

PRO REAL ESTATE INVESTMENT TRUST



MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF
OPERATIONS AND FINANCIAL CONDITION
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022

May 11, 2022



Built for Sustainable Growth and Performance

ABOUT PROREIT

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

120
Number
of Properties

6.6M
Gross Leasable Area
(Square Feet)

98.5%
Occupancy
Rate ⁽¹⁾

HIGH QUALITY PORTFOLIO WITH A STRONG INDUSTRIAL FOCUS



79%
GLA - Industrial



15%
GLA - Retail



6%
GLA - Office

Q1 2022 HIGHLIGHTS

\$1.03B
Total
Assets

\$40.3M
Fair Value Gains
on Investment Properties

39.5%
Net Operating Income ⁽²⁾
Increase ⁽³⁾

51.2%
Debt to
Gross Book Value ⁽²⁾

\$46.5M
Net Income and
Comprehensive
Income Increase ⁽³⁾

\$0.1341
FFO ⁽²⁾ /Unit

\$0.1293
AFFO ⁽²⁾ /Unit

\$38M
In Available
Credit Facility

SIGNIFICANT VALUE EMBEDDED IN OUR PORTFOLIO

68.5%
of 2022 GLA has been
Renewed at 11.9 % Positive Average Spreads

74.6%
of Base Rent from National and
Government Tenants

OUR COMMITMENT TO SUSTAINABILITY

> Inaugural ESG report published in
March 2022

> Creation of ESG steering committee, chaired by CFO,
responsible for day-to-day management of ESG
program

(1) Includes committed space of approximately 129,159 square feet at March 31, 2022

(2) This is a non-IFRS measure. See "Non-IFRS measures"

(3) Comparison period is the three month period ended March 31, 2021

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

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120 Troop Avenue, Dartmouth, Nova Scotia

Fellow Unitholders,

PROREIT achieved a significant milestone in the first quarter of 2022 as we surpassed \$1 billion of assets for the first time in our history.

Achieving a solid quarter

Our focus on growth in the industrial segment of our total portfolio is yielding attractive rewards. Properties in this sector now comprise over 65% of our base rent and 79% of our gross leasable area. Same Property Net Operating Income ⁽¹⁾ within the segment was up a very robust 5.4% compared to this period a year earlier

Our retail portfolio also performed well with a 4.0% Same Property NOI ⁽¹⁾ increase compared to the same period in 2021, a testament to the high-quality assets and tenants we have in mid-market Canadian cities with strong economies.

This quarter, our office segment, which represents less than 10% of base rent, was negatively impacted by a short-term vacancy in a single-tenant building. However, this space has been fully re-leased as of April 1, 2022 to a new tenant on a 15 year-term and at a higher rent. Excluding this single vacancy, which accounts for approximately \$0.2 million of lost NOI ⁽¹⁾ in the quarter, all segment Same Property NOI ⁽¹⁾ growth was 2.7% higher in the first quarter of 2022 compared to the same period in 2021.

Our financial results for the first quarter reflect strong growth in property revenue, net operating income ⁽¹⁾, net income and comprehensive income as well as AFFO ⁽¹⁾, compared to the same period last year. We successfully reduced our AFFO Payout Ratio-Basic ⁽¹⁾ to 87.0% at March 31, 2022, from 91.5% at December 31, 2021. The temporary office vacancy referenced above affected our AFFO Payout Ratio-Basic ⁽¹⁾ by approximately 2%.

Our balance sheet has continued to strengthen significantly, and we ended the quarter with a Debt to Gross Book Value ⁽¹⁾ of 51.2%, down from 57.5% a year earlier. This ratio was positively impacted in part by new external independent appraisals for some of our properties, which resulted in further fair value gains on investment of \$40.3 million in the first quarter. We expect to reach our target of reducing our Debt to Gross Book Value ⁽¹⁾ ratio to below 50% before year-end and we ended the quarter with \$38 million available under our credit facility.

I am also pleased to report that, with no significant mortgage debt coming due in 2022, we should have time to adjust to the rising interest rate environment. Strategically, we have always maintained a combination of debt maturities that are appropriate for the overall debt level of our portfolio and we took steps to extend our debt maturity profile in 2021. We also benefit from a low-risk tenant base that is expected to withstand the impact of inflation and that has successfully demonstrated its resilience to the pressure posed by the pandemic over the past two years.

On the operational front, occupancy rate remained strong at 98.5% at quarter-end. We have renewed or replaced 68% of leases maturing in 2022 at a positive average spread of 11.9%.

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

Pursuing our growth strategy in the industrial sector

Since the beginning of 2022, economic activity in Canada has been robust, and looking ahead, our growth outlook is still positive, with demand in the industrial sector especially robust. We are excited about future opportunities and we remain fully committed to pursuing strategies in this sector, that are accretive to the REIT.

I wish to once again thank the PROREIT team for its great commitment and outstanding work, as well as my fellow board members for their guidance and support in the challenging environment where we work to drive sustainable value for our stakeholders.

Sincerely,

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

PART I

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	March 31 2022	March 31 2021
Operational data		
Number of properties	120	90
Gross leasable area (square feet) ("GLA")	6,588,760	4,459,225
Occupancy rate ⁽¹⁾	98.5%	98.2%
Weighted average lease term to maturity (years)	4.6	5.0
	3 Months Ended March 31 2022	3 Months Ended March 31 2021
<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>		
Financial data		
Property revenue	\$ 24,330	\$ 17,390
Net operating income (NOI) ⁽²⁾	\$ 14,080	\$ 10,093
Same Property NOI ⁽²⁾	\$ 9,762	\$ 9,678
Net income and comprehensive income	\$ 46,522	\$ 1,634
Total assets	\$ 1,032,176	\$ 636,338
Debt to Gross Book Value ⁽²⁾	51.21%	57.49%
Interest Coverage Ratio ⁽²⁾	2.9x	2.7x
Debt Service Coverage Ratio ⁽²⁾	1.6x	1.6x
Debt to Annualized Adjusted EBITDA Ratio ⁽¹⁾	10.2x	10.0x
Weighted average interest rate on mortgage debt	3.40%	3.66%
Net cash flows provided from operating activities	\$ 6,729	\$ 207
Funds from Operations (FFO) ⁽²⁾	\$ 8,108	\$ 3,878
Basic FFO per unit ⁽²⁾⁽³⁾	\$ 0.1341	\$ 0.0969
Diluted FFO per unit ⁽²⁾⁽³⁾	\$ 0.1321	\$ 0.0946
Adjusted Funds from Operations (AFFO) ⁽²⁾	\$ 7,813	\$ 5,422
Basic AFFO per unit ⁽²⁾⁽³⁾	\$ 0.1293	\$ 0.1355
Diluted AFFO per unit ⁽²⁾⁽³⁾	\$ 0.1273	\$ 0.1323
AFFO Payout Ratio – Basic ⁽²⁾	87.0%	83.0%
AFFO Payout Ratio – Diluted ⁽²⁾	88.4%	85.0%

⁽¹⁾ Occupancy rate includes lease contracts for future occupancy of currently vacant space. Management believes the inclusion of this committed space provides a more balanced reporting. The committed space at March 31, 2022 was approximately 129,159 square feet of GLA (5,146 square feet of GLA at March 31, 2021).

⁽²⁾ Non-IFRS measure. See "Non-IFRS Measures".

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

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") sets out PRO Real Estate Investment Trust's (the "REIT" or "PROREIT") operating strategies, risk profile considerations, business outlook and analysis of its financial performance and condition for the three month period ended March 31, 2022. This MD&A is based on financial statements prepared in accordance with IAS 34 Interim financial reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and IFRS Interpretations Committee ("IFRIC").

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

This MD&A should be read in conjunction with the REIT's condensed consolidated interim financial statements and accompanying notes for the three month period ended March 31, 2022 and 2021 (the "Q1 2022 Financial Statements"), the REIT's audited consolidated financial statements and accompanying notes for the years ended December 31, 2021 and 2020 (the "2021 Annual Financial Statements") and management's discussion and analysis thereon (the "2021 Annual MD&A"), and the REIT's annual information form for the year ended December 31, 2021 (the "2021 Annual Information Form" and together with the 2021 Annual Financial Statements and 2021 Annual MD&A, the "2021 Annual Reports"). These documents and additional information regarding the business of the REIT are available under the REIT's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.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 May 11, 2022, the date the REIT's board of trustees (the "Board") approved this MD&A and the Q1 2022 Financial Statements.

FORWARD-LOOKING STATEMENTS

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

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

- the intention of the REIT to distribute a portion of its available cash to securityholders and the amount of such distributions;
- the ability of the REIT to execute its growth strategies;
- 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, and 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, development and dispositions; potential conflicts of interest; competition; geographic concentration; general uninsured losses; access to capital; interest rate exposure; environmental matters; climate change risk; litigation risk; potential undisclosed liabilities; internal controls, data governance and decision support; security of information technology; indexation for inflation and duration of lease contracts; limit on activities; insurance renewals; joint venture/partnership arrangements; foreclosure; occupancy by tenants; lease renewals and rental increase; taxation matters; change of tax laws; significant ownership; volatile market price for units; cash distributions are not guaranteed; restrictions on redemptions; subordination of the units; tax related risk factors; nature of investment; unitholder liability; and dilution. These factors are not intended to represent a complete list of the factors that could affect the REIT; however, these factors, as well as those risk factors presented under the heading "Risk Factors" in the 2021 Annual Information Form, elsewhere in this MD&A and the 2021 Annual Reports and in other filings that the REIT has made and may make in the future with applicable securities authorities, should be considered carefully.

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

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

NON-IFRS MEASURES

The Q1 2022 Financial Statements are prepared in accordance with IAS 34 Interim financial reporting using accounting policies consistent with IFRS, as issued by the International Accounting Standards Board. In addition to reported IFRS measures, industry practice is to evaluate real estate entities giving consideration, in part, to certain non-IFRS financial measures, non-IFRS ratios and other specified financial measures (collectively, "non-IFRS measures") described below. Management believes these non-IFRS measures are helpful to investors because they are widely recognized measures of a REIT's performance and provide a relevant basis for comparison among real estate entities. In addition to the IFRS results, the REIT also uses these non-IFRS measures internally to measure the operating performance of its investment property portfolio. These non-IFRS measures should not be construed as alternatives to net income, net cash flows provided by operating activities, total assets, total equity, or comparable metrics determined in accordance with IFRS as indicators of the REIT's performance, liquidity, cash flows and profitability and may not be comparable to similar measures presented by other real estate investment trusts or enterprises. These non-IFRS measures are defined below and are cross referenced, as applicable, to a reconciliation contained within this MD&A to the most comparable IFRS measure. Non-IFRS measures are not standardized financial measures under IFRS, and might not be comparable to similar financial measures disclosed by other issuers. The REIT believes these non-IFRS measures provide useful information to both management and investors in measuring the financial performance and financial condition of the REIT for the reasons outlined above and below.

Non-IFRS Financial Measures

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

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

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

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

Adjusted Funds from Operations ("AFFO")

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

Funds from Operations ("FFO")

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

Gross Book Value ("Gross Book Value")

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

Net Operating Income ("NOI")

NOI is a non-IFRS financial measure 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 (net operating income) is presented in the primary financial statements of the REIT. Management of the REIT considers this metric to be an important measure 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 incentives amortized to revenue in order to highlight the 'cash impact' of contractual rent increases embedded in the underlying lease agreements. Management believes Same Property NOI is a meaningful measure to gauge the change in asset productivity and asset value, as well as measure the additional return earned by incremental capital investments in existing assets. The most directly comparable primary financial statement measure is NOI (net operating income). See "Part III – Results of Operations – Overall Analysis – Same Property NOI Analysis".

Non-IFRS Ratios

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

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

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

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

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

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

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

Debt to Annualized Adjusted EBITDA Ratio is a non-IFRS ratio calculated by the REIT as total debt and credit facility, in each case excluding unamortized financing costs, divided by Annualized Adjusted EBITDA. Management considers this non-IFRS ratio is a useful measure of the REIT's ability to service its outstanding debt. Refer to the table under "Part IV – Capitalization and Debt Profile – Debt to Annualized Adjusted EBITDA Ratio" for the calculation of the Debt to Annualized Adjusted EBITDA Ratio.

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

Debt to Gross Book Value is a non-IFRS ratio intended to be used by investors to assess the leverage of the REIT. Management uses this ratio to evaluate the leverage of the REIT and the strength of its equity position. Debt to Gross Book Value is defined as the total of debt and credit facility, in each case excluding unamortized financing costs, divided by Gross Book Value. See the table under "Part IV – Capitalization and Debt Profile – Debt Ratios".

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

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

Interest Coverage Ratio ("Interest Coverage Ratio")

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

PART II

REIT OVERVIEW

The REIT is an unincorporated open ended real estate investment trust established under the laws of the Province of Ontario pursuant to a declaration of trust dated February 7, 2013 and amended and restated on December 21, 2018 (as amended from time to time, the "Declaration of Trust"). The REIT's trust units ("Units") are listed on the Toronto Stock Exchange (the "TSX") under the symbol PRV.UN. The principal, registered and head office of the REIT is located at 2000 Mansfield Street, Suite 1000, Montréal, Quebec, H3A 2Z7.

The REIT owns a portfolio of Canadian commercial investment properties, comprised of retail, office, and industrial properties. At March 31, 2022, the REIT owned approximately 6.6 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 sustainable value of the REIT's assets to maximize long-term Unit value; and (iii) increase the REIT's NOI and AFFO per Unit, through internal growth strategies and accretive acquisitions.

Strategy

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

FOCUS ON HIGH QUALITY, LOW RISK INDUSTRIAL ASSETS

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

LEVERAGE DEEP EXPERIENCE OF MANAGEMENT AND BOARD TO ENHANCE VALUE

The REIT benefits from an experienced management team and Board with a proven track record of value creation. In aggregate, the REIT's executive officers and trustees have over 100 years of operating, acquisition and financing experience in the Canadian real estate industry, including in the industrial sector. They have extensive relationships with a broad network of real estate industry owners and service professionals across Canada, and 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.
- Pursue expansion in the industrial sector in attractive mid-sized Canadian cities.
- Pursuing selective development and expansion opportunities within the REIT's portfolio.

SUBSEQUENT EVENT

On April 21, 2022, the REIT announced a cash distribution of \$0.0375 per Unit for the month of April 2022. The distribution will be paid on May 16, 2022 to unitholders of record as at April 29, 2022.

OUTLOOK

Economic activity in Canada has been strong in 2022, and the growth outlook remains positive for the remainder of the year. The REIT has benefitted from this including the demand for commercial space especially in the industrial sector.

Notwithstanding, in the context of global geopolitical tensions, ongoing supply chain issues, labour shortages and related inflationary pressures, the Bank of Canada has increased its policy interest rate by 50 basis points. Additional rate hikes are anticipated in 2022 to control inflation. The REIT believes it is well positioned in this environment given its decrease in leverage in the past twelve months, staggered debt maturities, and potential upside on revenues with current below market rents in the portfolio.

PROREIT also benefits from a low-risk tenant base that is expected to withstand the impact of inflation and that has successfully demonstrated its resilience to the pressures posed by the pandemic over the past two years.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

PART III

RESULTS OF OPERATIONS

	3 Months Ended March 31 2022	3 Months Ended March 31 2021
<i>(CAD \$ thousands)</i>		
Property revenue	\$ 24,330	\$ 17,390
Property operating expenses	10,250	7,297
Net operating income (NOI) ⁽¹⁾	14,080	10,093
General and administrative expenses	1,202	1,069
Long-term incentive plan expense	925	537
Depreciation of property and equipment	89	87
Amortization of intangible assets	93	93
Interest and financing costs	4,712	3,901
Distributions - Class B LP Units	159	166
Fair value adjustment - Class B LP Units	946	432
Fair value adjustment - investment properties	(40,301)	1,170
Other income	(462)	(561)
Other expenses	195	262
Debt settlement costs	-	1,303
Net income and comprehensive income	\$ 46,522	\$ 1,634

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

Comparison of the Results from Operations

The REIT's results of operations for the three month period ended March 31, 2022 are not directly comparable to the three month period ended March 31, 2021. The REIT owned 120 investment properties at March 31, 2022, compared to 90 investment properties it owned at March 31, 2021. The REIT acquired 34 investment properties and sold 4 investment properties in the twelve month period ended March 31, 2022. Notwithstanding the foregoing, year over year figures for the three month period ended March 31, 2022 are presented in this MD&A. The principal reason for variances between the financial figures presented in such year over year periods is the net increase in the number of properties and their respective results of operations during such comparative periods.

Overall Analysis

Property Revenue

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

For the three month period ended March 31, 2022, property revenue increased by \$6,940 to \$24,330 compared to the same period in 2021. The increase is principally due to the acquisition of 34 investment properties offset by the sale of 4 investment property in the twelve month period ended March 31, 2022.

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 ended March 31, 2022, property operating expenses increased by \$2,953 to \$10,250, compared to the same period in 2021. The increase is principally due to the acquisition of 34 investment properties offset by the sale of 4 investment property in the twelve month period ended March 31, 2022.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

Same Property NOI Analysis

Same Property NOI analysis includes properties that were owned for a full quarterly reporting in both current and comparative periods. Same Property NOI excludes non-cash adjustments such as straight-line rent and tenant incentives amortized to revenue flowing through the three month periods ended March 31, 2022 and 2021. The following table reconciles net operating income as reported in the Q1 2022 Financial Statements to Same Property NOI.

<i>(CAD \$ thousands)</i>	3 Months Ended March 31 2022	3 Months Ended March 31 2021
Property revenue	\$ 24,330	\$ 17,390
Property operating expenses	10,250	7,297
NOI (net operating income) as reported in the financial statements ⁽¹⁾	14,080	10,093
Straight-line rent adjustment	(118)	(125)
NOI after straight-line rent adjustment ⁽¹⁾	13,962	9,968
NOI ⁽¹⁾ sourced from:		
Acquisitions	(4,200)	-
Dispositions	-	(290)
Same Property NOI ⁽¹⁾	\$ 9,762	\$ 9,678
Number of same properties	86	86

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

The overall increase in Same Property NOI for the three month period ended March 31, 2022 of \$84 or 0.9% is attributed to the increase in occupancy in the retail asset class, certain contractual rent increases and higher rental rates on lease renewals in the industrial asset class offset by the decrease in office asset class occupancy compared to the same period in 2021. The office Same Property NOI was negatively impacted due a temporary vacancy of 29,149 square feet in a single tenant building for the three month period ended March 31, 2022. This 29,149 square feet space has been re-leased for a 15 year term commencing April 1, 2022.

The following is the Same Property NOI by asset class for the three month period ended March 31, 2022 and 2021:

<i>(CAD \$ thousands)</i>	3 Months Ended March 31 2022	3 Months Ended March 31 2021
Industrial ⁽²⁾	\$ 5,303	\$ 5,029
Retail	3,400	3,269
Office ⁽²⁾	1,059	1,380
Same Property NOI ⁽¹⁾	\$ 9,762	\$ 9,678

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

⁽²⁾ As of January 1, 2022, the REIT reclassified one of its Office assets to Industrial assets to be more consistent with the asset's use. The comparative period has been updated to reflect this adjustment.

The increase in industrial Same Property NOI for the three month period ended March 31, 2022 was \$274 or 5.4% compared to the same period in 2021. The increase is a result of contractual increases in rent and higher rental rates on lease renewals offset by the marginal decrease in occupancy compared to same period in 2021.

The increase in retail Same Property NOI for the three month period ended March 31, 2022 was \$131 or 4.0% compared to the same period in 2021. The increase is due to the increase in occupancy, contractual increases in rent and higher rental rates on lease renewals compared to same period in 2021.

The decrease in office Same Property NOI for the three month period ended March 31, 2022 was \$321 or 23.3%. This decrease was driven in part by a temporary vacancy of 29,149 square feet in one property for the full three month period ended March 31, 2022. This resulted in a decrease of \$180 compared to the same period in 2021. The space has been re-leased to a new tenant starting April 1, 2022 for a 15 year term at approximately \$190 per quarter. In addition, another 12,218 square feet has been leased for a six year term commencing November 1, 2022 that will provide an additional \$90 gross rent quarterly once occupied.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

The following is the same property average occupancy by asset class excluding any committed space for the three month period ended March 31, 2022 and 2021:

	Same Properties 3 month period ended March 31	
	2022	2021
Industrial ⁽¹⁾	98.9%	99.1%
Retail	97.5%	97.1%
Office ⁽¹⁾	80.7%	91.6%
Total	96.9%	97.9%

⁽¹⁾ As of January 1, 2022, the REIT reclassified one of its Office assets to Industrial assets to be more consistent with the asset's use. The comparative period has been updated to reflect this adjustment.

General and Administrative Expenses

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

General and administrative expenses for the three month period ended March 31, 2022 were \$1,202 compared to \$1,069 for the same period in 2021. The increase of \$133 is due to an increase of certain expenses including audit related fees.

Long-Term Incentive Plan

Long-term incentive plan expense of \$925 for the three month period ended March 31, 2022 relates to deferred and restricted units which vest over a period of one to three years, and is a non-cash item. The amount includes amortized costs, reinvested distributions and related fair value adjustments for the period.

Interest and Financing Costs

Interest and financing costs were \$4,712 for the three month period ended March 31, 2022. The increase of \$811 over the same period in 2021 is due to the increase in debt from the acquisition of 34 investment properties offset by the repayment of related debt of the sale of 4 investment properties in the twelve month period ended March 31, 2022, as well as the decrease in weighted average interest rate on mortgage debt to 3.40% from 3.66%.

Distributions – Class B LP Units

The REIT currently pays monthly distributions of \$0.0375 per Class B limited partnership units ("Class B LP Units") of PRO REIT Limited Partnership ("PRLP") or 0.45 per Class B LP units on an annualized basis. Distributions on the Class B LP Units were \$159 for the three month period ended March 31, 2022. The decrease is due to the decrease of Class B LP Units outstanding in 2022 compared to the same period in 2021.

Fair Value Adjustment – Class B LP Units

A fair value expense of \$946 on the Class B LP Units was recorded for the three month period ended March 31, 2022, resulting from a change in the quoted market price of the REIT's publicly traded Units. This is a non-cash item.

Fair Value Adjustment – Investment Properties

The REIT has selected the fair value method to account for real estate classified as investment property and records investment properties at their purchase price including transaction costs (less any purchase price adjustments) in the quarter of acquisition. Any changes in the fair value of investment properties are recognized as fair value gains and losses in the statement of income and comprehensive income in the quarter in which they occur. During the three month period ended March 31, 2022, 5 industrial properties were revalued by independent external appraisers.

The fair value gain of \$40,301 on investment properties for the three month period ended March 31, 2022 is due to changes in projected future cash flows, changes in capitalization rates and market rent assumptions on certain of the REIT's properties, offset by certain non-recoverable expenditures and leasing costs incurred.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

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.

The significant valuation metric used in the direct capitalization method are stabilized capitalization rates. The following table summarizes stabilized capitalization rates ⁽¹⁾ by asset class as at March 31, 2022 and 2021:

	As at March 31, 2022		As at March 31, 2021	
	Range %	Weighted Average % ⁽¹⁾	Range %	Weighted Average % ⁽¹⁾
Retail	5.3% - 9.0%	6.9%	5.3% - 9.0%	7.0%
Office ⁽²⁾	5.5% - 9.0%	6.3%	5.5% - 9.3%	6.4%
Industrial ⁽²⁾	4.3% - 6.8%	5.4%	5.5% - 8.0%	6.3%
Total portfolio	4.3% - 9.0%	5.7%	5.3% - 9.3%	6.5%

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

⁽²⁾ As of January 1, 2022, the REIT reclassified one of its Office assets to Industrial assets to be more consistent with the asset's use. The comparative period has been updated to reflect this adjustment.

The following table summarizes stabilized capitalization rates ⁽¹⁾ by region as at March 31, 2022 and 2021:

	As at March 31, 2022		As at March 31, 2021	
	Range %	Weighted Average % ⁽¹⁾	Range %	Weighted Average % ⁽¹⁾
Maritime provinces	5.3% - 9.0%	6.2%	5.5% - 9.3%	7.1%
Ontario	4.5% - 6.5%	5.2%	5.3% - 6.5%	6.0%
Quebec	4.3% - 6.5%	5.1%	5.5% - 6.5%	6.1%
Western Canada	5.5% - 8.3%	6.1%	6.0% - 8.3%	6.5%
Total portfolio	4.3% - 9.0%	5.7%	5.3% - 9.3%	6.5%

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

Other income and Other expenses

The REIT acquired the assets of Compass Commercial Realty Limited ("Compass") on June 27, 2018, a property management firm headquartered in Halifax, Nova Scotia. The REIT records revenues generated ("other income") as well as relevant expenses incurred ("other expenses") by Compass not related to the properties owned by the REIT in the condensed consolidated interim statements of net income and comprehensive income. Compass currently manages 114 of the REIT's properties.

SEGMENTED ANALYSIS

The REIT's segments include three classifications of investment properties – Retail, Office, 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 condensed consolidated interim 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. As of January 1, 2022, the REIT reclassified one of its Office assets to Industrial assets to be more consistent with the asset's use. The comparative period has been updated to reflect this adjustment.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

	Retail		Office ⁽²⁾		Industrial ⁽²⁾		Total
<i>(CAD \$ thousands)</i>	\$	%	\$	%	\$	%	\$
3 Months Ended March 31, 2022							
Property revenue	5,299	21.8	2,461	10.1	16,570	68.1	24,330
Net operating income (NOI) ⁽¹⁾	3,393	24.1	1,059	7.5	9,628	68.4	14,080
3 Months Ended March 31, 2021							
Property revenue	5,336	30.7	2,789	16.0	9,265	53.3	17,390
Net operating income (NOI) ⁽¹⁾	3,455	34.2	1,393	13.8	5,245	52.0	10,093
	Retail		Office ⁽²⁾		Industrial ⁽²⁾		Total
<i>(CAD \$ thousands)</i>	\$	%	\$	%	\$	%	\$
At March 31, 2022							
Investment properties	186,770	18.4	80,620	7.9	749,252	73.7	1,016,642
Mortgages payable	82,171	16.6	42,051	8.5	371,282	74.9	495,504
At December 31, 2021							
Investment properties	189,645	19.5	81,620	8.4	703,435	72.2	974,700
Mortgages payable	82,757	16.6	42,288	8.5	373,842	74.9	498,887

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

⁽²⁾ As of January 1, 2022, the REIT reclassified one of its Office assets to Industrial assets to be more consistent with the asset's use. The comparative period has been updated to reflect this adjustment.

The main driver for the change in revenues, NOI, fair values of investment properties and mortgages payables in the Retail, Office, and Industrial segments for the year ended March 31, 2022 is primarily from the acquisition of 34 investment properties offset by the sale of 4 investment properties in the twelve month period ended March 31, 2022.

As at March 31, 2022, the Retail segment consists of 45 properties (March 31, 2021 – 48 properties), having a total GLA of approximately 989,000 square feet (March 31, 2021 – ~1,069,000 square feet).

As at March 31, 2022, the Office segment consists of 8 properties (March 31, 2021 – 8 properties), having a total GLA of approximately 410,000 square feet (March 31, 2021 – ~410,000 square feet).

As at March 31, 2022, the Industrial segment consists of 67 properties (March 31, 2021 – 34 properties), having a total GLA of approximately 5,190,000 square feet (March 31, 2021 – ~2,980,000 square feet).

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

PORTFOLIO PROFILE

At March 31, 2022, the REIT's portfolio consisted of 120 properties, located in prime locations within their respective markets, representing a total GLA of 6,588,760 square feet. The increase of 2,129,535 square feet compared to March 31, 2021 is due to the acquisition of 34 investment properties offset by the sale of 4 investment properties in the twelve month period ended March 31, 2022.

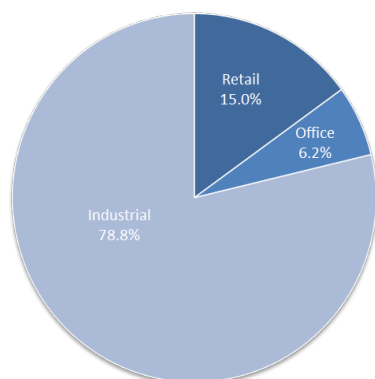
(CAD \$ thousands unless otherwise stated)	3 Month Period Ended/ At March 31, 2022				3 Month Period Ended/ At March 31, 2021			
	# of Properties	Occupancy ⁽¹⁾	GLA (sq. ft.)	NOI ⁽²⁾	# of Properties	Occupancy ⁽¹⁾	GLA (sq. ft.)	NOI ⁽²⁾
Retail	45	97.9%	989,051	\$ 3,393	48	97.0%	1,068,856	\$ 3,455
Office ⁽³⁾	8	89.8%	410,013	1,059	8	92.8%	409,939	1,393
Industrial ⁽³⁾	67	99.2%	5,189,696	9,628	34	99.6%	2,980,430	5,245
Total	120	98.5%	6,588,760	\$ 14,080	90	98.2%	4,459,225	\$ 10,093

⁽¹⁾ Occupancy rate includes lease contracts for future occupancy of currently vacant space. Management believes the inclusion of this committed space provides a more balance reporting. The committed space at March 31, 2022 was approximately 129,159 square feet of GLA (5,146 square feet of GLA at March 31, 2021).

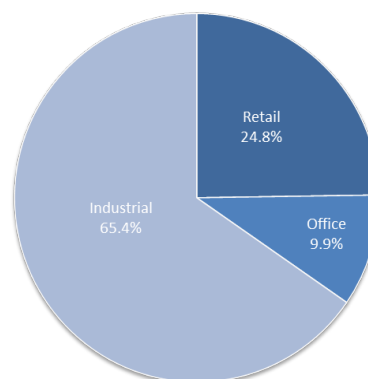
⁽²⁾ Non-IFRS measure. See "Non-IFRS Measures".

⁽³⁾ As of January 1, 2022, the REIT reclassified one of its Office assets to Industrial assets to be more consistent with the asset's use. The comparative period has been updated to reflect this adjustment.

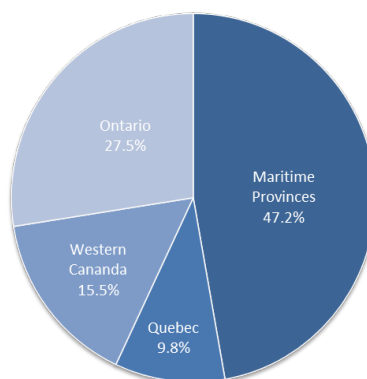
GLA by Asset Class March 31, 2022 ⁽¹⁾



Base Rent by Asset Class ⁽¹⁾



Base Rent by Region ⁽¹⁾



¹ Based on annualized in-place and committed base rent at March 31, 2022.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

Top Ten Tenants

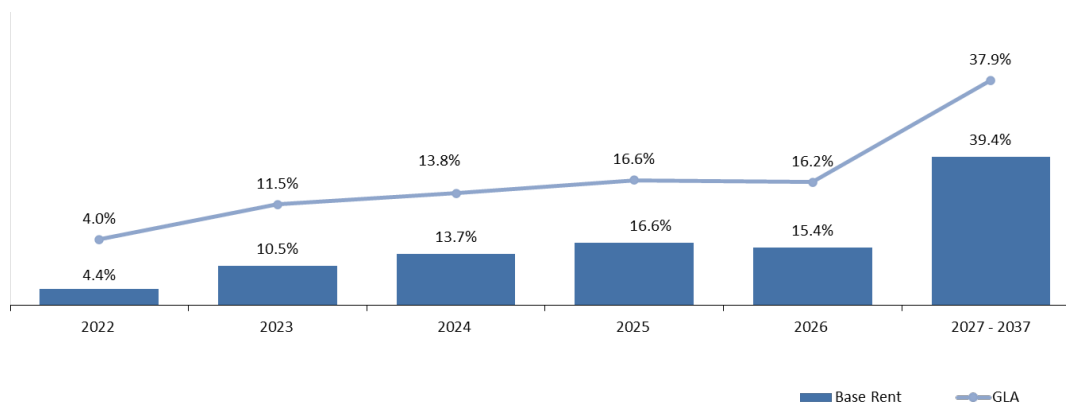
As at March 31, 2022, the ten largest tenants in the REIT's portfolio accounted for approximately 30.1% on annualized in-place and committed base rent and had a remaining average lease term of approximately 5.3 years.

Tenant	% in-Place Base Rent ⁽¹⁾	GLA (Sq. Ft.)	Remaining Average Lease Term (years)	Credit Rating ⁽²⁾
Rexall	4.6%	104,929	7.4	Baa2/BBB+/na
Sobeys	4.2%	222,491	5.4	na/BBB-/BBB-
DRS Technologies Canada	4.0%	127,334	2.8	Ba1/BB+/BBB-
Sysco Canada Inc.	3.4%	326,061	3.9	BBB/BBB/BBB-
Government of Canada	3.3%	133,748	4.6	Aaa/AAA/AA+
Shoppers Drug Mart	2.5%	66,083	3.3	na/BBB/BBB
Versacold	2.5%	224,334	7.4	na
Ribbon Communications Canada	2.4%	98,057	7.8	na
Sherway Warehousing Inc.	1.7%	156,318	4.4	na
ArcelorMittal Tailored Blanks	1.5%	185,633	7.3	Ba1/BBB-/BB+
Total	30.1%	1,644,988	5.3	

⁽¹⁾ Based on annualized in-place and committed base rent at March 31, 2022.

⁽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 16.6% of base rent maturing in any given period before 2027.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

Rental Rates

Weighted average in-place base rental revenue is contractual base rent and excludes recoverable expense revenue. The following table outlines the weighted average in-place base rental revenue, including committed space, per square foot and by asset class for the REIT's investment property portfolio at March 31, 2022 and March 31, 2021:

	March 31, 2022		March 31, 2021	
	Leased GLA (Sq. Ft.)	Weighted Average In-Place Rent (per Sq. Ft.)	Leased GLA (Sq. Ft.)	Weighted Average In-Place Rent (per Sq. Ft.)
Retail	968,213	\$ 15.03	1,036,746	\$ 14.56
Office ⁽¹⁾	368,341	14.51	376,066	13.99
Industrial ⁽¹⁾	5,150,372	7.24	2,967,775	6.87
Leased total	6,486,926	\$ 8.82	4,380,587	\$ 9.30
Vacant total	101,834		78,638	
Portfolio Total	6,588,760		4,459,225	

⁽¹⁾ As of January 1, 2022, the REIT reclassified one of its Office assets to Industrial assets to be more consistent with the asset's use. The comparative period has been updated to reflect this adjustment.

The weighted average in-place rent for each asset class has increased compared to same period in 2021. The weighted average in-place rent of \$8.82 per square foot for March 31, 2022 decreased from \$9.30 square feet in 2021 due to the significant increase in GLA of the industrial asset class in 2022, now 78.8% of the total GLA compare to 66.8% for the same prior period.

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.

	3 Months Ended March 31 2022	3 Months Ended March 31 2021
<i>(CAD \$ thousands)</i>		
Cash provided from (used in):		
Operating activities	\$ 6,729	\$ 207
Financing activities	(5,219)	(5,693)
Investing activities	(1,662)	5,817
Change in cash during the period	(152)	331
Cash, beginning of period	5,944	6,259
Cash, end of period	\$ 5,792	\$ 6,590

Three Month Period Ended March 31, 2022

Cash flows from operating activities relate primarily to the collection of rent and payment of operating expenses. The cash provided by operating activities of \$6,729 for the three month period ended March 31, 2022 was impacted mainly by the timing of cash receipts and settlement of payables.

Cash used in financing activities during the three month period ended March 31, 2022 of \$5,219 is attributed to the increase in borrowings on the credit facility of \$7,000 offset by the repayment of debt of \$3,589, Restricted Units settled in cash of \$1,986, distributions paid of \$6,641 and financing costs incurred of \$3.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

Cash used in investing activities of \$1,662 during the three month period ended March 31, 2022 primarily consist of the additions of capital expenditures and leasing costs of \$1,523 and the additions to property and equipment of \$139.

CAPITALIZATION AND DEBT PROFILE

<i>(CAD \$ thousands)</i>	March 31 2022
Mortgages payable (net of financing costs of \$2,840)	\$ 495,504
Term loans (net of financing costs of \$326)	9,186
Credit facility (net of financing costs of \$241)	21,759
Class B LP Units	10,535
Unitholders' Equity	469,574
Total Capitalization	\$ 1,006,558

The REIT has a revolving credit facility of \$60,000 which bears interest at prime plus 100.0 basis points or bankers' acceptance rate plus 200.0 basis points. The credit facility is secured by a pool of first and second charges on certain investment properties with a fair value of approximately \$111,720 at March 31, 2022. At March 31, 2022, advances under the revolving credit facility was \$22,000.

As at March 31, 2022, all mortgages payable were at fixed rates with a weighted average contractual rate of approximately 3.40% (December 31, 2021 - 3.39%). The mortgages payable are secured by first charges on certain investment properties with a fair value of approximately \$925,470 at March 31, 2022.

Advances under the REIT's first term loan was in the amount of \$13,250. The REIT repaid \$7,000 on November 30, 2021. This term loan bears interest at 6.70% 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 \$126,575 (December 31, 2021 - \$115,925). At March 31, 2022, the REIT had an outstanding balance of \$6,137 (\$13,250 at December 31, 2021).

On May 14, 2021, the REIT entered into a second term loan in the amount of \$3,375. The term loan is secured by a property with a fair value of approximately \$7,652 and bears interest only at prime plus 125 basis points and matures May 2023.

The debt is repayable no later than 2033.

Contractual Obligations

The following table represents the REIT's contractual obligations at March 31, 2022:

<i>(CAD \$ thousands)</i>		1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Later
Due within:							
Debt principal instalments	\$	14,349	\$ 13,505	\$ 12,394	\$ 12,317	\$ 9,547	\$ 18,904
Debt principal maturities		22,442	66,862	24,780	11,132	121,092	180,532
Debt interest		16,823	14,766	12,004	11,136	8,151	13,970
Credit facility		22,000	-	-	-	-	-
Accounts payable and other liabilities		14,253	-	-	-	-	-
Rent		84	84	7	-	-	-
	\$	89,951	\$ 95,217	\$ 49,185	\$ 34,585	\$ 138,790	\$ 213,406

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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

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

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

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

Gross Book Value is calculated as follows:

<i>(CAD \$ thousands unless otherwise stated)</i>	March 31 2022	March 31 2021
Total assets, including investment properties stated at fair value	\$ 1,032,176	\$ 636,338
Accumulated depreciation on property and equipment and intangible assets	2,450	1,719
Gross Book Value ⁽¹⁾	1,034,626	638,057
Debt, excluding unamortized financing costs	507,856	352,803
Credit facility, excluding unamortized financing costs	22,000	14,000
Debt	\$ 529,856	\$ 366,803
Debt to Gross Book Value ⁽¹⁾	51.21%	57.49%

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

The REIT was in compliance with the above requirement as well as all required covenants as at March 31, 2022.

Financial Measures

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

Adjusted EBITDA

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

The following is a calculation of the Adjusted EBITDA for the three month period ended March 31, 2022 and 2021:

<i>(CAD \$ thousands)</i>	3 Months Ended March 31 2022	3 Months Ended March 31 2021
Net income and comprehensive income	\$ 46,522	\$ 1,634
Interest and financing costs	4,712	3,901
Depreciation of property and equipment	89	87
Amortization of intangible assets	93	93
Fair value adjustment - Class B LP Units	946	432
Fair value adjustment - investment properties	(40,301)	1,170
Distributions - Class B LP Units	159	166
Straight-line rent	(118)	(125)
Long-term incentive plan expense	925	537
Debt settlement costs	-	1,303
Adjusted EBITDA ⁽¹⁾	\$ 13,027	\$ 9,198

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

Interest Coverage Ratio

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

The following is a calculation of the Interest Coverage Ratio for the three month period ended March 31, 2022 and 2021:

<i>(CAD \$ thousands)</i>	3 Months Ended March 31 2022	3 Months Ended March 31 2021
Adjusted EBITDA ⁽¹⁾	\$ 13,027	\$ 9,198
Interest expense	\$ 4,448	\$ 3,453
Interest Coverage Ratio ⁽¹⁾	2.9x	2.7x

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

Debt Service Coverage Ratio

The Debt Service Coverage Ratio is determined as Adjusted EBITDA divided by the debt service requirements for the period, whereby the debt service requirements reflect principal repayments and interest expensed during the period. Payments related to prepayment penalties or payments upon discharge of a mortgage are excluded from the calculation. The Debt Service Coverage Ratio is a useful measure 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 ended March 31, 2022 and 2021:

<i>(CAD \$ thousands)</i>	3 Months Ended March 31 2022	3 Months Ended March 31 2021
Adjusted EBITDA ⁽¹⁾	\$ 13,027	\$ 9,198
Interest expense	4,448	3,453
Principal repayments	3,589	2,457
Debt Service Requirements	\$ 8,037	\$ 5,910
Debt Service Coverage Ratio ⁽¹⁾	1.6x	1.6x

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

Debt to Annualized Adjusted EBITDA Ratio

Debt to Annualized Adjusted EBITDA Ratio is calculated by the REIT as total debt and credit facility, in each case excluding unamortized financing costs, divided by Annualized Adjusted EBITDA. The Debt to Annualized Adjusted EBITDA Ratio is a useful measure that indicates the number of years required for the REIT's Annualized Adjusted EBITDA to repay all outstanding debt. Management considers these metrics a useful measure for evaluating REIT's ability to service its debt.

The following is a calculation of the Debt to Annualized Adjusted EBITDA Ratio for the three month period ended March 31, 2022 and 2021:

	3 Months Ended March 31 2022	3 Months Ended March 31 2021
<i>(CAD \$ thousands)</i>		
Debt, excluding unamortized financing costs	\$ 507,856	\$ 352,803
Credit facility, excluding unamortized financing costs	22,000	14,000
Debt, excluding unamortized financing costs	\$ 529,856	\$ 366,803
Adjusted EBITDA ⁽¹⁾	13,027	9,198
Annualized Adjusted EBITDA ⁽¹⁾	\$ 52,108	\$ 36,792
Debt to Annualized Adjusted EBITDA Ratio ⁽¹⁾	10.2x	10.0x

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

DISTRIBUTIONS AND ADJUSTED FUNDS FROM OPERATIONS

	3 Months Ended March 31 2022	3 Months Ended March 31 2021
<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>		
Net income and comprehensive income for the period	\$ 46,522	\$ 1,634
Add:		
Long-term incentive plan	689	383
Distributions - Class B LP Units	159	166
Fair value adjustment - investment properties	(40,301)	1,170
Fair value adjustment - Class B LP Units	946	432
Amortization of intangible assets	93	93
FFO ⁽¹⁾	\$ 8,108	\$ 3,878
Deduct:		
Straight-line rent adjustment	\$ (118)	\$ (125)
Maintenance capital expenditures	(279)	(64)
Stabilized leasing costs	(392)	(166)
Add:		
Long-term incentive plan	236	154
Amortization of financing costs	258	442
Debt settlement costs	-	1,303
AFFO ⁽¹⁾	\$ 7,813	\$ 5,422
Basic FFO per Unit ⁽¹⁾⁽²⁾	\$ 0.1341	\$ 0.0969
Diluted FFO per Unit ⁽¹⁾⁽²⁾	\$ 0.1321	\$ 0.0946
Basic AFFO per Unit ⁽¹⁾⁽²⁾	\$ 0.1293	\$ 0.1355
Diluted AFFO per Unit ⁽¹⁾⁽²⁾	\$ 0.1273	\$ 0.1323
Distributions declared per Unit and Class B LP unit	\$ 0.1125	\$ 0.1125
AFFO Payout Ratio – Basic ⁽¹⁾	87.0%	83.0%
AFFO Payout Ratio – Diluted ⁽¹⁾	88.4%	85.0%
Basic weighted average number of units ⁽²⁾⁽³⁾	60,447,230	40,023,023
Diluted weighted average number of units ⁽²⁾⁽³⁾	61,394,385	40,972,173

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

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

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

The increase in FFO and AFFO of \$4,230 and \$2,391 respectively for the three month period ended March 31, 2022 compared to the same periods in 2021 is directly related to the acquisition of 34 investment properties offset by the sale of 4 investment properties the twelve month period ended March 31, 2022.

Basic AFFO per Unit was \$0.1293 for the three month period ended March 31, 2022 with a corresponding AFFO Payout Ratio - Basic of 87.0%. The increase in the AFFO Payout Ratio – Basic compared to the same period in 2021 is a result of the significant change to the size of the portfolio, including targeted reduction of Debt to Gross Book Value, a one-time single tenant building vacancy, increasing maintenance capital expenditures and stabilized leasing costs.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

Distributions

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

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

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

The distributions declared during the three month period ended March 31, 2022 resulted in Nil Units being issued or issuable under the DRIP respectively.

Distributions of \$0.1125 per Unit and Class B LP Unit were declared during the three month period ended March 31, 2022 and 2021. Distributions were paid on or about the 15th day of the month following the declaration.

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

<i>(CAD \$ thousands)</i>	3 Months Ended March 31 2022	3 Months Ended March 31 2021
Cash flow provided from operating activities	\$ 6,729	\$ 207
Add (deduct):		
Changes in non-cash working capital	1,685	4,063
Distributions – Class B LP Units	159	166
Maintenance capital expenditures	(279)	(64)
Stabilized leasing costs	(392)	(166)
Depreciation of property and equipment	(89)	(87)
Debt settlement costs	-	1,303
Adjusted Funds From Operations (AFFO) ⁽¹⁾	\$ 7,813	\$ 5,422

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

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

	3 Months Ended March 31 2022	3 Months Ended March 31 2021
<i>(CAD \$ thousands)</i>		
Adjusted Funds From Operations (AFFO) ⁽¹⁾	\$ 7,813	\$ 5,422
Total distributions paid or payable – Units and Class B LP Units	6,800	4,502
Excess of AFFO over distributions paid or payable	\$ 1,013	\$ 920

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

For the three month period ended March 31, 2022 and 2021, the REIT had sufficient AFFO to cover the distributions paid or payable.

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

	3 Months Ended March 31 2022	3 Months Ended March 31 2021
<i>(CAD \$ thousands)</i>		
Cash flow provided from operating activities	\$ 6,729	\$ 207
Net income and comprehensive income	\$ 46,522	\$ 1,634
Total distributions paid or payable – Units ⁽¹⁾	\$ 6,641	\$ 4,336
Excess (Shortfall) of cash flow from operating activities over distributions paid or payable	\$ 88	\$ (4,129)
Excess (Shortfall) of net income and comprehensive income over distributions paid or payable	\$ 39,881	\$ (2,702)

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

For the three month period ended March 31, 2022, cash flows provided from operating activities and net income and comprehensive income were in excess over distributions paid or payable. For the three month period ended March 31, 2021, the REIT's distributions paid or payable 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 \$60,000 which bears interest at prime plus 100.0 basis points or bankers' acceptance rate plus 200.0 basis points and/or planned normal course property refinancings.

ISSUED AND OUTSTANDING SECURITIES 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 May 11, 2022 were 59,034,997.

Class B LP Units and Special Voting Units

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

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

Total Class B LP Units outstanding as of May 11, 2022 were 1,412,233.

Deferred Units and Restricted Units

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

Total deferred units and restricted units outstanding as of May 11, 2022 were 1,330,912 and 297,235.

Normal Course Issuer Bid

Pursuant to a notice accepted by the TSX, the REIT may, during the period commencing September 24, 2021 and ending September 23, 2022, purchase for cancellation, through the facilities of the TSX and at the market price of the Units at the time of purchase, up to 1,404,238 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 Units during the three month period ended March 31, 2022 for \$Nil.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

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 March 31 2022		Fair Value March 31 2022	
Loans and Receivables					
Cash (a)	Amortized cost	\$	5,792	\$	5,792
Receivables and other excluding prepaid expenses, deposits and other receivables (a)	Amortized cost		2,537		2,537
		\$	8,329	\$	8,329
Financial Liabilities Through Profit and Loss					
Class B LP Units	Fair value (L2)	\$	10,535	\$	10,535
Long-term incentive plan	Fair value (L2)		9,098		9,098
		\$	19,633	\$	19,633
Other Financial Liabilities					
Accounts payable and other liabilities (a)	Amortized cost	\$	14,253	\$	14,253
Credit facility (a)	Amortized cost		21,759		21,759
Distributions payable (a)	Amortized cost		2,267		2,267
Debt (b)	Amortized cost		504,690		504,690
		\$	542,969	\$	542,969

- (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 ended March 31, 2022.

PART V

CONTROLS AND PROCEDURES

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

Disclosure Controls and Procedures

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

Internal Control Over Financial Reporting

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

Changes in Internal Control over Financial Reporting

There were no changes in the REIT's ICFR in the first three months of 2022 that materially affected or are reasonably likely to materially affect the REIT's ICFR.

Limitations on Effectiveness of DC&P and ICFR

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

RISKS AND UNCERTAINTIES

Certain factors may have a material adverse effect on the REIT's business, financial condition and results of operations. Current and prospective investors should carefully consider the risks and uncertainties and other information contained in this MD&A, the Q1 2022 Financial Statements and the 2021 Annual Reports, particularly under the heading "Risk Factors" in the 2021 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.

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 the financial instruments.
- (iii) Goodwill impairment and impairment of indefinite lived intangible assets – Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired. In order to determine if the value of goodwill has been impaired, the cash-generating unit to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, the REIT relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill. Management assesses intangible assets with indefinite lives for impairment on an annual basis. This assessment takes into account factors such as economic and market conditions as well as any changes in the expected use of the asset.
- (iv) Contractual rents and other tenant receivables presented net of an allowance for doubtful accounts – Estimates and assumptions used in determining the allowance for doubtful accounts, include the historical credit loss experience adjusted for current conditions and forward-looking information including future expectations of likely default events based on actual or expected insolvency filings, likely deferrals of payments due and potential abatements to be granted by the REIT through tenant negotiations or under government programs, and macroeconomic conditions.

FUTURE CHANGES IN ACCOUNTING POLICIES

The future changes in accounting policies and future applicable accounting standards are discussed in the REIT's condensed consolidated interim financial statements for the three month period ended March 31, 2022 and the notes contained therein.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

SUMMARY OF QUARTERLY RESULTS

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended Mar 31 2022	3 Months Ended Dec 31 2021	3 Months Ended Sept 30 2021	3 Months Ended June 30 2021	3 Months Ended Mar 31 2021	3 Months Ended Dec 31 2020	3 Months Ended Sept 30 2020	3 Months Ended June 30 2020
Property revenue	\$ 24,330	\$ 22,932	\$ 19,588	\$ 17,764	\$ 17,390	\$ 17,589	\$ 17,302	\$ 17,212
Property operating expenses	10,250	9,574	7,488	7,033	7,297	7,587	6,903	7,439
Net operating income (NOI) ⁽¹⁾	14,080	13,358	12,100	10,731	10,093	10,002	10,399	9,773
General and administrative expenses	1,202	1,152	1,064	1,062	1,069	899	854	893
Long-term incentive plan expense	925	840	349	1,334	537	2,112	789	942
Depreciation of property and equipment	89	97	86	87	87	92	66	67
Amortization of intangible assets	93	93	93	93	93	93	93	93
Interest and financing costs	4,712	4,554	4,408	4,024	3,901	3,877	3,829	3,787
Distributions - Class B LP Units	159	164	166	167	166	171	173	186
Fair value adjustment - Class B LP Units	946	89	(325)	887	432	2,104	585	1,442
Fair value adjustment - investment properties	(40,301)	(58,620)	2,576	(8,287)	1,170	(5,604)	5,012	5,301
Other income	(462)	(556)	(664)	(557)	(561)	(549)	(562)	(490)
Other expenses	195	363	279	426	262	394	269	322
Debt settlement costs	-	141	-	394	1,303	-	-	-
Net income (loss) and comprehensive income (loss)	\$ 46,522	\$ 65,041	\$ 4,068	\$ 11,101	\$ 1,634	\$ 6,413	\$ (709)	\$ (2,770)
Debt to Gross Book Value ⁽¹⁾	51.21%	53.06%	58.19%	58.22%	57.49%	57.82%	58.72%	58.71%
Total assets	\$ 1,032,176	\$ 989,963	\$ 769,085	\$ 772,881	\$ 636,338	\$ 634,484	\$ 634,079	\$ 646,321
FFO ⁽¹⁾	\$ 8,108	\$ 6,924	\$ 6,349	\$ 4,782	\$ 3,878	\$ 4,789	\$ 5,527	\$ 4,835
AFFO ⁽¹⁾	\$ 7,813	\$ 7,354	\$ 6,556	\$ 5,741	\$ 5,422	\$ 5,366	\$ 5,863	\$ 5,217
Basic FFO per unit ⁽¹⁾⁽²⁾	\$ 0.1341	\$ 0.1158	\$ 0.1315	\$ 0.1015	\$ 0.0969	\$ 0.1197	\$ 0.1381	\$ 0.1208
Diluted FFO per unit ⁽¹⁾⁽²⁾	\$ 0.1321	\$ 0.1136	\$ 0.1284	\$ 0.0990	\$ 0.0946	\$ 0.1169	\$ 0.1349	\$ 0.1180
Basic AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.1293	\$ 0.1230	\$ 0.1358	\$ 0.1219	\$ 0.1355	\$ 0.1341	\$ 0.1465	\$ 0.1304
Diluted AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.1273	\$ 0.1206	\$ 0.1325	\$ 0.1189	\$ 0.1323	\$ 0.1310	\$ 0.1431	\$ 0.1274
AFFO Payout Ratio – Basic ⁽¹⁾⁽³⁾	87.0%	91.5%	82.8%	92.3%	83.0%	83.9%	76.8%	86.3%
AFFO Payout Ratio – Diluted ⁽¹⁾⁽³⁾	88.4%	93.3%	84.9%	94.6%	85.0%	85.9%	78.6%	88.3%
Basic weighted average number of units⁽³⁾	60,447,230	59,786,374	48,287,486	47,106,848	40,023,023	40,023,023	40,023,023	40,018,111
Diluted weighted average number of units⁽³⁾	61,394,385	60,964,929	49,466,041	48,285,403	40,972,173	40,969,595	40,969,595	40,964,683
Number of commercial properties	120	120	104	107	90	91	92	93
GLA (square feet)	6,588,760	6,588,181	5,407,664	5,510,707	4,459,225	4,547,317	4,571,311	4,580,932
Occupancy rate	98.5%	98.4%	98.5%	98.5%	98.2%	98.0%	98.1%	98.1%
Weighted average lease term to maturity	4.6	4.6	4.8	4.8	5.0	5.2	5.2	5.4

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

⁽²⁾ FFO and AFFO per unit is calculated as FFO or AFFO, as the case may be, divided by the total of the weighted 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 included deferred trust units and restricted trust units issued under the REIT's long-term incentive plan.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2022**

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

	3 Months Ended Mar 31 2022	3 Months Ended Dec 31 2021	3 Months Ended Sept 30 2021	3 Months Ended June 30 2021	3 Months Ended Mar 31 2021	3 Months Ended Dec 31 2020	3 Months Ended Sept 30 2020	3 Months Ended June 30 2020
<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>								
Total assets, including investment properties stated at fair value	\$ 1,032,176	\$ 989,963	\$ 769,085	\$ 772,881	\$ 636,338	\$ 634,484	\$ 634,079	\$ 646,321
Accumulated depreciation on property and equipment and intangible assets	2,450	2,268	2,046	1,868	1,719	1,539	1,354	1,195
Gross Book Value ⁽¹⁾	1,034,626	992,231	771,131	774,749	638,057	636,023	635,433	647,516
Debt, excluding unamortized financing costs	507,856	511,445	420,752	428,050	352,803	342,772	338,109	340,184
Credit facility, excluding unamortized financing costs	22,000	15,000	28,000	23,000	14,000	25,000	35,000	40,000
Debt	\$ 529,856	\$ 526,445	\$ 448,752	\$ 451,050	\$ 366,803	\$ 367,772	\$ 373,109	\$ 380,184
Debt to Gross Book Value ⁽¹⁾	51.21%	53.06%	58.19%	58.22%	57.49%	57.82%	58.72%	58.71%

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

	3 Months Ended Mar 31 2022	3 Months Ended Dec 31 2021	3 Months Ended Sept 30 2021	3 Months Ended June 30 2021	3 Months Ended Mar 31 2021	3 Months Ended Dec 31 2020	3 Months Ended Sept 30 2020	3 Months Ended June 30 2020
<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>								
Net income (loss) and comprehensive income (loss)	\$ 46,522	\$ 65,041	\$ 4,068	\$ 11,101	\$ 1,634	\$ 6,413	\$ (709)	\$ (2,770)
Add:								
Long-term incentive plan	689	157	(229)	821	383	1,612	373	583
Distributions - Class B LP Units	159	164	166	167	166	171	173	186
Fair value adjustment – investment properties	(40,301)	(58,620)	2,576	(8,287)	1,170	(5,604)	5,012	5,301
Fair value adjustment - Class B LP Units	946	89	(325)	887	432	2,104	585	1,442
Amortization of intangible assets	93	93	93	93	93	93	93	93
FFO ⁽¹⁾	\$ 8,108	\$ 6,924	\$ 6,349	\$ 4,782	\$ 3,878	\$ 4,789	\$ 5,527	\$ 4,835
Deduct:								
Straight-line rent adjustment	\$ (118)	\$ (119)	\$ (129)	\$ (120)	\$ (125)	\$ (79)	\$ (218)	\$ (195)
Maintenance capital expenditures	(279)	(192)	(335)	(122)	(64)	(97)	(132)	(17)
Stabilized leasing costs	(392)	(387)	(220)	(240)	(166)	(155)	(96)	(51)
Add:								
Long-term incentive plan	236	683	578	513	154	500	416	359
Amortization of financing costs	258	304	313	534	442	408	366	286
Debt settlement costs	-	141	-	394	1,303	-	-	-
AFFO ⁽¹⁾	\$ 7,813	\$ 7,354	\$ 6,556	\$ 5,741	\$ 5,422	\$ 5,366	\$ 5,863	\$ 5,217

⁽¹⁾ See "Non-IFRS Measures".