

PRO REAL ESTATE INVESTMENT TRUST



MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND
FINANCIAL CONDITION
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

November 9, 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.

132
Number
of Properties⁽¹⁾

6.5M
Gross Leasable Area
(Square Feet)⁽¹⁾

97.9%
Occupancy
Rate⁽²⁾

HIGH QUALITY PORTFOLIO WITH A STRONG INDUSTRIAL FOCUS



80%
GLA - Industrial⁽¹⁾



14%
GLA - Retail⁽¹⁾



6%
GLA - Office⁽¹⁾

Q3 2022 HIGHLIGHTS (FOR THE NINE MONTH PERIOD)

\$1.04B
Total
Assets⁽¹⁾

\$52.7M
Fair Value Gains
on Investment Properties

31.1%
Net Operating Income
Increase⁽³⁾⁽⁴⁾

49.82%
Debt to
Gross Book Value⁽³⁾

85.7%
AFFO Payout
Ratio – Basic⁽³⁾

\$0.3770
Basic FFO per Unit⁽³⁾

\$0.3905
Basic AFFO per Unit⁽³⁾

\$33M
In Available
Credit Facility⁽¹⁾

SIGNIFICANT VALUE EMBEDDED IN OUR PORTFOLIO

85.5%
of 2022 GLA has been
Renewed at 14.88 % Positive Average Spreads⁽¹⁾

71.1%
of Base Rent from National and
Government Tenants⁽¹⁾

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) As at September 30, 2022. Of the 132 properties, 90 are 100% owned and 42 are 50% owned.

(2) Includes committed space of approximately 107,701 square feet, as at September 30, 2022.

(3) This is a non-IFRS measure. See "Non-IFRS Measures".

(4) Comparison period is the nine month period ended September 30, 2021.

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120 Troop Avenue, Dartmouth, Nova Scotia

Fellow Unitholders,

PROREIT achieved a rewarding operating performance in the third quarter of 2022, while maintaining \$32.5 million in available credit facilities as well as reducing Debt to Gross Book Value⁽¹⁾. This once again highlights the strength of our business and the significant value embedded in our industrial-focused portfolio of high-quality commercial properties concentrated in attractive Canadian markets.

Financial performance

For the third quarter, our results were driven by increases in almost all our key metrics, reflecting the improvements in our operating efficiency. This includes growth in property revenue, net operating income⁽¹⁾, net income and comprehensive income and AFFO⁽¹⁾, compared to the same period last year. Our AFFO Payout Ratio⁽¹⁾ has also improved compared to the second quarter in 2022.

Notably, I am very pleased with the REIT's ability to consistently generate recurring organic growth with a solid same property NOI⁽¹⁾ increase both in our industrial segment, which was up 7.2% in the third quarter and in our retail segment, mainly composed of necessities-based properties, which was up 3.3%, in each case compared to the third quarter of 2021. Our office sector, which represents only 6.6% of our total GLA, had a decrease in occupancy in two of our eight office properties compared to the third quarter of 2021. This latter sector should improve as a result of a new six-year term lease effective November 1, 2022.

Despite the higher interest rate environment in which we find ourselves, increasing rental rates in our maturing and new leases are offsetting some upward movement in capitalization and discount rates in our portfolio. We have also continued to strengthen our balance sheet, maintaining our financial discipline with \$32.5 million in available credit facilities and bringing our Debt to Gross Book Value⁽¹⁾ ratio to below 50% at September 30, 2022, thereby achieving a previously stated objective. Based on capital allocation, risk and management decisions, we have successfully executed on the disposition of 10 non-core retail assets year to date. We remain engaged to optimize our portfolio by focusing on high performing assets, while disposing of some smaller non-strategic ones.

Leading position in the Halifax industrial market

This quarter also marked the completion of our agreement with Crestpoint and we are pleased with the performance of our joint venture to date. Together, we now co-own an industrial-focused portfolio of 42 properties, comprised of nearly 3.1 million square feet of gross leasable area, almost exclusively located in Halifax's Burnside Industrial Park, one of Canada's strongest industrial nodes.

As a result of this accretive transaction and partnership, PROREIT is now one of the largest landlords in the Halifax industrial market, an achievement our team should be very proud of. This puts us in a unique position to continue to capture rent growth in this strategic location of increasing demand, while providing us with the flexibility to grow further externally.

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

In mid-October, our management team had the opportunity to host analysts, investors and other capital market participants for an investor day centered around a Burnside Industrial Park property tour. The well attended event provided our team with an opportunity to demonstrate the embedded value in our properties and the strategic value of our transaction with Crestpoint.

A defensive portfolio

Our strategic focus remains on maintaining a high-quality portfolio, increasingly concentrated in the industrial sector which now accounts for 80% of our total gross leasable area. At quarter end, our portfolio totaled 132 investment properties, including our 50% ownership interest in 42 properties with Crestpoint, aggregating 6.5 million square feet, with a weighted average lease term of 4.2 years. Our total portfolio occupancy rate remained firm at 97.9% at quarter-end.

We continue to benefit from a strong operating environment. We have made further progress successfully renewing or replacing maturing leases, with the ratio at 85.5% complete for 2022 at positive average spreads of 14.9% and at 21.0% for leases maturing in 2023 at average spread of 50.3%. These numbers have improved further since quarter end.

Well-positioned for the future

In the context of continued macro-economic uncertainty, market volatility and high interest rates, we believe we remain well-positioned and view this as a time of opportunity to focus on operating results. With liquidity, investment capacity and lower leverage, we are in a good position to perform sustainably, and ultimately, create more value for our unitholders.

Importantly, we have a strong, dedicated and seasoned management team to lead PROREIT in the next phase of its growth upon my announced retirement effective April 1, 2023. Our Co-Founder Gordie Lawlor is uniquely qualified and the natural choice to lead PROREIT into the future, and I look forward to supporting him as he takes on the role of President and Chief Executive Officer. I am also proud that Alison Schafer will seamlessly take the role of Chief Financial Officer at the same time. I wish to thank all of our employees for their continued contribution to PROREIT's success, as well as my fellow trustees for their support as we forge ahead with the execution of our objectives.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

PART I

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	September 30 2022	September 30 2021
Operational data		
Number of properties	132	104
Gross leasable area (square feet) ("GLA")	6,544,630	5,407,664
Occupancy rate ⁽¹⁾	97.9%	98.5%
Weighted average lease term to maturity (years)	4.2	4.8
	3 Months Ended September 30 2022	3 Months Ended September 30 2021
	9 Months Ended September 30 2022	9 Months Ended September 30 2021
<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>		
Financial data		
Property revenue	\$ 24,086	\$ 19,588
Net operating income (NOI) ⁽²⁾	\$ 14,808	\$ 12,100
Same Property NOI ⁽²⁾	\$ 11,072	\$ 10,686
Net income and comprehensive income	\$ 19,547	\$ 4,068
Total assets	\$ 1,040,368	\$ 769,085
Debt to Gross Book Value ⁽²⁾	49.82%	58.19%
Interest Coverage Ratio ⁽²⁾	2.7x	2.7x
Debt Service Coverage Ratio ⁽²⁾	1.6x	1.6x
Debt to Annualized Adjusted EBITDA Ratio ⁽²⁾	9.5x	9.9x
Weighted average interest rate on mortgage debt	3.69%	3.50%
Net cash flows provided from operating activities	\$ 10,975	\$ 833
Funds from Operations (FFO) ⁽²⁾	\$ 6,845	\$ 6,349
Basic FFO per unit ⁽²⁾⁽³⁾	\$ 0.1132	\$ 0.1315
Diluted FFO per unit ⁽²⁾⁽³⁾	\$ 0.1111	\$ 0.1284
Adjusted Funds from Operations (AFFO) ⁽²⁾	\$ 7,931	\$ 6,556
Basic AFFO per unit ⁽²⁾⁽³⁾	\$ 0.1312	\$ 0.1358
Diluted AFFO per unit ⁽²⁾⁽³⁾	\$ 0.1287	\$ 0.1325
AFFO Payout Ratio – Basic ⁽²⁾	85.7%	82.8%
AFFO Payout Ratio – Diluted ⁽²⁾	87.4%	84.9%

⁽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 September 30, 2022 was approximately 107,701 square feet of GLA (110,653 square feet of GLA at September 30, 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 and nine month periods ended September 30, 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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022**

This MD&A should be read in conjunction with the REIT's condensed consolidated interim financial statements and accompanying notes for the three and nine month periods ended September 30, 2022 and 2021 (the "Q3 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 November 9, 2022, the date the REIT's board of trustees (the "Board") approved this MD&A and the Q3 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, economic conditions, 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; joint venture/partnership arrangements; fixed costs; financing risks and leverage; liquidity of real property investments; current global capital market conditions; acquisition, development and dispositions; potential conflicts of interest; competition; geographic concentration; general uninsured losses; access to capital; interest rate exposure; environmental matters; climate change risk; litigation risk; potential undisclosed liabilities; internal controls, data governance and decision support; security of information technology; indexation for inflation and duration of lease contracts; limit on activities; insurance renewals; foreclosure; occupancy by tenants; lease renewals and rental increase; taxation matters; change of tax laws; significant ownership; volatile market price for units; cash distributions are not guaranteed; restrictions on redemptions; subordination of the units; tax related risk factors; nature of investment; unitholder liability; and dilution. These factors are not intended to represent a complete list of the factors that could affect the REIT; however, these factors, as well as those risk factors presented under the heading "Risk Factors" in the 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 Q3 2022 Financial Statements are prepared in accordance with IAS 34 Interim financial reporting using accounting policies consistent with IFRS, as issued by the IASB. In addition to reported IFRS measures, industry practice is to evaluate real estate entities giving consideration, in part, to certain non-IFRS financial measures, non-IFRS ratios and other specified financial measures (collectively, "non-IFRS measures") described below. Management believes these non-IFRS measures are helpful to investors because they are widely recognized measures of a REIT's performance and provide a relevant basis for comparison among real estate entities. In addition to the IFRS results, the REIT also uses these non-IFRS measures internally to measure the operating performance of its investment property portfolio. These non-IFRS measures should not be construed as alternatives to net income, net cash flows provided by operating activities, total assets, total equity, or comparable metrics determined in accordance with IFRS as indicators of the REIT's performance, liquidity, cash flows and profitability and may not be comparable to similar measures presented by other real estate investment trusts or enterprises. These non-IFRS measures are defined below and are cross referenced, as applicable, to a reconciliation contained within this MD&A to the most 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 for management and investors to monitor the REIT's ability to satisfy and service its debt and to monitor requirements imposed by the REIT's lenders. A reconciliation 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 September 30, 2022, the REIT owned 132 properties (of which 90 are 100% owned and 42 are 50% owned) across Canada, comprising approximately 6.5 million square feet of GLA across Canada.

OBJECTIVES AND STRATEGIES

Objectives

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

Strategy

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

FOCUS ON HIGH QUALITY, LOW RISK INDUSTRIAL ASSETS

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

LEVERAGE DEEP EXPERIENCE OF MANAGEMENT AND BOARD TO ENHANCE VALUE

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

SUMMARY OF SIGNIFICANT EVENTS

On June 21, 2022, the REIT announced a proposed joint venture arrangement with Crestpoint Real Estate Investments Ltd. and its affiliates ("Crestpoint") to jointly own an industrial-focused portfolio of 42 properties, including 41 properties in Dartmouth, Nova Scotia, and one property in Moncton, New Brunswick.

On August 4, 2022, the REIT closed its previously announced joint venture transaction with Crestpoint to jointly own an industrial-focused portfolio of 42 properties located in Atlantic Canada, including 41 properties in Dartmouth, Nova Scotia, and one property in Moncton, New Brunswick. The portfolio is comprised of nearly 3.1 million square feet of GLA. As part of the joint venture transaction, which is expected to be immediately accretive to earnings, the REIT and Crestpoint each acquired a 50% interest in 21 primarily industrial properties owned by a third party, for a total purchase price of \$228,000 (before closing costs). In conjunction with the acquisition, the REIT sold a 50% interest in 21 of its properties to Crestpoint, having a total value of \$227,000, for a total consideration to the REIT of \$113,500 (before closing costs).

The REIT, through its wholly owned property management business Compass Commercial Realty, acts as the sole property manager for the entire 42-property portfolio and collects industry standard fees.

The co-ownership agreement of the REIT with Crestpoint includes customary exit and transfer provisions, including, but not limited to, buy/sell provisions, tag-along rights, limited drag-along rights, and right of first offers or refusals that allow for the unwinding of the co-ownership arrangement should the circumstances necessitate. Generally, the REIT is only liable for its proportionate share of the obligations of the co-ownership. The co-ownership agreement provides the REIT with an option to remedy any non-performance by Crestpoint or exercise other remedies against Crestpoint. Credit risks are mitigated as the REIT has recourse against the asset under its co-ownership agreement in the event of default by Crestpoint, in which case the REIT claim would be against both the underlying real estate investments and Crestpoint.

The REIT's acquisition of the 50% interest in the 21 properties amounted to a cost to the REIT of approximately \$114,000 (excluding closing costs), financed from the proceeds of a 50% interest in approximately \$148,000 of new fixed-rate mortgages. The balance of approximately \$40,000 was satisfied with cash on hand, including cash from the proceeds of the sale of a 50% interest in existing properties to Crestpoint.

The REIT's sale of a 50% interest in 21 of its properties resulted in a consideration of approximately \$49,000 in cash received from Crestpoint (before closing costs), with Crestpoint also assuming a 50% interest in approximately \$129,000 of fixed-rate mortgages held by the REIT.

The balance of the proceeds to the REIT resulting from the sale, net of the acquisition payment, was used to partially repay the REIT's credit facility.

On September 27, 2022, the REIT announced that it completed the sale of a portfolio of nine non-core retail properties totalling approximately 94,000 square feet of GLA, located in Western Canada, for gross proceeds of \$18,750, excluding closing costs. Proceeds of the sale were used to repay approximately \$14,100 in related mortgages maturing in January 2023, and the balance was used to partially repay a term loan.

SUBSEQUENT EVENTS

On October 4, 2022, the REIT announced that Gordon G. Lawlor will succeed James W. Beckerleg as President and Chief Executive Officer of the REIT and will join the REIT's Board of Trustees, effective April 1, 2023, at which time Mr. Beckerleg will retire as an executive officer of the REIT and be named Vice Chair of the Board and Co-Founder, as part of the REIT's CEO succession plan. Mr. Beckerleg has been President and Chief Executive Officer and a Trustee of the REIT since 2013. The REIT also announced that Alison Schafer will be appointed Chief Financial Officer and Secretary of the REIT concurrently with these changes.

On October 21, 2022, the REIT announced a cash distribution of \$0.0375 per Unit for the month of October 2022. The distribution will be payable on November 15, 2022 to unitholders of record as at October 31, 2022.

On November 3, 2022, the REIT completed the sale of a small retail property in Alberta totalling approximately 11,000 square feet of gross leasable area for gross proceeds of \$5,400 (before closing costs). Proceeds of the sale were used to pay out a term loan of approximately \$3,400 with the balance being used for general corporate purposes.

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 economic activity, including the demand for commercial space especially in the industrial sector.

In the context of global geopolitical tensions, ongoing supply chain issues, labour shortages and related inflationary pressures, the Bank of Canada has increased its policy interest rate by 350 basis points since the beginning of the year. Additional rate hikes may occur in 2022 or the future 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 AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

PART III

RESULTS OF OPERATIONS

<i>(CAD \$ thousands)</i>	3 Months Ended September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
Property revenue	\$ 24,086	\$ 19,588	\$ 72,140	\$ 54,742
Property operating expenses	9,278	7,488	28,982	21,818
Net operating income⁽¹⁾	14,808	12,100	43,158	32,924
General and administrative expenses	1,274	1,064	3,800	3,195
Long-term incentive plan expense	(75)	349	(351)	2,220
Depreciation of property and equipment	103	86	291	260
Amortization of intangible assets	93	93	279	279
Interest and financing costs	5,843	4,408	15,359	12,333
Distributions - Class B LP Units	159	166	477	499
Fair value adjustment - Class B LP Units	(650)	(325)	(1,511)	994
Fair value adjustment - investment properties	(11,573)	2,576	(52,707)	(4,541)
Other income	(382)	(664)	(1,521)	(1,782)
Other expenses	195	279	730	967
Debt settlement costs	274	-	274	1,697
Net income and comprehensive income	\$ 19,547	\$ 4,068	\$ 78,038	\$ 16,803

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

Comparison of the Results from Operations

The REIT's results of operations for the three and nine month periods ended September 30, 2022 are not directly comparable to the three and nine month periods ended September 30, 2021. The REIT owned 132 investment properties (including a 50% ownership interest in 42 investment properties) at September 30, 2022, compared to 104 investment properties it owned at 100% at September 30, 2021. During the twelve month period ended September 30, 2022, the REIT acquired a 100% interest in 16 investment properties, acquired a 50% interest in 21 investment properties, sold a 50% interest in 21 investment properties, and sold a 100% interest in 9 investment properties. Notwithstanding the foregoing, year over year figures for the three and nine month periods ended September 30, 2022 and 2021 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 and nine month periods ended September 30, 2022, property revenue increased by \$4,498 and \$17,398 respectively, compared to the same periods in 2021. The increase is principally due to the incremental revenues from the net increase in the number of properties during the twelve month period ended September 30, 2022 as described in the "Comparison of the Results from Operations" section of this MD&A.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 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 and nine month periods ended September 30, 2022, property operating expenses increased by \$1,790 and \$7,164 respectively, compared to the same periods in 2021 primarily due to the net increase in the number of properties during the twelve month period ended September 30, 2022 as described in the "Comparison of the Results from Operations" section of this MD&A.

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 and nine month periods ended September 30, 2022 and 2021. The following table reconciles net operating income as reported in the Q3 2022 Financial Statements to Same Property NOI.

	3 Months Ended September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
<i>(CAD \$ thousands)</i>				
Property revenue	\$ 24,086	\$ 19,588	\$ 72,140	\$ 54,742
Property operating expenses	9,278	7,488	28,982	21,818
NOI (net operating income) as reported in the financial statements ⁽¹⁾	14,808	12,100	43,158	32,924
Straight-line rent adjustment	(21)	(129)	(244)	(374)
NOI after straight-line rent adjustment ⁽¹⁾	14,787	11,971	42,914	32,550
NOI ⁽¹⁾ sourced from:				
Acquisitions	(3,329)	(799)	(15,432)	(4,684)
Dispositions	(386)	(486)	(1,203)	(1,734)
Same Property NOI ⁽¹⁾	\$ 11,072	\$ 10,686	\$ 26,279	\$ 26,132
Number of same properties	89	89	71	71

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

The overall increase in Same Property NOI for the three and nine month periods ended September 30, 2022 of \$386 and \$147 or 3.6% and 0.6% respectively, compared to the same periods in 2021, is attributed to the increase in occupancy in the industrial asset class for the three month period ended September 30, 2022, the increase in occupancy in the retail asset class for the nine month period ended September 30, 2022, and 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 periods in 2021.

The following is the Same Property NOI by asset class for the three and nine month periods ended September 30, 2022 and 2021:

	3 Months Ended September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
<i>(CAD \$ thousands)</i>				
Industrial	\$ 6,741	\$ 6,288	\$ 13,763	\$ 13,159
Retail	3,122	3,021	9,123	8,821
Office	1,209	1,377	3,393	4,152
Same Property NOI ⁽¹⁾	\$ 11,072	\$ 10,686	\$ 26,279	\$ 26,132

⁽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.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

The increase in industrial Same Property NOI for the three and nine month periods ended September 30, 2022 was \$453 and \$604 or 7.2% and 4.6%, respectively, compared to the same periods in 2021. The increase for the three month period ended September 30, 2022 is a result of increased occupancy, contractual increases in rent and higher rental rates on lease renewals compared to the same period in 2021. The increase for the nine month period ended September 30, 2022 compared to the same period in 2021 relates to contractual increases in rent and higher rental rates on lease renewals, offset by a decrease in occupancy.

The increase in retail Same Property NOI for the three and nine month periods ended September 30, 2022 was \$101 and \$302 or 3.3% and 3.4%, respectively, compared to the same periods in 2021. The main driver for the increase is due to contractual increases in rent and higher rental rates on lease renewals compared to same periods in 2021.

Office Same Property NOI for the three and nine month periods ended September 30, 2022 represents approximately 10.9% and 12.9% respectively of the total Same Property NOI. Office Same Property NOI is the smallest contributor of Same Property NOI compared to the industrial and retail asset classes for these same periods in 2021. The decrease in office Same Property NOI for three and nine month periods ended September 30, 2022 was \$168 and \$759 or 12.2% and 18.3% respectively, compared to the same periods in 2021. This decrease for the three month period ended September 30, 2022 compared to the same period in 2021, was due to the increase in vacancy in two of the eight properties. The decrease for the nine month period ended September 30, 2022 compared to the same period in 2021 is due in part by a one-time adjustment in the second quarter of 2022 of \$137 related to a prior period in addition to the increase in vacancy in two of the eight properties. Approximately 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.

The following is the same property average occupancy by asset class excluding any committed space for the three and nine month periods ended September 30, 2022 and 2021:

	Same Properties 3 month period ended September 30		Same Properties 9 month period ended September 30	
	2022	2021	2022	2021
Industrial	99.5%	99.2%	99.1%	99.4%
Retail	97.3%	97.3%	97.5%	97.4%
Office	85.9%	91.0%	84.4%	91.5%
Total	97.9%	98.2%	97.1%	98.0%

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 and nine month periods ended September 30, 2022 were \$1,274 and \$3,800 respectively, an increase of \$210 and \$605 over the same periods in 2021. The increase is due to an increase of certain expenses such as audit related fees and salary costs.

Long-Term Incentive Plan

Long-term incentive plan gain of \$75 and \$351 during the three and nine month periods ended September 30, 2022 relates to deferred and restricted units which vest over a period of one to three years, and is a non-cash item.

Interest and Financing Costs

Interest and financing costs were \$5,843 and \$15,359 for the three and nine month periods ended September 30, 2022. The increase of \$1,435 and \$3,026 over the same periods in 2021 is due to the net increase in the number of properties during the twelve month period ended September 30, 2022 as described in the "Comparison of the Results from Operations" section of this MD&A, as well as the increase in the weighted average interest rate on mortgage debt to 3.69% as at September 30, 2022 from 3.50% as at September 30, 2021.

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 and \$477 for the three and nine month periods ended September 30, 2022.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022**

Fair Value Adjustment – Class B LP Units

A fair value gain of \$650 and \$1,511 on the Class B LP Units was recorded for the three and nine month periods ended September 30, 2022 respectively, resulting from a change in the quoted market price of the REIT's publicly traded Units. This is a non-cash item.

Fair Value Adjustment – Investment Properties

The REIT has selected the fair value method to account for real estate classified as investment property and records investment properties at their purchase price including transaction costs (less any purchase price adjustments) in the quarter of acquisition. Any changes in the fair value of investment properties are recognized as fair value gains and losses in the statement of income and comprehensive income in the quarter in which they occur. During the three and nine month periods ended September 30, 2022, 23 and 37 properties were respectively revalued by independent external appraisers.

The fair value gain of \$11,573 and \$52,707 on investment properties for the three and nine month periods ended September 30, 2022 is due to fair value gains on certain acquisitions completed throughout the respective periods, 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.

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 September 30, 2022 and 2021:

	As at September 30, 2022		As at September 30, 2021	
	Range %	Weighted Average % ⁽¹⁾	Range %	Weighted Average % ⁽¹⁾
Retail	5.0% - 9.0%	6.8%	5.3% - 9.0%	6.9%
Office ⁽²⁾	6.0% - 9.0%	6.6%	5.5% - 9.3%	6.3%
Industrial ⁽²⁾	4.3% - 7.3%	5.4%	5.0% - 7.3%	6.0%
Total portfolio	4.3% - 9.0%	5.7%	5.0% - 9.3%	6.3%

⁽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 September 30, 2022 and 2021:

	As at September 30, 2022		As at September 30, 2021	
	Range %	Weighted Average % ⁽¹⁾	Range %	Weighted Average % ⁽¹⁾
Maritime provinces	5.3% - 9.0%	6.3%	5.5% - 9.3%	6.9%
Ontario	4.5% - 6.8%	5.2%	5.0% - 6.5%	6.0%
Quebec	4.3% - 6.5%	5.1%	5.5% - 6.5%	5.9%
Western Canada	5.5% - 8.5%	5.9%	5.5% - 8.3%	6.3%
Total portfolio	4.3% - 9.0%	5.7%	5.0% - 9.3%	6.3%

⁽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. At September 30, 2022, Compass manages 126 of the REIT's properties.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

Debt Settlement Costs

The REIT incurred debt settlement costs in the amount of \$274 for the three and nine month periods ended September 30, 2022 in connection with the repayment of the balance of one of its term loans in the amount of \$6,119 and the early repayment of a mortgage in connection with the sale of a portfolio of nine non-core retail properties (see "Summary of significant Events" section of this MD&A).

Investment in Joint Operations

On August 4, 2022, the REIT acquired a 50% interest in 21 investment properties owned by a third party and sold a 50% interest in 21 investment properties it owned 100% prior to this transaction (see "Summary of significant Events" section of this MD&A). As a result of this transaction, the REIT is a co-owner in 42 investment properties that are subject to joint control based on the REIT's decision-making authority with regard to the relevant activities of the investment properties. The REIT recognizes its rights to and obligations for the assets, liabilities, revenue and expenses of these joint operations in the respective lines in the Q3 2022 Financial Statements.

The following amounts are included in the Q3 2022 Financial Statements and represent the REIT's proportionate share of the results of operations of its co-owned properties:

	3 Months Ended September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
Property revenue	\$ 3,287	\$ -	\$ 3,287	\$ -
Property operating expenses	1,298	-	1,298	-
Net operating income	1,989	-	1,989	-
Interest and financing costs	950	-	950	-
Fair value adjustment - investment properties	(8,014)	-	(8,014)	-
Net income and comprehensive income	\$ 9,053	\$ -	\$ 9,053	\$ -

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.

	Retail		Office ⁽²⁾		Industrial ⁽²⁾		Total
(CAD \$ thousands)	\$	%	\$	%	\$	%	\$
3 Months Ended September 30, 2022							
Property revenue	5,114	21.2	2,793	11.6	16,179	67.2	24,086
Net operating income (NOI) ⁽¹⁾	3,521	23.8	1,329	9.0	9,958	67.2	14,808
3 Months Ended September 30, 2021							
Property revenue	5,235	26.7	2,611	13.4	11,742	59.9	19,588
Net operating income (NOI) ⁽¹⁾	3,468	28.7	1,378	11.3	7,254	60.0	12,100

⁽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.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

(CAD \$ thousands)	Retail		Office ⁽²⁾		Industrial ⁽²⁾		Total
	\$	%	\$	%	\$	%	\$
Nine month period ended September 30, 2022							
Property revenue	15,514	21.5	7,573	10.5	49,053	68.0	72,140
Net operating income (NOI) ⁽¹⁾	10,304	23.9	3,416	7.9	29,438	68.2	43,158
Investment properties	167,624	16.4	82,465	8.1	770,668	75.5	1,020,757
Mortgages payable	70,017	14.4	42,691	8.8	373,775	76.8	486,483
Nine month period ended September 30, 2021							
Property revenue	15,800	28.9	8,052	14.7	30,890	56.4	54,742
Net operating income (NOI) ⁽¹⁾	10,349	31.4	4,178	12.7	18,397	55.9	32,924
Investment properties	188,020	25.2	82,370	11.0	475,960	63.8	746,350
Mortgages payable	96,647	24.1	42,522	10.6	262,170	65.3	401,339

⁽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 is the net increase in the number of properties during the twelve month period ended September 30, 2022 as described in the "Comparison of the Results from Operations" section of this MD&A.

As at September 30, 2022, the Retail segment consists of 37 properties (September 30, 2021 – 45 properties), having a total GLA of approximately 900,000 square feet (September 30, 2021 – ~989,000 square feet).

As at September 30, 2022, the Office segment consists of 9 properties (September 30, 2021 – 8 properties), having a total GLA of approximately 429,000 square feet (September 30, 2021 – ~410,000 square feet).

As at September 30, 2022, the Industrial segment consists of 86 properties (September 30, 2021 – 51 properties), having a total GLA of approximately 5,215,000 square feet (September 30, 2021 – ~4,000,000 square feet).

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022**

PORTFOLIO PROFILE

At September 30, 2022, the REIT's portfolio consisted of 132 properties, located in prime locations within their respective markets, representing a total GLA of 6,544,630 square feet. The increase of 1,136,966 square feet compared to September 30, 2021 is due to the net increase in the number of properties during the twelve month period ended September 30, 2022 as described in the "Comparison of the Results from Operations" section of this MD&A.

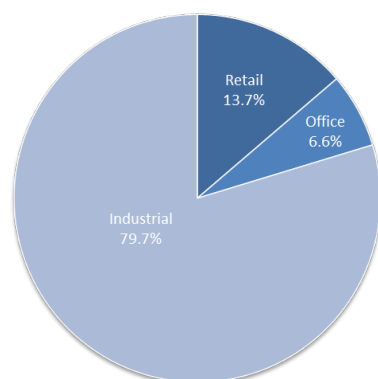
(CAD \$ thousands unless otherwise stated)	9 Month Period Ended/ At September 30, 2022				9 Month Period Ended/ At September 30, 2021			
	# of Properties	Occupancy ⁽¹⁾	GLA (sq. ft.)	NOI ⁽²⁾	# of Properties	Occupancy ⁽¹⁾	GLA (sq. ft.)	NOI ⁽²⁾
Retail	37	97.5%	900,225	\$ 10,304	45	97.7%	988,978	\$ 10,349
Office ⁽³⁾	9	89.4%	429,409	3,416	8	89.8%	410,013	4,178
Industrial ⁽³⁾	86	98.6%	5,214,996	29,438	51	99.5%	4,008,673	18,397
Total	132	97.9%	6,544,630	\$ 43,158	104	98.5%	5,407,664	\$ 32,924

⁽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 September 30, 2022 was approximately 107,701 square feet of GLA (110,653 square feet of GLA at September 30, 2021).

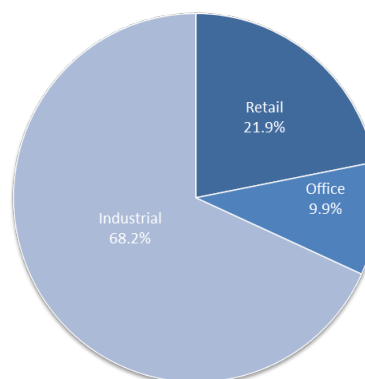
⁽²⁾ Non-IFRS measure. See "Non-IFRS Measures".

⁽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.

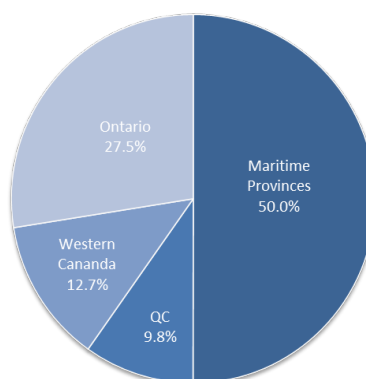
GLA by Asset Class September 30, 2022 ⁽¹⁾



Base Rent by Asset Class ⁽¹⁾



Base Rent by Region ⁽¹⁾



¹ Based on annualized in-place and committed base rent at September 30, 2022.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

Top Ten Tenants

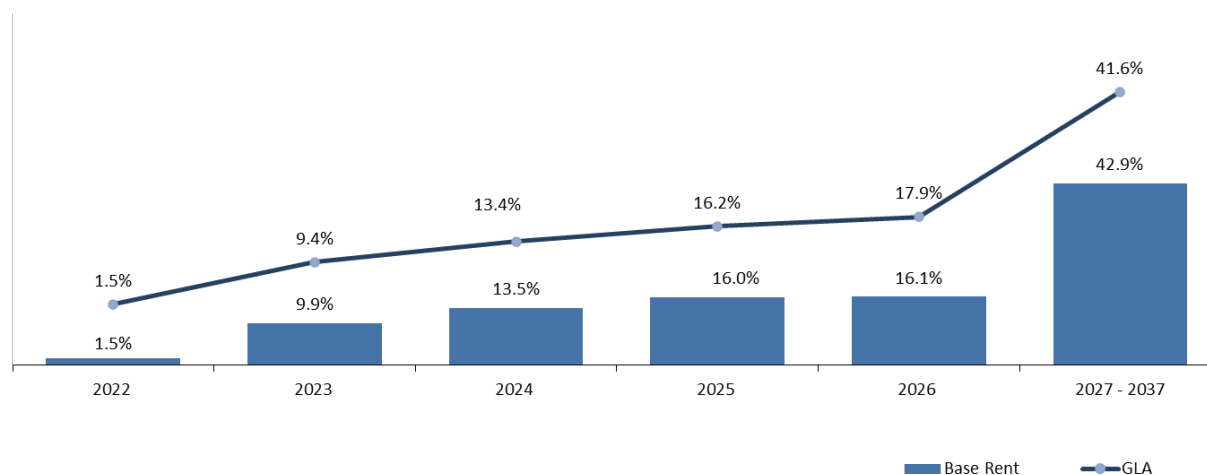
As at September 30, 2022, the ten largest tenants in the REIT's portfolio accounted for approximately 29.0% on annualized in-place and committed base rent and had a remaining average lease term of approximately 4.9 years.

Tenant	% in-Place Base Rent ⁽¹⁾	GLA (Sq. Ft.)	Remaining Average Lease Term (years)	Credit Rating ⁽²⁾
Sobeys	4.2%	222,491	4.9	na/BBB-/BBB-
DRS Technologies Canada	4.1%	127,334	2.3	Ba1/BB+/BBB-
Rexall	3.6%	73,786	7.8	Baa2/BBB+/na
Government of Canada	3.5%	134,867	4.2	Aaa/AAA/AA+
Sysco Canada Inc.	3.4%	326,061	3.9	BBB/BBB/BBB-
Versacold	2.4%	224,334	6.9	na
Ribbon Communications Canada	2.4%	98,057	7.3	na
Shoppers Drug Mart	2.0%	54,184	2.7	na/BBB/BBB
Sherway Warehousing Inc.	1.8%	156,318	3.9	na
ArcelorMittal Tailored Blanks	1.6%	185,633	6.8	Ba1/BBB-/BB+
Total	29.0%	1,603,065	4.9	

⁽¹⁾ Based on annualized in-place and committed base rent at September 30, 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 16.1% of base rent maturing in any given period before 2027.



MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 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 September 30, 2022 and September 30, 2021:

	September 30, 2022		September 30, 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	877,937	\$ 14.70	966,555	\$ 14.97
Office ⁽¹⁾	383,785	14.12	368,158	14.45
Industrial ⁽¹⁾	5,142,319	7.59	3,908,176	7.51
Leased total	6,404,041	\$ 8.96	5,242,889	\$ 9.37
Vacant total	140,589		164,775	
Portfolio Total	6,544,630		5,407,664	

⁽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 of \$8.96 per square feet at September 30, 2022 decreased from \$9.37 per square feet at September 30, 2021 due to the significant increase in GLA of the industrial asset class in 2022, representing 79.7% of the total GLA at September 30, 2022 compared to 74.1% at September 30, 2021.

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 September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
(CAD \$ thousands)				
Cash provided from (used in):				
Operating activities	\$ 10,975	\$ 833	\$ 19,904	\$ 9,034
Financing activities	(22,324)	(7,576)	(28,919)	111,326
Investing activities	13,695	5,423	9,219	(122,908)
Change in cash during the period	2,346	(1,320)	204	(2,548)
Cash, beginning of period	3,802	5,031	5,944	6,259
Cash, end of period	\$ 6,148	\$ 3,711	\$ 6,148	\$ 3,711

Three Month Period Ended September 30, 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 \$10,975 for the three month period ended September 30, 2022 was impacted mainly by the timing of cash receipts, settlement of payables and prepayment of annual property tax.

Cash used in financing activities during the three month period ended September 30, 2022 of \$22,324 is attributed to the increase in debt of \$76,100, the increase in borrowings on the credit facility of \$5,500 offset by the repayment of debt of \$87,011, the repayment of the credit facility of \$10,000, distributions paid of \$6,642 and financing costs incurred of \$271.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

Cash provided by investing activities of \$13,695 during the three month period ended September 30, 2022 primarily consists of the sale of 9 investment properties and the sale of a 50% interest in 21 investment properties in the amount of \$131,338 offset by the acquisition of a 50% interest in 21 investment properties of \$113,140, the additions of capital expenditures and leasing costs of \$4,348 and the additions to property and equipment of \$155.

Nine month period Ended September 30, 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 \$19,904 for the nine month period ended September 30, 2022 was impacted mainly by the timing of cash receipts, settlement of payables and prepayment of annual property tax.

Cash used in financing activities during the nine month period ended September 30, 2022 of \$28,919 is attributed to the increase in debt of \$76,100, the increase in borrowings on the credit facility of \$22,500 offset by the repayment of debt of \$95,320, the repayment of the credit facility of \$10,000, Restricted Units settled in cash of \$1,986, distributions paid of \$19,924, and financing costs incurred of \$289.

Cash provided by investing activities of \$9,219 during the nine month period ended September 30, 2022 primarily consists of the sale of 9 investment properties and the sale of a 50% interest in 21 investment properties in the amount of \$131,338 offset by the acquisition of a 50% interest in 21 investment properties of \$113,140, the additions of capital expenditures and leasing costs of \$8,600 and the additions to property and equipment of \$379.

CAPITALIZATION AND DEBT PROFILE

<i>(CAD \$ thousands)</i>	September 30 2022
Mortgages payable (net of financing costs of \$2,367)	\$ 486,483
Term loans (net of financing costs of \$9)	3,366
Credit facility (net of financing costs of \$206)	27,294
Class B LP Units	8,078
Unitholders' Equity	487,807
Total Capitalization	\$ 1,013,028

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 \$106,680 at September 30, 2022. At September 30, 2022, advances under the revolving credit facility were \$27,500.

As at September 30, 2022, all mortgages payable were at fixed rates with a weighted average contractual rate of approximately 3.69% (December 31, 2021 – 3.39%). The mortgages payable are secured by first charges on certain investment properties with a fair value of approximately \$931,500 at September 30, 2022 (December 31, 2021 - \$884,665).

On May 14, 2021, the REIT entered into a term loan in the amount of \$3,375. The term loan is secured by a property with a fair value of approximately \$8,153 and bears interest only at prime plus 125 basis points and matures May 2023.

On September 29, 2022, the REIT repaid the balance of one of its term loans in the amount of \$6,119 plus yield maintenance fee in the amount of \$153.

The debt is repayable no later than 2033.

Contractual Obligations

The following table represents the REIT's contractual obligations at September 30, 2022:

<i>(CAD \$ thousands)</i>						
Due within:	1 Year	1-2 Years	2-3 Years	3-4 Years	4-5 Years	Later
Debt principal instalments	\$ 13,153	\$ 12,070	\$ 11,722	\$ 10,641	\$ 6,666	\$ 12,308
Debt principal maturities	30,549	53,751	35,128	116,678	59,422	130,137
Debt interest	17,358	14,789	13,501	11,063	7,075	8,934
Credit facility	27,500	-	-	-	-	-
Accounts payable and other liabilities	17,251	-	-	-	-	-
Rent	84	49	-	-	-	-
	\$ 105,895	\$ 80,659	\$ 60,351	\$ 138,382	\$ 73,163	\$ 151,379

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

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, the REIT makes adjustments to its capital based on its investment strategies and changes to economic conditions.

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

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

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

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

Gross Book Value is calculated as follows:

<i>(CAD \$ thousands unless otherwise stated)</i>	September 30 2022	September 30 2021
Total assets, including investment properties stated at fair value	\$ 1,040,368	\$ 769,085
Accumulated depreciation on property and equipment and intangible assets	2,838	2,046
Gross Book Value ⁽¹⁾	1,043,206	771,131
Debt, excluding unamortized financing costs	492,225	420,752
Credit facility, excluding unamortized financing costs	27,500	28,000
Total Debt and Credit facility, excluding unamortized financing costs	\$ 519,725	\$ 448,752
Debt to Gross Book Value ⁽¹⁾	49.82%	58.19%

⁽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 September 30, 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".

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

Adjusted EBITDA

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

The following is a calculation of Adjusted EBITDA for the three and nine month periods ended September 30, 2022 and 2021:

	3 Months Ended September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
<i>(CAD \$ thousands)</i>				
Net income and comprehensive income	\$ 19,547	\$ 4,068	\$ 78,038	\$ 16,803
Interest and financing costs	5,843	4,408	15,359	12,333
Depreciation of property and equipment	103	86	291	260
Amortization of intangible assets	93	93	279	279
Fair value adjustment - Class B LP Units	(650)	(325)	(1,511)	994
Fair value adjustment - investment properties	(11,573)	2,576	(52,707)	(4,541)
Distributions - Class B LP Units	159	166	477	499
Straight-line rent	(21)	(129)	(244)	(374)
Long-term incentive plan expense	(75)	349	(351)	2,220
Debt settlement costs	274	-	274	1,697
Adjusted EBITDA ⁽¹⁾	\$ 13,700	\$ 11,292	\$ 39,905	\$ 30,170

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

Interest Coverage Ratio

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

The following is a calculation of the Interest Coverage Ratio for the three and nine month periods ended September 30, 2022 and 2021:

	3 Months Ended September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
<i>(CAD \$ thousands)</i>				
Adjusted EBITDA ⁽¹⁾	\$ 13,700	\$ 11,292	\$ 39,905	\$ 30,170
Interest expense	\$ 5,020	\$ 4,112	\$ 14,006	\$ 11,073
Interest Coverage Ratio ⁽¹⁾	2.7x	2.7x	2.8x	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 used by the REIT's management to monitor the REIT's ability to meet annual interest and principal payments.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

The following is a calculation of the Debt Service Coverage Ratio for the three and nine month periods ended September 30, 2022 and 2021:

<i>(CAD \$ thousands)</i>	3 Months Ended September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
Adjusted EBITDA ⁽¹⁾	\$ 13,700	\$ 11,292	\$ 39,905	\$ 30,170
Interest expense	5,020	4,112	14,006	11,073
Principal repayments	3,352	2,787	10,507	7,730
Debt Service Requirements	\$ 8,372	\$ 6,899	\$ 24,513	\$ 18,803
Debt Service Coverage Ratio ⁽¹⁾	1.6x	1.6x	1.6x	1.6x

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

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 the REIT's ability to service its debt.

The following is a calculation of the Debt to Annualized Adjusted EBITDA Ratio for the three and nine month periods ended September 30, 2022 and 2021:

<i>(CAD \$ thousands)</i>	3 Months Ended September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
Debt, excluding unamortized financing costs	\$ 492,225	\$ 420,752	\$ 492,225	\$ 420,752
Credit facility, excluding unamortized financing costs	27,500	28,000	27,500	28,000
Total Debt and Credit facility, excluding unamortized financing costs	\$ 519,725	\$ 448,752	\$ 519,725	\$ 448,752
Adjusted EBITDA ⁽¹⁾	\$ 13,700	\$ 11,292	\$ 39,905	\$ 30,170
Annualized Adjusted EBITDA ⁽¹⁾	\$ 54,800	\$ 45,168	\$ 53,207	\$ 40,227
Debt to Annualized Adjusted EBITDA Ratio ⁽¹⁾	9.5x	9.9x	9.8x	11.2x

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

DISTRIBUTIONS AND ADJUSTED FUNDS FROM OPERATIONS

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
Net income and comprehensive income for the period	\$ 19,547	\$ 4,068	\$ 78,038	\$ 16,803
Add:				
Long-term incentive plan	(731)	(229)	(1,786)	975
Distributions - Class B LP Units	159	166	477	499
Fair value adjustment - investment properties	(11,573)	2,576	(52,707)	(4,541)
Fair value adjustment - Class B LP Units	(650)	(325)	(1,511)	994
Amortization of intangible assets	93	93	279	279
FFO ⁽¹⁾	\$ 6,845	\$ 6,349	\$ 22,790	\$ 15,009
Deduct:				
Straight-line rent adjustment	\$ (21)	\$ (129)	\$ (244)	\$ (374)
Maintenance capital expenditures	(282)	(335)	(793)	(521)
Stabilized leasing costs	(387)	(220)	(1,225)	(626)
Add:				
Long-term incentive plan	656	578	1,435	1,245
Amortization of financing costs	846	313	1,369	1,289
Debt settlement costs	274	-	274	1,697
AFFO ⁽¹⁾	\$ 7,931	\$ 6,556	\$ 23,606	\$ 17,719
Basic FFO per unit ⁽¹⁾⁽²⁾	\$ 0.1132	\$ 0.1315	\$ 0.3770	\$ 0.3323
Diluted FFO per unit ⁽¹⁾⁽²⁾	\$ 0.1111	\$ 0.1284	\$ 0.3703	\$ 0.3244
Basic AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.1312	\$ 0.1358	\$ 0.3905	\$ 0.3923
Diluted AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.1287	\$ 0.1325	\$ 0.3835	\$ 0.3829
Distributions declared per Unit and Class B LP unit	\$ 0.1125	\$ 0.1125	\$ 0.3375	\$ 0.3375
AFFO Payout Ratio – Basic ⁽¹⁾	85.7%	82.8%	86.4%	86.0%
AFFO Payout Ratio – Diluted ⁽¹⁾	87.4%	84.9%	88.0%	88.1%
Basic weighted average number of units ⁽²⁾⁽³⁾	60,447,230	48,287,486	60,447,230	45,169,392
Diluted weighted average number of units ⁽²⁾⁽³⁾	61,625,646	49,466,041	61,549,406	46,272,319

⁽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, as applicable, added to the weighted average number of Class B LP Units outstanding during the period.

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

The increase in FFO of \$496 and \$7,781 and the increase in AFFO of \$1,375 and \$5,887 respectively for the three and nine month periods ended September 30, 2022 compared to the same periods in 2021 is directly related to the acquisition of a 100% interest in 16 investment properties, acquisition of a 50% interest in 21 investment properties, offset by the sale of a 50% interest in 21 investment properties, and the sale of a 100% interest in 9 investment properties during the twelve month period ended September 30, 2022.

Basic AFFO per Unit was \$0.1312 and \$0.3905 for the three and nine month periods ended September 30, 2022 with a corresponding AFFO Payout Ratio – Basic of 85.7% and 86.4% respectively. The increase in the AFFO Payout Ratio – Basic compared to the same periods in 2021 is due to total increases of maintenance capital expenditures and stabilized leasing costs as well as certain general and administrative costs indicative of the REIT's growth offset by increase in NOI from the net increase in the number of properties during the twelve month period ended September 30, 2022. It should be noted that the REIT has decreased its Debt to Gross Book Value from 58.19% at September 30, 2021 to 49.82% at September 30, 2022 when comparing AFFO per unit amounts and related AFFO payout ratios.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 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 and nine month periods ended September 30, 2022 resulted in Nil Units being issued or issuable under the DRIP respectively.

Distributions of \$0.1125 and \$0.3375 per Unit and Class B LP Unit were declared during the three and nine month periods ended September 30, 2022. Distributions were paid on or about the 15th day of the month following the declaration.

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

	3 Months Ended September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
<i>(CAD \$ thousands)</i>				
Cash flow provided from operating activities	\$ 10,975	\$ 833	\$ 19,904	\$ 9,034
Add (deduct):				
Changes in non-cash working capital	(2,705)	6,198	5,260	7,896
Distributions – Class B LP Units	159	166	477	499
Maintenance capital expenditures	(282)	(335)	(793)	(521)
Stabilized leasing costs	(387)	(220)	(1,225)	(626)
Depreciation of property and equipment	(103)	(86)	(291)	(260)
Debt settlement costs	274	-	274	1,697
Adjusted Funds From Operations (AFFO) ⁽¹⁾	\$ 7,931	\$ 6,556	\$ 23,606	\$ 17,719

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

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

<i>(CAD \$ thousands)</i>	3 Months Ended September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
Adjusted Funds From Operations (AFFO) ⁽¹⁾	\$ 7,931	\$ 6,556	\$ 23,606	\$ 17,719
Total distributions paid or payable – Units and Class B LP Units	6,801	5,432	20,401	15,365
Excess of AFFO over distributions paid or payable	\$ 1,130	\$ 1,124	\$ 3,205	\$ 2,354

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

For the three and nine month periods ended September 30, 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:

<i>(CAD \$ thousands)</i>	3 Months Ended September 30 2022	3 Months Ended September 30 2021	9 Months Ended September 30 2022	9 Months Ended September 30 2021
Cash flow provided from operating activities	\$ 10,975	\$ 833	\$ 19,904	\$ 9,034
Net income and comprehensive income	\$ 19,547	\$ 4,068	\$ 78,038	\$ 16,803
Total distributions paid or payable – Units ⁽¹⁾	\$ 6,642	\$ 5,266	\$ 19,924	\$ 14,866
Excess (shortfall) of cash flow from operating activities over distributions paid or payable	\$ 4,333	\$ (4,433)	\$ (20)	\$ (5,832)
Excess (shortfall) of net income and comprehensive income over distributions paid or payable	\$ 12,905	\$ (1,198)	\$ 58,114	\$ 1,937

⁽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 nine month period ended September 30, 2022 and three and nine month periods ended September 30, 2021, there was a shortfall of cash flow from operating activities over distributions paid or payable – Units. For the three month period ended September 30, 2022, there was excess cash flows from operating activities over distributions paid or payable – Units. For the three and nine month periods ended September 30, 2022 and the nine month period ended September 30, 2021, there was an excess of net income and comprehensive income over distributions paid or payable – Units. The shortfall of cash flow from operating activities over distributions paid or payable – Units 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 November 9, 2022 were 59,047,809.

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 November 9, 2022 were 1,399,421.

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 November 9, 2022 were 1,368,332 and 306,094.

Normal Course Issuer Bid

Pursuant to a notice accepted by the TSX, the REIT may, during the period commencing September 26, 2022 and ending September 25, 2023, purchase for cancellation, through the facilities of the TSX and at the market price of the Units at the time of purchase, up to 1,771,049 Units representing 3% 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. There were no Units repurchased and cancelled during the three and nine month periods ended September 30, 2022.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 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 September 30 2022	Fair Value September 30 2022
Loans and Receivables			
Cash (a)	Amortized cost	\$ 6,148	\$ 6,148
Receivables and other excluding prepaid expenses, deposits and other receivables (a)	Amortized cost	3,557	3,557
		\$ 9,705	\$ 9,705
Financial Liabilities Through Profit and Loss			
Class B LP Units	Fair value (L2)	\$ 8,078	\$ 8,078
Long-term incentive plan	Fair value (L2)	7,822	7,822
		\$ 15,900	\$ 15,900
Other Financial Liabilities			
Accounts payable and other liabilities (a)	Amortized cost	\$ 17,251	\$ 17,251
Credit facility (a)	Amortized cost	27,294	27,294
Distributions payable (a)	Amortized cost	2,267	2,267
Debt (b)	Amortized cost	489,849	462,806
		\$ 536,661	\$ 509,618

- (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 and nine month periods ended September 30, 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 nine months of 2022 that materially affected or are reasonably likely to materially affect the REIT's ICFR.

Inherent Limitations on Effectiveness of DC&P and ICFR

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

RISKS AND UNCERTAINTIES

Certain factors may have a material adverse effect on the REIT's business, financial condition and results of operations. Current and prospective investors should carefully consider the risks and uncertainties and other information contained in this MD&A, the Q3 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 in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported value of the financial instruments.
- (iii) Goodwill impairment and impairment of indefinite lived intangible assets – Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired. In order to determine if the value of goodwill has been impaired, the cash-generating unit to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, the REIT relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill. Management assesses intangible assets with indefinite lives for impairment on an annual basis. This assessment takes into account factors such as economic and market conditions as well as any changes in the expected use of the asset.
- (iv) Contractual rents and other tenant receivables presented net of an allowance for doubtful accounts – Estimates and assumptions used in determining the allowance for doubtful accounts, include the historical credit loss experience adjusted for current conditions and forward-looking information including future expectations of likely default events based on actual or expected insolvency filings, likely deferrals of payments due and potential abatements to be granted by the REIT through tenant negotiations or under government programs, and macroeconomic conditions.

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

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 and nine month periods ended September 30, 2022 and the notes contained therein.

SUMMARY OF QUARTERLY RESULTS

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended Sept 30 2022	3 Months Ended Jun 30 2022	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
Property revenue	\$ 24,086	\$ 23,724	\$ 24,330	\$ 22,932	\$ 19,588	\$ 17,764	\$ 17,390	\$ 17,589
Property operating expenses	9,278	9,454	10,250	9,574	7,488	7,033	7,297	7,587
Net operating income (NOI) ⁽¹⁾	14,808	14,270	14,080	13,358	12,100	10,731	10,093	10,002
General and administrative expenses	1,274	1,324	1,202	1,152	1,064	1,062	1,069	899
Long-term incentive plan expense	(75)	(1,201)	925	840	349	1,334	537	2,112
Depreciation of property and equipment	103	99	89	97	86	87	87	92
Amortization of intangible assets	93	93	93	93	93	93	93	93
Interest and financing costs	5,843	4,804	4,712	4,554	4,408	4,024	3,901	3,877
Distributions – Class B LP Units	159	159	159	164	166	167	166	171
Fair value adjustment – Class B LP Units	(650)	(1,807)	946	89	(325)	887	432	2,104
Fair value adjustment – investment properties	(11,573)	(833)	(40,301)	(58,620)	2,576	(8,287)	1,170	(5,604)
Other income	(382)	(677)	(462)	(556)	(664)	(557)	(561)	(549)
Other expenses	195	340	195	363	279	426	262	394
Debt settlement costs	274	-	-	141	-	394	1,303	-
Net income and comprehensive income	\$ 19,547	\$ 11,969	\$ 46,522	\$ 65,041	\$ 4,068	\$ 11,101	\$ 1,634	\$ 6,413
Debt to Gross Book Value ⁽¹⁾	49.82%	51.26%	51.21%	53.06%	58.19%	58.22%	57.49%	57.82%
Total assets	\$ 1,040,368	\$ 1,041,296	\$ 1,032,176	\$ 989,963	\$ 769,085	\$ 772,881	\$ 636,3	\$ 634,484
FFO ⁽¹⁾	\$ 6,845	\$ 7,836	\$ 8,108	\$ 6,924	\$ 6,349	\$ 4,782	\$ 3,878	\$ 4,789
AFFO ⁽¹⁾	\$ 7,931	\$ 7,862	\$ 7,813	\$ 7,354	\$ 6,556	\$ 5,741	\$ 5,422	\$ 5,366
Basic FFO per unit ⁽¹⁾⁽²⁾	\$ 0.1132	\$ 0.1296	\$ 0.1341	\$ 0.1158	\$ 0.1315	\$ 0.1015	\$ 0.0969	\$ 0.1197
Diluted FFO per unit ⁽¹⁾⁽²⁾	\$ 0.1111	\$ 0.1272	\$ 0.1321	\$ 0.1136	\$ 0.1284	\$ 0.0990	\$ 0.0946	\$ 0.1169
Basic AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.1312	\$ 0.1301	\$ 0.1293	\$ 0.1230	\$ 0.1358	\$ 0.1219	\$ 0.1355	\$ 0.1341
Diluted AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.1287	\$ 0.1276	\$ 0.1273	\$ 0.1206	\$ 0.1325	\$ 0.1189	\$ 0.1323	\$ 0.1310
AFFO Payout Ratio – Basic ⁽¹⁾⁽³⁾	85.7%	86.5%	87.0%	91.5%	82.8%	92.3%	83.0%	83.9%
AFFO Payout Ratio – Diluted ⁽¹⁾⁽³⁾	87.4%	88.2%	88.4%	93.3%	84.9%	94.6%	85.0%	85.9%
Basic weighted average number of units ⁽³⁾	60,447,230	60,447,230	60,447,230	59,786,374	48,287,486	47,106,848	40,023,023	40,023,023
Diluted weighted average number of units ⁽³⁾	61,625,646	61,625,646	61,394,385	60,964,929	49,466,041	48,285,403	40,972,173	40,969,595
Number of commercial properties	132	120	120	120	104	107	90	91
GLA (square feet)	6,544,630	6,589,970	6,588,760	6,588,181	5,407,664	5,510,707	4,459,225	4,547,317
Occupancy rate	97.9%	98.3%	98.5%	98.4%	98.5%	98.5%	98.2%	98.0%
Weighted average lease term to maturity	4.2	4.4	4.6	4.6	4.8	4.8	5.0	5.2

⁽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, as applicable, added to the weighted average number of Class B LP Units outstanding during the period.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE AND NINE MONTH PERIODS ENDED SEPTEMBER 30, 2022

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

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended Sept 30 2022	3 Months Ended June 30 2022	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
Total assets, including investment properties stated at fair value	\$ 1,040,368	\$ 1,041,296	\$ 1,032,176	\$ 989,963	\$ 769,085	\$ 772,881	\$ 636,338	\$ 634,484
Accumulated depreciation on property and equipment and intangible assets	2,838	2,642	2,450	2,268	2,046	1,868	1,719	1,539
Gross Book Value ⁽¹⁾	1,043,206	1,043,938	1,034,626	992,231	771,131	774,749	638,057	636,023
Debt, excluding unamortized financing costs	492,225	503,135	507,856	511,445	420,752	428,050	352,803	342,772
Credit facility, excluding unamortized financing costs	27,500	32,000	22,000	15,000	28,000	23,000	14,000	25,000
Total Debt and Credit facility, excluding unamortized financing costs	\$ 519,725	\$ 535,135	\$ 529,856	\$ 526,445	\$ 448,752	\$ 451,050	\$ 366,803	\$ 367,772
Debt to Gross Book Value ⁽¹⁾	49.82%	51.26%	51.21%	53.06%	58.19%	58.22%	57.49%	57.82%

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

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended Sept 30 2022	3 Months Ended Jun 30 2022	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
Net income and comprehensive income	\$ 19,547	\$ 11,969	\$ 46,522	\$ 65,041	\$ 4,068	\$ 11,101	\$ 1,634	\$ 6,413
Add:								
Long-term incentive plan	(731)	(1,745)	689	157	(229)	821	383	1,612
Distributions - Class B LP Units	159	159	159	164	166	167	166	171
Fair value adjustment – investment properties	(11,573)	(833)	(40,301)	(58,620)	2,576	(8,287)	1,170	(5,604)
Fair value adjustment - Class B LP Units	(650)	(1,807)	946	89	(325)	887	432	2,104
Amortization of intangible assets	93	93	93	93	93	93	93	93
FFO ⁽¹⁾	\$ 6,845	\$ 7,836	\$ 8,108	\$ 6,924	\$ 6,349	\$ 4,782	\$ 3,878	\$ 4,789
Deduct:								
Straight-line rent adjustment	\$ (21)	\$ (105)	\$ (118)	\$ (119)	\$ (129)	\$ (120)	\$ (125)	\$ (79)
Maintenance capital expenditures	(282)	(232)	(279)	(192)	(335)	(122)	(64)	(97)
Stabilized leasing costs	(387)	(446)	(392)	(387)	(220)	(240)	(166)	(155)
Add:								
Long-term incentive plan	656	544	236	683	578	513	154	500
Amortization of financing costs	846	265	258	304	313	534	442	408
Debt settlement costs	274	-	-	141	-	394	1,303	-
AFFO ⁽¹⁾	\$ 7,931	\$ 7,862	\$ 7,813	\$ 7,354	\$ 6,556	\$ 5,741	\$ 5,422	\$ 5,366

⁽¹⁾ See "Non-IFRS Measures".