footprint in the attractive industrial sector as the market stabilizes. We will pursue this strategy while managing soundly our balance sheet and capital allocation to the benefit of all our stakeholders.

⁽¹⁾ Represents a non-IFRS measure. See "Non-IFRS Measures".

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

In closing, I would like to extend a heartfelt thank you to our entire team for their ongoing contributions critical to our success. To our Board of Trustees, I would like to express my sincere appreciation for your valued insights and guidance and, of course, to our unitholders, for your trust and support.

(signed) Gordon G. Lawlor, CPA
President and Chief Executive Officer

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

PART I

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	March 31 2024	March 31 2023
Operational data		
Number of properties	120	130
Gross leasable area (square feet) ("GLA")	6,217,063	6,531,305
Occupancy rate ⁽¹⁾	97.7 %	98.6 %
Weighted average lease term to maturity (years)	3.9	4.1
	3 Months Ended March 31 2024	3 Months Ended March 31 2023
<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>		
Financial data		
Property revenue	\$ 25,702	\$ 25,278
Net operating income (NOI)	\$ 14,822	\$ 14,540
Same Property NOI ⁽²⁾	\$ 14,522	\$ 13,477
Net income (loss) and comprehensive income (loss)	\$ (9,452)	\$ 13,048
Net income (loss) and comprehensive income (loss) per Unit - Basic ⁽³⁾	\$ (0.1560)	\$ 0.2057
Net income (loss) and comprehensive income (loss) per Unit - Diluted ⁽³⁾	\$ (0.1549)	\$ 0.2028
Total assets	\$ 1,001,575	\$ 1,054,881
Total debt	\$ 493,624	\$ 518,668
Total debt to total assets	49.3 %	49.2 %
Adjusted Debt to Gross Book Value ⁽²⁾	49.5 %	49.2 %
Interest Coverage Ratio ⁽²⁾	2.5x	2.7x
Debt Service Coverage Ratio ⁽²⁾	1.6x	1.6x
Adjusted Debt to Annualized Adjusted EBITDA Ratio ⁽²⁾	9.0x	9.6x
Weighted average interest rate on mortgage debt	3.89 %	3.70 %
Net cash flows provided from operating activities	\$ 9,743	\$ 10,582
Funds from Operations (FFO) ⁽²⁾	\$ 7,722	\$ 4,948
Basic FFO per unit ⁽²⁾⁽³⁾	\$ 0.1274	\$ 0.0819
Diluted FFO per unit ⁽²⁾⁽³⁾	\$ 0.1266	\$ 0.0805
Adjusted Funds from Operations (AFFO) ⁽²⁾	\$ 7,441	\$ 7,814
Basic AFFO per unit ⁽²⁾⁽³⁾	\$ 0.1228	\$ 0.1293
Diluted AFFO per unit ⁽²⁾⁽³⁾	\$ 0.1220	\$ 0.1271
AFFO Payout Ratio – Basic ⁽²⁾	91.6 %	87.0 %
AFFO Payout Ratio – Diluted ⁽²⁾	92.2 %	88.5 %

(1) Occupancy rate includes lease contracts for future occupancy of currently vacant space. Management believes the inclusion of this committed space provides a more balanced reporting. The committed space at March 31, 2024 was approximately 90,903 square feet of GLA (69,102 square feet of GLA at March 31, 2023).

(2) Represents a non-IFRS measure. See "Non-IFRS Measures".

(3) Total basic units consist of Units (as defined herein) and Class B LP Units (as defined herein). Total diluted units also includes deferred trust units and restricted trust units issued under the REIT's long-term incentive plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") sets out PRO Real Estate Investment Trust's (the "REIT" or "PROREIT") operating strategies, risk profile considerations, business outlook and analysis of its financial performance and condition for the three month period ended March 31, 2024. This MD&A is based on financial statements prepared in accordance with IAS 34 Interim financial reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRIC").

This MD&A should be read in conjunction with the REIT's condensed consolidated interim financial statements and accompanying notes for the three month period ended March 31, 2024 and 2023 (the "Q1 2024 Financial Statements"), the REIT's audited consolidated financial statements and accompanying notes

for the years ended December 31, 2023 and 2022 (the "2023 Annual Financial Statements") and management's discussion and analysis thereon (the "2023 Annual MD&A"), and the REIT's annual information form for the year ended December 31, 2023 (the "2023 Annual Information Form" and together with the 2023 Annual Financial Statements and 2023 Annual MD&A, the "2023 Annual Reports"). These documents and additional information regarding the business of the REIT are available under the REIT's profile on the System for Electronic Document Analysis and Retrieval + ("SEDAR+") at www.sedarplus.ca.

The REIT's reporting currency is the Canadian dollar ("CAD"). All amounts except unit, per unit, square footage and per square feet amounts and as otherwise stated, are in thousands of CAD and have been rounded to the nearest CAD thousand. Unless otherwise stated, in preparing this MD&A, the REIT has considered information available to it up to May 8, 2024, the date the REIT's board of trustees (the "Board") approved this MD&A and the Q1 2024 Financial Statements.

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward-looking information (collectively, "forward-looking statements") within the meaning of applicable securities legislation, including statements relating to certain expectations, projections, growth plans and other information related to REIT's business strategy and future plans. Forward-looking statements can, but may not always, be identified by the use of words such as "seek", "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "would", "should", "believe", "objective", "ongoing", "imply", "assumes", "goal", "likely" and similar references to future periods or the negatives of these words and expressions and by the fact that these statements do not relate strictly to historical or current matters. These forward-looking statements are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions, including market and economic conditions, business prospects or opportunities, future plans and strategies, projections and anticipated events and trends that affect the REIT and its industry. Although the REIT and management believe that the expectations reflected in such forward-looking statements are reasonable and are based on reasonable assumptions and estimates as of the date hereof, there can be no assurance that these assumptions or estimates are accurate or that any of these expectations will prove accurate. Forward-looking statements are inherently subject to significant business, economic and competitive risks, uncertainties and contingencies that could cause actual events to differ materially from those expressed or implied in such statements.

Some of the specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to the following:

- the intention of the REIT to distribute a portion of its available cash to securityholders and the amount of such distributions;
- the ability of the REIT to execute its growth strategies and increase its assets;
- the expected tax treatment of the REIT's distributions to unitholders;
- the REIT's capital expenditure requirements for its properties;
- the ability of the REIT to qualify for the exclusion from the definition of "SIFT trust" in the Income Tax Act (Canada) (the "Tax Act");
- the expected occupancy and the performance of the REIT's properties; and
- the debt maturity profile of the REIT.

Actual results and developments are likely to differ, and may differ materially, from those anticipated by the REIT and expressed or implied by the forward-looking statements contained in this MD&A. Such statements are based on a number of assumptions and risks which may prove to be incorrect. Important assumptions relating to the forward-looking statements contained in this MD&A include, but are not limited to, the various assumptions set forth in this MD&A as well as the following: (i) the REIT will receive financing on favourable terms; (ii) the future level of indebtedness of the REIT and its future growth potential will remain consistent with the REIT's current expectations; (iii) there will be no changes to tax laws adversely affecting the REIT's financing capacity or operations; (iv) the workforce of the REIT will remain stable and consistent with the REIT's current expectations; (v) the impact of the current economic climate and the current global financial conditions on the REIT's operations, including its financing capacity, and asset value, will remain consistent with the REIT's current expectations; (vi) there will be no material changes to government and environmental regulations adversely affecting the REIT's operations; (vii) the performance of the REIT's investments in Canada will proceed on a basis consistent with the REIT's current expectations; (viii) conditions in the real estate market, including competition for acquisitions, will be consistent with the REIT's expectations; and (ix) capital markets will provide the REIT with readily available access to equity and/or debt.

Many factors could cause the REIT's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, risks and uncertainties relating to: real property ownership; diversification risk; dependence on key personnel; COVID-19 and public health crises; appraisals and reporting investment property at fair value; joint venture/partnership arrangements; fixed costs; financing risks and leverage; liquidity of real property investments; current global capital market conditions; acquisition, development and dispositions; potential conflicts of interest; competition; geographic concentration; general uninsured losses; access to capital; interest rate exposure; environmental matters; climate change risk; litigation risk; potential undisclosed liabilities; internal controls, data governance and decision support; security of information technology; indexation for inflation and duration of lease contracts; limit on activities; insurance renewals; foreclosure; occupancy by tenants; lease renewals and rental increase; taxation matters; change of tax laws; significant ownership; volatile market price for units; cash distributions are not guaranteed; restrictions on redemptions; subordination of the units; tax related risk factors; nature of investment; unitholder liability; and dilution. These factors are not intended to represent a complete list of the factors that could affect the REIT; however, these factors, as well as those risk factors presented under the heading "Risk Factors" in the 2023 Annual Information Form, elsewhere in this MD&A and the 2023 Annual Reports and in other filings that the REIT has made and may make in the future with applicable securities authorities, should be considered carefully.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this MD&A. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management currently believes to be reasonable assumptions, the REIT cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements.

These forward-looking statements are made as of the date of this MD&A and the REIT does not intend, and does not assume any obligation, to update these forward-looking statements, except as required by law. The REIT cannot assure investors that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. Investors are cautioned that forward-looking statements are not guarantees of future performance and accordingly investors are cautioned not to put undue reliance on forward-looking statements due to the inherent uncertainty therein.

NON-IFRS MEASURES

The Q1 2024 Financial Statements are prepared in accordance with IAS 34 Interim financial reporting using accounting policies consistent with IFRS, issued by the IASB. In addition to reported IFRS measures, industry practice is to evaluate real estate entities giving consideration, in part, to certain non-IFRS financial measures, non-IFRS ratios and other specified financial measures (collectively, "non-IFRS measures") described below. Management believes these non-IFRS measures are helpful to investors because they are widely recognized measures of a REIT's performance and provide a relevant basis for comparison among real estate entities. In addition to the IFRS results, the REIT also uses these non-IFRS measures internally to measure the operating performance of its investment property portfolio. These non-IFRS measures should not be construed as alternatives to net income, net cash flows provided by operating activities, total assets, total equity, or comparable metrics determined in accordance with IFRS as indicators of the REIT's performance, liquidity, cash flows and profitability and may not be comparable to similar measures presented by other real estate investment trusts or enterprises. These non-IFRS measures are defined below and are cross referenced, as applicable, to a reconciliation contained within this MD&A to the most directly comparable measure that is disclosed in the primary financial statements of the REIT. Non-IFRS measures are not standardized financial measures under IFRS, and might not be comparable to similar financial measures disclosed by other issuers. The REIT believes these non-IFRS measures provide useful information to both management and investors in measuring the financial performance and financial condition of the REIT for the reasons outlined above and below.

Non-IFRS Financial Measures

Adjusted Debt ("Adjusted Debt")

Adjusted Debt is a non-IFRS financial measure defined by the REIT as current and non-current debt excluding (i) unamortized financing costs, (ii) accretion expense of the Convertible Debenture, and (iii) fair value adjustment of the derivative financial instrument. Management believes that Adjusted Debt is a useful measure to investors and management in determining the level of indebtedness of the REIT and its ability to meet its obligations. Adjusted Debt is also used by management to measure Adjusted Debt to Annualized Adjusted EBITDA Ratio and Adjusted Debt to Gross Book Value. Adjusted Debt is reconciled to debt, its most directly comparable measure that is disclosed in the primary financial statements of the REIT, in the table under "Part IV – Capitalization and Debt Profile – Adjusted Debt", and the table under "Part V – Summary of Quarterly Results".

Adjusted Earnings before Interest, Tax, Depreciation and Amortization ("Adjusted EBITDA")

Adjusted EBITDA is a non-IFRS financial measure used by the REIT to monitor the REIT's ability to satisfy and service its debt and to monitor requirements imposed by the REIT's lenders. Specifically, Adjusted EBITDA is used by management to monitor the REIT's Interest Coverage Ratio, Debt Service Coverage Ratio, and Adjusted Debt to Annualized Adjusted EBITDA Ratio which the REIT uses to measure its debt profile and assess its ability to satisfy its obligations, including servicing its debt. The measure is also intended to be used by investors to help determine the REIT's ability to service its debt, finance capital expenditures and provide for distributions to its unitholders. Adjusted EBITDA is defined as the REIT's net income and comprehensive income before interest and financing costs, depreciation of property and equipment, amortization of intangible assets, fair value adjustments, distributions on Class B LP Units, straight-line rent, long-term incentive plan expense, CEO succession plan costs, transaction costs and debt settlements costs. A reconciliation to net income and comprehensive income, its most directly comparable measure that is disclosed in the primary financial statements of the REIT, is included in the table under "Part IV – Capitalization and Debt Profile – Adjusted EBITDA".

Adjusted Funds from Operations ("AFFO")

AFFO is a non-IFRS financial measure. The REIT does not calculate AFFO in accordance with the White Paper on FFO and AFFO for IFRS (the "FFO and AFFO White Paper") issued in February 2019 by the Real Property Association of Canada. The REIT defines AFFO as FFO less amortization of straight-line rents, maintenance capital expenditures and normalized stabilized leasing costs, as determined by the REIT, plus long-term incentive plan expenses, amortization of financing costs, accretion expense – Convertible Debentures and one-time costs such as debt settlement costs, CEO succession plan costs and transaction costs. Normalized stabilized leasing costs represent leasing costs paid and amortized over the new lease term. Management believes AFFO is useful to both management and investors at it is an important measure of the REIT's economic performance and is indicative of the REIT's ability to service its debt, fund capital expenditures and pay distributions. This non-IFRS measure is commonly used for assessing real estate performance; however, it does not represent cash generated from operating activities, as defined by IFRS, and is not necessarily indicative of cash available to fund the REIT's needs. AFFO is reconciled to net income and comprehensive income, its most directly comparable measure that is disclosed in the primary financial statements of the REIT, in the table under "Part IV – Distributions and Adjusted Funds from Operations", the table under "Part V – Summary of Quarterly Results", and to net cash flow provided by operating activities in the table under "Part IV – Distributions and Adjusted Funds from Operations – Distributions".

Annualized Adjusted Earnings before Interest, Tax, Depreciation and Amortization ("Annualized Adjusted EBITDA")

Annualized Adjusted EBITDA is a non-IFRS financial measure defined as Adjusted EBITDA for the current year-to-date period annualized. Management believes Annualized Adjusted EBITDA is a useful metric for management and investors to monitor the REIT's ability to satisfy and service its debt and to monitor requirements imposed by the REIT's lenders. A reconciliation of Adjusted EBITDA to net income and comprehensive income, its most directly comparable measure that is disclosed in the primary financial statements of the REIT, is included in the table under "Part IV – Capitalization and Debt Profile – Adjusted EBITDA".

Available Liquidity ("Available Liquidity")

Available Liquidity is a non-IFRS financial measure defined by the REIT as the sum of cash and undrawn revolving credit facility at the reporting period. Management believes that available liquidity is a useful measure to investors and management in determining the REIT's resources available at period-end to meet the REIT's ongoing obligations and future commitments. Refer to the table under "Part IV – Liquidity and Capital Resources – Available Liquidity" for the calculation of the Available Liquidity.

Funds from Operations ("FFO")

FFO is a non-IFRS financial measure of operating performance widely used by the Canadian real estate industry. However, it does not represent net income and comprehensive income nor cash generated from operating activities, as defined by IFRS, and is not necessarily indicative of cash available to fund the REIT's needs. The REIT calculates FFO in accordance with the FFO and AFFO White Paper. FFO is defined as net income and comprehensive income adjusted for fair value changes of (i) long-term incentive plan, (ii) investment properties, (iii) Class B LP Units, and (iv) derivative financial instrument, plus distributions on Class B LP Units and amortization of intangible assets. FFO, however, still includes noncash revenues related to accounting for straight-line rent and makes no deduction for the recurring capital expenditures necessary to sustain the existing earnings stream. Management believes that FFO is useful to both management and investors as it provides an operating performance measure that, when compared period-over period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and property taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from net income and comprehensive income determined in accordance with IFRS. FFO has been reconciled to net income and comprehensive income, its most directly comparable measure that is disclosed in the primary financial statements of the REIT, in the table under "Part IV – Distributions and Adjusted Funds from Operations", the table under "Part V – Summary of Quarterly Results".

Gross Book Value ("Gross Book Value")

Gross Book Value is a non-IFRS financial measure defined in the REIT's Declaration of Trust (as defined herein). The REIT calculates Gross Book Value by adding back to its total assets the amount of accumulated depreciation on property and equipment and intangible assets. Management believes Gross Book Value is a useful measure for management and investors to assess the growth in the REIT's total portfolio and it is also used by management to monitor the REIT's Adjusted Debt to Gross Book Value. The most directly comparable IFRS measure to Gross Book Value is total assets. Refer to the table under "Part IV – Capitalization and Debt Profile – Debt Ratios" and the table under "Part V – Summary of Quarterly Results" for the calculation of Gross Book Value.

Net Asset Value ("NAV")

NAV is a non-IFRS financial measure defined by the REIT as the sum of unitholders' equity and Class B LP Units. Management believes it is important to include the Class B LP Units for the purpose of determining the REIT's capital management. Management does not consider the Class B LP Units to be debt or borrowings of the REIT, but rather a component of the REIT's equity. However, total unitholders' equity (including Class B LP Units) is not defined by IFRS, does not have a standard meaning and may not be comparable with similar measures presented by other issuers. NAV has been reconciled to unitholders' equity, its most directly comparable measure that is disclosed in the primary financial statements of the REIT, in the table under "Part IV – Capitalization and Debt Profile – NAV per Unit" and the table under "Part V – Summary of Quarterly Results".

Same Property NOI ("Same Property NOI")

Same Property NOI is a non-IFRS financial measure used by the REIT to assess the period over period performance of those properties owned by the REIT in both periods. In calculating Same Property NOI, net operating income (NOI) for the period is adjusted to remove the impact of straight-line rent revenue and tenant incentives amortized to revenue in order to highlight the 'cash impact' of contractual rent increases embedded in the underlying lease agreements. Management believes Same Property NOI is a meaningful measure for management and investors to gauge the change in asset productivity and asset value, as well as measure the additional return earned by incremental capital investments in existing assets. The most directly comparable measure that is disclosed in the primary financial statements of the REIT is net operating income (NOI). See "Part III – Results of Operations – Overall Analysis – Same Property NOI Analysis".

Non-IFRS Ratios

Adjusted Debt to Annualized Adjusted EBITDA Ratio ("Adjusted Debt to Annualized Adjusted EBITDA Ratio")

Adjusted Debt to Annualized Adjusted EBITDA Ratio is a non-IFRS ratio calculated by the REIT as Adjusted Debt (a non-IFRS financial measure) divided by Annualized Adjusted EBITDA (a non-IFRS financial measure). Management considers this non-IFRS ratio is a useful measure for investors and management to monitor the REIT's ability to service its outstanding debt. Refer to the table under "Part IV – Capitalization and Debt Profile – Annualized Adjusted EBITDA Ratio" for the calculation of the Adjusted Debt to Annualized Adjusted EBITDA Ratio.

Adjusted Debt to Gross Book Value ("Adjusted Debt to Gross Book Value")

Adjusted Debt to Gross Book Value is a non-IFRS ratio intended to be used by investors to assess the leverage of the REIT. Management uses this ratio to evaluate the leverage of the REIT and the strength of its equity position. Adjusted Debt to Gross Book Value is defined as Adjusted Debt (a non-IFRS financial measure) divided by Gross Book Value (a non-IFRS financial measure). See the table under "Part IV – Capitalization and Debt Profile – Debt Ratios".

AFFO Payout Ratio – Basic ("AFFO Payout Ratio – Basic") and AFFO Payout Ratio - Diluted ("AFFO Payout Ratio – Diluted")

The AFFO Payout Ratio – Basic and AFFO Payout Ratio - Diluted are non-IFRS ratios which are measures of the sustainability of the REIT's distribution payout. Management believes these non-IFRS ratios are useful measures to investors since these measures provide transparency on performance and the overall management of the existing portfolio assets. Management also considers these non-IFRS ratios to be an important measure of the REIT's distribution capacity. These non-IFRS ratios should not be considered as an alternative to other ratios determined in accordance with IFRS. AFFO Payout Ratio – Basic is calculated by dividing the distributions declared per Unit and Class B LP Unit by Basic AFFO per Unit (a non-IFRS ratio), and AFFO Payout Ratio – Diluted is calculated by dividing the distributions declared per Unit and Class B LP Unit by Diluted AFFO per Unit (a non-IFRS ratio). See the table under "Part IV – Distributions and Adjusted Funds from Operations".

Basic AFFO per Unit ("Basic AFFO per Unit") and Diluted AFFO per Unit ("Diluted AFFO per Unit")

Basic AFFO per Unit and Diluted AFFO per Unit are non-IFRS ratios and reflect AFFO on a weighted average per unit basis. Management believes these non-IFRS ratios are useful measures to management and investors since the measures indicate the impact of AFFO in relation to an individual per unit investment in the REIT. Management believes that AFFO per unit ratios are useful measures of operating performance similar to AFFO. These non-IFRS ratios are not standardized financial measures under IFRS and should not be considered as an alternative to other ratios determined in accordance with IFRS. Basic AFFO per Unit is calculated by using AFFO (a non-IFRS financial measure) divided by the total of the weighted average number of basic Units added to the weighted average number of basic Class B LP Units. Diluted AFFO per Unit is calculated by using AFFO (a non-IFRS financial measure) divided by the weighted average number of diluted units. Diluted units include Units, Class B LP Units, and deferred trust units and restricted trust units issued under the REIT's long-term incentive plan. See the table under "Part IV – Distributions and Adjusted Funds from Operations".

Basic FFO per Unit ("Basic FFO per Unit") and Diluted FFO per Unit ("Diluted FFO per Unit")

Basic FFO per Unit and Diluted FFO per Unit are non-IFRS ratios and reflect FFO on a weighted average per unit basis. Management believes these non-IFRS ratios are useful measures to management and investors since the measures indicate the impact of FFO in relation to an individual per unit investment in the REIT. Management believes that FFO per unit ratios are useful measures of operating performance similar to FFO. These non-IFRS ratios are not standardized financial measures under IFRS and should not be considered as an alternative to other ratios determined in accordance with IFRS. Basic FFO per Unit is calculated by using FFO (a non-IFRS financial measure) divided by the total of the weighted average number of basic Units added to the weighted average number of basic Class B LP Units. Diluted FFO per Unit is calculated by using FFO (a non-IFRS financial measure) divided by the weighted average number of diluted units. Diluted units include Units, Class B LP Units, and deferred trust units and restricted trust units issued under the REIT's long-term incentive plan. See the table under "Part IV – Distributions and Adjusted Funds from Operations".

Debt Service Coverage Ratio ("Debt Service Coverage Ratio")

The Debt Service Coverage Ratio is a non-IFRS ratio calculated by the REIT as Adjusted EBITDA (a non-IFRS financial measure) divided by the debt service requirements for the period, whereby the debt service requirements reflect principal repayments and interest expensed during the period. Payments related to prepayment penalties or payments upon discharge of a mortgage are excluded from the calculation. This non-IFRS ratio is a useful measure for investors and management to monitor the REIT's ability to meet annual interest and principal payments. Refer to the table under "Part IV – Capitalization and Debt Profile – Debt Service Coverage Ratio" for the calculation of the Debt Service Coverage Ratio.

Interest Coverage Ratio ("Interest Coverage Ratio")

The Interest Coverage Ratio is a non-IFRS ratio calculated by the REIT as Adjusted EBITDA (a non-IFRS financial measure) divided by the REIT's interest obligations for the period. This non-IFRS ratio is a useful measure of the REIT's ability to service the interest requirements of its outstanding debt. Management also use this non-IFRS ratio to measure and limit the REIT's leverage. Refer to the table under "Part IV – Capitalization and Debt Profile – Interest Coverage Ratio" for the calculation of the Interest Coverage Ratio.

NAV per Unit

NAV per Unit is a non-IFRS ratio that is a useful measure to management and investors as it reflects management's view of the intrinsic value of the REIT and enables investors to determine if the REIT's Units price is trading at a discount or premium relative to the NAV per Unit at each reporting period. The REIT calculates NAV per Unit as NAV (a non-IFRS financial measure) divided by the total number of Units and Class B LP Units outstanding. Refer to the table under "Part IV – Capitalization and Debt Profile – NAV per Unit" and the table under "Part V – Summary of Quarterly Results" for the calculation of NAV per Unit.

PART II

REIT OVERVIEW

The REIT is an unincorporated open ended real estate investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated February 7, 2013 and amended and restated on December 21, 2018 (as amended from time to time, the "Declaration of Trust"). The REIT's trust

units ("Units") are listed on the Toronto Stock Exchange (the "TSX") under the symbol PRV.UN. The principal, registered and head office of the REIT is located at 2000 Mansfield Street, Suite 1000, Montréal, Quebec, H3A 2Z7.

The REIT owns a portfolio of Canadian commercial investment properties, comprised of industrial, retail, and office properties. At March 31, 2024, the REIT owned 120 properties (of which 78 are 100% owned and 42 are 50% owned) across Canada, comprising approximately 6.2 million square feet of GLA. For properties not 100% owned by the REIT, the GLA of the REIT is the REIT's interest in the total GLA of the property.

OBJECTIVES AND STRATEGIES

Objectives

The objectives of the REIT are to: (i) provide unitholders with stable and growing cash distributions from investments in real estate properties in Canada, on a tax efficient basis; (ii) expand the asset base of the REIT and enhance the sustainable value of the REIT's assets to maximize long-term Unit value; and (iii) increase the REIT's NOI and AFFO per Unit, through internal growth strategies and accretive acquisitions.

Strategy

In order to meet its objectives, the REIT has implemented the following key strategic elements:

FOCUS ON HIGH QUALITY, LOW RISK INDUSTRIAL ASSETS

- **High-quality commercial real estate.** The REIT is focused on the industrial sector in selected geographies across Canada. The majority of the properties in the portfolio are high-quality properties in the industrial sector, located in prime locations within their respective markets, along major traffic arteries benefitting from high visibility and convenient access. Management believes the quality and prime locations of the portfolio will enable the REIT to attract new tenants and retain existing tenants.
- **Geographical focus on stable Eastern Canadian markets, with careful growth in Western Canadian markets.** The REIT targets property acquisitions in primary and strong secondary markets across Canada, with a particular focus on Quebec, Atlantic Canada and Ontario, and selectively in Western Canada. Management believes that its strategy focusing on stable markets in Eastern Canada and selective expansion in specific markets in Western Canada will enable the REIT to assemble a portfolio underpinned by strong and consistently stable economic fundamentals, with exposure to organic growth opportunities.
- **High-quality tenants with diversified lease terms.** The REIT benefits from a diversified tenant base reflecting an attractive mix of government, national, regional and local tenants, as well as a mix of tenants by industry. The REIT's portfolio lease maturities are well staggered into the future. Management believes it has fostered strong relationships with its tenants, which it expects to be an important factor in the REIT's ability to attract tenants to new properties or replace leases as vacancies arise in the REIT's properties.

LEVERAGE DEEP EXPERIENCE OF MANAGEMENT AND BOARD TO ENHANCE VALUE

- The REIT benefits from an experienced management team and Board with a proven track record of value creation. In aggregate, the REIT's executive officers and trustees have over 100 years of operating, acquisition and financing experience in the Canadian real estate industry, including in the industrial sector. They have extensive relationships with a broad network of real estate industry owners and service professionals across Canada, and seek to leverage these relationships to source accretive high-quality acquisitions. Given the management team's experience in the Quebec, Atlantic Canada, Ontario and Western Canadian markets, it possesses a unique and valuable set of skills and relationships that can be leveraged to the benefit of the REIT.

Expand the Asset Base

- **Internal Growth Strategies**
The REIT's internal growth strategy includes the following:
 - Nurturing existing tenant relationships, ensuring tenant retention and accommodating tenant growth.
 - Increasing rental income and minimizing operating expenses through operating improvements and preventative maintenance programs.
 - Pursuing expansion and redevelopment opportunities within the REIT's portfolio.
- **External Growth Strategies**
The REIT's external growth strategy includes the following:
 - Acquiring stable investment properties that are accretive to the REIT.
 - Pursuing expansion in the industrial sector in attractive mid-sized Canadian cities.
 - Pursuing selective development and expansion opportunities within the REIT's portfolio.

SUMMARY OF SIGNIFICANT EVENTS

On February 2 and 9, 2024 the REIT completed the sales of two non-core properties totalling approximately 124,000 square feet for gross proceeds of \$20,700 (excluding closing costs). The net proceeds of the sales were used to repay approximately \$16,000 in related mortgages, with the balance used for general business purposes.

On March 15, 2024, the REIT completed the sale of a non-core retail property totalling approximately 11,000 square feet for gross proceeds of \$5,380 (excluding closing costs). The net proceeds of the sale were used to partially repay a \$9.4 million mortgage secured by additional retail properties.

SUBSEQUENT EVENTS

On March 19, 2024, the REIT entered into a binding agreement with a third party purchaser to sell one non-core retail property in Regina, Saskatchewan totalling approximately 11,000 square feet for gross proceeds of \$4,780 (excluding closing costs). Proceeds of the sale will be used to repay a portion of the outstanding credit facility or for general business purposes. The closing of the sale is scheduled for Q2 2024 and is subject to standard closing conditions.

On March 26, 2024, the REIT entered into a binding agreement with a third party purchaser to sell one non-core retail property in Pincher Creek, Alberta totalling approximately 8,500 square feet for gross proceeds of \$2,250 (excluding closing costs). Proceeds of the sale will be used to repay a portion of the outstanding credit facility or for general business purposes. The closing of the sale is scheduled for Q2 2024 and is subject to standard closing conditions.

On April 19, 2024, the REIT announced a cash distribution of \$0.0375 per Unit for the month of April 2024. The distribution is payable on May 15, 2024 to unitholders of record as at April 30, 2024.

OUTLOOK

We continue to see strong economic activity in Canada early in 2024, similar to that of 2023. The REIT has benefited from this economic activity, including the demand for commercial space especially in the industrial sector.

In the context of global geopolitical tensions, ongoing supply chain issues, labour shortages and related inflationary pressures, the Bank of Canada has increased its policy interest rate to 500 basis points since the beginning of 2022. Additional rate hikes may occur in the future to control inflation but we may also see some interest rate relief in 2024. The REIT believes it is well positioned in this environment given its staggered debt maturities, and potential upside on revenues in the portfolio with current below market rents and organic rent growth.

The REIT also benefits from a low-risk tenant base that is expected to withstand the impact of inflation and that has successfully demonstrated its resilience to the pressures posed by the pandemic since 2020.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

PART III

RESULTS OF OPERATIONS

	3 Months Ended March 31 2024	3 Months Ended March 31 2023
<i>(CAD \$ thousands)</i>		
Property revenue	\$ 25,702	\$ 25,278
Property operating expenses	10,880	10,738
Net operating income	14,822	14,540
General and administrative expenses	1,385	3,518
Long-term incentive plan expense	1,358	581
Depreciation of property and equipment	148	105
Amortization of intangible assets	61	93
Interest and financing costs	5,793	5,131
Distributions - Class B LP Units	152	157
Fair value adjustment - Class B LP Units	975	(28)
Fair value adjustment - investment properties	13,275	(7,651)
Fair value adjustment - derivative financial instrument	1,505	–
Other income	(1,034)	(835)
Other expenses	478	421
Debt settlement costs	178	–
Net income (loss) and comprehensive income (loss)	\$ (9,452)	\$ 13,048

Comparison of the Results from Operations

The REIT's results of operations for the three month period ended March 31, 2024 are not directly comparable to the three month period ended March 31, 2023. The REIT owned 120 investment properties (including a 50% ownership interest in 42 investment properties) at March 31, 2024, compared to 130 investment properties (including a 50% ownership interest in 42 investment properties) it owned at March 31, 2023. The decrease in the number of properties is driven by the sale of a 100% interest in 10 investment properties during the twelve month period ended March 31, 2024. Notwithstanding the foregoing, year over year figures for the three month period and year ended March 31, 2024 and 2023 are presented in this MD&A.

Overall Analysis

Property Revenue

Property revenue includes rents from tenants under lease agreement, straight-line rent, percentage rents, property taxes and operating cost recoveries and other incidental income.

For the three month period ended March 31, 2024, property revenue increased by \$424 to \$25,702 compared to the same period in 2023. The increase is principally due to the contractual increases in rent and higher rental rates on lease renewals and new leases, offset by the decrease in the number of properties as described in the "Comparison of the Results from Operations" section of this MD&A.

Property Operating Expenses

Property operating expenses are expenses directly related to real estate operations and are generally charged back to tenants as provided for in the contractual terms of the leases. Operating expenses include property taxes and public utilities, costs related to indoor and outdoor maintenance, heating, ventilation and air conditioning, elevators, insurance, janitorial services and management and operating fees. The amount of operating expenses that the REIT can recover from its tenants depends on the occupancy rate of the properties and the nature of the existing leases containing clauses regarding the recovery of expenses. The majority of the REIT's leases are net rental leases under which tenants are required to pay their share of the properties' operating expenses.

For the three month period ended March 31, 2024, property operating expenses increased by \$142 to \$10,880 compared to the same period in 2023 primarily due to an increase in the recoverable property taxes, offset by the decrease in the number of properties as described in the "Comparison of the Results from Operations" section of this MD&A.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

Net Income (Loss) and Comprehensive Income (Loss)

For the three month period ended March 31, 2024, net income (loss) and comprehensive income (loss) decreased by \$22,500 to (\$9,452) compared to the same period in 2023 primarily due to the impact of the non-cash fair market value adjustment on investment properties.

Same Property NOI Analysis

Same Property NOI analysis includes properties that were owned for a full quarterly reporting in both current and comparative periods. Same Property NOI excludes non-cash adjustments such as straight-line rent and tenant incentives amortized to revenue flowing through the three month period ended March 31, 2024 and 2023. The following table reconciles net operating income as reported in the Q1 2024 Financial Statements to Same Property NOI.

	3 Months Ended March 31 2024	3 Months Ended March 31 2023
<i>(CAD \$ thousands)</i>		
Property revenue	\$ 25,702	\$ 25,278
Property operating expenses	10,880	10,738
Net operating income (NOI) as reported in the financial statements	14,822	14,540
Straight-line rent adjustment	(142)	(121)
NOI after straight-line rent adjustment	14,680	14,419
NOI sourced from:		
Dispositions	(158)	(942)
Same Property NOI ⁽¹⁾	\$ 14,522	\$ 13,477
Number of same properties	120	120

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

The increase in Same Property NOI for the three month period ended March 31, 2024 of \$1,045 or 7.8% is largely driven by contractual increases in rent and higher rental rates on lease renewals and new leases across all asset classes along with higher occupancy rates in the retail and office asset class. This is offset by a slight decrease in occupancy in the industrial asset class.

The following is the Same Property NOI by asset class for the three month period ended March 31, 2024 and 2023:

		3 Months Ended	
	Number of same properties	March 31 2024	March 31 2023
<i>(CAD \$ thousands)</i>			
Industrial	85	\$ 10,994	\$ 10,201
Retail	29	2,303	2,234
Office	6	1,225	1,042
Same Property NOI ⁽¹⁾	120	\$ 14,522	\$ 13,477

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

The increase in industrial Same Property NOI for the three month period ended March 31, 2024 was \$793 or 7.8% compared to the same period in 2023. The increase for the three month period ended March 31, 2024 is mainly driven by contractual increases in rent and higher rental rates on lease renewals and in new leases compared to the same period in 2023, partially offset by transitional vacancies at certain properties compared to the same periods in 2023.

The increase in retail Same Property NOI for the three month period ended March 31, 2024 was \$69 or 3.1% compared to the same period in 2023. The increase for the three month period ended March 31, 2024 is a result of contractual increases in rent and a slight increase in occupancy compared to the same period in 2023.

The increase in office Same Property NOI for the three month period ended March 31, 2024 was \$183 or 17.6% compared to the same period in 2023. The increase for the three month period ended March 31, 2024 is a result of increased occupancy compared to the same period in 2023.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

The following is the same property average occupancy by asset class excluding any committed space for the three month period ended March 31, 2024 and 2023:

	Same Properties 3 Months Ended March 31	
	2024	2023
Industrial	97.2 %	98.2 %
Retail	98.0 %	97.5 %
Office	94.1 %	88.8 %
Total	97.2 %	97.6 %

General and Administrative Expenses

General and administrative expenses include corporate expenses, office expenses, legal and professional fees, salaries, and other overhead expenses which are indirectly associated with the operation and leasing of investment properties.

General and administrative expenses for the three month period ended March 31, 2024 were \$1,385, a decrease of \$2,133 over the same period in 2023. The decrease is largely due to the one-time retirement fee of approximately \$1,600 plus other one-time costs associated with the CEO succession of approximately \$600 in the three month period ended March 31, 2023.

Long-Term Incentive Plan

Long-term incentive plan ("LTIP") expense of \$1,358 during the three month period ended March 31, 2024 relates to deferred and restricted units which vest over a period of one to three years, and is a non-cash item.

Interest and Financing Costs

Interest and financing costs were \$5,793 for the three month period ended March 31, 2024. The increase of \$662 over the same period in 2023 is primarily due to interest on Convertible Debentures and the increase in weighted average interest rate on mortgage debt to 3.89% as at March 31, 2024 from 3.70% as at March 31, 2023. This is partially offset by a decrease in mortgage debt resulting from the sale of a 100% interest in 10 investment properties during the twelve month period ended March 31, 2024.

Distributions – Class B LP Units

The REIT currently pays monthly distributions of \$0.0375 per Class B limited partnership units ("Class B LP Units") of PRO REIT Limited Partnership ("PRLP") or \$0.45 per Class B LP units on an annualized basis. Distributions on the Class B LP Units were \$152 for the three month period ended March 31, 2024.

Fair Value Adjustment – Class B LP Units

A fair value expense of \$975 on the Class B LP Units was recorded for the three month period ended March 31, 2024 resulting from a change in the quoted market price of the REIT's publicly traded Units. This is a non-cash item.

Fair Value Adjustment – Investment Properties

The REIT has selected the fair value method to account for real estate classified as investment property and records investment properties at their purchase price including transaction costs (less any purchase price adjustments) in the quarter of acquisition. Any changes in the fair value of investment properties are recognized as fair value gains and losses in the statement of income and comprehensive income in the quarter in which they occur. During the three month period ended March 31, 2024, 13 properties were revalued by independent external appraisers.

The fair value expense of \$13,275 on investment properties for the three month period ended March 31, 2024 is due to changes in projected future cash flows, changes in capitalization rates and market rent assumptions on certain of the REIT's properties and due to certain non-recoverable expenditures and leasing costs incurred. The REIT's growth in income achieved through lease deals and increasing market rents, predominately in the industrial sector, is offset by a slight expansion in capitalization rates due to market conditions.

The REIT calculates fair value using both the discounted cash flow method and direct capitalization method, which are generally accepted appraisal methodologies. Fair value is based on, among other things, assumptions of future cash flows in respect of current and future leases, capitalization rates, terminal capitalization rates, discount rates, market rents, tenant inducements and leasing cost assumptions and expected lease rollovers. Fair values are supported by a combination of internal financial information, market data and external independent valuations.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

<i>(CAD \$ thousands)</i>	Industrial	Retail	Office	Total
At March 31, 2024				
Fair value of investment properties	\$ 805,195	\$ 116,974	\$ 55,335	\$ 977,504
Fair value of investment properties per square feet	\$ 156.27	\$ 157.08	\$ 173.05	\$ 157.23
At March 31, 2023				
Fair value of investment properties	\$ 790,870	\$ 160,350	\$ 78,335	\$ 1,029,555
Fair value of investment properties per square feet	\$ 151.62	\$ 181.03	\$ 182.47	\$ 157.63

The significant valuation metric used in the direct capitalization method are stabilized capitalization rates. The following table summarizes the stabilized capitalization rates used in the valuation process for the REIT's investment properties by asset class as at March 31, 2024 and 2023:

	As at March 31, 2024		As at March 31, 2023	
	Range %	Weighted Average % ⁽¹⁾	Range %	Weighted Average % ⁽¹⁾
Industrial	5.0% - 7.5%	6.4 %	5.0% - 7.3%	5.7 %
Retail	5.8% - 10.0%	7.3 %	5.0% - 9.0%	6.8 %
Office	7.3% - 8.8%	7.9 %	6.5% - 9.0%	6.8 %
Total portfolio	5.0% - 10.0%	6.6 %	5.0% - 9.0%	5.9 %

⁽¹⁾ Weighted average percentage based on fair value of investment properties.

The following table summarizes stabilized capitalization rates used in the valuation process for the REIT's investment properties by region as at March 31, 2024 and 2023:

	As at March 31, 2024		As at March 31, 2023	
	Range %	Weighted Average % ⁽¹⁾	Range %	Weighted Average % ⁽¹⁾
Maritime provinces	6.3% - 9.0%	7.0 %	5.0% - 9.0%	6.1 %
Ontario	5.5% - 8.8%	6.3 %	5.0% - 6.8%	5.9 %
Quebec	5.0% - 7.0%	5.7 %	5.0% - 6.5%	5.3 %
Western Canada	6.0% - 10.0%	6.4 %	5.5% - 8.5%	6.0 %
Total portfolio	5.0% - 10.0%	6.6 %	5.0% - 9.0%	5.9 %

⁽¹⁾ Weighted average percentage based on fair value of investment properties.

Other Income and Other Expenses

The REIT acquired the assets of Compass Commercial Realty Limited ("Compass") on June 27, 2018, a property management firm headquartered in Halifax, Nova Scotia. The REIT records revenues generated ("other income") as well as relevant expenses incurred ("other expenses") by Compass not related to the properties owned by the REIT in the condensed consolidated interim statements of net income (loss) and comprehensive income (loss). At March 31, 2024, Compass manages all 120 of the REIT's properties 6.2 million square feet plus 4.6 million square feet of third party properties, for an aggregate of approximately 10.8 million square feet of GLA.

Investment in Joint Operations

On August 4, 2022, the REIT acquired a 50% interest in 21 investment properties owned by a third party and sold a 50% interest in 21 investment properties it owned 100% prior to this transaction. As a result of this transaction, the REIT is a co-owner in 42 investment properties that are subject to joint control based on the REIT's decision-making authority with regard to the relevant activities of the investment properties. The REIT recognizes its rights to and obligations for the assets, liabilities, revenue and expenses of these joint operations in the respective lines in the Q1 2024 Financial Statements.

Compass acts as the sole property manager for the entire 50% owned 42-property portfolio and collects 100% of the property management fees.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

The following amounts are included in the Q1 2024 Financial Statements and represent the REIT's proportionate share of the results of operations of its co-owned properties:

<i>(CAD \$ thousands)</i>	3 Months Ended March 31 2024	3 Months Ended March 31 2023
Property revenue	\$ 6,624	\$ 5,904
Property operating expenses (excluding the undernoted property management fees)	2,682	2,460
Property management fees	194	173
Net operating income	3,748	3,271
Interest and financing costs	1,289	1,355
Fair value adjustment - investment properties	862	308
Net income and comprehensive income	\$ 1,597	\$ 1,608

SEGMENTED ANALYSIS

The REIT's segments include three classifications of investment properties – Industrial, Retail, and Office. All of the REIT's activities are located in one geographical segment – Canada. The accounting policies followed for each segment are the same as disclosed in the REIT's condensed consolidated interim financial statements. Operating performance is evaluated by the REIT's management primarily based on net operating income (NOI). General and administrative expenses, depreciation and amortization, interest and financing costs are not allocated to operating segments. Segment assets include investment properties; segment liabilities include mortgages attributable to specific segments, but excludes the REIT's term loans, credit facility and their respective unamortized financing costs. Other assets and liabilities are not attributed to operating segments.

<i>(CAD \$ thousands)</i>	Industrial		Retail		Office		Total
	\$	%	\$	%	\$	%	\$
Three months ended March 31, 2024							
Property revenue	19,100	74.3	4,023	15.7	2,579	10.0	25,702
Net operating income (NOI)	11,156	75.3	2,433	16.4	1,233	8.3	14,822
Three months ended March 31, 2023							
Property revenue	17,741	70.2	4,656	18.4	2,881	11.4	25,278
Net operating income (NOI)	10,322	71.0	2,903	20.0	1,315	9.0	14,540

<i>(CAD \$ thousands)</i>	Industrial		Retail		Office		Total
	\$	%	\$	%	\$	%	\$
At March 31, 2024							
Investment properties	805,195	82.4	116,974	12.0	55,335	5.6	977,504
Mortgages payable	349,092	81.2	45,423	10.6	35,582	8.2	430,097
At March 31, 2023							
Investment properties	790,870	76.8	160,350	15.6	78,335	7.6	1,029,555
Mortgages payable	363,143	76.6	68,984	14.5	42,200	8.9	474,327

⁽¹⁾ Non-IFRS measure. See "Non-IFRS Measures".

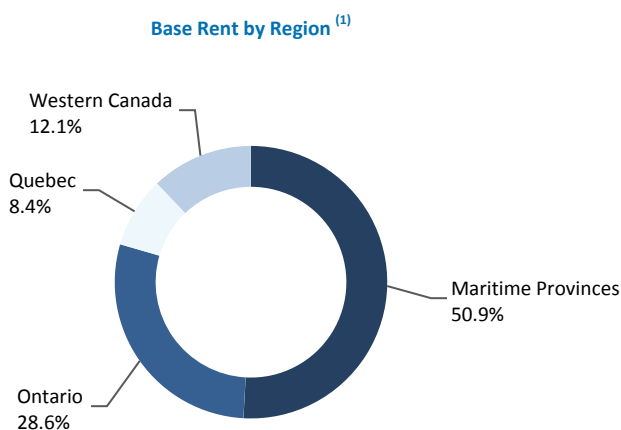
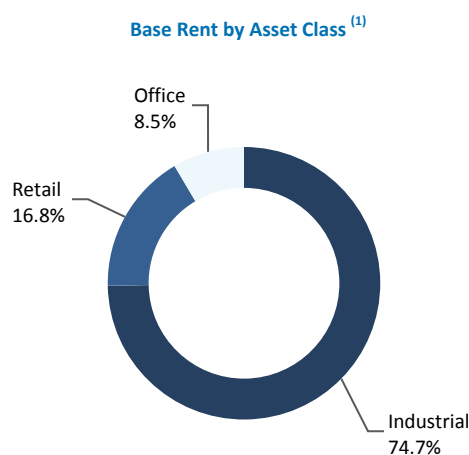
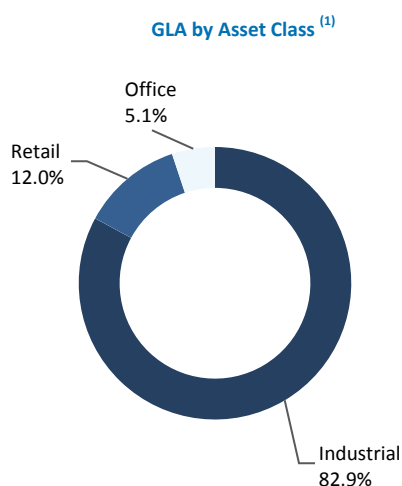
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

PORTFOLIO PROFILE

At March 31, 2024, the REIT's portfolio consisted of 120 properties, located in prime locations within their respective markets, representing a total GLA of 6,217,063 square feet. The decrease of 314,242 square feet compared to March 31, 2023 is due to the disposition of 10 investment properties.

(CAD \$ thousands unless otherwise stated)	3 Month Period Ended/ At March 31, 2024				3 Month Period Ended/ At March 31, 2023			
	# of Properties	Occupancy ⁽¹⁾	GLA (sq. ft.)	NOI	# of Properties	Occupancy ⁽¹⁾	GLA (sq. ft.)	NOI
Industrial	85	97.8 %	5,152,617	\$ 11,156	86	99.2 %	5,216,121	\$ 10,322
Retail	29	98.3 %	744,680	2,433	35	97.6 %	885,775	2,903
Office	6	94.7 %	319,766	1,233	9	82.8 %	429,409	1,315
Total	120	97.7 %	6,217,063	\$ 14,822	130	98.6 %	6,531,305	\$ 14,540

⁽¹⁾ Occupancy rate includes lease contracts for future occupancy of currently vacant space. Management believes the inclusion of this committed space provides a more balance reporting. The committed space at March 31, 2024 was approximately 90,903 square feet of GLA (69,102 square feet of GLA at March 31, 2023).



⁽¹⁾ Based on annualized in-place and committed base rent at March 31, 2024.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

Top Ten Tenants

As at March 31, 2024, the ten largest tenants in the REIT's portfolio accounted for approximately 28.1% on annualized in-place and committed base rent and had a remaining average lease term of approximately 3.9 years.

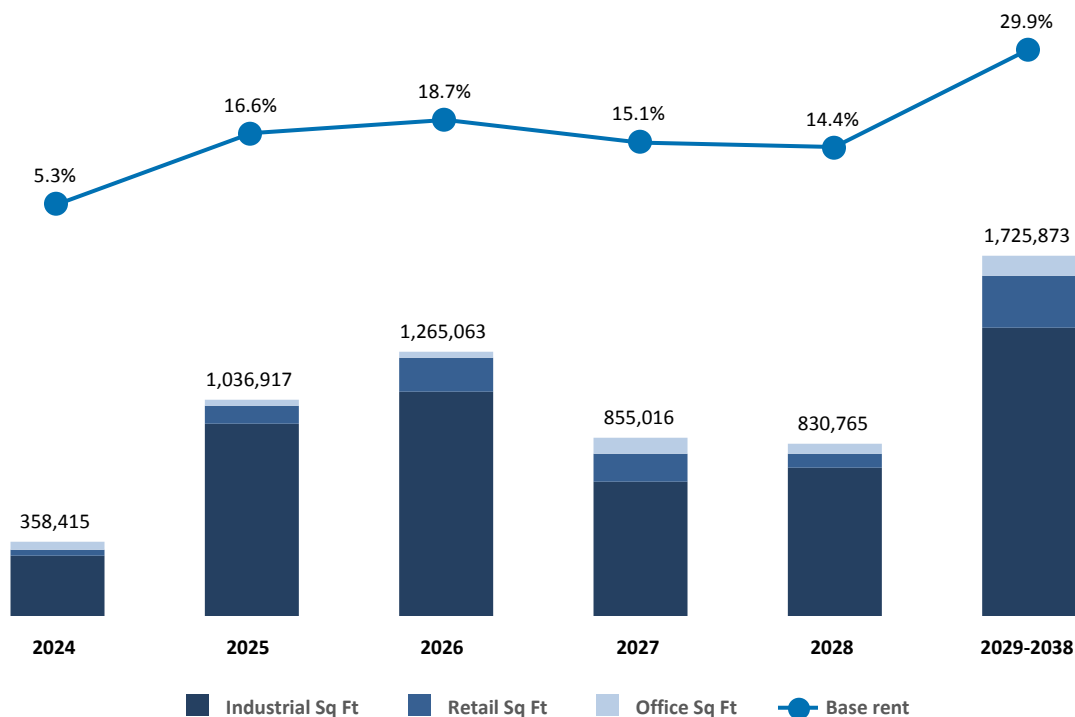
Tenant	% in-Place Base Rent ⁽¹⁾	GLA (Sq. Ft.)	Remaining Average Lease Term (years)	Credit Rating ⁽²⁾
Sobeys	4.3 %	222,491	3.4	na/BBB-/BBB
DRS Technologies Canada	4.2 %	127,334	0.8	Baa3/BBB-/na
Sysco Canada Inc.	3.7 %	326,061	2.4	Baa1/BBB/na
Government of Canada	3.5 %	131,433	2.8	Aaa/AAA/AAA
Versacold	2.5 %	224,334	5.4	na
Ribbon Communications Canada	2.4 %	98,057	5.8	na
Rexall	2.3 %	52,047	6.3	A3/BBB+/na
Sherway Warehousing Inc.	1.8 %	156,318	2.4	na
Diversitech Equipment & Sales	1.8 %	66,975	9.4	na
ArcelorMittal Tailored Blanks	1.6 %	185,633	5.3	Baaa3/BBB-/na
Total	28.1 %	1,590,683	3.9	

(1) Based on annualized in-place and committed base rent at March 31, 2024.

(2) Source: Moody's, S&P, and DBRS. Credit rating assigned to tenant or its parent.

The REIT's total portfolio includes 69.0% of base rent from national and government tenants and 33.8% of base rent from credit quality tenants, based on annualized in-place and committed base rent at March 31, 2024.

The REIT's diverse tenant base has a staggered lease maturity profile with no more than 1,265,063 square feet or 20.4% of GLA maturing in any given period before 2030.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

	March 31 2024	March 31 2023
Weighted average lease term to maturity (years)		
Industrial	3.8	3.9
Retail	4.3	4.5
Office	4.1	4.5
Total Portfolio	3.9	4.1

Rental Rates

Weighted average in-place base rental revenue is contractual base rent and excludes recoverable expense revenue. The following table outlines the weighted average in-place base rental revenue, including committed space, per square foot and by asset class for the REIT's investment property portfolio at March 31, 2024 and March 31, 2023:

	March 31, 2024		March 31, 2023	
	Leased GLA (Sq. Ft.)	Weighted Average In-Place Rent (per Sq. Ft.)	Leased GLA (Sq. Ft.)	Weighted Average In-Place Rent (per Sq. Ft.)
Industrial	5,037,466	\$ 8.53	5,111,825	\$ 7.80
Retail	731,778	13.49	846,237	14.08
Office	302,806	15.27	398,559	14.60
Leased total	6,072,050	\$ 9.47	6,356,621	\$ 9.06
Properties under redevelopment	—		84,000	
Vacant total	145,013		90,684	
Portfolio Total	6,217,063		6,531,305	

The weighted average in-place rent of \$9.47 per square foot at March 31, 2024 increased from \$9.06 per square foot at March 31, 2023 mainly driven by the increase in leasing rates in the industrial asset class.

LEASING ACTIVITY

At March 31, 2024, the REIT's occupancy was 97.7% (including committed space of approximately 90,903 square feet) with a weighted average remaining lease term of 3.9 years. The following table summarizes rental rate spreads achieved on the renewal and replacements during the three month period ended March 31, 2024:

	3 Months Ended March 31, 2024	
	Leased GLA (Sq. Ft.)	Rental Rate Spread % ⁽¹⁾
Industrial	365,582	47.7 %
Retail	30,526	8.1 %
Office	72,843	9.0 %
Total	468,951	33.5 %

(1) Rental rate spread % is calculated as the difference in renewal rent over existing rent.

Overall, approximately 55.6% of GLA maturing in 2024 has been renewed at 33.5% positive average spreads.

With respect to 2025, the REIT has secured a 128,000 square foot lease to a new quality international tenant for a 15 year term with base rent in excess of 30% over the expiring rent with annual rent steps for a tenant expiry in January 2025. The current tenant will not be renewing its lease in January 2025.

PART IV

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities, available funding under the REIT's credit facility and cash on hand represent the primary sources of liquidity to fund distributions, debt service, capital expenditures, tenant inducements and leasing costs. The REIT's cash flow from operations is dependent upon the rental occupancy levels, the rental rates on its leases, the collectability of rent from its tenants, recoveries of operating costs and operating costs. Material changes in these factors may adversely affect the REIT's net cash flows from operating activities and liquidity (see "Risks and Uncertainties" section).

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

The REIT expects to be able to meet all of its obligations as they become due in the short-term and the long-term. The REIT expects to have sufficient liquidity as a result of cash on hand, cash flow from operating activities, operating facilities, the ability to refinance properties when required as well as the ability to raise equity in the capital markets when available.

	3 Months Ended March 31 2024	3 Months Ended March 31 2023
<i>(CAD \$ thousands)</i>		
Cash provided from (used in):		
Operating activities	\$ 9,743	\$ 10,582
Financing activities	(30,754)	(3,442)
Investing activities	19,309	(3,844)
Change in cash during the period	(1,702)	3,296
Cash, beginning of period	13,256	7,531
Cash, end of period	\$ 11,554	\$ 10,827

Three Month Period Ended March 31, 2024

Cash flows from operating activities relate primarily to the collection of rent and payment of operating expenses. The cash provided by operating activities of \$9,743 for the three month period ended March 31, 2024 was impacted mainly by the timing of cash receipts and settlement of payables.

Cash used in financing activities during the three month period ended March 31, 2024 of \$30,754 is attributed to distributions paid of \$6,669, repayment of debt of \$27,118, Restricted and Deferred Units settled in cash of \$465, financing cost incurred of \$2 and increase in borrowings on the credit facility of \$3,500.

Cash flows from investing activities of \$19,309 during the three month period ended March 31, 2024 primarily consist of net proceeds of disposal of investment properties of \$24,410, offset by the additions of capital expenditures and leasing costs of \$4,633 and the additions to property and equipment of \$468.

Available Liquidity

The following table represents the REIT's Available Liquidity at March 31, 2024 and March 31, 2023:

	March 31 2024	March 31 2023
<i>(CAD \$ thousands)</i>		
Cash per condensed consolidated interim financial statements	\$ 11,554	\$ 10,827
Undrawn revolving credit facility	39,500	23,000
Available Liquidity ⁽¹⁾	\$ 51,054	\$ 33,827

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

CAPITALIZATION AND DEBT PROFILE

	March 31 2024
<i>(CAD \$ thousands)</i>	
Mortgages (net of financing costs of \$1,626)	\$ 430,097
Term loan (net of financing costs of \$96)	9,798
Convertible Debentures including derivative financial instrument (net of issuance costs of \$2,831)	33,398
Credit facility (net of financing costs of \$169)	20,331
Class B LP Units	7,434
Unitholders' Equity	472,075
Total Capitalization	\$ 973,133

The REIT has a revolving credit facility of \$60,000 which bears interest at prime plus 100.0 basis points or bankers' acceptance rate plus 200.0 basis points. The credit facility is secured by a pool of first and second charges on certain investment properties with a fair value of approximately \$111,105 at March 31, 2024. At March 31, 2024, advances under the revolving credit facility were \$20,500.

As at March 31, 2024, all mortgages payable were at fixed rates with a weighted average contractual rate of approximately 3.89% (December 31, 2023 – 3.88%). The mortgages payable are secured by first charges on certain investment properties with a fair value of approximately \$852,109 at March 31, 2024 (December 31, 2023 - \$901,139).

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

The REIT has a \$10,000 three year term loan at rate of 6.79% per annum. The term loan is secured by second charges on certain investment properties with a fair value of approximately \$113,740 at March 31, 2024 (December 31, 2023 - \$117,020).

Mortgages and term loan are repayable no later than 2033 as follows:

<i>(CAD \$ thousands)</i>	Principal instalments	Principal maturities	Total Principal Payable	% of Total Principal	Weighted Average Interest Rate on Maturity
2024 - remainder of year	\$ 9,011	\$ 17,754	\$ 26,765	6.1 %	4.77 %
2025	11,740	58,668	70,408	15.9 %	5.23 %
2026	9,376	123,935	133,311	30.2 %	3.49 %
2027	6,350	49,538	55,888	12.7 %	4.78 %
2028	5,353	69,734	75,087	17.0 %	3.39 %
Thereafter	6,899	73,259	80,158	18.1 %	3.69 %
	\$ 48,729	\$ 392,888	\$ 441,617	100.0 %	
Financing costs			(1,722)		
Total balance outstanding as at March 31, 2024			\$ 439,895		

On May 26, 2023, the REIT issued \$35,000 aggregate principal amount of convertible unsecured subordinated debentures bearing 8.00% interest per annum (the "Convertible Debentures") payable semi-annually and maturing on June 30, 2028 (the "Maturity Date"). The interest is payable in arrears on June 30 and December 31 each year, commencing December 31, 2023. The Convertible Debentures are convertible at the holder's option at any time prior to the close of business on the earlier of the business day immediately preceding the Maturity Date and the business day immediately preceding the date fixed for redemption of the Convertible Debentures, as applicable, at a conversion price of \$7.00 per Unit.

These Convertible Debentures are not redeemable before June 30, 2026 by the REIT. On and from June 30, 2026 and prior to June 30, 2027, the Convertible Debentures may be redeemed by the REIT, in whole at any time, or in part from time to time, at a redemption price equal to their principal amount plus accrued and unpaid interest, provided that the volume weighted average trading price of the Units on the TSX during a period of 20 consecutive trading days ending on the fifth trading day prior to the date on which an advanced notice of redemption (the "Current Market Price") is given is at least 125% of the conversion price. On and from June 30, 2027 and prior to the Maturity Date, the Convertible Debentures may be redeemed by the REIT, in whole at any time, or in part from time to time, at a redemption price equal to their principal amount plus accrued and unpaid interest.

Subject to regulatory approvals and other conditions, the REIT may, at its option, elect to satisfy its obligation to pay the principal amount of Convertible Debentures on redemption or at the Maturity Date, in whole or in part, by delivering the number of freely tradable Units obtained by dividing the principal amount of the Convertible Debentures being repaid by 95% of the Current Market Price on the date of redemption or on the Maturity Date.

Contractual Obligations

The following table represents the REIT's contractual obligations at March 31, 2024:

<i>(CAD \$ thousands)</i>	2024	2025	2026	2027	2028	Thereafter
Mortgages and term loan principal instalments ⁽¹⁾	\$ 9,011	\$ 11,740	\$ 9,376	\$ 6,350	\$ 5,353	\$ 6,899
Mortgages and term loan principal maturities ⁽¹⁾	17,754	58,668	123,935	49,538	69,734	73,259
Mortgages and term loan interest ⁽¹⁾	12,470	14,943	10,609	6,833	4,624	5,366
Convertible Debentures	—	—	—	—	35,000	—
Interest on Convertible Debentures	2,800	2,800	2,800	2,800	1,400	—
Credit facility	20,500	—	—	—	—	—
Accounts payable and other liabilities	20,495	—	—	—	—	—
Rent ⁽¹⁾	55	80	80	96	100	36
	\$ 83,085	\$ 88,231	\$ 146,800	\$ 65,617	\$ 116,211	\$ 85,560

(1) 2024 amounts represent the remainder of the year.

The REIT expects to have sufficient liquidity as a result from cash flow from operating activities, operating facilities, the ability to refinance properties when required as well as the ability to raise equity in the capital markets when available to satisfy these obligations.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

NAV per Unit

The following is the calculation of NAV per Unit at March 31, 2024 and 2023:

<i>(CAD \$ thousands)</i>	March 31 2024	March 31 2023
Total unitholders equity per condensed consolidated interim financial statements	\$ 472,075	\$ 494,093
Adjustment for Class B LP Units	7,434	8,312
Net Asset Value ⁽¹⁾	\$ 479,509	\$ 502,405
Total outstanding Units and Class B LP Units	60,634,909	60,447,230
NAV per Unit ⁽¹⁾	\$7.91	\$8.31

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

Adjusted Debt

The following table reconciles debt (current and non-current) as reported in the condensed consolidated interim financial statements to Adjusted Debt:

<i>(CAD \$ thousands)</i>	March 31 2024	March 31 2023
Debt (non-current and current portion) as reported in the financial statements	\$ 493,624	\$ 518,668
Reconciling items:		
Unamortized financing costs	4,721	2,196
Cumulative accretion expense - Convertible Debenture ⁽¹⁾	(310)	—
Cumulative fair value adjustment - derivative financial instrument ⁽¹⁾	(918)	—
Adjusted Debt ⁽²⁾	\$ 497,117	\$ 520,864

(1) Represents the cumulative amounts since issuance of the Convertible Debentures on May 26, 2023.

(2) Represents a non-IFRS measure. See "Non-IFRS Measures".

Debt Ratios

The REIT is free to determine the appropriate level of capital in context with its cash flow requirements, overall business risks and potential business opportunities. As a result, the REIT makes adjustments to its capital based on its investment strategies and changes to economic conditions.

The REIT's objective is to maintain a combination of short, medium and long-term debt maturities that are appropriate for the overall debt level of its portfolio, taking into account availability of financing and market conditions, and the financial characteristics of each property.

The REIT's other objectives when managing capital on a long-term basis include enhancing the value of the assets and maximizing unit value through the ongoing active management of the REIT's assets, expanding the asset base through acquisitions of additional properties and the re-development of projects which are leased to creditworthy tenants, and generating sufficient returns to provide unitholders with stable and growing cash distributions. The REIT's strategy is driven by policies as set out in the Declaration of Trust, as well as requirements from certain lenders.

The requirements of the REIT's operating policies as outlined in the Declaration of Trust include requirements that the REIT will not:

- (a) incur or assume indebtedness on properties in excess of 75% of the property's market value; and
- (b) incur or assume indebtedness which would cause the total indebtedness of the REIT to exceed 70% of Gross Book Value.

Gross Book Value is calculated as follows:

<i>(CAD \$ thousands unless otherwise stated)</i>	March 31 2024	March 31 2023
Total assets, including investment properties stated at fair value	\$ 1,001,575	\$ 1,054,881
Accumulated depreciation on property and equipment and intangible assets	3,409	3,251
Gross Book Value ⁽¹⁾	1,004,984	1,058,132
Adjusted Debt ⁽¹⁾	\$ 497,117	\$ 520,864
Adjusted Debt to Gross Book Value ⁽¹⁾	49.5 %	49.2 %

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

The REIT was in compliance with the above requirement as well as all required covenants as at March 31, 2024.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

Financial Measures

In addition to the REIT's level of indebtedness calculated in accordance with the REIT's Declaration of Trust, management also monitors certain financial measures, which include the (i) Interest Coverage Ratio, (ii) Debt Service Coverage Ratio, and (iii) Adjusted Debt to Annualized Adjusted EBITDA Ratio. All of these measures are non-IFRS measures. See "Non-IFRS Measures".

Adjusted EBITDA

Adjusted EBITDA is used by the REIT to monitor the REIT's ability to satisfy and service its debt and to monitor requirements imposed by the REIT's lenders. Specifically, Adjusted EBITDA is used to monitor the REIT's Interest Coverage Ratio and Debt Service Ratio, which the REIT uses to measure its debt profile and assess its ability to satisfy its obligations, including servicing its debt.

The following is a calculation of Adjusted EBITDA for the three month period ended March 31, 2024 and 2023:

	3 Months Ended March 31 2024	3 Months Ended March 31 2023
<i>(CAD \$ thousands)</i>		
Net income and comprehensive income	\$ (9,452)	\$ 13,048
Interest and financing costs	5,793	5,131
Depreciation of property and equipment	148	105
Amortization of intangible assets	61	93
Fair value adjustment - Class B LP Units	975	(28)
Fair value adjustment - investment properties	13,275	(7,651)
Fair value adjustment - derivative financial instrument	1,505	–
Distributions - Class B LP Units	152	157
Straight-line rent	(142)	(121)
Long-term incentive plan expense	1,358	581
Debt settlement costs	178	–
CEO succession plan costs	–	2,240
Adjusted EBITDA ⁽¹⁾	\$ 13,851	\$ 13,555
Annualized Adjusted EBITDA ⁽¹⁾	\$ 55,404	\$ 54,220

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

Interest Coverage Ratio

The Interest Coverage Ratio is useful in determining the REIT's ability to service the interest requirements of its outstanding debt. The Interest Coverage Ratio is calculated by dividing Adjusted EBITDA by the REIT's interest obligations for the period. Management utilizes this ratio to measure and limit the REIT's leverage.

The following is a calculation of the Interest Coverage Ratio for the three month period ended March 31, 2024 and 2023:

	3 Months Ended March 31 2024	3 Months Ended March 31 2023
<i>(CAD \$ thousands)</i>		
Adjusted EBITDA ⁽¹⁾	\$ 13,851	\$ 13,555
Interest expense	\$ 5,474	\$ 5,021
Interest Coverage Ratio ⁽¹⁾	2.5x	2.7x

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

Debt Service Coverage Ratio

The Debt Service Coverage Ratio is determined as Adjusted EBITDA divided by the debt service requirements for the period, whereby the debt service requirements reflect principal repayments and interest expensed during the period. Payments related to prepayment penalties or payments upon discharge of a mortgage are excluded from the calculation. The Debt Service Coverage Ratio is a useful measure used by the REIT's management to monitor the REIT's ability to meet annual interest and principal payments.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

The following is a calculation of the Debt Service Coverage Ratio for the three month period ended March 31, 2024 and 2023:

<i>(CAD \$ thousands)</i>	3 Months Ended March 31 2024	3 Months Ended March 31 2023
Adjusted EBITDA ⁽¹⁾	\$ 13,851	\$ 13,555
Interest expense	5,474	5,021
Principal repayments	3,219	3,340
Debt Service Requirements	\$ 8,693	\$ 8,361
Debt Service Coverage Ratio ⁽¹⁾	1.6x	1.6x

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

Annualized Adjusted EBITDA Ratio

Adjusted Debt to Annualized Adjusted EBITDA Ratio is a non-IFRS ratio calculated by the REIT as Adjusted Debt divided by Annualized Adjusted EBITDA. The Adjusted Debt to Annualized Adjusted EBITDA Ratio is a useful measure for management and investors as it indicates the number of years required for the REIT's Annualized Adjusted EBITDA to repay all outstanding debt. Management considers these metrics a useful measure for evaluating the REIT's ability to service its debt.

The following is a calculation of Adjusted Debt to Annualized Adjusted EBITDA Ratio for the three month period ended March 31, 2024 and 2023:

<i>(CAD \$ thousands)</i>	3 Months Ended March 31 2024	3 Months Ended March 31 2023
Adjusted Debt ⁽¹⁾	\$ 497,117	\$ 520,864
Adjusted EBITDA ⁽¹⁾	\$ 13,851	\$ 13,555
Annualized Adjusted EBITDA ⁽¹⁾	\$ 55,404	\$ 54,220
Adjusted Debt to Annualized Adjusted EBITDA Ratio ⁽¹⁾	9.0x	9.6x

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

DISTRIBUTIONS AND ADJUSTED FUNDS FROM OPERATIONS

	3 Months Ended March 31 2024	3 Months Ended March 31 2023
<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>		
Net income and comprehensive income for the period	\$ (9,452)	\$ 13,048
Add:		
Long-term incentive plan	1,206	(671)
Distributions - Class B LP Units	152	157
Fair value adjustment - investment properties	13,275	(7,651)
Fair value adjustment - Class B LP Units	975	(28)
Fair value adjustment - derivative financial instrument	1,505	–
Amortization of intangible assets	61	93
FFO ⁽¹⁾	\$ 7,722	\$ 4,948
Deduct:		
Straight-line rent adjustment	\$ (142)	\$ (121)
Maintenance capital expenditures	(63)	(185)
Stabilized leasing costs	(888)	(506)
Add:		
Long-term incentive plan	152	1,252
Amortization of financing costs	389	186
Accretion expense - Convertible Debentures	93	–
Debt settlement costs	178	–
CEO Succession plan costs	–	2,240
AFFO ⁽¹⁾	\$ 7,441	\$ 7,814
Basic FFO per unit ⁽¹⁾⁽²⁾	\$ 0.1274	\$ 0.0819
Diluted FFO per unit ⁽¹⁾⁽²⁾	\$ 0.1266	\$ 0.0805
Basic AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.1228	\$ 0.1293
Diluted AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.1220	\$ 0.1271
Distributions declared per Unit and Class B LP unit	\$ 0.1125	\$ 0.1125
AFFO Payout Ratio – Basic ⁽¹⁾	91.6 %	87.0 %
AFFO Payout Ratio – Diluted ⁽¹⁾	92.2 %	88.5 %
Basic weighted average number of units ⁽²⁾⁽³⁾	60,606,896	60,447,230
Diluted weighted average number of units ⁽²⁾⁽³⁾	61,015,319	61,469,854

(1) Represents a non-IFRS measure. See “Non-IFRS Measures”.

(2) FFO and AFFO per unit is calculated as FFO or AFFO, as the case may be, divided by the total of the weighted average number of basic or diluted units, as applicable, added to the weighted average number of Class B LP Units outstanding during the period.

(3) Total basic units consist of Units and Class B LP Units. Total diluted units also includes deferred trust units and restricted trust units issued under the REIT’s long-term incentive plan.

The increase in FFO of \$2,774 for the three month period ended March 31, 2024 compared to the same period in 2023 is mainly due to costs associated with the 2023 CEO succession plan incurred in the three month period ended March 31, 2023. The 2023 CEO succession plan costs included a one-time retirement fee plus other one-time costs of approximately \$2,240 together with the increase in long-term incentive plan expense related to the accelerated vesting of certain LTIP units upon retirement.

The decrease in AFFO of \$373 for the three month period ended March 31, 2024 compared to the same period in 2023 is mainly due to an increase in interest expense and an increase in stabilized leasing costs, partially offset by an increase in NOI notwithstanding the decrease in the number of owned properties compared the same period in 2023 (see the “Comparison of the Results from Operations” section of this MD&A).

Basic AFFO per Unit was \$0.1228 for the three month period ended March 31, 2024 with a corresponding AFFO Payout Ratio – Basic of 91.6%. The increase in the AFFO Payout Ratio – Basic compared to the same period in 2023 is driven in part by the decrease in the number of properties owned, an increase in interest expense and an increase in stabilized leasing costs partially offset by contractual increases in rent and higher rental rates on lease renewals.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

Distributions

The Board has full discretion with respect to the timing and extent of distributions, including the adoption, amendment or revocation of any distribution policy. In determining the amount of monthly cash distributions paid to unitholders, the Board applies discretionary judgment to forward-looking cash flow information, including forecasts and budgets. Management considers AFFO to be a meaningful measure of cash flow performance because it more clearly measures normalized and stabilized cash flow, as opposed to cash flow from operating activities calculated in accordance with IFRS, which reflects seasonal fluctuations in working capital and other items. The excess of AFFO over cash distributions represents a measure of operating cash flow retained in the business.

It is the REIT's intention to make distributions to unitholders at least equal to the amount of net income and net realized capital gains of the REIT as is necessary to ensure that the REIT will not be liable for current income taxes.

The REIT has implemented a distribution reinvestment plan ("DRIP") pursuant to which holders of Units or Class B LP Units may elect to have their cash distributions of the REIT or PRLP automatically reinvested in additional Units at a 3% discount to the weighted average price of the Units for the last five trading days preceding the applicable distribution payment date. In response to the stock market volatility caused by the COVID-19 pandemic, the REIT has suspended its DRIP effective April 22, 2020. The DRIP will remain suspended until further notice and distributions of the REIT will be paid only in cash. Upon reinstatement of the DRIP, as applicable, plan participants enrolled in the DRIP at the time of its suspension and who remain enrolled at the time of its reinstatement will automatically resume participation in the DRIP.

The distributions declared during the three month period ended March 31, 2024 resulted in Nil Units being issued or issuable under the DRIP.

Distributions of \$0.1125 per Unit and Class B LP Unit were declared during the three month periods ended March 31, 2024 and 2023. Distributions were paid on or about the 15th day of the month following the declaration.

The following reconciles AFFO to cash flows from operating activities reported in the condensed consolidated interim financial statements:

	3 Months Ended March 31 2024	3 Months Ended March 31 2023
<i>(CAD \$ thousands)</i>		
Cash flow provided from operating activities	\$ 9,743	\$ 10,582
Add (deduct):		
Changes in non-cash working capital	(1,533)	(4,369)
Distributions – Class B LP Units	152	157
Maintenance capital expenditures	(63)	(185)
Stabilized leasing costs	(888)	(506)
Depreciation of property and equipment	(148)	(105)
Debt settlement costs	178	–
CEO succession plan costs	–	2,240
Adjusted Funds From Operations (AFFO) ⁽¹⁾	\$ 7,441	\$ 7,814

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

The table below compares AFFO to total distributions paid or payable on Units and Class B LP Units:

	3 Months Ended March 31 2024	3 Months Ended March 31 2023
<i>(CAD \$ thousands)</i>		
Adjusted Funds From Operations (AFFO) ⁽¹⁾	\$ 7,441	\$ 7,814
Total distributions paid or payable – Units and Class B LP Units	6,821	6,802
Excess of AFFO over distributions paid or payable	\$ 620	\$ 1,012

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

For the three month period ended March 31, 2024 and 2023, the REIT had sufficient AFFO to cover the distributions paid or payable.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

The following table compares cash flows provided from operations to total distributions paid or payable:

<i>(CAD \$ thousands)</i>	3 Months Ended March 31 2024	3 Months Ended March 31 2023
Cash flow provided from operating activities	\$ 9,743	\$ 10,582
Net income (loss) and comprehensive income (loss)	\$ (9,452)	\$ 13,048
Total distributions paid or payable – Units ⁽¹⁾	\$ 6,669	\$ 6,645
Excess of cash flow from operating activities over distributions paid or payable	\$ 3,074	\$ 3,937
Excess (Shortfall) of net income (loss) and comprehensive income (loss) over distributions paid or payable	\$ (16,121)	\$ 6,403

(1) This excludes distributions paid or payable on Class B LP Units given cash flows from operating activities and net income and comprehensive income have been reduced by this amount.

For the three month period ended March 31, 2024 and 2023, the REIT had sufficient cash flow from operating activities to cover the distributions paid or payable - Units. For the three month period ended March 31, 2024 there was a shortfall of net income (loss) and comprehensive income (loss) over distributions paid or payable - Units. The shortfall is mainly due to non-cash fair value adjustments and distributions on Class B LP Units that are recorded as a reduction of net income (loss) and comprehensive income (loss). The REIT financed the shortfall using cash on hand and/or using the REIT's revolving credit facility of \$60,000 which bears interest at prime plus 100.0 basis points or bankers' acceptance rate plus 200.0 basis points and/or planned normal course property refinancings.

ISSUED AND OUTSTANDING SECURITIES

The REIT is authorized to issue an unlimited number of Units and an unlimited number of special voting units (the "Special Voting Units").

Units

Each Unit confers the right to one vote at any meeting of unitholders and to participate pro rata in all distributions by the REIT and, in the event of termination or winding-up of the REIT, in the net assets of the REIT. The unitholders have the right to require the REIT to redeem their Units on demand in accordance with the Declaration of Trust. The Units have no par value. Upon receipt of the redemption notice by the REIT, all rights to and under the Units tendered for redemption shall cease and the holder thereof shall be entitled to receive a price per Unit ("Redemption Price"), as determined by a formula outlined in the Declaration of Trust. The Redemption Price will be paid in accordance with the conditions provided for in the Declaration of Trust.

Total Units outstanding as of May 8, 2024 were 59,280,678.

Class B LP Units and Special Voting Units

Special Voting Units have no economic entitlement in the REIT, but entitle the holder to one vote per Special Voting Unit at any meeting of the unitholders of the REIT. Special Voting Units may only be issued in connection with or in relation to Class B LP Units, for the purpose of providing voting rights with respect to the REIT to the holders of Class B LP Units. A Special Voting Unit will be issued in tandem with each Class B LP Unit issued.

The Class B LP Units are issued by PRLP and holders of Class B LP Units are entitled to receive distributions equal to those provided to holders of Units. The Class B LP Units are indirectly exchangeable on a one-for-one basis for Units at any time at the option of their holder, unless the exchange would jeopardize the REIT's status as a "mutual fund trust" under the Income Tax Act. The Class B LP Units are presented as a financial liability in the statement of financial position.

Total Class B LP Units outstanding as of May 8, 2024 were 1,354,231.

Deferred Units and Restricted Units

The REIT has a long term incentive plan pursuant to which it may grant deferred units or restricted units to its trustees and senior officers and certain of its employees and consultants. Units are issued to participants in the plan upon vesting of the deferred units or restricted units, unless deferred in accordance with the terms of the plan.

Total deferred units and restricted units outstanding as of May 8, 2024 were 1,057,947 and 230,124.

FINANCIAL INSTRUMENTS

The REIT does not acquire, hold or issue derivative financial instruments for trading purposes. The following table presents the classification, measurement subsequent to initial recognition, carrying values and fair values (where applicable) of financial assets and liabilities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

<i>(CAD \$ thousands)</i>	Measurement	Carrying Value March 31 2024	Fair Value March 31 2024
Loans and Receivables			
Cash (a)	Amortized cost	\$ 11,554	\$ 11,554
Receivables and other excluding prepaid expenses, deposits and other receivables (a)	Amortized cost	4,195	4,195
		\$ 15,749	\$ 15,749
Financial Liabilities Through Profit and Loss			
Class B LP Units	Fair value (L2)	\$ 7,434	\$ 7,434
Long-term incentive plan	Fair value (L2)	5,673	5,673
Derivative financial instrument (b)	Fair value (L3)	2,857	2,857
		\$ 15,964	\$ 15,964
Other Financial Liabilities			
Accounts payable and other liabilities (a)	Amortized cost	\$ 20,495	\$ 20,495
Credit facility (a)	Amortized cost	20,331	20,331
Distributions payable (a)	Amortized cost	2,274	2,274
Mortgages and term loan (c)	Amortized cost	439,895	415,636
Convertible Debentures (d)	Amortized cost	30,541	34,468
		\$ 513,536	\$ 493,204

- (a) Short-term financial instruments, comprising cash, accounts receivable, accounts payable and other liabilities, credit facility and distributions payable are carried at amortized cost which, due to their short-term nature, approximates their fair value.
- (b) Derivative financial instrument fair value is based on forward rates considering the market price, rate of interest and volatility and takes into account the credit risk of the financial instrument (Level 3). Such fair value estimates are not necessarily indicative of the amounts the REIT might pay or receive in actual market transactions.
- (c) Mortgages and term loan are a long-term financial instrument. The fair value of the mortgages and term loan are based upon discounted future cash flows using discount rates, adjusted for the REIT's own credit risk, that reflect current market conditions for instruments with similar terms and risks. Such fair value estimates are not necessarily indicative of the amounts the REIT might pay or receive in actual market transactions.
- (d) Convertible Debentures are a long-term financial liability. The fair value of Convertible Debentures includes the conversion option and is based on the TSX trading price at the reporting date (Level 1).

The fair value of the Class B LP Units and long-term incentive plan are estimated based on the market trading prices of the Units (Level 2).

Off Balance Sheet Arrangements

The REIT had no off balance sheet arrangements during the three month period ended March 31, 2024.

PART V

CONTROLS AND PROCEDURES

The applicable rules of the Canadian Securities Administrators require the REIT's certifying officers, its Chief Executive Officer ("CEO") and its Chief Financial Officer ("CFO"), to establish and maintain disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as those terms are defined in such rules. In compliance with these rules, the REIT has filed applicable certifications signed by the CEO and the CFO that, among other things, report on the design of each of DC&P and ICFR.

Disclosure Controls and Procedures

The CEO and CFO have designed, or caused to be designed under their supervision, DC&P to provide reasonable assurance that (i) material information regarding the REIT is accumulated and communicated to the REIT's management, including the CEO and CFO, in a timely manner so that appropriate decisions can be made regarding public disclosure and information, and (ii) information required to be disclosed in the REIT's annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in applicable securities legislation.

Internal Control Over Financial Reporting

In addition, the CEO and CFO have designed, or caused to be designed under their supervision, ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the REIT's accounting and reporting standards.

Changes in Internal Control over Financial Reporting

There were no changes in the REIT's ICFR in the first three months of 2024 that materially affected or are reasonably likely to materially affect the REIT's ICFR.

Inherent Limitations on Effectiveness of DC&P and ICFR

It should be recognized that due to inherent limitations, any controls, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and may not prevent or detect misstatements. Additionally, management is required to use judgment in evaluating controls and procedures.

RISKS AND UNCERTAINTIES

Certain factors may have a material adverse effect on the REIT's business, financial condition and results of operations. Current and prospective investors should carefully consider the risks and uncertainties and other information contained in this MD&A, the Q1 2024 Financial Statements and the 2023 Annual Reports, particularly under the heading "Risk Factors" in the 2023 Annual Information Form, and in other filings that the REIT has made and may make in the future with applicable securities authorities, including those available under the REIT's profile on SEDAR+ at www.sedarplus.ca. The risks and uncertainties described herein and therein are not the only ones the REIT may face. Additional risks and uncertainties that the REIT is unaware of, or that the REIT currently believes are not material, may also become important factors that could adversely affect the REIT's business, financial condition and results of operations. If any of such risks actually occur, the REIT's business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the trading price of the Units (or the value of any other securities of the REIT) could decline, and the REIT's security holders could lose part or all of their investment.

CRITICAL ACCOUNTING ESTIMATES

In the process of applying the REIT's accounting policies, management has made the following estimates and assumptions which have the most significant effect on the amounts recognized in the financial statements:

- (i) Valuation of investment properties – Investment properties are presented at fair value at the reporting date. Currently, any change in fair value is determined by management and by independent real estate valuation experts using recognized valuation techniques. The techniques used by management and by independent real estate valuation experts comprise of the discounted cash flow and direct capitalization methods of valuation and includes estimating, among other things, capitalization rates and future net operating income and discount rates and future cash flows applicable to investment properties, respectively.
- (ii) Fair value of financial instruments – Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. Inputs to these models are taken from observable markets where possible, but where this is not feasible a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported value of the financial instruments.
- (iii) Goodwill impairment and impairment of indefinite lived intangible assets – Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired. In order to determine if the value of goodwill has been impaired, the cash-generating unit to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, the REIT relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the

conditions for these judgments and estimates can significantly affect the assessed value of goodwill. Management assesses intangible assets with indefinite lives for impairment on an annual basis. This assessment takes into account factors such as economic and market conditions as well as any changes in the expected use of the asset.

- (iv) Contractual rents and other tenant receivables presented net of an allowance for doubtful accounts – Estimates and assumptions used in determining the allowance for doubtful accounts, include the historical credit loss experience adjusted for current conditions and forward-looking information including future expectations of likely default events based on actual or expected insolvency filings, likely deferrals of payments due and potential abatements to be granted by the REIT through tenant negotiations or under government programs, and macroeconomic conditions.
- (v) Derivative financial instrument – Derivative financial instrument, including embedded derivatives, are recognized on the condensed consolidated interim statements of financial position at fair value. Subsequent to initial recognition, the embedded derivatives are measured at fair value. The fair value of the the derivative instruments is based on forward rates considering the market price, rate of interest and volatility. Changes in estimated fair value at each reporting date are included in the condensed consolidated interim statements of net income (loss) and comprehensive income (loss). Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics are risks of the host contract and the embedded derivative is not closely related and if the entire contract is not measured at fair value with changes in fair value recognized in the condensed consolidated interim statements of net income (loss) and comprehensive income (loss).

MATERIAL ACCOUNTING POLICIES AND FUTURE CHANGES IN ACCOUNTING POLICIES

Accounting standards effective in the period, future changes in accounting policies and future applicable accounting standards are discussed in the REIT's condensed consolidated interim financial statements for the three month period ended March 31, 2024 and the notes contained therein.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

SUMMARY OF QUARTERLY RESULTS

	3 Months Ended Mar 31 2024	3 Months Ended Dec 31 2023	3 Months Ended Sep 30 2023	3 Months Ended Jun 30 2023	3 Months Ended Mar 31 2023	3 Months Ended Dec 31 2022	3 Months Ended Sep 30 2022	3 Months Ended Jun 30 2022
<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>								
Property revenue	\$ 25,702	\$ 25,618	\$ 24,052	\$ 24,945	\$ 25,278	\$ 25,070	\$ 24,086	\$ 23,724
Property operating expenses	10,880	10,721	9,998	10,495	10,738	10,491	9,278	9,454
Net operating income (NOI)	14,822	14,897	14,054	14,450	14,540	14,579	14,808	14,270
General and administrative expenses	1,385	1,263	1,210	1,278	3,518	1,360	1,274	1,324
Long-term incentive plan expense	1,358	1,117	(409)	395	581	1,042	(75)	(1,201)
Depreciation of property and equipment	148	156	108	108	105	126	103	99
Amortization of intangible assets	61	61	62	93	93	93	93	93
Interest and financing costs	5,793	5,841	5,980	5,473	5,131	5,182	5,843	4,804
Distributions – Class B LP Units	152	153	152	157	157	157	159	159
Fair value adjustment – Class B LP Units	975	664	(1,310)	(964)	(28)	332	(650)	(1,807)
Fair value adjustment – investment properties	13,275	5,785	(1,567)	6,250	(7,651)	166	(11,573)	(833)
Fair value adjustment - derivative liability	1,505	540	(1,148)	21	–	–	–	–
Other income	(1,034)	(1,025)	(852)	(748)	(835)	(781)	(382)	(677)
Other expenses	478	491	485	398	421	439	195	340
Debt settlement costs	178	–	73	53	–	7	274	–
Transaction costs	–	–	5	194	–	–	–	–
Net income (loss) and comprehensive income (loss)	\$ (9,452)	\$ (149)	\$ 11,265	\$ 1,742	\$ 13,048	\$ 6,456	\$ 19,547	\$ 11,969
Adjusted Debt to Gross Book Value ⁽¹⁾	49.5 %	50.2 %	50.0 %	50.9 %	49.2 %	49.7 %	49.8 %	51.3 %
Total assets	\$1,001,575	\$1,034,591	\$1,047,114	\$1,057,548	\$1,054,881	\$1,035,928	\$1,040,368	\$1,041,296
Total debt	\$ 493,624	\$ 515,257	\$ 519,075	\$ 534,394	\$ 518,668	\$ 514,325	\$ 517,143	\$ 531,979
Net income and comprehensive income per Unit – Basic ⁽²⁾⁽³⁾	\$ (0.1560)	\$ (0.0025)	\$ 0.1861	\$ 0.0288	\$ 0.2159	\$ 0.1068	\$ 0.3234	\$ 0.1980
Net income and comprehensive income per Unit – Diluted ⁽²⁾⁽³⁾	\$ (0.1549)	\$ (0.0024)	\$ 0.1836	\$ 0.0284	\$ 0.2123	\$ 0.1048	\$ 0.3172	\$ 0.1942
FFO ⁽¹⁾	\$ 7,722	\$ 7,557	\$ 6,531	\$ 7,270	\$ 4,948	\$ 7,485	\$ 6,845	\$ 7,836
AFFO ⁽¹⁾	\$ 7,441	\$ 7,595	\$ 7,030	\$ 6,990	\$ 7,814	\$ 7,687	\$ 7,931	\$ 7,862
Basic FFO per unit ⁽¹⁾⁽⁴⁾	\$ 0.1274	\$ 0.1247	\$ 0.1079	\$ 0.1203	\$ 0.0819	\$ 0.1238	\$ 0.1132	\$ 0.1296
Diluted FFO per unit ⁽¹⁾⁽⁴⁾	\$ 0.1266	\$ 0.1232	\$ 0.1064	\$ 0.1187	\$ 0.0805	\$ 0.1215	\$ 0.1111	\$ 0.1272
Basic AFFO per unit ⁽¹⁾⁽⁴⁾	\$ 0.1228	\$ 0.1253	\$ 0.1161	\$ 0.1156	\$ 0.1293	\$ 0.1272	\$ 0.1312	\$ 0.1301
Diluted AFFO per unit ⁽¹⁾⁽⁴⁾	\$ 0.1220	\$ 0.1239	\$ 0.1146	\$ 0.1142	\$ 0.1271	\$ 0.1247	\$ 0.1287	\$ 0.1276
AFFO Payout Ratio – Basic ⁽¹⁾⁽²⁾	91.6 %	89.8 %	96.9 %	97.3 %	87.0 %	88.5 %	85.7 %	86.5 %
AFFO Payout Ratio – Diluted ⁽¹⁾⁽²⁾	92.2 %	90.8 %	98.2 %	98.5 %	88.5 %	90.2 %	87.4 %	88.2 %
Basic weighted average number of units ⁽²⁾	60,606,896	60,603,438	60,534,125	60,447,230	60,447,230	60,447,230	60,447,230	60,447,230
Diluted weighted average number of units ⁽²⁾	61,015,319	61,316,451	61,366,430	61,234,171	61,469,854	61,625,646	61,625,646	61,625,646
Number of commercial properties	120	123	126	129	130	130	132	120
GLA (square feet)	6,217,063	6,352,164	6,420,336	6,483,576	6,531,305	6,530,196	6,544,630	6,589,970
Occupancy rate ⁽⁵⁾	97.7 %	98.3 %	98.2 %	99.0 %	98.6 %	98.5 %	97.9 %	98.3 %
Weighted average lease term to maturity	3.9	4.0	4.0	4.1	4.1	4.1	4.2	4.4

(1) Represents a non-IFRS measure. See “Non-IFRS Measures”.

(2) Total basic units consist of Units and Class B LP Units. Total diluted units also include deferred trust units and restricted trust units issued under the REIT's long-term incentive plan.

(3) Net income and comprehensive income per unit is calculated as net income and comprehensive income, divided by the total of the weighted average number of basic or diluted Units, as applicable, added to the weighted average number of Class B LP Units outstanding during the period.

(4) FFO and AFFO per unit is calculated as FFO or AFFO, as the case may be, divided by the total of the weighted average number of basic or diluted Units, as applicable, added to the weighted average number of Class B LP Units outstanding during the period.

(5) Occupancy rate includes lease contracts for future occupancy of currently vacant space and, as applicable, excludes properties under redevelopment. Management believes the inclusion of this committed space provides a more balanced reporting.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

The following table presents the calculation of Gross Book Value and Adjusted Debt to Gross Book Value ⁽¹⁾:

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended Mar 31 2024	3 Months Ended Dec 31 2023	3 Months Ended Sep 30 2023	3 Months Ended Jun 30 2023	3 Months Ended Mar 31 2023	3 Months Ended Dec 31 2022	3 Months Ended Sep 30 2022	3 Months Ended Jun 30 2022
Total assets, including investment properties stated at fair value	\$ 1,001,575	\$ 1,034,591	\$ 1,047,114	\$ 1,057,548	\$ 1,054,881	\$ 1,035,928	\$ 1,040,368	\$ 1,041,296
Accumulated depreciation on property and equipment and intangible assets	3,409	3,201	3,619	3,451	3,251	3,054	2,838	2,642
Gross Book Value ⁽¹⁾	\$ 1,004,984	\$ 1,037,792	\$ 1,050,733	\$ 1,060,999	\$ 1,058,132	\$ 1,038,982	\$ 1,043,206	\$ 1,043,938
Debt (non-current and current portion)	493,624	515,257	519,075	534,394	518,668	514,325	517,143	531,979
Unamortized financing costs	4,721	5,108	5,430	5,701	2,196	2,379	2,582	3,156
Cumulative accretion expense - Convertible Debentures	(310)	(217)	(124)	(19)	—	—	—	—
Cumulative fair value adjustment - derivative financial instrument	(918)	587	1,127	(21)	—	—	—	—
Adjusted Debt ⁽¹⁾	\$ 497,117	\$ 520,735	\$ 525,508	\$ 540,055	\$ 520,864	\$ 516,704	\$ 519,725	\$ 535,135
Adjusted Debt to Gross Book Value ⁽¹⁾	49.5 %	50.2 %	50.0 %	50.9 %	49.2 %	49.7 %	49.8 %	51.3 %

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

The following table presents the calculation of NAV ⁽¹⁾ and NAV per Unit ⁽¹⁾:

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended Mar 31 2024	3 Months Ended Dec 31 2023	3 Months Ended Sep 30 2023	3 Months Ended Jun 30 2023	3 Months Ended Mar 31 2023	3 Months Ended Dec 31 2022	3 Months Ended Sep 30 2022	3 Months Ended Jun 30 2022
Total unitholders' equity per condensed consolidated interim financial statements	\$ 472,075	\$ 488,034	\$ 494,847	\$ 489,296	\$ 494,093	\$ 487,690	\$ 487,807	\$ 474,902
Adjustment for Class B LP Units	7,434	6,459	5,795	7,244	8,312	8,340	8,078	8,728
Net Asset Value ⁽¹⁾	\$ 479,509	\$ 494,493	\$ 500,642	\$ 496,540	\$ 502,405	\$ 496,030	\$ 495,885	\$ 483,630
Total outstanding Units and Class B LP Units	60,634,909	60,603,438	60,603,438	60,447,230	60,447,230	60,447,230	60,447,230	60,447,230
NAV per Unit ⁽¹⁾	\$ 7.91	\$ 8.16	\$ 8.26	\$ 8.21	\$ 8.31	\$ 8.21	\$ 8.20	\$ 8.00

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2024**

The following table reconciles FFO ⁽¹⁾ and AFFO ⁽¹⁾ to net income and comprehensive income:

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended Mar 31 2024	3 Months Ended Dec 31 2023	3 Months Ended Sep 30 2023	3 Months Ended Jun 30 2023	3 Months Ended Mar 31 2023	3 Months Ended Dec 31 2022	3 Months Ended Sep 30 2022	3 Months Ended Jun 30 2022
Net income and comprehensive income	\$ (9,452)	\$ (149)	\$ 11,265	\$ 1,742	\$ 13,048	\$ 6,456	\$ 19,547	\$ 11,969
Add:								
Long-term incentive plan	1,206	503	(923)	(29)	(671)	281	(731)	(1,745)
Distributions - Class B LP Units	152	153	152	157	157	157	159	159
Fair value adjustment – investment properties	13,275	5,785	(1,567)	6,250	(7,651)	166	(11,573)	(833)
Fair value adjustment - Class B LP Units	975	664	(1,310)	(964)	(28)	332	(650)	(1,807)
Fair value adjustment - derivative financial instrument	1,505	540	(1,148)	(21)	–	–	–	–
Amortization of intangible assets	61	61	62	93	93	93	93	93
FFO ⁽¹⁾	\$ 7,722	\$ 7,557	\$ 6,531	\$ 7,228	\$ 4,948	\$ 7,485	\$ 6,845	\$ 7,836
Deduct:								
Straight-line rent adjustment	\$ (142)	\$ (116)	\$ 226	\$ (457)	\$ (121)	\$ (151)	\$ (21)	\$ (105)
Maintenance capital expenditures	(63)	(130)	(126)	(174)	(185)	(191)	(282)	(232)
Stabilized leasing costs	(888)	(801)	(665)	(592)	(506)	(425)	(387)	(446)
Add:								
Long-term incentive plan	152	614	514	424	1,252	761	656	544
Amortization of financing costs	389	378	367	253	186	201	846	265
Accretion expense - Convertible Debentures	93	93	105	19	–	–	–	–
Debt settlement costs	178	–	73	53	–	7	274	–
Transaction costs	–	–	5	194	–	–	–	–
CEO succession plan costs	–	–	–	–	2,240	–	–	–
AFFO ⁽¹⁾	\$ 7,441	\$ 7,595	\$ 7,030	\$ 6,948	\$ 7,814	\$ 7,687	\$ 7,931	\$ 7,862

(1) Represents a non-IFRS measure. See “Non-IFRS Measures”.