PRO REAL ESTATE INVESTMENT TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION
FOR THE YEAR ENDED DECEMBER 31, 2020

March 24, 2021

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2 Gurdwara, Ottawa, Ontario

Dear Fellow Unitholders,

I am proud of all that we achieved this year in the context of a global pandemic with far-reaching public health and economic repercussions. Despite the disruption, I believe we adapted with agility in a shifting environment, taking proactive steps to mitigate the impact on our employees, tenants and the communities where we own properties.

Like most organizations, we have been tested on many fronts over the past year. Our solid foundation and sound business strategies have enabled us to succeed in this challenging context and resume our growth in early 2021 as the economy re-opened. Our recently announced proposed acquisition of 12 institutional-quality industrial assets and private placement will propel us to the next stage of our growth.

High quality, low risk portfolio

Looking back at 2020, our performance demonstrated the resiliency of our well-diversified portfolio. Our consistently robust rent collection across every asset class, one of the best amongst our peer group, is a testament to the strength of our tenant base. Notably, the performance of our focused retail portfolio, comprised almost exclusively of needs-based community strip centres, has been outstanding, highlighting the sustained value of this asset class.

We have worked closely with our tenants throughout the year, and we believe the quality of our longstanding relationships was a key contributor to our successful collection rate. This included supporting select tenants through rent deferrals and participation in the Canada Emergency Commercial Rent Assistance program ("CECRA"). CECRA provides qualifying tenants with a 75% gross rent reduction, 50% funded by the government and 25% by the landlord incurring a rent abatement. As at December 31, 2020, we had approximately $0.3 million of rent deferrals to be repaid by tenants in the next 12 months, and these amounts are being consistently collected as per the agreements in place. For the year ended December 31, 2020, we recorded $0.8 million of COVID-19 related provisions, including $0.1 million of CECRA participation.

Solid 2020 performance

We delivered solid financial and operational results in 2020, in a challenging business environment. With 91 properties in our portfolio, we had $634.5 million in total assets at year-end. We were prudent throughout the year on the acquisition front − we purchased one light industrial property and sold two smaller non-strategic buildings. Property revenue grew 21.1% compared to 2019, net operating income [(1)] was up 14.2%, and AFFO [(1)] grew 9.9% year-over-year. This solid growth across key indicators primarily reflects net acquisition activity over the past two years.

Turning to the fourth quarter of 2020, property revenue was slightly higher compared to the same prior year period, mainly driven by contractual rent increases and higher rental rates on lease renewals. Net operating income [(1)] was comparable to the same period in 2019, while AFFO [(1)] dipped slightly as a result of an increase in maintenance capital expenditures and leasing commissions.

On the operational front, occupancy rates remained solid at 98.0% at year end. We are pleased with our renewal rate which exceeded 97% for 2020 − adjusted for the sale of a small non-strategic property − at positive spreads to existing leases, which will generate increased income as current leases mature.

Balance sheet and liquidity position top of mind

Prudent operational management, stable cash flows, and solid liquidity levels served us well. We successfully strengthened our balance sheet with attractive mortgage refinancing, new term loans and our two property sales. As announced on March 4, 2021, operating liquidity stood at approximately $35 million of availability through cash on hand and undrawn operating facilities.

With respect to distributions, in response to economic uncertainties, an adjustment was made to ensure financial strength and stability going forward. Effective in April 2020, the Board of Trustees revised monthly distributions, from $0.0525 to $0.0375 per unit to reduce debt and provide additional flexibility in allocating capital to the benefit of unitholders. Concurrently, we suspended our distribution reinvestment plan ("DRIP"), as it was not in the best interest of the REIT nor its unitholders to issue units with market prices at a significant discount to net asset value in the COVID-19 environment.

In the fourth quarter of 2020, distributions to unitholders totalling $0.0375 per unit were declared monthly, representing distributions of $0.45 per unit on an annual basis.

[(1)] Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators"

Returning to the market in growth mode

In early 2021, we actively resumed our growth with the announcement of three transactions for 12 institutional-caliber industrial assets for $86.8 million in the Ottawa and Winnipeg markets. These transforming transactions will expand our footprint in two strong markets as well as increase our exposure to the industrial asset class, two key strategic objectives for us.

Coincidently with the acquisitions we announced, a $50 million private placement with the Bragg Group, a major Canadian private investor. This substantive investment will provide equity for the acquisitions and enhance our liquidity position. In turn, this will enable us to capture additional growth opportunities in our pipeline, including possibly $47 million of industrial assets in Atlantic Canada which are currently under discussion.

Looking ahead, we continue to have deep confidence in our strategy. Our business outlook is positive, with an expanding economy and favourable debt financing conditions in the context of historically low interest rates benefiting the real estate market.

Finally, I would like to recognize the outstanding contributions of our employees and thank them for their commitment and dedication during this unprecedented year. I also would like to express my deepest gratitude to my fellow board members for the continued support and wise counsel.

We look forward to executing on our priorities with discipline and to continually raising the bar in order to create sustainable value for our unitholders.

Sincerely,

(signed) James W. Beckerleg
President and Chief Executive Officer

PART I

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	December 31 2020	December 31 2019
Operational data		
Number of properties	**91**	92
Gross leasable area (square feet) ("GLA")	**4,547,317**	4,445,498
Occupancy rate (1)	**98.0%**	98.4%
Weighted average lease term to maturity (years)	**5.2**	5.6

(CAD $ thousands except unit, per unit amounts and unless otherwise stated)	**3 Months Ended December 31 2020**	3 Months Ended December 31 2019	**Year Ended December 31 2020**	Year Ended December 31 2019
Financial data				
Property revenue	**$ 17,589**	$ 17,315	**$ 69,810**	$ 57,627
Net operating income (NOI) (2)	**$ 10,002**	$ 10,050	**$ 40,529**	$ 35,481
Total assets	**$ 634,484**	$ 634,737	**$ 634,484**	$ 634,737
Debt to Gross Book Value (2)	**57.82%**	57.52%	**57.82%**	57.52%
Interest Coverage Ratio (2)	**2.6x**	2.6x	**2.6x**	2.6x
Debt Service Coverage Ratio (2)	**1.6x**	1.6x	**1.6x**	1.6x
Weighted average interest rate on mortgage debt	**3.73%**	3.74%	**3.73%**	3.74%
Net cash flows provided from operating activities	**$ 10,273**	$ 7,937	**$ 23,410**	$ 17,435
Funds from Operations (FFO) (2)	**$ 4,789**	$ 5,017	**$ 20,908**	$ 15,296
Basic FFO per unit (2)(3)	**$ 0.1197**	$ 0.1259	**$ 0.5227**	$ 0.4417
Diluted FFO per unit (2)(3)	**$ 0.1169**	$ 0.1233	**$ 0.5112**	$ 0.4314
Adjusted Funds from Operations (AFFO) (2)	**$ 5,366**	$ 5,676	**$ 22,436**	$ 20,422
Basic AFFO per unit (2)(3)	**$ 0.1341**	$ 0.1425	**$ 0.5609**	$ 0.5897
Diluted AFFO per unit (2)(3)	**$ 0.1310**	$ 0.1395	**$ 0.5486**	$ 0.5759
AFFO Payout Ratio – Basic (2)	**83.9%**	110.5%	**88.3%**	106.8%
AFFO Payout Ratio – Diluted (2)	**85.9%**	112.9%	**90.2%**	109.4%

(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 December 31, 2020 was approximately 20,879 square feet of GLA (33,464 square feet of GLA at December 31, 2019).

(2) Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

(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”) operating strategies, risk profile considerations, business outlook and analysis of its financial performance and condition for the three month period and year ended December 31, 2020.

This MD&A should be read in conjunction with the REIT’s audited consolidated financial statements and accompanying notes for the years ended December 31, 2020 and 2019 (the “2020 Financial Statements") and the REIT’s annual information form for the year ended December 31, 2020 (the “2020 Annual Information Form”). 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.sedar.com.

The REIT's reporting currency is the Canadian dollar ("CAD"). All amounts except unit, per unit and square footage 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 March 24, 2021, the date the REIT's board of trustees (the "Board") approved this MD&A and the 2020 Financial Statements.

On May 7, 2019, the REIT commenced trading on the Toronto Stock Exchange (the "TSX") under the symbol "PRV.UN" at which time the trust units of the REIT ("Units") were delisted from, and ceased trading on, the TSX Venture Exchange (the "TSXV"). In connection with the TSX listing, the Units and the special voting units of the REIT ("Special Voting Units", and collectively with the Units, the "Voting Units") were consolidated on the basis of one (1) post-consolidation Voting Unit for three (3) pre-consolidation Voting Units and the Class B limited partnership units ("Class B LP Units") of PRO REIT Limited Partnership ("PRLP") and the units under the REIT's long term incentive plan were concurrently consolidated on the basis of the same consolidation ratio (the "Consolidation"). The Consolidation was implemented after the close of markets on May 6, 2019. The number of Voting Units, Class B LP Units and units under the long-term incentive plan have all been proportionately adjusted within this MD&A for all periods presented to reflect the Consolidation.

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;
- 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 assumptions concerning the REIT's future growth potential, expected capital expenditures, competitive conditions, results of operations, future prospects and opportunities, industry trends remaining unchanged, future levels of indebtedness, the tax laws as currently in effect remaining unchanged and the economic conditions.

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; fixed costs; financing risks and leverage; liquidity of real property investments; current global capital market conditions; acquisition and development; potential conflicts of interest; competition; geographic concentration; general uninsured losses; access to capital; interest rate exposure; environmental matters; litigation risk; potential undisclosed liabilities; internal controls; security of information technology; indexation for inflation and duration of lease contracts; limit on activities; insurance renewals; joint venture/partnership arrangements; foreclosure; occupancy by tenants; lease renewals and rental increase; taxation matters; change of tax laws; significant ownership; acquisition of future properties; volatile market price for units; cash distributions are not guaranteed; restrictions on redemptions; subordination of the units; 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 2020 Annual Information Form, elsewhere in this MD&A and the 2020 Financial Statements 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 AND OPERATIONAL KEY PERFORMANCE INDICATORS

The following non-IFRS and operational key performance indicators are important measures used by management in evaluating the REIT’s underlying operating performance and debt management. These measures are not defined by IFRS, do not have a standardized meaning, may not be comparable with similar measures presented by other income trusts or enterprises and should not be construed as alternatives to other financial measures determined in accordance with IFRS.

Net Operating Income (“NOI”)

NOI is defined by the REIT as revenues from investment properties less property operating expenses such as taxes, utilities, property level general administrative costs, advertising, repairs and maintenance. NOI does not include charges for interest and other amortization. This non-IFRS measurement is an important measure used by the REIT in evaluating property operating performance. Refer to the table under “Part III – Results of Operations” and the table under “Part V – Summary of Quarterly Results” for the calculation of NOI.

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, NOI for the period is adjusted to remove the impact of straight-line rent revenue and tenant inducements amortized to revenue in order to highlight the 'cash impact' of contractual rent increases embedded in the underlying lease agreements. Same property performance is a meaningful measure of operating performance because it allows management to assess rent growth and leasing activity of its portfolio on a REIT property basis and the impact of capital investments. See “Part III – Results of Operations – Overall Analysis – Same Property NOI Analysis”.

Funds from Operations (“FFO”)

Management believes FFO is an important measure of the REIT’s operating performance. This non-IFRS measurement is a commonly used measure of performance of real estate operations; 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 *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 (“Realpac”). Management believes that FFO 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 in the table under "Part IV – Distributions and Adjusted Funds from Operations". FFO adds back to net income items that do not arise from operating activities, such as fair value adjustments. FFO, however, still includes non-cash revenues related to accounting for straight-line rent and makes no deduction for the recurring capital expenditures necessary to sustain the existing earnings stream.

Adjusted Funds from Operations ("AFFO")

The REIT does not calculate AFFO in accordance with the FFO and AFFO White Paper. AFFO is defined by the REIT as FFO of the REIT, subject to certain adjustments, including: (i) amortization of fair value mark-to-market adjustments on mortgages acquired, amortization of deferred financing costs, amortization of tenant incentives and leasing costs, straight-line adjustments to rent and compensation expense related to unit-based incentive plans; (ii) deducting normalized maintenance capital expenditures and normalized leasing costs, as determined by the REIT, and (iii) one time costs including transaction costs and debt settlement costs. Normalized leasing costs represent leasing costs paid and amortized over the new lease term. Other adjustments may be made to AFFO as determined by the trustees of the REIT in their discretion. Management believes AFFO is an important measure of the REIT's economic performance and is indicative of the REIT's ability to pay distributions. This non-IFRS measurement 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 has been reconciled to net comprehensive income in the table under "Part IV – Distributions and Adjusted Funds from Operations" and to cash flow provided from operating activities in the table under "Part IV – Distributions and Adjusted Funds from Operations – Distributions".

Adjusted Cashflow from Operations ("ACFO")

ACFO is a non-IFRS financial measure developed by Realpac for use by the real estate industry as a sustainable economic cash flow metric. ACFO should not be considered as an alternative to cash generated from operating activities determined in accordance with IFRS. The REIT calculates its ACFO in accordance with Realpac's *White Paper on Adjusted Cashflow from Operations for IFRS* issued in February 2019 (the "Realpac White Paper on ACFO"). The purpose of this white paper is to provide guidance on the definition of ACFO to promote consistent disclosure amongst reporting issuers. The use of ACFO, combined with the required IFRS presentations, has been included for the purpose of improving the understanding of operating cash flow of the REIT. Management believes that ACFO is a sustainable economic cash flow metric that, when compared period-over period, reflects the impact on cash flow generated from operating activities after providing for net interest and other financing charges and operating capital requirements. ACFO has been reconciled to cash flow provided from operating activities in the table under "Part IV – Distributions and Adjusted Funds from Operations – Distributions".

AFFO Payout Ratio ("AFFO Payout Ratio")

The AFFO Payout Ratio is a non-IFRS measure of the sustainability of the REIT's distribution payout. The REIT uses this metric to provide transparency on performance and the overall management of the existing portfolio assets. Management considers the AFFO Payout Ratio the best measure of the REIT's distribution capacity. The AFFO Payout Ratio is calculated as distributions per unit divided by the AFFO per unit.

Gross Book Value ("Gross Book Value")

Gross Book Value is a non-IFRS measure defined in the REIT's Declaration of Trust (as defined herein) and is a measure of the REIT's asset base and financial position. Refer to the table under "Part IV – Capitalization and Debt Profile – Debt Ratios" for the calculation of Gross Book Value.

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

Debt to Gross Book Value is a non-IFRS measure and the REIT has adopted an indebtedness ratio guideline which management uses as a measure to evaluate its leverage and the strength of its equity position. Refer to the table under "Part IV – Capitalization and Debt Profile – Debt Ratios" for the calculation of Debt to Gross Book Value.

Adjusted EBITDA ("Adjusted EBITDA")

Adjusted EBITDA is a non-IFRS measure and 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 Coverage Ratio, which the REIT uses to measure its debt profile and assess its ability to satisfy its obligations, including servicing its debt. Adjusted EBITDA represents earnings before interest, income taxes, depreciation and amortization, fair value gains (losses), while also excluding non-recurring items. Refer to the table under "Part IV – Capitalization and Debt Profile – Adjusted EBITDA" for the calculation of Adjusted EBITDA.

Interest Coverage Ratio ("Interest Coverage Ratio")

Management believes this non-IFRS measurement is an important measure in determining the REIT's ability to service the interest requirements of its outstanding debt. The REIT calculates its Interest Coverage Ratio by dividing Adjusted EBITDA by the REIT's interest obligations for the period. Management uses this 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.

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

The Debt Service Coverage Ratio is determined by the REIT 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 and is used by the REIT's 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.

PART II

REIT OVERVIEW

The REIT is an unincorporated open ended real estate investment trust established 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") under the laws of the Province of Ontario. On May 7, 2019, the Units commenced trading on the TSX under the symbol "PRV.UN" at which time the Units were delisted from, and ceased trading on, the TSXV. In connection with the TSX listing, the REIT implemented the Consolidation after the close of markets on May 6, 2019. 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 retail, office, commercial mixed-use and industrial properties. At December 31, 2020, the REIT owned approximately 4.5 million square feet of GLA across Canada.

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 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

To meet its objectives, the REIT has implemented the following key strategic elements:

Stable Cash Distributions

- **High-quality commercial real estate.** The REIT's portfolio is diversified by property type and geography across Canada. The majority of the properties are situated in prime locations within their respective markets, along major traffic arteries benefitting from high visibility and access. Management believes the quality and diversity 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 secondary markets across Canada, with a particular focus on Quebec, Atlantic Canada, and Ontario in the East, and, selectively in Western Canada. Management believes that its strategy of focusing on stable markets in Eastern Canada and selective expansion in high growth 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 long term leases.** The REIT has a diversified tenant profile reflecting an attractive mix of government, national, regional and local tenants as well as a diversified mix of tenants by industry. The REIT's portfolio lease maturities are well staggered into the future. Management of the REIT believes it has fostered strong relationships with its tenants, which management 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.

Enhance Value

- **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, acquisitions, and financing experience in the Canadian real estate industry. They have extensive relationships with a broad network of real estate industry owners and service professionals across Canada, and expect 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.
  - Acquiring a broad range of commercial properties within its target markets to maximize diversification within its portfolio.
  - Pursuing selective development and expansion opportunities within the REIT's portfolio.

SUMMARY OF SIGNIFICANT EVENTS

On March 16, 2020, the REIT announced the closing of its acquisition of a 100% interest in a 135,494 square foot light industrial property in Moncton, New Brunswick for $8,360 before closing costs representing a going in capitalization rate of 6.8%. The building is 100% occupied by a national logistics company with a long-term lease that includes annual rent steps up until December 2032. The property includes an additional 6 acres of land that could be used for building expansion or other opportunities. The purchase price was financed by proceeds from a new $5,750 7-year first mortgage at a rate of 2.64% per annum. The balance of the purchase price of $2,610 was satisfied through a draw on available operating facilities that were previously paid down from a public offering of Units completed on August 16, 2019 for total gross proceeds of $57,558.

The REIT announced on April 22, 2020 the revision of its monthly distributions to $0.0375 per Unit or $0.45 on annualized basis, starting with the April 2020 distribution. This revision to the REIT's monthly distributions, which were previously $0.0525 per Unit, will allow for a reduction of the REIT's debt and for flexibility in allocating capital to the benefit of the unitholders

In addition, in response to the stock market volatility caused by the COVID-19 pandemic, the REIT also announced on April 22, 2020, the suspension of its distribution reinvestment plan ("DRIP") effective immediately. The DRIP will remain suspended until further notice and distributions of the REIT will be paid only in cash. Upon reinstatement of the DRIP, 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 REIT has a term loan with an alternative lender to finance acquisitions and fund deposits on future acquisitions. The alternative lender has without notice reduced the facility from $30,000 to $9,000 in April 2020. Although the REIT's current cash flow position does not require further cash from this source, the facility may be replaced with a new facility lender in the future.

On July 16, 2020, the REIT entered into a term loan in the amount of $5,000. The term loan was fully repaid on December 22, 2020 and was interest bearing only at a rate of prime plus 325.0 basis points or bankers' acceptance rate plus 425.0 basis points.

On September 28, 2020, the REIT sold a 9,647 square foot free standing retail property in Saint John, New Brunswick for gross proceeds of $5,100 (excluding closing costs) which was marginally higher that its carrying value. The net proceeds were used to repay the first ranking mortgage on the property and the balance of $1,300 was used to partially repay one of its term loans.

On November 26, 2020, the REIT entered into a new financing commitment with an existing lender to increase its operating liquidity. Secured by a second charge security on a pool of 14 properties, the new term loan of $13,250 has a three-year term at an annual interest rate of 6.45%. Net proceeds of the loan were used to pay down portions of certain term loans and credit facilities, increasing the REIT's operating liquidity by approximately $9,000.

On December 17, 2020, the REIT sold a 20,343 square foot free standing office property in Pointe-Claire, Quebec for gross proceeds of $5,000 (excluding closing costs) which was marginally higher that its carrying value. The net proceeds were used to partially repay one of its operating facilities.

The REIT has supported its tenants that have been negatively impacted by the COVID-19 pandemic during the year ended December 31, 2020 by providing rent deferrals on a case by case basis as well as by participating in the Canada Emergency Commercial Rent Assistance program ("CECRA"). The CECRA program provided for federal rent subsidies to qualifying tenants of 50% of their rents for the period from April 1, 2020 to September 30, 2020 and required respective landlords to “forgive” 25% of the rent otherwise payable for the subject months. Qualifying tenants are therefore required to fund only 25% of their rents for this period, with the expectation that those tenants that have been significantly impacted by the pandemic are permitted the opportunity to stabilize their respective businesses. The 25% of gross rent funded by the landlord (“CECRA Participation”) is recorded as a bad debt expense in the consolidated financial statements. As at December 31, 2020 the REIT has balance of approximately $349 of rent deferrals to be repaid by the tenants over various terms no longer than 12 months. For the year ended December 31, 2020, the REIT recorded $843 of COVID-19 related provisions including $115 of CECRA Participation respectively.

On October 9, 2020, the federal government announced a new rent relief program, the Canada Emergency Rent Subsidy (“CERS”), to replace the CECRA program. Similar to CECRA, CERS is applicable to small and medium-sized businesses significantly impacted by the pandemic. CERS is effective retroactively for periods beginning September 27, 2020 and ending in June 2021. The new subsidy is provided directly to tenants, unlike CECRA which required landlords to abate 25% of a qualified tenant’s rent, with 50% covered by federal and provincial government forgivable loans, and the tenant responsible for the remaining 25%. The REIT will monitor the impact of CERS on the collectability of the REIT’s rental revenue.

During the months of April to December 2020, the REIT collected an average of 97.2% of its contractual rents, with an average of 99.8% during the quarter ended December 31, 2020.

The REIT announced the following rent collection status:

	February 2021	January 2021	December 2020	November 2020
Gross rent collections, including government and other tenants who typically pay at the end of the month, based on historical collection cycles	99.8%	99.8%	99.8%	99.8%
Breakdown:				
Industrial tenants	100.0%	100.0%	100.0%	100.0%
Mixed-use commercial tenants	100.0%	100.0%	100.0%	100.0%
Office tenants	100.0%	100.0%	100.0%	100.0%
Retail tenants	99.5%	99.5%	99.3%	99.2%
Temporary rent deferral agreements under fixed repayment terms	0.0%	0.0%	0.0%	0.0%
Gross rent in arrears and discussions with the tenants are ongoing and managed on a case-by-case basis	0.2%	0.2%	0.2%	0.2%

The REIT's tenant mix is well diversified by industry sector. At December 31, 2020, approximately 86% of the portfolio base rent is from national and government tenants and the top ten tenants represent 37.1% of annual base rent. At December 31, 2020, approximately 66.5% of the base rent in the retail segment is from tenants providing necessary services to the public, including groceries, pharmacies, financial institutions, government offices and medical offices. The dynamic nature of the situation, which continues to evolve day-to-day, makes it difficult to determine how much rent will be withheld in the months ahead.

SUBSEQUENT EVENTS

On January 21, 2021, the REIT announced a cash distribution of $0.0375 per Unit for the month of January 2021. The distribution was paid on February 16, 2021 to unitholders of record as at January 29, 2021.

On February 17, 2021, the REIT announced a cash distribution of $0.0375 per Unit for the month of February 2021. The distribution was paid on March 15, 2021 to unitholders of record as at February 26, 2021.

On February 18, 2021, the REIT sold a light industrial building in Pointe-Claire, Quebec for gross proceeds of $8,000 (excluding closing costs). The proceeds of sale were used to repay the property mortgage and for general corporate purposes.

On February 26, 2021, the REIT received $46,600 in new mortgage financing with an extended ten-year repayment term at rate of 3.21% which is secured by five industrial assets. Proceeds were used to repay approximately $29,000 of mortgages maturing in 2021 and 2022, pay $1,300 in yield maintenance fees and the remaining net $16,300 was used to reduce operating facilities and be available for general corporate purposes.

On March 15, 2021, the REIT announced its proposed acquisition of a 100% interest in 12 industrial properties, including three properties in Ottawa, Ontario, representing 283,000 square feet of GLA and nine properties in Winnipeg, Manitoba, representing 288,000 square feet of GLA for an aggregate purchase price of approximately $86,800, excluding closing costs (the “Acquisitions”).

The REIT concurrently announced that it had entered into a binding subscription agreement to issue 8,264,463 Units from treasury on a non-brokered private placement basis at a price of $6.05 per Unit to Collingwood Investments Incorporated, a member of the Bragg Group of Companies, from Nova Scotia, for aggregate gross proceeds of approximately $50,000 (the "Private Placement"). The Private Placement is expected to close in April 2021 and is subject to customary conditions, including receipt of approval from the TSX. Collingwood Investments Incorporated will be entitled at closing of the Private Placement to a capital commitment fee equal to 3% of the gross proceeds of the Private Placement.

The REIT intends to use the net proceeds from the Private Placement to partially fund the Acquisitions, to repay certain indebtedness, and the balance if any to fund future acquisitions and for general business and working capital.

On March 22, 2021, the REIT announced a cash distribution of $0.0375 per Unit for the month of March 2021. The distribution is payable on April 15, 2021 to unitholders of record as at March 31, 2021.

OUTLOOK

Throughout the ongoing COVID-19 global pandemic, the REIT has remained fully committed to ensuring the health and safety of its employees, tenants and the communities in which it owns properties.

The REIT has worked closely with its tenants during the pandemic and offered rent deferrals and participation in CECRA to assist a small portion of eligible tenants which were evaluated on a case by case basis. The REIT continues to operate and manage its business prudently, while maintaining its long standing and strong relationships with its tenants.

The REIT will also continue to proactively adapt its strategy in reaction to the developing economic and social impacts of the pandemic and to mitigate any risks facing the business. While it is impossible to predict the extent or the duration of the impact of the COVID-19 pandemic, once the situation stabilizes, the REIT expects to be well positioned to continue to leverage its strengths.

SELECTED ANNUAL INFORMATION

(CAD $ thousands except unit, per unit amounts)		**Year Ended December 31 2020**		Year Ended December 31 2019		Year Ended December 31 2018
Property revenue	**$**	**69,810**	$	57,627	$	40,889
NOI (1)	**$**	**40,529**	$	35,481	$	26,049
Net income and comprehensive income	**$**	**21,072**	$	14,975	$	18,770
Net cash flows provided from operating activities	**$**	**23,410**	$	17,435	$	14,100
AFFO (1)	**$**	**22,436**	$	20,422	$	14,340
Basic AFFO per unit (1)(2)	**$**	**0.5609**	$	0.5897	$	0.5474
Diluted AFFO per unit (1)(2)	**$**	**0.5486**	$	0.5759	$	0.5366
Distributions declared per Unit and Class B LP Units	**$**	**0.4950**	$	0.6300	$	0.6300
Basic weighted average number of units (3)		**39,998,598**		34,632,086		26,196,926
Diluted weighted average number of units (3)		**40,898,852**		35,459,722		26,723,477
Total assets	**$**	**634,484**	$	634,737	$	509,663
Total non-current liabilities	**$**	**339,951**	$	348,089	$	259,180
Interest Coverage Ratio (1)		**2.6x**		2.6x		2.6x
Debt Service Coverage Ratio (1)		**1.6x**		1.6x		1.6x

(1) Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

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

(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.

PART III

RESULTS OF OPERATIONS

(CAD $ thousands)	**3 Months Ended December 31 2020**	3 Months Ended December 31 2019	**Year Ended December 31 2020**	Year Ended December 31 2019
Property revenue	**$ 17,589**	$ 17,315	**$ 69,810**	$ 57,627
Property operating expenses	**7,587**	7,265	**29,281**	22,146
Net operating income (NOI) [(1)]	**10,002**	10,050	**40,529**	35,481
General and administrative expenses	**899**	598	**3,328**	2,318
Long-term incentive plan expense	**2,112**	714	**585**	3,043
Depreciation of property and equipment	**92**	60	**299**	197
Amortization of intangible assets	**93**	93	**372**	372
Interest and financing costs	**3,877**	3,847	**15,382**	13,491
Distributions - Class B LP Units	**171**	407	**928**	1,662
Fair value adjustment - Class B LP Units	**2,104**	466	**(5,257)**	4,547
Fair value adjustment - investment properties	**(5,604)**	2,554	**4,667**	(7,429)
Other income	**(549)**	(425)	**(2,110)**	(2,369)
Other expenses	**394**	287	**1,263**	1,467
Transaction costs	**-**	131	**-**	3,207
Net income and comprehensive income	**$ 6,413**	$ 1,318	**$ 21,072**	$ 14,975

(1) See “Non-IFRS and Operational Key Performance Indicators”.

Comparison of the Results from Operations

The REIT’s results of operations for the year ended December 31, 2020 are not directly comparable to the year ended December 31, 2019, given the REIT’s consistent growth primarily through acquisitions period over period. The REIT owned 91 investment properties at December 31, 2020, compared to 92 properties it owned at December 31, 2019. The REIT acquired 7 of the 91 investment properties it owned at December 31, 2019 in September 2019 and 1 in December 2019. Therefore these 8 properties marginally impacted the REIT's results of operations for the year ended December 31, 2019. Furthermore, the REIT acquired 1 investment property and sold 2 investment properties in the twelve month period ended December 31, 2020. Notwithstanding the foregoing, year-over-year figures for the three month period and year ended December 31, 2020 and 2019 are presented in this MD&A. The principal reason for the variances between the financial figures presented in such year-over-year for the twelve month period is the net increase in the number of properties and their respective results of operations during such comparative period.

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 and year ended December 31, 2020, property revenue increased by $274 and $12,183 respectively, compared to the same periods in 2019. The increase of $274 for the three month period is primarily due to contractual increases in rent and higher rental rates on lease renewals. The main driver for the increase of $12,183 for the twelve month period is the incremental revenues from the acquisition of 8 investment properties in the second half of 2019, the acquisition of 1 investment property in Q1 2020 offset by the sale of 2 investment properties in the twelve month period ended December 31, 2020.

Property Operating Expenses

Property operating expenses are expenses directly related to real estate operations and are generally charged back to lessees 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 lessees 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 and year ended December 31, 2020, property operating expense increased by $322 and $7,135 respectively, compared to the same periods in 2019. The increase of $322 for the three month period is primarily driven by the increase in certain expenses such as property taxes which are largely recoverable from tenants. The increase of $7,135 for the twelve month period is due to the incremental expenses from the acquisition of 8 investment properties in the second half of 2019, the acquisition of 1 investment property in Q1 2020 offset by the sale of 2 investment properties in the twelve month period ended December 31, 2020..

Same Property NOI Analysis

Same Property NOI analysis includes properties that were owned for a full reporting period in both current and comparative periods.

The following is the Same Property NOI excluding non-cash adjustments such as, but not limited to, straight-line rent and prior year operating expense adjustments flowing through the three month period and year ended December 31, 2020 and 2019:

(CAD $ thousands)	**3 Months Ended December 31 2020**	3 Months Ended December 31 2019	**Year Ended December 31 2020**	Year Ended December 31 2019
Number of same properties	**89**	89	**82**	82
Property revenue	**17,029**	16,761	**51,184**	51,470
Property operating expenses	**7,359**	7,149	**20,024**	19,588
Same Property NOI (1)	**$ 9,670**	$ 9,612	**$ 31,160**	$ 31,882

(1) See "Non-IFRS and Operational Key Performance Indicators".

The increase in the overall Same Property NOI for the three month period ended December 31, 2020 is due to contractual increases in rents and higher rental rates on lease renewals albeit a slight decrease in average occupancy. The decrease in the overall Same Property NOI for the year ended December 31, 2020 is attributed to COVID-19 related bad debt provisions, CECRA Participation, certain related rental abatements as well as the decrease in occupancy in the retail and office segments offset by certain contractual rent increases and higher rental rates on lease renewals compared to the same period in 2019. Same property bad debt provisions, CECRA Participation and certain related rental abatements amounted to $150 and $705 for the three month period and year ended December 31, 2020.

Same Property NOI by asset class for the three month period and year ended December 31, 2020 and 2019:

(CAD $ thousands)	**3 Months Ended December 31 2020**	3 Months Ended December 31 2019	**Year Ended December 31 2020**	Year Ended December 31 2019
Retail	**$ 3,351**	$ 3,501	**$ 13,342**	$ 14,114
Office	**1,615**	1,650	**4,823**	5,056
Commercial Mixed Use	**1,645**	1,577	**3,365**	3,501
Industrial	**3,059**	2,884	**9,630**	9,211
Same Property NOI (1)	**$ 9,670**	$ 9,612	**$ 31,160**	$ 31,882

(1) See "Non-IFRS and Operational Key Performance Indicators".

The decrease in retail Same Property NOI excluding CECRA Participation, bad debt provisions and certain related rental abatements in the amount of $125 and $572 for the three month period and year ended December 31, 2020 were $26 and $200 respectively. The decrease is a result of increased vacancy compared to the same periods in 2019.

The decrease in office Same Property NOI excluding CECRA Participation and bad debt provisions in the amount of $Nil and $21 for the three month period and year ended December 31, 2020 were $35 and $210 respectively. The decrease is driven by increased vacancy.

The change in commercial mixed use Same Property NOI excluding bad debt provision and certain related rental abatements in the amount of $24 and $114 for the three month period and year ended December 31, 2020 were an increase of $93 and a decrease of $22 respectively. The increase for the three month period is primarily driven by contractual increases in rent and higher rental rates on lease renewals. The slight decrease for the twelve month period relates to increase in certain expenses that were not fully recoverable from tenants offset by contractual increases in rent and higher rental rates on lease renewals.

The increase in Same Property NOI for the industrial segment for the three month period and year ended December 31, 2020 was driven by both the increase in occupancy and the contractual increases in rent and higher rental rates on lease renewals compared to the same periods in 2019.

Same property average occupancy by asset class excluding any committed space:

	Same Properties 3 month period ended December 31		Same Properties year ended December 31	
	2020	2019	**2020**	2019
Retail	**96.7%**	97.8%	**96.4%**	97.4%
Office	**92.5%**	94.9%	**92.7%**	94.2%
Commercial Mixed Use	**98.4%**	98.0%	**99.1%**	97.0%
Industrial	**98.6%**	97.7%	**99.1%**	98.9%
Total	**97.4%**	97.5%	**97.4%**	97.7%

General and Administrative Expenses

General and administrative expenses include corporate expenses, office expenses, legal and professional fees, executive officers' salaries as of April 1, 2019, and other overhead expenses which are indirectly associated with the operation and leasing of investment properties.

On April 1, 2019 the REIT internalized its asset management function in accordance with the terms of a management agreement (the “Management Agreement”) with the REIT’s former external manager, Labec Realty Advisors Inc. (the “Manager”). The Manager is controlled by the President and Chief Executive Officer of the REIT, James W. Beckerleg, and the Executive Vice President, Chief Financial Officer and Secretary of the REIT, Gordon G. Lawlor. The internalization resulted in the termination of the Management Agreement and the elimination of the asset management and acquisition fees payable to the Manager thereunder. As a result of the internalization, the REIT’s executive officers, James W. Beckerleg and Gordon G. Lawlor, are employed directly by the REIT since April 1, 2019.

General and administrative expenses for the three month period and year ended December 31, 2020 were $899 and $3,328 respectively, an increase of $301 and $1,010 over the same periods in 2019. The increase is due to an increase of certain expenses such as salary costs.

Long-Term Incentive Plan

Long-term incentive plan expense of $2,112 and $585 during the three month period and year ended December 31, 2020 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 $3,877 and $15,382 for the three month period and year ended December 31, 2020. The increase of $1,891 for the twelve month period ended December 31, 2020 compared to the same period in 2019 is due to the increase in debt from the acquisition of 8 investment properties in the second half of 2019, the acquisition of 1 investment property in Q1 2020 offset by the sale of 2 investment properties in the twelve month period ended December 31, 2020.

Distributions – Class B LP Units

The REIT currently pays monthly distributions of $0.0375 per Class B LP Units or $0.4500 per Class B LP units on an annualized basis. The REIT revised its monthly distributions to $0.0375 per Unit for the month of April 2020 from $0.0525 per Unit. Distributions on the Class B LP Units were $171 and $928 for the three month period and year ended December 31, 2020.

Fair Value Adjustment – Class B LP Units

A fair value expense of $2,104 and gain of $5,257 on the Class B LP Units was recorded for the three month period and year ended December 31, 2020 respectively, 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 comprehensive income in the quarter in which they occur.

The fair value gain of $5,604 and expense of $4,667 on investment properties for the three month period and year ended December 31, 2020, is due to changes in projected future cash flows, changes in capitalization rates and market rent assumptions on certain of the REIT's properties, fair value gains on certain acquisitions completed throughout the respective periods offset by certain non-recoverable expenditures and leasing costs incurred. During the year ended December 31, 2020, the REIT updated independent external appraisals for 70 of its 91 properties resulting in a fair market value gain of approximately $3,994.

The duration and full scope of the economic impact of the COVID-19 pandemic is unknown at this time. Key valuation assumptions that could be impacted over the long term include: market rents, leasing costs, vacancy rates, discount rates and cap rates. The REIT will continue to monitor the effect of the economic environment on the valuation of its investment properties. If there are any changes in the critical and key assumptions used in valuing the investment properties, or in regional, national or international economic conditions, or new developments in the COVID-19 pandemic, the fair value of investment properties may change materially.

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.

Other income and Other expenses

Pursuant to the acquisition of 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 as well as relevant expenses incurred ("other expenses") not related to the properties owned by the REIT in the consolidated statement of income and comprehensive income. Compass currently manages 85 of the REIT's properties.

SEGMENTED ANALYSIS

The REIT's segments include four classifications of investment properties – Retail, Office, Commercial Mixed Use and Industrial. 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 consolidated financial statements. Operating performance is evaluated by the REIT's management primarily based on 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.

	Retail		Office		Commercial Mixed Use		Industrial		Total
(CAD $ thousands)	$	%	$	%	$	%	$	%	$
3 Months Ended December 31, 2020									
Property revenue	**5,405**	***30.7***	**3,302**	***18.8***	**4,040**	***23.0***	**4,842**	***27.5***	**17,589**
Net operating income (NOI) (1)	**3,392**	***33.9***	**1,678**	***16.8***	**1,688**	***16.9***	**3,244**	***32.4***	**10,002**
3 Months Ended December 31, 2019									
Property revenue	5,548	*32.0*	3,400	*19.6*	3,934	*22.7*	4,433	*25.6*	17,315
Net operating income (NOI) (1)	3,664	*36.5*	1,709	*17.0*	1,698	*16.9*	2,979	*29.6*	10,050

	Retail		Office		Commercial Mixed Use		Industrial		Total
(CAD $ thousands)	$	%	$	%	$	%	$	%	$
Year Ended December 31, 2020									
Property revenue	**21,483**	***30.8***	**12,763**	***18.3***	**15,900**	***22.8***	**19,664**	***28.2***	**69,810**
Net operating income (NOI) (1)	**13,705**	***33.8***	**6,535**	***16.1***	**7,062**	***17.4***	**13,227**	***32.6***	**40,529**
Investment properties	**196,075**	***31.7***	**94,115**	***15.2***	**112,830**	***18.2***	**215,515**	***34.8***	**618,535**
Mortgages payable	**99,168**	***31.1***	**49,417**	***15.5***	**50,371**	***15.8***	**119,440**	***37.5***	**318,396**
Year Ended December 31, 2019									
Property revenue	22,081	*38.3*	11,646	*20.2*	8,737	*15.2*	15,163	*26.3*	57,627
Net operating income (NOI) (1)	14,734	*41.5*	6,009	*16.9*	4,565	*12.9*	10,173	*28.7*	35,481
Investment properties	212,725	*34.5*	99,620	*16.1*	110,200	*17.9*	194,621	*31.5*	617,166
Mortgages payable	105,698	*32.5*	50,392	*15.5*	51,684	*15.9*	117,188	*36.1*	324,962

(1) Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

The main driver for the change in revenues, NOI, fair values of investment properties and mortgages payables in the Retail, Office, Commercial Mixed Use and Industrial segments for the year ended December 31, 2020 is primarily from the acquisition of 8 investment properties in the second half of 2019, the acquisition of 1 investment property in Q1 2020 offset by the sale of 2 investment properties in the twelve month period ended December 31, 2020..

As at December 31, 2020, the Retail segment consists of 48 properties (December 31, 2019 – 49 properties), having a total GLA of approximately 1,069,000 square feet (December 31, 2019 – ~1,078,000 square feet).

As at December 31, 2020, the Office segment consists of 9 properties (December 31, 2019 – 10 properties), having a total GLA of approximately 468,000 square feet (December 31, 2019 – ~493,000 square feet).

As at December 31, 2020, the Commercial Mixed Use segment consists of 8 properties (December 31, 2019 – 8 properties), having a total GLA of approximately 723,000 square feet (December 31, 2019 – ~723,000 square feet).

As at December 31, 2020, the Industrial segment consists of 26 properties (December 31, 2019 – 25 properties), having a total GLA of approximately 2,287,000 square feet (December 31, 2019 – ~2,151,000 square feet).

PORTFOLIO PROFILE

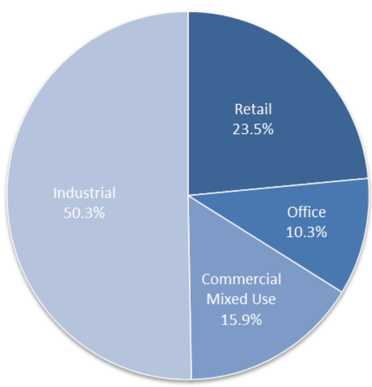
At December 31, 2020, the REIT's portfolio consisted of 91 properties, located in prime locations within their respective markets, representing a total GLA of 4,547,317 square feet. The increase of 101,819 square feet compared to December 31, 2019 is a result of the acquisition of 1 investment property offset by the sale of 2 smaller investment properties in the twelve month period ended December 31, 2020.

	Year Ended/ At December 31, 2020				Year Ended/ At December 31, 2019			
(CAD $ thousands unless otherwise stated)	**# of Properties**	**Occupancy(1)**	**GLA (sq. ft.)**	**NOI(2)**	# of Properties	Occupancy(1)	GLA (sq. ft.)	NOI(2)
Retail	**48**	**96.9%**	**1,068,856**	**$ 13,705**	49	97.2%	1,078,477	$ 14,734
Office	**9**	**93.0%**	**468,452**	**6,535**	10	94.4%	492,507	6,009
Commercial Mixed Use	**8**	**98.4%**	**723,066**	**7,063**	8	98.4%	723,066	4,565
Industrial	**26**	**99.5%**	**2,286,943**	**13,226**	25	99.8%	2,151,448	10,173
Total	**91**	**98.0%**	**4,547,317**	**$ 40,529**	92	98.4%	4,445,498	$ 35,481

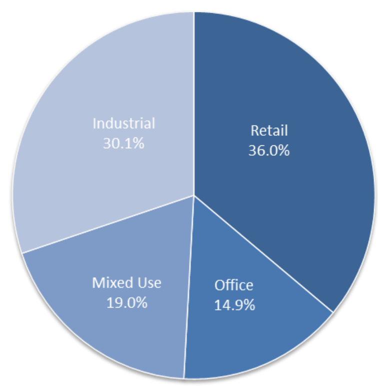
(1) Occupancy rate includes lease contracts for future occupancy of currently vacant space. Management believes the inclusion of this committed space provides a more balance reporting. The committed space at December 31, 2020 was approximately 20,879 square feet of GLA (33,464 square feet of GLA at December 31, 2019).

(2) Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

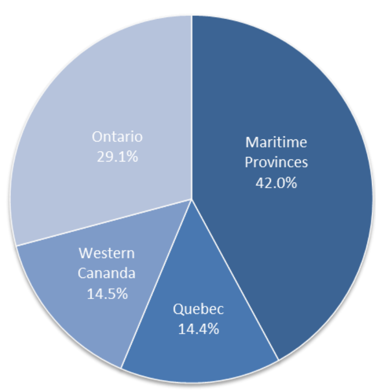
GLA by Asset Class December 31, 2020 [1]



Base Rent by Asset Class [1]



Base Rent by Region [1]



[1] Based on annualized in-place and committed base rent at December 31, 2020.

Top Ten Tenants

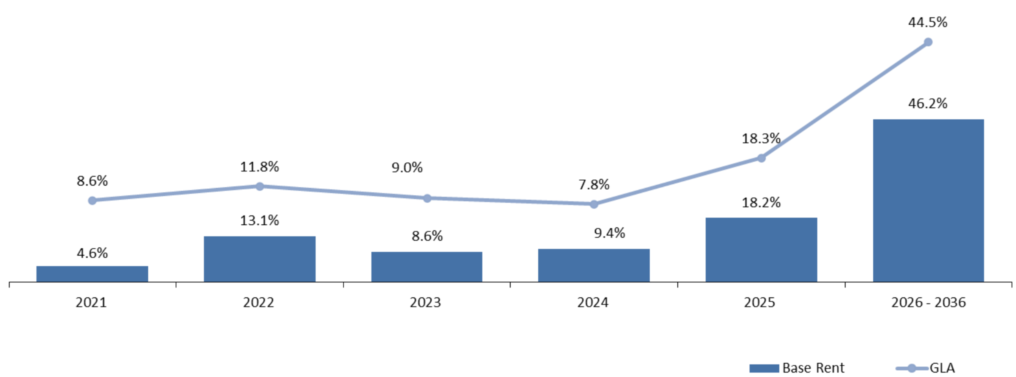
The ten largest tenants in the REIT's portfolio accounted for approximately 37.1% on annualized in-place and committed base rent and had a remaining average lease term of approximately 6.5 years.

Tenant	% in-Place Base Rent[(1)]	GLA (Sq. Ft.)	Remaining Average Lease Term (years)	Credit Rating[(2)]
Rexall	**6.2%**	**104,929**	**8.6**	Baa2/BBB+/na
Sobeys	**6.0%**	**222,491**	**6.7**	na/BBB-/BBB-
DRS Technologies Canada	**5.6%**	**127,334**	**4.1**	Ba1/BB+/BBB-
Government of Canada	**3.5%**	**81,611**	**3.7**	Aaa/AAA/AA+
Shoppers Drug Mart	**3.5%**	**66,083**	**4.5**	na/BBB/BBB
Ribbon Communications Canada	**3.5%**	**98,057**	**9.0**	na
Versacold	**3.4%**	**224,334**	**9.1**	na
ArcelorMittal Tailored Blanks	**2.1%**	**185,633**	**8.5**	Ba1/BBB-/BB+
Barry Callebaut	**1.7%**	**176,070**	**4.4**	Baa3/BBB-/na
Lawtons Pharmacy	**1.6%**	**40,901**	**5.7**	na/BBB-/BBB-
Total	**37.1%**	**1,327,443**	**6.5**	

(1) Based on annualized in-place and committed base rent at December 31, 2020.

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

The REIT's diverse tenant base has a staggered lease maturity profile with no more than 18.2% of base rent maturing in any given period before 2026.



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).

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.

(CAD $ thousands)	**3 Months Ended December 31 2020**	3 Months Ended December 31 2019	**Year Ended December 31 2020**	Year Ended December 31 2019
Cash provided from (used in):				
Operating activities	**$ 10,273**	$ 7,937	**$ 23,410**	$ 17,435
Financing activities	**(10,080)**	2,364	**(16,811)**	99,450
Investing activities	**2,714**	(9,869)	**(5,642)**	(115,699)
Change in cash during the year	**2,907**	432	**957**	1,186
Cash, beginning of year	**3,352**	4,870	**5,302**	4,116
Cash, end of year	**$ 6,259**	$ 5,302	**$ 6,259**	$ 5,302

Three Month Period Ended December 31, 2020

Cash flows from operating activities relate primarily to the collection of rent and payment of operating expenses. The cash provided by operating activities of $10,273 for the three month period ended December 31, 2020 was impacted mainly by the timing of cash receipts and settlement of payables.

Cash used in financing activities during the three month period ended December 31, 2020 of $10,080 is attributed to the increase in debt of $13,250 offset by the repayment of debt of $8,586, repayment of credit facility of $10,000, distributions paid of $4,331, and financing costs incurred of $413.

Cash provided from investing activities of $2,714 during the three month period ended December 31, 2020 consists of the additions of non-recoverable capital expenditures and leasing costs of $1,887 and the additions to property and equipment of $99 offset by the net proceeds of disposal of investment property of $4,700.

Year Ended December 31, 2020

Cash flows from operating activities relate primarily to the collection of rent and payment of operating expenses. The cash provided by operating activities of $23,410 for the year ended December 31, 2020 was impacted mainly by the timing of cash receipts and settlement of payables.

Cash used in financing activities during the year ended December 31, 2020 of $16,811 is attributed to the increase in debt of $28,000, the increase in borrowings on the credit facility of $9,500 offset by the repayment of debt of $20,339, repayment of credit facility of $15,000, distributions paid of $18,002, the cancellation of Units - normal course issuer bid of $41 and financing costs incurred of $929.

Cash used in investing activities of $5,642 during the year ended December 31, 2020 primarily consists of the acquisition of an investment property of $8,483, additions of non-recoverable capital expenditures and leasing costs of $6,478 and the additions to property and equipment of $331 offset by the net proceeds of disposal of 2 investment properties of $9,650.

CAPITALIZATION AND DEBT PROFILE

(CAD $ thousands)	**December 31 2020**
Mortgages payable (net of financing costs of $2,076)	**$ 318,396**
Term loans (net of financing costs of $797)	**20,753**
Vendor take-back mortgage	**750**
Credit facility (net of financing costs of $165)	**24,835**
Class B LP Units	**9,166**
Unitholders' Equity	**243,201**
Total Capitalization	**$ 617,101**

The REIT has a revolving credit facility of $45,000 which bears interest at prime plus 125.0 basis points or bankers' acceptance rate plus 225.0 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 $88,325 at December 31, 2020. At December 31, 2020, advances under the revolving credit facility was $25,000.

As at December 31, 2020, all mortgages payable were at fixed rates with a weighted average contractual rate of approximately 3.73% (December 31, 2019 - 3.74%). The mortgages payable are secured by first charges on certain investment properties with a fair value of approximately $568,510 at December 31, 2020.

The REIT's first term loan is to finance acquisitions and fund deposits on future acquisitions with a maximum available of $9,000. The term loan is interest bearing only at a rate equal to the greater of 7.50% or the financial institution prime rate plus 3.55% per annum and matures February 2022. At December 31, 2020, advances under the term loan amounted to $6,500. The term loan is secured by a pool of second and third charges on certain investment properties with a fair value of approximately $61,725 at December 31, 2020.

The REIT’s second term loan is in the amount of $1,800 bearing interest only at 6.25% per annum with a January 2022 maturity date. This term loan is secured by a second charge on an investment property with a fair value of approximately $6,320.

On July 16, 2020, the REIT entered into a third term loan in the amount of $5,000. This term loan was fully repaid on December 22, 2020. The term loan was interest bearing only at a rate of prime plus 325.0 basis points or bankers’ acceptance rate plus 425.0 basis points.

On November 26, 2020, the REIT entered into a fourth term loan in the amount of $13,250. This term loan bears interest at 6.45% per annum and matures in November 2023. The term loan is secured by a pool of second charges on certain investment properties with a fair market value of approximately $168,685.

The debt is repayable no later than 2033.

Contractual Obligations

The following table represents the REIT’s contractual obligations at December 31, 2020:

(CAD $ thousands)

Due within:	**1 Year**	**1-2 Years**	**2-3 Years**	**3-4 Years**	**4-5 Years**	**Later**
Debt principal instalments	**$ 9,780**	**$ 8,275**	**$ 6,634**	**$ 5,179**	**$ 4,717**	**$ 10,997**
Debt principal maturities	**6,433**	**71,520**	**82,114**	**18,634**	**18,956**	**99,533**
Debt interest	**13,347**	**10,899**	**8,472**	**5,160**	**4,437**	**8,366**
Credit facility	**25,000**	**-**	**-**	**-**	**-**	**-**
Accounts payable and other liabilities	**8,783**	**-**	**-**	**-**	**-**	**-**
Rent	**84**	**84**	**84**	**28**	**-**	**-**
	$ 63,427	**$ 90,778**	**$ 97,304**	**$ 29,001**	**$ 28,110**	**$ 118,896**

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.

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 of this, 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:

(CAD $ thousands unless otherwise stated)		**December 31 2020**
Total assets, including investment properties stated at fair value	**$**	**634,484**
Accumulated depreciation on property and equipment and intangible assets		**1,539**
Gross Book Value [(1)]		**636,023**
Debt, excluding unamortized financing costs		**342,772**
Credit facility, excluding unamortized financing costs		**25,000**
Debt	**$**	**367,772**
Debt to Gross Book Value [(1)]		**57.82%**

(1) Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

The REIT was in compliance with the above requirement as well as all required covenants as at December 31, 2020.

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, and (ii) Debt Service Coverage Ratio. All of these measures are non-IFRS measures. See “Non-IFRS and Operational Key Performance Indicators”.

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 and year ended December 31, 2020 and 2019:

(CAD $ thousands)		**3 Months Ended December 31 2020**		3 Months Ended December 31 2019		**Year Ended December 31 2020**		Year Ended December 31 2019
Net income and comprehensive income	**$**	**6,413**	$	1,318	**$**	**21,072**	$	14,975
Interest and financing costs		**3,877**		3,847		**15,382**		13,491
Depreciation of property and equipment		**92**		60		**299**		197
Amortization of intangible assets		**93**		93		**372**		372
Fair value adjustment - Class B LP Units		**2,104**		466		**(5,257)**		4,547
Fair value adjustment - investment properties		**(5,604)**		2,554		**4,667**		(7,429)
Distributions – Class B LP Units		**171**		407		**928**		1,662
Straight-line rent		**(79)**		(256)		**(683)**		(724)
Long-term incentive plan expense		**2,112**		714		**585**		3,043
Transaction costs		**-**		131		**-**		3,207
Adjusted EBITDA [(1)]	**$**	**9,179**	$	9,334	**$**	**37,365**	$	33,341

(1) Non-IFRS measure. See “Non-IFRS and Operational Key Performance Indicators”.

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 year. 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 and year ended December 31, 2020 and 2019:

(CAD $ thousands)	**3 Months Ended December 31 2020**	3 Months Ended December 31 2019	**Year Ended December 31 2020**	Year Ended December 31 2019
Adjusted EBITDA [(1)]	**$ 9,179**	$ 9,334	**$ 37,365**	$ 33,341
Interest expense	**$ 3,501**	$ 3,567	**$ 14,131**	$ 12,623
Interest Coverage Ratio [(1)]	**2.6x**	2.6x	**2.6x**	2.6x

[(1)] Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

Debt Service Coverage Ratio

The Debt Service Coverage Ratio is determined as Adjusted EBITDA divided by the debt service requirements for the year, whereby the debt service requirements reflects principal repayments and interest expensed during the year. 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 and is used by the REIT's management to monitor the REIT's ability to meet annual interest and principal payments.

The following is a calculation of the Debt Service Coverage Ratio for the three month period and year ended December 31, 2020 and 2019:

(CAD $ thousands)	**3 Months Ended December 31 2020**	3 Months Ended December 31 2019	**Year Ended December 31 2020**	Year Ended December 31 2019
Adjusted EBITDA [(1)]	**$ 9,179**	$ 9,334	**$ 37,365**	$ 33,341
Interest expense	**3,501**	3,567	**14,131**	12,623
Principal repayments	**2,387**	2,265	**9,451**	7,757
Debt Service Requirements	**$ 5,888**	$ 5,832	**$ 23,582**	$ 20,380
Debt Service Coverage Ratio [(1)]	**1.6x**	1.6x	**1.6x**	1.6x

[(1)] Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

DISTRIBUTIONS AND ADJUSTED FUNDS FROM OPERATIONS

(CAD $ thousands except unit, per unit amounts and unless otherwise stated)	**3 Months Ended December 31 2020**	3 Months Ended December 31 2019	**Year Ended December 31 2020**	Year Ended December 31 2019
Net income and comprehensive income for the year	**$ 6,413**	$ 1,318	**$ 21,072**	$ 14,975
Add:				
Long-term incentive plan	**1,612**	179	**(874)**	1,169
Distributions - Class B LP Units	**171**	407	**928**	1,662
Fair value adjustment - investment properties	**(5,604)**	2,554	**4,667**	(7,429)
Fair value adjustment - Class B LP Units	**2,104**	466	**(5,257)**	4,547
Amortization of intangible assets	**93**	93	**372**	372
FFO [1]	**$ 4,789**	$ 5,017	**$ 20,908**	$ 15,296
Deduct:				
Straight-line rent adjustment	**$ (79)**	$ (256)	**$ (683)**	$ (724)
Maintenance capital expenditures	**(97)**	-	**(246)**	-
Stabilized leasing costs	**(155)**	(60)	**(348)**	(258)
Add:				
Long-term incentive plan	**500**	535	**1,459**	1,874
Amortization of financing costs	**408**	309	**1,346**	1,027
Transaction costs	**-**	131	**-**	3,207
AFFO [1]	**$ 5,366**	$ 5,676	**$ 22,436**	$ 20,422
Basic FFO per unit [1][2]	**$ 0.1197**	$ 0.1259	**$ 0.5227**	$ 0.4417
Diluted FFO per unit [1][2]	**$ 0.1169**	$ 0.1233	**$ 0.5112**	$ 0.4314
Basic AFFO per unit [1][2]	**$ 0.1341**	$ 0.1425	**$ 0.5609**	$ 0.5897
Diluted AFFO per unit [1][2]	**$ 0.1310**	$ 0.1395	**$ 0.5486**	$ 0.5759
Distributions declared per Unit and Class B LP unit	**$ 0.1125**	$ 0.1575	**$ 0.4950**	$ 0.6300
AFFO Payout Ratio – Basic [1]	**83.9%**	110.5%	**88.3%**	106.8%
AFFO Payout Ratio – Diluted [1]	**85.9%**	112.9%	**90.2%**	109.4%
Basic weighted average number of units [2][3]	**40,023,023**	39,839,751	**39,998,598**	34,632,086
Diluted weighted average number of units [2][3]	**40,969,595**	40,679,050	**40,898,852**	35,459,722

[1] Non-IFRS measure. See “Non-IFRS and Operational Key Performance Indicators”.

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

[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 decrease in FFO of $228 for the three month period ended December 31, 2020 compared to the same period in 2019 is directly related to an increase in certain general and administrative expenses. The increase in FFO of $5,612 for the year ended December 31, 2020, compared to the same period in 2019, is driven by the acquisition of 8 investment properties in the second half of 2019, the acquisition of 1 investment property in Q1 2020 offset by the sale of 2 investment properties in the twelve month period ended December 31, 2020.

The decrease in AFFO of $310 for the three month period ended December 31, 2020 compared to the same period in 2019 is directly related to an increase in maintenance capital expenditures and leasing commissions. The increase in AFFO of $2,014 for the year ended December 31, 2020, compared to the same period in 2019, is directly related to the acquisition of 8 investment properties in the second half of 2019, the acquisition of 1 investment property in Q1 2020 offset by the sale of 2 investment properties in the twelve month period ended December 31, 2020. Basic AFFO per Unit were $0.1341 and $0.5609 respectively for the three month period and year ended December 31, 2020 with a corresponding basic Payout Ratio of 83.9% and 88.3%. The principal reason for the improvement of the AFFO Payout Ratio compared to the same periods in 2019 is due to the revision of the REIT's monthly distributions to $0.0375 per Unit from $0.0525 commencing April 2020. This revision will allow for a reduction of the REIT's debt and for flexibility in allocating capital to the benefit of the unitholders (see "Summary of Significant Events" section).

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 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 current 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, 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 (see "Summary of Significant Events" section).

The distributions declared during the three month period and year ended December 31, 2020 resulted in Nil and 153,000 Units being issued or issuable under the DRIP respectively.

Distributions of $0.1125 and $0.4950 per Unit and Class B LP Unit were declared during the three month period and year ended December 31, 2020. 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 consolidated financial statements:

(CAD $ thousands)	**3 Months Ended December 31 2020**	3 Months Ended December 31 2019	**Year Ended December 31 2020**	Year Ended December 31 2019
Cash flow provided from operating activities	**$ 10,273**	$ 7,937	**$ 23,410**	$ 17,435
Add (deduct):				
Changes in non-cash working capital	**(4,734)**	(2,679)	**(1,009)**	(1,427)
Distributions – Class B LP Units	**171**	407	**928**	1,662
Maintenance capital expenditures	**(97)**	-	**(246)**	-
Stabilized leasing costs	**(155)**	(60)	**(348)**	(258)
Depreciation of property and equipment	**(92)**	(60)	**(299)**	(197)
Transaction costs	**-**	131	**-**	3,207
Adjusted Funds From Operations (AFFO) (1)	**$ 5,366**	$ 5,676	**$ 22,436**	$ 20,422

(1) Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

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

(CAD $ thousands)	**3 Months Ended December 31 2020**	3 Months Ended December 31 2019	**Year Ended December 31 2020**	Year Ended December 31 2019
Adjusted Funds From Operations (AFFO) (1)	**$ 5,366**	$ 5,676	**$ 22,436**	$ 20,422
Total distributions paid or payable – Units and Class B LP Units	**4,502**	6,278	**19,799**	22,013
Excess (shortfall) of AFFO over distributions paid or payable	**$ 864**	$ (602)	**$ 2,637**	$ (1,591)

(1) Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

For the three month period and year ended December 31, 2020, the REIT had sufficient AFFO to cover the distributions paid or payable in cash and in DRIP units. For the three month period and year ended December 31, 2019, the REIT's distribution paid or payable in cash and in DRIP units exceeded the AFFO generated during the respective periods. The REIT financed the shortfall for the three month period and year ended December 31, 2019, using cash on hand and/or using the REIT's revolving credit facility of $45,000 which bears interest at prime plus 125.0 basis points or bankers' acceptance rate plus 225.0 basis points. The distribution paid or payable - Units and Class B LP Units includes approximately $Nil and $869 of Units reinvested under the DRIP for the three month period and year ended December 31, 2020 ($610 and $2,192 respectively for the three month period and year ended December 31, 2019).

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

(CAD $ thousands)	**3 Months Ended December 31 2020**	3 Months Ended December 31 2019	**Year Ended December 31 2020**	Year Ended December 31 2019
Cash flow provided from operating activities	**$ 10,273**	$ 7,937	**$ 23,410**	$ 17,435
Add (deduct):				
Change in non-cash working capital balances not indicative of sustainable cash flows [(1)]	**(3,938)**	(1,899)	**(667)**	455
Maintenance capital expenditures	**(97)**	-	**(246)**	-
Stabilized leasing costs	**(155)**	(60)	**(348)**	(258)
Amortization of deferred financing costs	**(408)**	(309)	**(1,346)**	(1,027)
Adjusted Cashflow from Operations (ACFO) [(2)]	**$ 5,675**	$ 5,669	**$ 20,803**	$ 16,605

[(1)] Change in non-cash working capital balances not indicative of sustainable cash flows adjustments primarily includes adjustments for prepaid taxes and insurance as their levels vary considerably over the course of the year as well as certain other adjustments as specified in the most recent Realpac White Paper on ACFO issued February 2019. Comparative periods have been updated to reflect these adjustments.

[(2)] Non-IFRS measure. See “Non-IFRS and Operational Key Performance Indicators”.

The following table represents a breakdown of adjustments for working capital changes used in the calculation of ACFO in the table above. These are working capital changes that, in management's view and based on the Realpac White Paper on ACFO issued February 2019, are not indicative of sustainable cash flows available for distributions:

(CAD $ thousands)	**3 Months Ended December 31 2020**	3 Months Ended December 31 2019	**Year Ended December 31 2020**	Year Ended December 31 2019
Working capital changes related to:				
Property taxes and insurance	**$ (2,197)**	$ (1,993)	**$ (104)**	$ 456
Other[(1)]	**(1,741)**	94	**(563)**	(1)
Change in non-cash working capital balances not indicative of sustainable cash flows from ACFO	**$ (3,938)**	$ (1,899)	**$ (667)**	$ 455

[(1)] Includes working capital adjustments related to transaction cost accruals related to acquisitions of investment properties.

The table below compares ACFO to distributions paid or payable on Units:

(CAD $ thousands)		**3 Months Ended December 31 2020**		3 Months Ended December 31 2019		**Year Ended December 31 2020**		Year Ended December 31 2019
Adjusted Cashflow from Operations (ACFO) (1)	**$**	**5,675**	$	5,669	**$**	**20,803**	$	16,605
Total distributions paid or payable – Units (2)		**4,331**		5,871		**18,871**		20,351
Excess (shortfall) of ACFO over distributions paid or payable	**$**	**1,344**	$	(202)	**$**	**1,932**	$	(3,746)

(1) Non-IFRS measure. See "Non-IFRS and Operational Key Performance Indicators".

(2) This excludes distributions paid or payable on Class B LP Units given the ACFO has been reduced to this amount.

For the three month period and year ended December 31, 2020, the excess of ACFO over total distribution paid or payable is driven by the revision of the REIT's monthly distributions to $0.0375 per Unit from $0.0525 commencing April 2020. The shortfall of ACFO over total distributions paid or payable for the three month period and year ended December 31, 2019 is mainly due to non-recurring transaction costs. The REIT financed the shortfall for the three month period and year ended December 31, 2019 using cash on hand and/or planned normal course property refinancing and/or using the REIT's revolving credit facility of $45,000 which bears interest at prime plus 125.0 basis points or bankers' acceptance rate plus 225.0 basis. The distribution paid or payable - Units includes approximately $Nil and $869 of Units reinvested under the DRIP for the three month period and year ended December 31, 2020 ($610 and $2,192 respectively for the three month period and year ended December 31, 2019).

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

(CAD $ thousands)		**3 Months Ended December 31 2020**		3 Months Ended December 31 2019		**Year Ended December 31 2020**		Year Ended December 31 2019
Cash flow provided from operating activities	**$**	**10,273**	$	7,937	**$**	**23,410**	$	17,435
Net income and comprehensive income	**$**	**6,413**	$	1,318	**$**	**21,072**	$	14,975
Total distributions paid or payable – Units (1)	**$**	**4,331**	$	5,871	**$**	**18,871**	$	20,351
Excess (shortfall) of cash flow from operating activities over distributions paid or payable	**$**	**5,942**	$	2,066	**$**	**4,539**	$	(2,961)
Excess (shortfall) of net income and comprehensive income over distributions paid or payable	**$**	**2,082**	$	(4,553)	**$**	**2,201**	$	(5,376)

(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 year ended December 31, 2019, the REIT's distribution paid or payable in cash and in DRIP units exceeded the cash flow provided from operating activities. This represents a return of capital, rather than a return on capital, since they represent cash payments in excess of cash generated by the REIT's continuing operations during the respective periods. The shortfall of cash flow from operating activities over total distributions is mainly due to the seasonal fluctuations in non-cash working capital, distribution on Class B LP Units that are recorded as a reduction of net income and comprehensive income, the impact of maintenance capital expenditures and stabilized leasing costs which change with lease maturities and lease renewals and nonrecurring items. The REIT financed the shortfall using cash on hand and/or using the REIT's revolving credit facility of $45,000 which bears interest at prime plus 125.0 basis points or bankers' acceptance rate plus 225.0 basis points and/or planned normal course property refinancings. For the three month periods ended December 31, 2020 and 2019 and year ended December 31, 2020, the REIT had sufficient cash flows from operating activities over distributions paid or payable.

The shortfall or excess of distributions paid or payable – Units over net income and comprehensive net income for the years ended December 31, 2020 and 2019 is primarily due to non-cash items. Non-cash items relating to the long-term incentive plan expense, depreciation of property and equipment, amortization of intangible assets and fair value adjustments to Class B LP Units and investment properties are deducted from or added to net income and comprehensive income and have no impact on cash available to pay current distributions.

ISSUED AND OUTSTANDING SECURITIES AND NORMAL COURSE ISSUER BID

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 March 24, 2021 were 38,543,499.

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 March 24, 2021 were 1,479,524.

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 March 24, 2021 were 1,064,803 and 261,199.

Normal Course Issuer Bid

Pursuant to a notice accepted by the TSX, the REIT may, during the period commencing September 24, 2020 and ending September 23, 2021, purchase for cancellation, through the facilities of the TSX and at the market price of the Units at the time of purchase, up to 1,924,228 Units representing 5% of the REIT’s issued and outstanding Units at the beginning of the normal course issuer bid. The actual number of Units that may be purchased and the timing of any such purchases will be determined by the REIT, and will be made in accordance with the requirements of the TSX. The REIT is making the normal course issuer bid because it believes that the market price of the Units does not always reflect their underlying value, and that purchasing Units for cancellation may from time to time be an appropriate use of available resources and in the best interests of the REIT. Unitholders can obtain a copy of the notice filed with TSX, without charge, by contacting the REIT at 514-933-9552. The REIT repurchased and cancelled Nil and 14,000 Units during the three month period and year ended December 31, 2020 for $Nil and $41.

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.

Classification	Measurement	Carrying Value December 31 2020	Fair Value December 31 2020
Loans and Receivables			
Cash (a)	Amortized cost	$ **6,259**	$ **6,259**
Receivables and other excluding prepaid expenses, deposits, deferred acquisition costs and other receivables (a)	Amortized cost	**2,233**	**2,233**
		$ **8,492**	$ **8,492**
Financial Liabilities Through Profit and Loss			
Class B LP Units	Fair value (L2)	$ **9,166**	$ **9,166**
Long-term incentive plan	Fair value (L2)	**7,099**	**7,099**
		$ **16,265**	$ **16,265**
Other Financial Liabilities			
Accounts payable and other liabilities (a)	Amortized cost	$ **8,783**	$ **8,783**
Credit facility (a)	Amortized cost	**24,835**	**24,835**
Distributions payable (a)	Amortized cost	**1,501**	**1,501**
Debt (b)	Amortized cost	**339,899**	**339,899**
		$ **375,018**	$ **375,018**

(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) Long-term financial instruments consist of debt. The fair value of debt is 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.

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 and year ended December 31, 2020.

PART V

CONTROLS AND PROCEDURES

Internal Controls Over Financial Reporting
Management is responsible for establishing and maintaining adequate Internal controls over financial reporting to provide assurance regarding the reliability of financial reporting and the preparation of financial reports for external purposes in accordance with IFRS.

As required by National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* ("NI 52-109"), the President and Chief Executive Officer ("CEO") and the Executive Vice President, Chief Financial Officer and Secretary (the "CFO") have caused the effectiveness of the internal controls over financial reporting to be evaluated using the framework established in 'Internal Control – Integrated Framework (COSO Framework)' (2013) published by The Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on that evaluation, they have concluded that the design and operation of the REIT's internal controls over financial reporting were effective as at December 31, 2020.

In designing such controls, 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. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. Additionally, management is required to use judgment in evaluating controls and procedures.

Changes in Internal Control over Financial Reporting
There were no changes in the REIT's internal controls over financial reporting in the year ended December 31, 2020 that materially affected or are reasonably likely to materially affect the REIT's internal control over financial reporting.

Disclosure Controls and Procedures
Management is responsible for establishing and maintaining a system of disclosure controls and procedures to provide reasonable assurance that all material information relating to the REIT is gathered and reported to senior management on a timely basis so that appropriate decisions can be made regarding public disclosure. As required by NI 52-109, the CEO and CFO have caused the effectiveness of the disclosure controls and procedures to be evaluated. Based on that evaluation, they have concluded that the design and operation of the system of disclosure controls and procedures were effective as at December 31, 2020.

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 2020 Financial Statements and the 2020 Annual Information Form, particularly under the heading "Risk Factors" in the 2020 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.sedar.com. 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 securityholders could lose part or all of their investment.

COVID-19 Risk
The recent outbreak of coronavirus COVID-19 has resulted in governments worldwide enacting emergency measures to contain the spread of the virus. COVID-19 may lead to voluntary or mandatory building closures, business closures, government restriction on travel and gatherings, quarantines, self isolation and physical distancing. The impact of these measures may lead to a general shutdown of economic activity and disrupt workforce and business operations. COVID-19 could have a material adverse effect on debt and capital markets, the demand for real estate and the ability for tenants to pay. Provincial governments are encouraging landlords to enter into rent deferral arrangements with users whose businesses are required to close or are otherwise impaired. There can be no assurance that deferred rents will be collected in accordance with deferral arrangements or at all. Any inability to collect rents in a timely manner or at all could adversely affect the REIT's business and financial results.

The COVID-19 pandemic has created significant uncertainty in the general economy including the real estate market. Such a pandemic could, if prolonged, adversely impact the REIT's business directly and/or indirectly. Management continues to assess the impact of COVID-19 and governments' responses to it on the REIT. Portions of the REIT's financial results incorporate estimates from management that are subject to increased uncertainty due to the market disruptions caused by the COVID-19 pandemic. Areas of increased estimation uncertainty in the REIT's consolidated financial statements include the fair value of its investment properties and the recoverability of amounts receivable.

The amounts recorded in the 2020 Financial Statements are based on the latest reliable information available to management at the time the consolidated financial statements were prepared where that information reflects conditions at the date of the consolidated financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

The REIT continues to assess the effect of economic conditions on the creditworthiness of its tenants. As part of this assessment, the REIT reviews the risk profiles of its tenant base to assess which tenants are likely to continue meeting their obligations under their leases and which tenants are at a greater risk of default. The REIT expects that certain tenants may require financial assistance and continues to work with them while monitoring the various government assistance programs as more information becomes available.

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 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 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.

FUTURE CHANGES IN ACCOUNTING POLICIES

The future changes in accounting policies and future applicable accounting standards are discussed in the REIT's consolidated financial statements for the year ended December 31, 2020 and the notes contained therein.

RELATED PARTY TRANSACTIONS

Until April 1, 2019, the REIT engaged the Manager to perform certain services as outlined under the Management Agreement. The Manager is controlled by the President and Chief Executive Officer of the REIT, James W. Beckerleg, and the Executive Vice President, Chief Financial Officer and Secretary of the REIT, Gordon G. Lawlor.

On April 1, 2019 the REIT internalized its asset management function in accordance with the terms of the Management Agreement. The internalization resulted in the elimination of the asset management and acquisition fees payable to the Manager. The REIT's executive officers, James W. Beckerleg and Gordon G. Lawlor, are employed directly by the REIT since April 1, 2019. In accordance with the terms of the Management Agreement, the Manager was entitled to a termination payment equal to one time the management fees and expenses paid to it in the most recent fiscal year prior to the internalization in the approximate amount of $2,300.

In connection with the services provided by the Manager under the Management Agreement, which was terminated effective April 1, 2019, the following amounts were payable to the Manager, in cash:

(a) an annual advisory fee payable quarterly, equal to 0.25% of the Adjusted Cost Base of REIT's assets, prorated to take into account any acquisitions or dispositions during any monthly period, where "Adjusted Cost Base" means the book value of the assets of the REIT, as shown on its most recent consolidated statement of financial position, plus the amount of accumulated depreciation and amortization shown thereon, less cash raised by REIT in equity issues which is not yet invested in properties or other assets.

For the year ended December 31, 2020, the costs of these services amounted to $Nil ($272 for the year ended December 31, 2019).

(b) an acquisition fee equal to (i) 1.00% of the purchase price paid by the REIT for the purchase of a property, on the first $100,000 of properties acquired in each fiscal year; (ii) 0.75% of the purchase price paid by the REIT for the purchase price of a property on the next $100,000 of properties acquired in each fiscal year, and (iii) 0.50% of the purchase price paid by the REIT for the purchase of a property, on properties in excess of $200,000 acquired in each fiscal year.

For the year ended December 31, 2020, the costs of these services amounted to $Nil ($Nil for the year ended December 31, 2019).

(c) a property management fee equal to the then applicable market rate for property management services when such services are not otherwise delegated or subcontracted to third parties.

For the year ended December 31, 2020, the costs of these services amounted to $Nil ($Nil for the year ended December 31, 2019).

On September 30, 2014, the REIT entered into a strategic investment agreement (the "Strategic Investment Agreement") with Lotus Crux Acquisition LP ("Lotus Crux Acquisition"). Pursuant to the Strategic Investment Agreement, Lotus Crux Acquisition will receive a fee of 0.875% of the purchase cost from the REIT on acquisitions of certain properties owned by Lotus Crux Acquisition or related parties. Lotus Crux Acquisition is controlled by a general partner controlled by two trustees of the REIT, Peter Aghar and Shenoor Jadavji, who also have an interest in Lotus Crux Acquisition and the REIT. Effective March 22, 2021, the Strategic Investment Agreement was terminated.

Pursuant to the Strategic Investment Agreement, the REIT advanced $1,500 as a secured loan to two related parties to Lotus Crux Acquisition as part of the financing for the acquisition by such parties of a 74,000 square feet multitenant commercial building well located in Greater Ottawa. The loan was on market terms as negotiated between parties acting at arm's length, bearing interest at 9% per annum. In accordance with the terms of the Strategic Investment Agreement, and as a result of the loan, the REIT had been granted an option to purchase the property. The loan was repaid in full in December 2020 and the purchase option was cancelled.

SUMMARY OF QUARTERLY RESULTS

(CAD $ thousands except unit, per unit amounts and unless otherwise stated)	**3 Months Ended Dec 31 2020**	3 Months Ended Sept 30 2020	3 Months Ended June 30 2020	3 Months Ended Mar 31 2020	3 Months Ended Dec 31 2019	3 Months Ended Sept 30 2019	3 Months Ended June 30 2019	3 Months Ended Mar 31 2019
Property revenue	**$ 17,589**	$ 17,302	$ 17,212	$ 17,707	$ 17,315	$ 13,241	$ 13,561	$ 13,510
Property operating expenses	**7,587**	6,903	7,439	7,352	7,265	4,716	5,113	5,052
Net operating income (NOI) (1)	**10,002**	10,399	9,773	10,355	10,050	8,525	8,448	8,458
General and administrative expenses	**899**	854	893	683	598	623	574	523
Long-term incentive plan expense	**2,112**	789	942	(3,258)	714	662	395	1,272
Depreciation of property and equipment	**92**	66	67	74	60	65	54	18
Interest and financing costs	**3,877**	3,829	3,787	3,889	3,847	3,094	3,325	3,225
Distributions - Class B LP Units	**171**	173	186	398	407	407	419	429
Fair value adjustment - Class B LP Units	**2,104**	585	1,442	(9,388)	466	155	571	3,355
Fair value adjustment - investment properties	**(5,604)**	5,012	5,301	(42)	2,554	(3,255)	(6,777)	49
Transaction costs	**-**	-	-	-	131	-	3,045	31
Other income	**(549)**	(562)	(490)	(509)	(425)	(599)	(819)	(526)
Other expenses	**394**	269	322	278	287	370	491	319
Amortization of intangible assets	**93**	93	93	93	93	93	93	93
Net income (loss) and comprehensive income (loss)	**$ 6,413**	$ (709)	$ (2,770)	$ 18,137	$ 1,318	$ 6,910	$ 7,077	$ (330)
Debt to Gross Book Value (1)	**57.82%**	58.72%	58.71%	58.06%	57.52%	56.72%	58.26%	58.58%
FFO (1)	**$ 4,789**	$ 5,527	$ 4,835	$ 5,756	$ 5,017	$ 4,410	$ 1,509	$ 4,360
AFFO (1)	**$ 5,366**	$ 5,863	$ 5,217	$ 5,989	$ 5,676	$ 5,070	$ 4,848	$ 4,829
Basic FFO per unit (1)(2)	**$ 0.1197**	$ 0.1381	$ 0.1208	$ 0.1442	$ 0.1259	$ 0.1234	$ 0.0480	$ 0.1389
Diluted FFO per unit (1)(2) (3)	**$ 0.1169**	$ 0.1349	$ 0.1180	$ 0.1415	$ 0.1233	$ 0.1205	$ 0.0467	$ 0.1359
Basic AFFO per unit (1)(2)	**$ 0.1341**	$ 0.1465	$ 0.1304	$ 0.1500	$ 0.1425	$ 0.1419	$ 0.1541	$ 0.1539
Diluted AFFO per unit (1)(2)(3)	**$ 0.1310**	$ 0.1431	$ 0.1274	$ 0.1473	$ 0.1395	$ 0.1386	$ 0.1501	$ 0.1506
AFFO Payout Ratio – Basic (1)	**83.9%**	76.8%	86.3%	105.0%	110.6%	111.0%	102.2%	102.3%
AFFO Payout Ratio – Diluted (1)	**85.9%**	78.6%	88.3%	106.9%	112.9%	113.6%	104.9%	104.6%
Number of commercial properties	**91**	92	93	93	92	91	84	84
GLA (square feet)	**4,547,317**	4,571,311	4,580,932	4,580,932	4,445,498	4,396,004	3,701,132	3,702,430
Occupancy rate	**98.0%**	98.1%	98.1%	98.3%	98.4%	98.2%	97.9%	98.0%
Weighted average lease term to maturity	**5.2**	5.2	5.4	5.5	5.6	5.6	5.7	5.8

(1) See "Non-IFRS and Operational Key Performance Indicators".

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

(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.