PRO REAL ESTATE INVESTMENT TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITION
FOR THE YEAR ENDED DECEMBER 31, 2024

March 12, 2025

PROREIT

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.

115	6.1M	97.8%
Number of Properties (1)	Gross Leasable Area ("GLA") (Square Feet) (1)	Occupancy Rate (2)

HIGH QUALITY PORTFOLIO WITH A STRONG INDUSTRIAL FOCUS

86%
GLA - Industrial (1)

12%
GLA - Retail (1)

2%
GLA - Office (1)

2024 HIGHLIGHTS (FOR THE YEAR ENDED)

$1.0B	$99.2M	$31.1M	$58.5M
Total Assets (1)	Property Revenue	Net Cash Flows Provided by Operating Activities	Net Operating Income
1.0%	**7.7%**	**94.6%**	**3.90%**
Net Operating Income Increase (3)	Same Property Net Operating Income Increase (1)(3)4)	AFFO Payout Ratio – Basic (4)	Weighted Average Interest Rate on Mortgage Debt (1)

SIGNIFICANT VALUE EMBEDDED IN OUR PORTFOLIO

90.9%	47.3%	45.0%
of 2024 GLA has been renewed at 39.1% Positive Average Spreads (1)	of 2025 GLA has been renewed at 31.8% Positive Average Spreads (5)	of 2026 GLA has been renewed at 38.0% Positive Average Spreads (5)

OUR COMMITMENT TO SUSTAINABILITY

> Third annual ESG report published in May 2024

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

(1) As at December 31, 2024. Of the 115 properties, 73 are 100% owned and 42 are 50% owned. For properties that are 50% owned, GLA numbers reported herein represent 50% of the total GLA of such properties.
(2) Includes committed space of approximately 74,218 square feet, as at December 31, 2024. The occupancy rate at December 31, 2024 excludes a co-owned vacant industrial property of 30,994 square feet (the REIT's 50% share) that was sold February 7, 2025 (see "Subsequent Events" section of this MD&A).
(3) Comparison period is the year ended December 31, 2023.
(4) Represents a non-IFRS measure. See “Non-IFRS Measures”.
(5) As at the date of this report.

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120 Troop Avenue, Dartmouth, Nova Scotia

Dear fellow unitholders:

As we navigated another year of macroeconomic turbulence and elevated interest rates - despite some relief from the Bank of Canada - our focus remained on delivering sustainable growth, enhancing value and creating long-term returns for our unitholders.

Consistent organic growth with significant upside

Our 2024 performance once again highlights the strength and resilience of our industrial-focused portfolio in generating stable net operating income across market conditions.

As of December 31, 2024, PROREIT's portfolio comprised 115 investment properties, totalling 6.1 million square feet of total gross leasable area ("GLA"). Despite owning eight fewer properties than at the end of 2023, we maintained stable net operating income ("NOI") in both the fourth quarter and for the full year, year-over-year.

We are particularly proud of our continued leasing success, driven by strong rent lifts on renewals and new leases, as well as contractual rent escalations. This momentum resulted in net operating income growth of 1.0%, despite having eight fewer properties compared the same period last year and Same Property NOI(1) growth of 7.7% in Fiscal 2024, with additional upside anticipated in 2025.

With 90.9% of our total GLA for 2024 renewed at an average spread of 39.1%, our industrial portfolio achieved an impressive rental spread of 50.5% for the year. We are also pleased to report that, as of today, we have already secured not less than 45% of leasing renewals for both 2025 and 2026, at substantial average rent lifts.

Increasing our industrial exposure in strong secondary markets

In 2024, we remained committed to expanding our industrial footprint in secondary markets with strong economic fundamentals. Through active capital recycling, we sold nine non-core properties for gross proceeds exceeding $71.2 million and acquired a strategically-located industrial property for $32.7 million. As of year-end, over 86% of our total GLA was concentrated in the industrial sector.

Subsequent to year-end, we sold a 50%-owned property for gross proceeds of $5.4 million (PROREIT's share), a 100%-owned non-core property for gross proceeds of $5.9 million, and entered into a binding agreement to sell one 100%-owned non-core property for gross proceeds of $1.1 million.

Our strategy of focusing on small and mid-bay industrial properties continues to prove effective, as demonstrated by low vacancy rates of 2.9% for small-bay and 3.6% for mid-bay, both below the overall Canadian industrial vacancy rate of 4.5% in Q4 2024(2). Additionally, we continue to benefit from our strong foothold in the robust Halifax industrial market, with 52.6% of our base rent derived from Atlantic provinces at year-end.

Maintaining a prudent leverage profile

Throughout 2024, we managed our leverage profile soundly, ensuring financial stability while preserving flexibility for future growth opportunities.

While reducing our Adjusted Debt to Annualized Adjusted EBITDA Ratio(1) to 9.2x at December 31 2024, down from 9.6x at previous year-end, we maintained our Adjusted Debt to Gross Book Value(1) at approximately 50%, as planned. Total debt to total asset also remained at 50.0% as of December 31, 2024. As we move forward, we will continue to prioritize further leverage reduction.

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".
(2) Information from JLL Canada's survey of industrial vacancies across Canada for all space sizes for Q4 2024.

Despite the high-interest-rate environment that prevailed, we effectively managed our interest rate exposure, limiting the increase in our weighted average interest rate ("WAIR") to just 51 basis points over the past three years. As of December 31, 2024, WAIR on mortgage debt was 3.90%, compared to 3.88% at year-end 2023 and 3.39% at year-end 2021.

Positioned for future growth

Looking ahead, our financial flexibility positions us well to capitalize on growth opportunities in the industrial sector, while the significant embedded value within our portfolio provides support for continued rental rate growth and organic net operating income expansion.

As always, we remain committed to disciplined capital allocation and prudent balance sheet management to generate long-term value for our stakeholders.

I would like to extend my heartfelt appreciation to our employees for their dedication, to our tenants for their valued partnership, and to our Board of Trustees for their guidance. Finally, to our fellow unitholders, thank you for your continued trust and support.

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

PART I

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	December 31 2024	December 31 2023
Operational data		
Number of properties	**115**	123
Gross leasable area (square feet) ("GLA")	**6,117,737**	6,352,164
Occupancy rate [(1)]	**97.8 %**	98.3 %
Weighted average lease term to maturity (years)	**3.8**	4.0

(CAD $ thousands except unit, per unit amounts and unless otherwise stated)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Financial data				
Property revenue	**$ 24,883**	$ 25,618	**$ 99,213**	$ 99,893
Net operating income ("NOI")	**$ 14,653**	$ 14,897	**$ 58,523**	$ 57,941
Same Property NOI [(2)]	**$ 13,885**	$ 13,361	**$ 54,775**	$ 50,858
Net income (loss) and comprehensive income (loss)	**$ 1,879**	$ (149)	**$ 2,376**	$ 25,906
Net income (loss) and comprehensive income (loss) per Unit - Basic [(3)]	**$ 0.0310**	$ (0.0025)	**$ 0.0392**	$ 0.4281
Net income (loss) and comprehensive income (loss) per Unit - Diluted [(3)]	**$ 0.0307**	$ (0.0024)	**$ 0.0388**	$ 0.4220
Total assets	**$ 997,762**	$ 1,034,591	**$ 997,762**	$ 1,034,591
Total debt	**$ 498,571**	$ 515,257	**$ 498,571**	$ 515,257
Total debt to total assets	**49.97 %**	49.80 %	**49.97 %**	49.80 %
Adjusted Debt to Gross Book Value [(2)]	**50.25 %**	50.18 %	**50.25 %**	50.18 %
Interest Coverage Ratio [(2)]	**2.5x**	2.5x	**2.5x**	2.5x
Debt Service Coverage Ratio [(2)]	**1.6x**	1.6x	**1.6x**	1.6x
Adjusted Debt to Annualized Adjusted EBITDA Ratio [(2)]	**9.3x**	9.3x	**9.2x**	9.6x
Weighted average interest rate on mortgage debt	**3.90 %**	3.88 %	**3.90 %**	3.88 %
Net cash flows provided from operating activities	**$ 11,650**	$ 9,462	**$ 31,098**	$ 31,699
Funds from Operations (FFO) [(2)]	**$ 6,819**	$ 7,557	**$ 28,433**	$ 26,306
Basic FFO per unit [(2)(3)]	**$ 0.1125**	$ 0.1247	**$ 0.4690**	$ 0.4347
Diluted FFO per unit [(2)(3)]	**$ 0.1113**	$ 0.1232	**$ 0.4646**	$ 0.4285
Adjusted Funds from Operations (AFFO) [(2)]	**$ 7,098**	$ 7,595	**$ 28,845**	$ 29,429
Basic AFFO per unit [(2)(3)]	**$ 0.1171**	$ 0.1253	**$ 0.4758**	$ 0.4863
Diluted AFFO per unit [(2)(3)]	**$ 0.1159**	$ 0.1239	**$ 0.4713**	$ 0.4794
AFFO Payout Ratio – Basic [(2)]	**96.1 %**	89.8 %	**94.6 %**	92.5 %
AFFO Payout Ratio – Diluted [(2)]	**97.1 %**	90.8 %	**95.5 %**	93.9 %

(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 December 31, 2024 was approximately 74,218 square feet of GLA (84,508 square feet of GLA at December 31, 2023). The occupancy rate at December 31, 2024 excludes a co-owned vacant industrial property of 30,994 square feet (the REIT's 50% share) that was sold February 7, 2025 (see "Subsequent Events" section of this MD&A).
(2) Represents a non-IFRS measure. See "Non-IFRS Measures".
(3) Total basic units consist of Units (as defined herein) and Class B LP Units (as defined herein). Total diluted units also includes deferred trust units and restricted trust units issued under the REIT's long-term incentive plan.

MANAGEMENT'S DISCUSSION AND ANALYSIS

This management discussion and analysis ("MD&A") sets out PRO Real Estate Investment Trust's (the "REIT" or "PROREIT") operating strategies, risk profile considerations, business outlook and analysis of its financial performance and condition for the three month period and year ended December 31, 2024.

This MD&A should be read in conjunction with the REIT's audited consolidated financial statements and accompanying notes for the years ended December 31, 2024 and 2023 (the "2024 Annual Financial Statements") and the REIT's annual information form for the year ended December 31, 2024 (the "2024

Annual Information Form" and, together with the 2024 Annual Financial Statements and this MD&A, the "2024 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 Data Analysis and Retrieval + ("SEDAR+") at www.sedarplus.ca.

The REIT's reporting currency is the Canadian dollar ("CAD"). All amounts except unit, per unit, square footage and per square feet amounts and as otherwise stated, are in thousands of CAD and have been rounded to the nearest CAD thousand. Unless otherwise stated, in preparing this MD&A, the REIT has considered information available to it up to March 12, 2025, the date the REIT's board of trustees (the "Board") approved this MD&A and the 2024 Annual Financial Statements.

FORWARD-LOOKING STATEMENTS

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

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

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

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

Many factors could cause the REIT's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements, including, without limitation, risks and uncertainties relating to: real property ownership; diversification risk; dependence on key personnel; adverse global market. economic and political conditions; 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; 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 2024 Annual Information Form, elsewhere in this MD&A and the 2024 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 2024 Annual Financial Statements are prepared in accordance with IFRS® Accounting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). In addition to reported IFRS measures, industry practice is to evaluate real estate entities giving consideration, in part, to certain non-IFRS financial measures, non-IFRS ratios and other specified financial measures (collectively, “non-IFRS measures”) described below. Management believes these non-IFRS measures are helpful to investors because they are widely recognized measures of a REIT’s performance and provide a relevant basis for comparison among real estate entities. In addition to the IFRS results, the REIT also uses these non-IFRS measures internally to measure the operating performance of its investment property portfolio. These non-IFRS measures should not be construed as alternatives to net income, net cash flows provided by operating activities, total assets, total equity, or comparable metrics determined in accordance with IFRS as indicators of the REIT’s performance, liquidity, cash flows and profitability and may not be comparable to similar measures presented by other real estate investment trusts or enterprises. These non-IFRS measures are defined below and are cross referenced, as applicable, to a reconciliation contained within this MD&A to the most directly comparable measure that is disclosed in the primary financial statements of the REIT. Non-IFRS measures are not standardized financial measures under IFRS, and might not be comparable to similar financial measures disclosed by other issuers. The REIT believes these non-IFRS measures provide useful information to both management and investors in measuring the financial performance and financial condition of the REIT for the reasons outlined above and below.

Non-IFRS Financial Measures

Adjusted Debt ("Adjusted Debt")

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

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

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

Adjusted Funds from Operations ("AFFO")

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

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

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

Available Liquidity ("Available Liquidity")

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

Funds from Operations ("FFO")

FFO is a non-IFRS financial measure of operating performance widely used by the Canadian real estate industry. However, it does not represent net income (loss) and comprehensive income (loss) 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 (loss) and comprehensive income (loss) adjusted for fair value changes of (i) long-term incentive plan, (ii) investment properties, (iii) Class B LP Units, and (iv) derivative financial instrument, plus distributions on Class B LP Units and amortization of intangible assets. FFO, however, still includes noncash revenues related to accounting for straight-line rent and makes no deduction for the recurring capital expenditures necessary to sustain the existing earnings stream. Management believes that FFO is useful to both management and investors as it provides an operating performance measure that, when compared period-over period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and property taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from net income (loss) and comprehensive income (loss) determined in accordance with IFRS. FFO has been reconciled to net income (loss) and comprehensive income (loss), its most directly comparable measure that is disclosed in the primary financial statements of the REIT, in the table under "Part IV – Distributions and Adjusted Funds from Operations", the table under "Part V – Summary of Quarterly Results" and the table under "Part V- Summary of Annual Results".

Gross Book Value ("Gross Book Value")

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

Net Asset Value ("NAV")

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

Same Property NOI ("Same Property NOI")

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

Non-IFRS Ratios

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

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

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

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

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

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

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

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

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

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

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

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

Interest Coverage Ratio ("Interest Coverage Ratio")

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

NAV per Unit

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

PART II

REIT OVERVIEW

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

The REIT owns a portfolio of Canadian commercial investment properties, comprised of industrial, retail, and office properties. At December 31, 2024, the REIT owned 115 properties (of which 73 are 100% owned and 42 are 50% owned) across Canada, comprising approximately 6.1 million square feet of GLA. For properties not 100% owned by the REIT, the GLA of the REIT is the REIT's interest in the total GLA of the property.

OBJECTIVES AND STRATEGIES

Objectives

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

Strategy

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

FOCUS ON HIGH QUALITY, LOW RISK INDUSTRIAL ASSETS

- **High-quality commercial real estate.** The REIT is focused on the industrial sector in selected geographies across Canada. The majority of the properties in the portfolio are high-quality properties in the industrial sector, located in prime locations within their respective markets, along major traffic arteries benefitting from high visibility and convenient access. Management believes the quality and prime locations of the portfolio will enable the REIT to attract new tenants and retain existing tenants.

- **Geographical focus on stable Eastern Canadian markets, with careful growth in Western Canadian markets.** The REIT targets property acquisitions in primary and strong secondary markets across Canada, with a particular focus on Quebec, Atlantic Canada and Ontario, and selectively in Western Canada. Management believes that its strategy focusing on stable markets in Eastern Canada and selective expansion in specific markets in Western Canada will enable the REIT to assemble a portfolio underpinned by strong and consistently stable economic fundamentals, with exposure to organic growth opportunities.

- **High-quality tenants with diversified lease terms.** The REIT benefits from a diversified tenant base reflecting an attractive mix of government, national, regional and local tenants, as well as a mix of tenants by industry. The REIT's portfolio lease maturities are well staggered into the future. Management believes it has fostered strong relationships with its tenants, which it expects to be an important factor in the REIT's ability to attract tenants to new properties or replace leases as vacancies arise in the REIT's properties.

LEVERAGE DEEP EXPERIENCE OF MANAGEMENT AND BOARD TO ENHANCE VALUE

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

Expand the Asset Base

- **Internal Growth Strategies**
  The REIT's internal growth strategy includes the following:

  - Nurturing existing tenant relationships, ensuring tenant retention and accommodating tenant growth.
  - Increasing rental income and minimizing operating expenses through operating improvements and preventative maintenance programs.
  - Pursuing expansion and redevelopment opportunities within the REIT's portfolio.

- **External Growth Strategies**
  The REIT's external growth strategy includes the following:

  - Acquiring stable investment properties that are accretive to the REIT.
  - Pursuing expansion in the industrial sector in attractive mid-sized Canadian cities.
  - Pursuing selective development and expansion opportunities within the REIT's portfolio.

SUMMARY OF SIGNIFICANT EVENTS

On February 2 and 9, 2024, the REIT completed the sales of two non-core properties located at 5110 St. Margaret's Bay Road in Upper Tantallon, Nova Scotia and 5655 de Marseille Street in Montreal, Quebec totalling approximately 124,000 square feet for gross proceeds of $20,700 (excluding closing costs). The net proceeds of the sales were used to repay approximately $16,000 in related mortgages, with the balance used for general business and working capital purposes.

On March 15, 2024, the REIT completed the sale of a non-core retail property located at 1604 Cliffe Avenue in Courtenay, British Columbia totalling approximately 11,000 square feet for gross proceeds of $5,380 (excluding closing costs). The net proceeds of the sale were used to partially repay a $9,400 mortgage secured by additional retail properties.

On May 15, 2024, the REIT completed the sale of a non-core retail property located at 420 Albert Street in Regina, Saskatchewan totalling approximately 11,000 square feet for gross proceeds of $4,800 (excluding closing costs). The net proceeds of the sale were used for general business and working capital purposes.

On May 27, 2024, the REIT completed the sale of a non-core retail property located at 789 Main Street in Pincher Creek, Alberta totalling approximately 8,500 square feet for gross proceeds of $2,200 (excluding closing costs). The net proceeds of the sale were used for general business and working capital purposes.

On June 7, 2024, the REIT completed the sale of a non-core industrial property located at 61-85 Muir Road in Winnipeg, Manitoba totalling approximately 38,000 square feet for gross proceeds of $6,500 (excluding closing costs). The net proceeds of the sale were used to repay an unrelated $5,900 mortgage, with the balance used for general business and working capital purposes.

On September 5, 2024, the REIT completed the sale of a non-core office property located at 1335 Carling Avenue in Ottawa, Ontario totalling approximately 69,000 square feet for gross proceeds of $11,250 (excluding closing costs). The net proceeds of the sale were used to repay a related $8,200 mortgage, with the balance used for general business and working capital purposes.

On September 13, 2024, the REIT completed the sale of a non-core office property located at 2 Gurdwara Road in Ottawa, Ontario totalling approximately 94,000 square feet for gross proceeds of $15,300 (excluding closing costs). The net proceeds of the sale were used to repay a related $10,500 mortgage, with the balance used for general business and working capital purposes.

On September 17, 2024, the REIT completed the acquisition of a 100% interest in an industrial property located at 2945 Andre Avenue in Dorval, Quebec totalling approximately 134,000 square feet for a purchase price of $32,650 (excluding closing costs). The purchase price was financed through a new $21,200 mortgage with the balance funded by proceeds of previous non-core property sales and a draw on available operating facilities.

On October 17, 2024, the REIT completed the sale of a non-core retail property located at 5010 53rd Street in Lacombe, Alberta totalling approximately 11,000 square feet for gross proceeds of $5,045 (excluding closing costs). Net proceeds of the sale were used to repay approximately $3,400 of a related mortgage, with the balance used to repay a portion of the credit facility or for general business and working capital purposes.

SUBSEQUENT EVENTS

On January 21, 2025, the REIT announced a cash distribution of $0.0375 per Unit for the month of January 2025. The distribution was paid February 18, 2025 to unitholders of record as at January 31, 2025.

On February 7, 2025, the REIT completed the sale of a 50% co-ownership industrial property totalling approximately 62,000 square feet for gross proceeds of $10,750 (excluding closing costs). The REIT's 50% share of the gross proceeds was $5,375 (excluding closing costs). The net proceeds of the sale were used to repay approximately $2,400 of a related mortgage, with the balance used for general business and working capital purposes.

On February 14, 2025, the REIT entered into a binding agreement with a third party purchaser to sell a non-core retail property located in Creston, British Columbia totalling approximately 5,200 square feet for gross proceeds of $1,085 (excluding closing costs). Proceeds of the sale will be used to partially repay approximately $670 of a related mortgage maturing in January 2033. The balance of the net proceeds to be used for general business and working capital purposes. The closing of the sale is scheduled for the first quarter of 2025 and is subject to standard closing conditions.

On February 20, 2025, the REIT announced a cash distribution of $0.0375 per Unit for the month of January 2025. The distribution is payable on March 17, 2025 to unitholders of record as at February 28, 2025.

On March 6, 2025, the REIT completed the sale a non-core retail property located in New Minas, Nova Scotia totalling approximately 52,000 square feet for gross proceeds of $5,900 (excluding closing costs). The net proceeds of the sale were used to partially repay approximately $4,037 in a related mortgage maturing in July 2028, with the balance used for general business and working capital purposes.

In March 2025, the REIT received a commitment for approximately $12,000 in incremental financing with respect to an Ontario industrial property from its current lender at market rates. The financing is expected to be funded in the coming weeks and will mature in September 2026, consistent with the original financing.

OUTLOOK

We continued to see reasonably strong economic activity in Canada for the year ended December 31, 2024. The REIT has benefited from this economic activity, including the demand for commercial space especially in the industrial sector.

We have started to see some interest rate relief in 2024, as the Bank of Canada has started to decrease its policy interest rate from its recent 500 basis points peak. That said, recent global economic events have increased uncertainty in the economy and the interest rate outlook. The REIT believes it is well positioned in this environment given its staggered debt maturities, and potential upside on revenues in the portfolio with current below market rents and organic rent growth.

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

SELECTED ANNUAL INFORMATION

(CAD $ thousands except unit, per unit amounts)	**Year Ended December 31 2024**	Year Ended December 31 2023	Year Ended December 31 2022
Property revenue	**$ 99,213**	$ 99,893	$ 97,210
Net operating income ("NOI")	**$ 58,523**	$ 57,941	$ 57,737
Net income and comprehensive income	**$ 2,376**	$ 25,906	$ 84,494
Net income and comprehensive income per Unit - Basic (1)	**$ 0.0392**	$ 0.4281	$ 1.3978
Net income and comprehensive income per Unit - Diluted (1)	**$ 0.0388**	$ 0.4220	$ 1.3643
Net cash flows provided from operating activities	**$ 31,098**	$ 31,699	$ 28,235
AFFO (2)	**$ 28,845**	$ 29,429	$ 31,295
Basic AFFO per unit (2)(3)	**$ 0.4758**	$ 0.4863	$ 0.5177
Diluted AFFO per unit (2)(3)	**$ 0.4713**	$ 0.4794	$ 0.5053
Distributions declared per Unit and Class B LP Units	**$ 0.4500**	$ 0.4500	$ 0.4500
Basic weighted average number of units (1)	**60,627,925**	60,510,713	60,447,230
Diluted weighted average number of units (1)	**61,197,011**	61,385,565	61,932,299
Total assets	**$ 997,762**	$ 1,034,591	$ 1,035,928
Total debt	**$ 498,571**	$ 515,257	$ 514,325
Total non-current liabilities (4)	**$ 369,521**	$ 425,823	$ 421,510
Interest Coverage Ratio (2)	**2.5x**	2.5x	2.8x
Debt Service Coverage Ratio (2)	**1.6x**	1.6x	1.6x
Adjusted Debt to Annualized Adjusted EBITDA Ratio (2)	**9.2x**	9.6x	9.7x

(1) 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.
(2) Represents a non-IFRS measure. See "Non-IFRS Measures".
(3) FFO and AFFO per unit is calculated as FFO or AFFO, as the case may be, divided by the total of the weighted average number of basic or diluted units, as applicable, added to the weighted average number of Class B LP Units outstanding during the period.
(4) Total non-current liabilities are restated in accordance with the amendments to IAS 1 to reclassify the Convertible Debentures less issuance costs and Class B LP Units from non-current to current liabilities. This change in accounting policy is presented in the REIT's consolidated financial statements for the years ended December 31, 2024 and 2023, as described in note 5 of the audited consolidated financial statements.

PART III

RESULTS OF OPERATIONS

(CAD $ thousands)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Property revenue	**$ 24,883**	$ 25,618	**$ 99,213**	$ 99,893
Property operating expenses	**10,230**	10,721	**40,690**	41,952
Net operating income	**14,653**	14,897	**58,523**	57,941
General and administrative expenses	**1,408**	1,263	**5,350**	7,269
Long-term incentive plan expense	**(14)**	1,117	**2,824**	1,684
Depreciation of property and equipment	**82**	156	**590**	477
Amortization of intangible assets	**61**	61	**245**	309
Interest and financing costs	**5,826**	5,841	**23,173**	22,425
Distributions - Class B LP Units	**134**	153	**568**	619
Fair value adjustment - Class B LP Units	**(742)**	664	**619**	(1,638)
Fair value adjustment - investment properties	**6,665**	5,785	**24,519**	2,817
Fair value adjustment - derivative financial instrument	**(509)**	540	**(839)**	(587)
Other income	**(1,123)**	(1,025)	**(4,407)**	(3,460)
Other expenses	**654**	491	**2,379**	1,795
Debt settlement costs	**332**	–	**1,126**	126
Transaction costs	**–**	–	**–**	199
Net income (loss) and comprehensive income (loss)	**$ 1,879**	$ (149)	**$ 2,376**	$ 25,906

Comparison of the Results from Operations

The REIT's results of operations for the three month period and year ended December 31, 2024 are not directly comparable to the three month period and year ended December 31, 2023. The REIT owned 115 investment properties (including a 50% ownership interest in 42 investment properties) at December 31, 2024, compared to 123 investment properties (including a 50% ownership interest in 42 investment properties) at December 31, 2023. The decrease in the number of properties is driven by the sale of a 100% interest in 9 investment properties and an acquisition of a 100% interest in one investment property during the twelve month period ended December 31, 2024. Notwithstanding the foregoing, year over year figures for the three month period and year ended December 31, 2024 and 2023 are presented in this MD&A.

Overall Analysis

Property Revenue

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

For the three month period and year ended December 31, 2024, property revenue decreased by $735 and $680 respectively, compared to the same periods in 2023. The decrease of $735 and $680 for the three month period and year ended December 31, 2024 is principally due to the net decrease in the number of properties as described in the "Comparison of the Results from Operations" section of this MD&A offset by contractual increases in rent and higher rental rates on lease renewals and new leases.

Property Operating Expenses

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

For the three month period and year ended December 31, 2024, property operating expenses decreased by $491 and $1,262 respectively, compared to the same periods in 2023 primarily due to the net decrease in the number of properties as described in the "Comparison of the Results from Operations" section of this MD&A.

Net Operating Income

Net operating income ("NOI") represents property revenue less property operating expenses.

For the three month period and year ended December 31, 2024, NOI decreased $244 or 1.6% and increased $582 or 1.0% respectively, compared to the same periods in 2023. The decrease for the three month period ended December 31, 2024 was primarily due to the net decrease in the number of properties as described in the "Comparison of the Results from Operations" section of this MD&A, offset by contractual increases in rent and higher rental rates on lease renewals and new leases. The increase for the year ended December 31, 2024 was primarily due to contractual increases in rent and higher rental rates on lease renewals and new leases despite owning fewer properties.

Same Property NOI Analysis

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

(CAD $ thousands)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Property revenue	**$ 24,883**	$ 25,618	**$ 99,213**	$ 99,893
Property operating expenses	**10,230**	10,721	**40,690**	41,952
Net operating income ("NOI") as reported in the financial statements	**14,653**	14,897	**58,523**	57,941
Straight-line rent adjustment	**(139)**	(116)	**(477)**	(468)
NOI after straight-line rent adjustment	**14,514**	14,781	**58,046**	57,473
NOI sourced from:				
Acquisitions	**(561)**	–	**(647)**	–
Dispositions	**(68)**	(1,420)	**(2,624)**	(6,615)
Same Property NOI (1)	**$ 13,885**	$ 13,361	**$ 54,775**	$ 50,858
Number of same properties	**114**	114	**114**	114

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

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

	3 Months Ended			**Year Ended**		
(CAD $ thousands)	Number of same properties	**December 31 2024**	December 31 2023	Number of same properties	**December 31 2024**	December 31 2023
Industrial	84	**$ 11,182**	$ 10,718	84	**$ 44,170**	$ 40,688
Retail	26	**2,138**	2,060	26	**8,431**	8,025
Office	4	**565**	583	4	**2,174**	2,145
Same Property NOI (1)	114	**$ 13,885**	$ 13,361	114	**$ 54,775**	$ 50,858

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

The overall increase in Same Property NOI for the three month period and year ended December 31, 2024 was $524 or 3.9% and $3,917 or 7.7%, respectively, compared to the same periods in 2023. The increase for the three month period and year ended December 31, 2024 is largely driven by contractual increases in rent, higher rental rates on lease renewals, and higher rental rates on new leases, predominately in the industrial asset class. For the three month period and year ended December 31, 2024, Same Property NOI includes a 50% co-owned industrial property that went vacant in August 2024 and was subsequently sold on February 7, 2025. For the year ended December 31, 2024, Same Property NOI includes a one-time revenue adjustment in the second quarter of 2024 of approximately $100 and of a 102,000 square foot property in Montreal, Quebec, that was vacant between April 1, 2023 and September 30, 2023 and was fully leased in 2024.

The following table is the Same Property NOI and Same Property NOI by asset class for the three month period and year ended December 31, 2024 and 2023, adjusted to exclude a one-time revenue adjustment in the second quarter of 2024 of one industrial property, to exclude the vacancy impact of one industrial property that was temporarily vacant between April 2023 and September 30, 2023 and fully leased in the three month period and year ended December 31, 2024 and to exclude a 50% co-owned industrial property that went vacant in August 2024 and was subsequently sold on February 7, 2025:

	3 Months Ended			Year Ended		
(CAD $ thousands)	Number of same properties	**December 31 2024**	December 31 2023	Number of same properties	**December 31 2024**	December 31 2023
Same Property NOI[(1)]	114	**$ 13,885**	$ 13,361	114	**$ 54,775**	$ 50,858
NOI of the temporary vacancy of one industrial property	–	**–**	–	(1)	**(1,608)**	(429)
One-time revenue adjustment of one industrial property		**–**	–		**(100)**	–
NOI of the vacant 50% co-owned industrial property	(1)	**17**	(48)	(1)	**(136)**	(192)
Same Property NOI (adjusted for one temporary vacancy, one-time revenue adjustment, and a vacant 50% co-owned industrial property) [(1)]	113	**$ 13,902**	$ 13,313	112	**$ 52,931**	$ 50,237
Industrial (adjusted for one temporary vacancy, one-time revenue adjustment, and a vacant 50% co-owned industrial property)	83	**$ 11,199**	$ 10,670	82	**$ 42,326**	$ 40,067
Retail	26	**2,138**	2,060	26	**8,431**	8,025
Office	4	**565**	583	4	**2,174**	2,145
Same Property NOI (adjusted for one temporary vacancy, one-time revenue adjustment, and a vacant 50% co-owned industrial property) [(1)]	113	**$ 13,902**	$ 13,313	112	**$ 52,931**	$ 50,237

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

The overall increase in Same Property NOI (adjusted for one temporary vacancy, one-time revenue adjustment, and a vacant 50% co-owned industrial property) for the three month period and year ended December 31, 2024 was $589 or 4.4% and $2,694 or 5.4%, respectively, compared to the same periods in 2023. The increase for the three month period and year ended December 31, 2024 is largely driven by contractual increases in rent, higher rental rates on lease renewals, and higher rental rates on new leases, predominately in the industrial asset class.

The increase in industrial Same Property NOI (excluding one temporary vacancy, one-time revenue adjustment, and a vacant 50% co-owned industrial property) for the three month period and year ended December 31, 2024 was $529 or 5.0% and $2,259 or 5.6%, respectively, compared to the same periods in 2023. The increase for the three month period and year ended December 31, 2024 is primarily driven by contractual increases in rent, higher rental rates on lease renewals and on new leases offset by a slight decrease in occupancy for the three month period ended December 31, 2024.

The increase in retail Same Property NOI for the three month period and year ended December 31, 2024 was $78 or 3.8% and $406 or 5.1%, respectively, compared to the same periods in 2023. The increase for the three month period and year ended December 31, 2024 is mainly driven by a slight increase in occupancy and contractual increases in rent and higher rental rates on lease renewals compared to the same period in 2023.

The decrease in office Same Property NOI for the three month period ended December 31, 2024 compared to the same period in 2023 was $18 or 3.1%. The decrease is due to a decrease in occupancy in one of the properties. The increase in office Same Property NOI for the year ended December 31, 2024 compared to the same period in 2023 was $29 or 1.4%. The increase is driven by the improved occupancy and lower free rent in one of the properties.

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

	Same Properties 3 Months Ended December 31		**Same Properties Year Ended December 31**	
	2024	2023	**2024**	2023
Industrial	**95.5 %**	96.4 %	**96.3 %**	95.9 %
Retail	**98.3 %**	97.6 %	**98.2 %**	97.4 %
Office	**91.8 %**	93.0 %	**91.8 %**	91.7 %
Total	**95.7 %**	96.5 %	**96.4 %**	96.0 %

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 month period and year ended December 31, 2024 were $1,408 and $5,350 respectively, an increase of $145 and a decrease of $1,919 over the same periods in 2023. The increase for the three month period ended December 31, 2024 is largely due to timing of certain expenses. The decrease for the year ended December 31, 2024 is primarily due to the one-time retirement fee of approximately $1,600 plus other one-time costs associated with the CEO succession of approximately $600 paid in 2023.

Long-Term Incentive Plan

Long-term incentive plan gain of $14 and expense of $2,824 during the three month period and year ended December 31, 2024 relates to deferred and restricted units which vest over a period of one to three years, and is a non-cash item.

Interest and Financing Costs

	3 Months Ended December 31 2024	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Amortization of financing costs	**$ 346**	$ 378	**$ 1,432**	$ 1,184
Accretion expense - Convertible Debentures	**94**	93	**375**	217
Other interest and financing costs	**5,386**	5,370	**21,366**	21,024
	$ 5,826	$ 5,841	**$ 23,173**	$ 22,425

Other interest and financing costs were $5,386 and $21,366 for the three month period and year ended December 31, 2024. The increase of $16 and $342 for the three month period and year ended December 31, 2024 over the same period in 2023 is primarily due to the increase in the weighted average interest rate on mortgage debt to 3.90% as at December 31, 2024 from 3.88% as at December 31, 2023, and the increase in the carrying balance of the credit facility, offset by the repayment of certain mortgages in connection with the sale of properties.

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 $0.4500 per Class B LP units on an annualized basis. Distributions on the Class B LP Units were $134 and $568 for the three month period and year ended December 31, 2024.

Fair Value Adjustment – Class B LP Units

A fair value gain of $742 and expense of $619 on the Class B LP Units was recorded for the three month period and year ended December 31, 2024 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 month period and year ended December 31, 2024, 3 and 90 properties were respectively revalued by independent external appraisers.

The fair value loss of $6,665 and $24,519 on investment properties for the three month period and year ended December 31, 2024 are due to changes in projected future cash flows, changes in capitalization rates and market rent assumptions on certain of the REIT’s properties, offset by certain nonrecoverable expenditures and leasing costs incurred. The REIT’s growth in income achieved through lease deals and increasing market rents, predominately in the industrial sector, is offset by a slight expansion in capitalization rates due to market conditions.

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

(CAD $ thousands)	**Industrial**	**Retail**	**Office**	**Total**
At December 31, 2024				
Fair value of investment properties	**$ 840,514**	**$ 106,170**	**$ 28,635**	**$ 975,319**
Fair value of investment properties per square feet	**$ 160.12**	**$ 148.94**	**$ 183.93**	**$ 159.42**
At December 31, 2023				
Fair value of investment properties	$ 815,965	$ 137,484	$ 56,965	$ 1,010,414
Fair value of investment properties per square feet	$ 156.38	$ 168.78	$ 178.19	$ 159.07

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

	As at December 31, 2024		As at December 31, 2023	
	Range %	**Weighted Average % (1)**	Range %	Weighted Average % (1)
Industrial	**6.0% - 7.8%**	**6.6 %**	4.5% - 8.3%	6.0 %
Retail	**6.0% - 10.0%**	**7.2 %**	4.5% - 9.3%	7.0 %
Office	**7.3% - 8.3%**	**7.4 %**	7.0% - 7.3%	7.1 %
Total portfolio	**6.0% - 10.0%**	**6.7 %**	4.5% - 9.3%	6.2 %

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

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

	As at December 31, 2024		**As at December 31, 2023**	
	Range %	**Weighted Average % (1)**	Range %	Weighted Average % (1)
Maritime provinces	**6.3% - 10.0%**	**7.2 %**	4.5% - 9.0%	6.4 %
Ontario	**6.0% - 7.3%**	**6.3 %**	5.5% - 7.3%	5.9 %
Quebec	**6.0% - 7.0%**	**6.3 %**	5.0% - 7.1%	5.8 %
Western Canada	**6.3% - 10.0%**	**6.6 %**	5.5% - 9.3%	6.3 %
Total portfolio	**6.0% - 10.0%**	**6.7 %**	4.5% - 9.3%	6.2 %

(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 consolidated statements of net income (loss) and comprehensive income (loss). At December 31, 2024, Compass manages all 115 of the REIT’s properties, representing 6.1 million square feet plus 4.3 million square feet of third party properties, for an aggregate of approximately 10.4 million square feet of GLA.

Investment in Joint Operations

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

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

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

(CAD $ thousands)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Property revenue	**$ 6,964**	$ 6,736	**$ 26,508**	$ 24,849
Property operating expenses (excluding the undernoted property management fees)	**2,868**	2,961	**10,521**	10,105
Property management fees	**177**	198	**770**	726
Net operating income	**3,919**	3,577	**15,217**	14,018
Interest and financing costs	**1,338**	1,228	**5,200**	5,304
Fair value adjustment - investment properties	**1,769**	1,035	**(2,240)**	(2,452)
Net income and comprehensive income	**$ 812**	$ 1,314	**$ 12,257**	$ 11,166

SEGMENTED ANALYSIS

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

	Industrial		**Retail**		**Office**		**Total**
(CAD $ thousands)	**$**	**%**	**$**	**%**	**$**	**%**	**$**
Three months ended December 31, 2024							
Property revenue	**20,174**	***81.1***	**3,466**	***13.9***	**1,243**	***5.0***	**24,883**
Net operating income ("NOI")	**11,909**	***81.3***	**2,130**	***14.5***	**614**	***4.2***	**14,653**
Three months ended December 31, 2023							
Property revenue	18,974	*74.1*	4,253	*16.6*	2,391	*9.3*	25,618
Net operating income ("NOI")	10,912	*73.2*	2,748	*18.4*	1,237	*8.4*	14,897

	Industrial		**Retail**		**Office**		**Total**
(CAD $ thousands)	**$**	**%**	**$**	**%**	**$**	**%**	**$**
Year ended December 31, 2024							
Property revenue	**76,691**	***77.3***	**14,533**	***14.6***	**7,989**	***8.1***	**99,213**
Net operating income ("NOI")	**45,638**	***78.0***	**9,027**	***15.4***	**3,858**	***6.6***	**58,523**
Investment properties	**840,514**	***86.2***	**106,170**	***10.9***	**28,635**	***2.9***	**975,319**
Mortgages	**359,776**	***86.2***	**41,052**	***9.8***	**16,309**	***4.0***	**417,137**
Year ended December 31, 2023							
Property revenue	71,493	*71.6*	17,812	*17.8*	10,588	*10.6*	99,893
Net operating income ("NOI")	41,490	*71.6*	11,395	*19.7*	5,056	*8.7*	57,941
Investment properties	815,965	*80.8*	137,484	*13.6*	56,965	*5.6*	1,010,414
Mortgages	359,737	*78.7*	61,463	*13.4*	35,796	*7.9*	456,996

The main driver for the change in revenues and net operating income ("NOI") is contractual increases in rent and higher rental rates on lease renewals and on new leases, offset by the net decrease in the number of properties during the three month period and year ended December 31, 2024 as described in the "Comparison of the Results from Operations" section of this MD&A. The main driver for the change in fair values of investment properties and mortgages is the net decrease in the number of properties during the three month period and year ended December 31, 2024 as described in the "Comparison of the Results from Operations" section of this MD&A.

As at December 31, 2024, the Industrial segment consists of 85 properties (December 31, 2023 – 86 properties), having a total GLA of approximately 5,249,000 square feet (December 31, 2023 – ~5,218,000 square feet).

As at December 31, 2024, the Retail segment consists of 26 properties (December 31, 2023 – 31 properties), having a total GLA of approximately 713,000 square feet (December 31, 2023 – ~815,000 square feet).

As at December 31, 2024, the Office segment consists of 4 properties (December 31, 2023 – 6 properties), having a total GLA of approximately 156,000 square feet (December 31, 2023 – ~320,000 square feet).

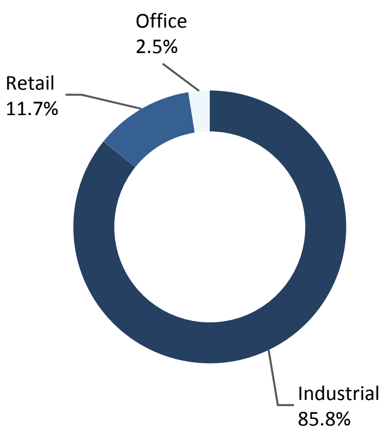
PORTFOLIO PROFILE

At December 31, 2024, the REIT's portfolio consisted of 115 properties, located in prime locations within their respective markets, representing a total GLA of 6,117,737 square feet. The decrease of 234,427 square feet compared to December 31, 2023 is due to the net decrease in the number of properties as described in the "Comparison of the Results from Operations" section of this MD&A.

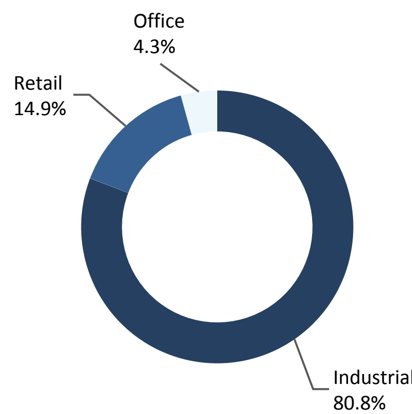
	Year Ended/ At December 31, 2024				Year Ended/ At December 31, 2023			
(CAD $ thousands unless otherwise stated)	**# of Properties**	**Occupancy[(1)]**	**GLA (sq. ft.)**	**NOI**	# of Properties	Occupancy[(1)]	GLA (sq. ft.)	NOI
Industrial	**85**	**97.7 %**	**5,249,212**	**$ 45,638**	86	98.6 %	5,217,929	$ 41,490
Retail	**26**	**98.8 %**	**712,843**	**9,027**	31	97.9 %	814,557	11,395
Office	**4**	**95.9 %**	**155,682**	**3,858**	6	94.7 %	319,678	5,056
Total	**115**	**97.8 %**	**6,117,737**	**$ 58,523**	123	98.3 %	6,352,164	$ 57,941

(1) Occupancy rate includes lease contracts for future occupancy of currently vacant space. Management believes the inclusion of this committed space provides a more balance reporting. The committed space at December 31, 2024 was approximately 74,218 square feet of GLA (84,508 square feet of GLA at December 31, 2023). The occupancy rate at December 31, 2024 excludes a co-owned vacant industrial property of 30,994 square feet (the REIT's 50% share) that was sold on February 7, 2025 (see "Subsequent Events" section of this MD&A).

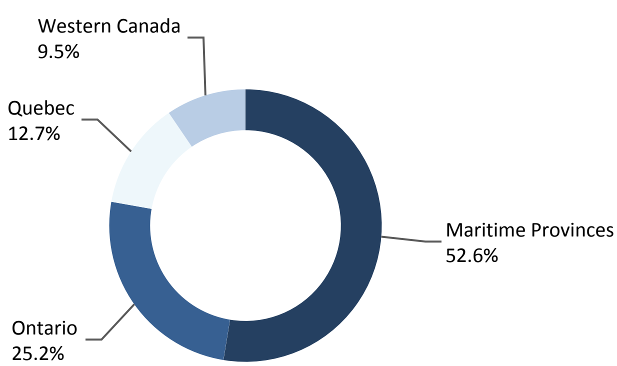
GLA by Asset Class [(1)]



Base Rent by Asset Class [(1)]



Base Rent by Region [(1)]



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

Top Ten Tenants

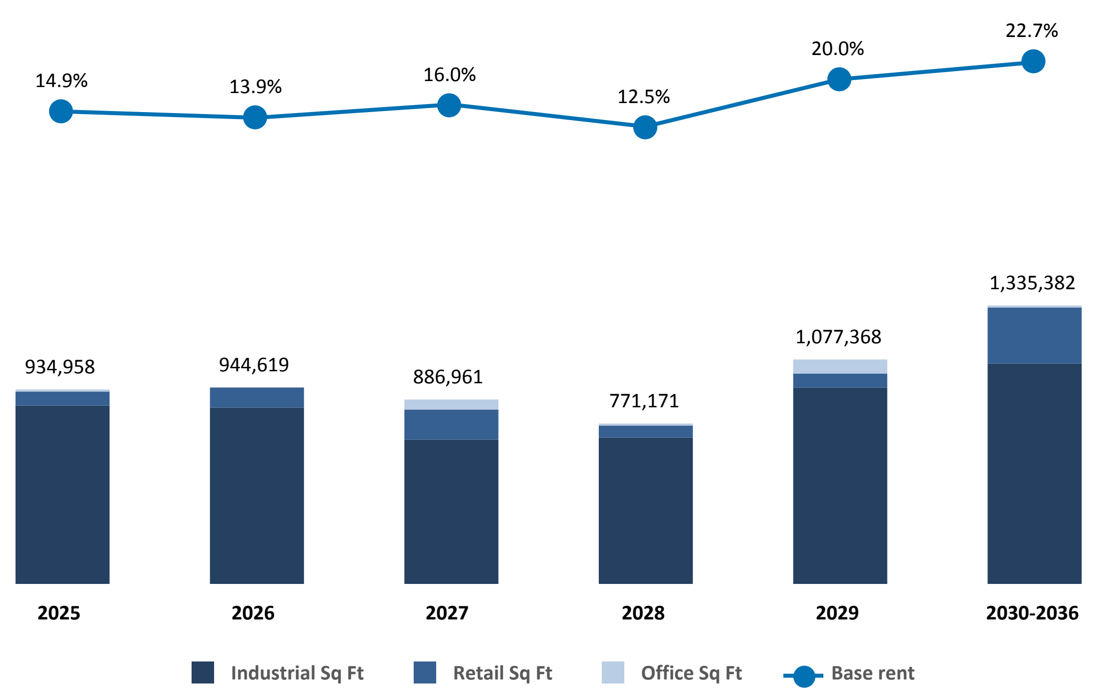
As at December 31, 2024, the ten largest tenants in the REIT's portfolio accounted for approximately 29.3% on annualized in-place and committed base rent and had a remaining average lease term of approximately 3.8 years.

Tenant	% in-Place Base Rent(1)	GLA (Sq. Ft.)	Remaining Average Lease Term (years)	Credit Rating(2)
Sobeys	**4.3 %**	**222,491**	**6.2**	na/BBB-/BBB
DRS Technologies Canada	**4.2 %**	**127,334**	**0.1**	Baa3/BBB-/na
Sysco Canada Inc.	**3.7 %**	**326,061**	**1.6**	Baa1/BBB/na
KD Services	**3.6 %**	**134,340**	**4.6**	na
Government of Canada	**3.4 %**	**118,570**	**2.5**	Aaa/AAA/AAA
Lineage Logistics	**2.5 %**	**224,334**	**4.6**	Baa2/na/na
Ribbon Communications Canada	**2.4 %**	**98,057**	**5.0**	na
Diversitech Equipment & Sales	**1.8 %**	**66,975**	**8.7**	na
Sherway Warehousing Inc.	**1.8 %**	**156,318**	**4.7**	na
ArcelorMittal Tailored Blanks	**1.6 %**	**185,633**	**4.4**	Baaa3/BBB-/na
Total	**29.3 %**	**1,660,113**	**3.8**	

(1) Based on annualized in-place and committed base rent at December 31, 2024.
(2) Source: Moody's, S&P, and DBRS. Credit rating assigned to tenant or its parent.

The REIT's total portfolio includes 66.4% of base rent from national and government tenants and 35.1% of base rent from credit quality tenants, based on annualized in-place and committed base rent at December 31, 2024.

The REIT's diverse tenant base has a staggered lease maturity profile with no more than 1,077,368 square feet or 17.6% of GLA maturing in any given period before 2029.



Weighted average lease term to maturity (years)	December 31 2024	December 31 2023
Industrial	**3.4**	3.9
Retail	**4.5**	4.6
Office	**3.8**	3.3
Total Portfolio	**3.8**	4.0

Rental Rates

Weighted average in-place base rental revenue is contractual base rent and excludes recoverable expense revenue. It represents the annualized in-place and committed base rent at December 31, 2024 weighted by the gross leasable area. 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 December 31, 2024 and December 31, 2023:

	December 31, 2024		December 31, 2023	
	Leased GLA (Sq. Ft.)	**Weighted Average In-Place Base Rent**	Leased GLA (Sq. Ft.)	Weighted Average In-Place Base Rent (per Sq. Ft.)
Industrial	**5,096,966**	**$ 9.23**	5,079,125	$ 8.39
Retail	**704,269**	**12.63**	797,176	14.09
Office	**149,224**	**5.18**	302,718	15.27
Leased total	**5,950,459**	**$ 9.78**	6,179,019	$ 9.45
Properties under redevelopment	**–**		65,000	
Vacant total	**167,278**		108,145	
Portfolio Total	**6,117,737**		6,352,164	

The weighted average in-place base rent of $9.78 per square foot at December 31, 2024 increased from $9.45 per square foot at December 31, 2023 mainly driven by the increase in leasing rates in the industrial asset class.

LEASING ACTIVITY

At December 31, 2024, the REIT`s occupancy was 97.8% (including committed space of approximately 74,218 square feet and excluding a 50% co-owned vacant industrial property that was sold February 7, 2025) with a weighted average remaining lease term of 3.8 years. The following table summarizes rental rate spreads achieved on the renewal and replacements during the three month period and year ended December 31, 2024:

	3 Months Ended December 31, 2024		**Year Ended December 31, 2024**	
	Leased GLA (Sq. Ft.)	**Rental Rate Spread % (1)**	**Leased GLA (Sq. Ft.)**	**Rental Rate Spread % (1)**
Industrial	**23,474**	**46.7 %**	**549,410**	**50.5 %**
Retail	**1,369**	**25.0 %**	**60,680**	**14.7 %**
Office	**–**	**– %**	**64,271**	**(1.2)%**
Total	**24,843**	**44.8 %**	**674,361**	**39.1 %**

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

At December 31, 2024, approximately 90.9% of GLA maturing in 2024 has been renewed at 39.1% positive average spreads.

As of the date of this report, approximately 47.3% of GLA maturing in 2025 has been renewed at 31.8% positive average spreads and approximately 45.0% of GLA maturing in 2026 has been renewed at 38.0% positive average spreads.

2025 Leasing Activities

The REIT has entered into a 128,000 square foot industrial lease with a new quality international tenant for a 15 year term with base rent in excess of 30% over the expiring rent with annual rent steps for a tenant expiry in January 2025. The prior tenant was a top ten tenant at December 31, 2024 and did not renew its lease expiring in January 2025 .

In June of 2024, the REIT renewed an industrial lease with a single credit quality tenant expiring in 2025, for a 5 year term starting from the date of the expiry. The renewed base rent is excess of 40% over the expiring rent with annual rent steps and represents approximately 42,000 square feet of GLA.

In December of 2024, the REIT renewed an industrial lease with a single credit quality tenant expiring in 2025, for a 7 year term starting from the date of the expiry. The renewed base rent is excess of 20% over the expiring rent with annual rent steps and represents approximately 95,000 square feet of GLA.

The REIT has entered into a 21,000 square foot industrial lease with a new quality national tenant for a 10 year term commencing in April 2025 with base rent in excess of 120% over the previous tenant's expiring base rent with annual rent steps. As of July 2023, this property had 29,000 square feet vacant. The REIT secured the remaining vacant 8,000 square feet with the current tenant expanding into this space. The expansion is for a 7 year term with base rent at current market rates with annual rent steps commencing in April 2025.

2026 Leasing Activities

In November of 2024, the REIT renewed a retail lease with a single credit quality tenant expiring in 2026, for a 10 year term starting from the date of the expiry. The renewed base rent will remain the same as the expiring rent with a one-time rent step to commence in year 6 of the renewal term and represents approximately 42,000 square feet of GLA.

In December of 2024 the REIT renewed an industrial lease with a single tenant expiring in 2026, for a 3 year term starting from the date of the expiry. The renewed base rent is excess of 40% over the expiring rent with annual rent steps and represents approximate 155,000 square feet of GLA.

In February 2025, the REIT renewed four industrial leases with a credit quality tenant expiring in 2026, each for a 5 year term starting from the date of the expiry. The renewed base rent is in excess of 45% over the expiring rent with annual rent steps and represents approximate 325,000 square feet of GLA. This tenant is a top ten tenant at December 31, 2024.

PART IV

LIQUIDITY AND CAPITAL RESOURCES

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

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

(CAD $ thousands)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Cash provided from (used in):				
Operating activities	**$ 11,650**	$ 9,462	**$ 31,098**	$ 31,699
Financing activities	**(9,452)**	(12,732)	**(45,175)**	(30,316)
Investing activities	**(3,796)**	5,123	**9,890**	4,342
Change in cash during the period	**(1,598)**	1,853	**(4,187)**	5,725
Cash, beginning of period	**10,667**	11,403	**13,256**	7,531
Cash, end of period	**$ 9,069**	$ 13,256	**$ 9,069**	$ 13,256

Three Month Period Ended December 31, 2024

Cash flows from operating activities relate primarily to the collection of rent and payment of operating expenses. The cash provided by operating activities of $11,650 for the three month period ended December 31, 2024 was impacted mainly by the timing of cash receipts and settlement of payables.

Cash used in financing activities during the three month period ended December 31, 2024 of $9,452 is attributed to distributions paid of $6,687, repayment of debt of $6,416, financing cost incurred of $8, and the settlement of restricted units and deferred units in cash of $341, offset by the borrowings on the credit facility of $4,000.

Cash used in investing activities of $3,796 during the three month period ended December 31, 2024 primarily consists of additions of capital expenditures and leasing costs of $8,388, offset by net proceeds of disposal of investment properties of $4,529 and the adjustment to property and equipment of $63.

Year Ended December 31, 2024

Cash flows from operating activities relate primarily to the collection of rent and payment of operating expenses. The cash provided by operating activities of $31,098 for the year ended December 31, 2024 was impacted mainly by the timing of cash receipts and settlement of payables.

Cash used in financing activities during the year ended December 31, 2024 of $45,175 is attributed to repayment of debt of $71,370, distributions paid of $26,715, restricted and deferred Units settled in cash of $806 and financing costs incurred of $355, offset by increase in mortgages of $31,071 and net borrowings on the credit facility of $23,000.

Cash flows from investing activities of $9,890 during the year ended December 31, 2024 primarily consist of net proceeds of disposal of investment property of $64,200, offset by the acquisition of investment property of $32,835, additions of capital expenditures and leasing costs of $20,246 and the additions to property and equipment of $1,229.

Available Liquidity

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

(CAD $ thousands)	**December 31 2024**	December 31 2023
Cash per consolidated financial statements	**$ 9,069**	$ 13,256
Undrawn revolving credit facility	**20,000**	43,000
Available Liquidity [(1)]	**$ 29,069**	$ 56,256

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

CAPITALIZATION AND DEBT PROFILE

(CAD $ thousands)	**December 31 2024**
Mortgages (net of financing costs of $1,528)	**$ 417,137**
Term loan (net of financing costs of $65)	**9,705**
Convertible Debentures including derivative financial instrument (net of issuance costs of $2,340)	**31,826**
Credit facility (net of financing costs of $97)	**39,903**
Class B LP Units	**6,288**
Unitholders' Equity	**464,647**
Total Capitalization	**$ 969,506**

The REIT has a revolving credit facility of $60,000 which bears interest at prime plus 100.0 basis points or CORRA loan 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 $114,370 at December 31, 2024. At December 31, 2024, advances under the revolving credit facility were $40,000.

As at December 31, 2024, all mortgages payable were at fixed rates with a weighted average contractual rate of approximately 3.90% (December 31, 2023 – 3.88%). The mortgages payable are secured by first charges on certain investment properties with a fair value of approximately $854,279 at December 31, 2024 (December 31, 2023 - $901,139).

The REIT has a $10,000 three year term loan at rate of 6.79% per annum. The term loan is secured by second charges on certain investment properties with a fair value of approximately $114,290 at December 31, 2024 (December 31, 2023 - $117,020).

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

(CAD $ thousands)	**Principal instalments**	**Principal maturities**	**Total Principal Payable**	**% of Total Principal**	**Weighted Average Interest Rate on Maturity**
2025	**$ 12,136**	**$ 51,983**	**$ 64,119**	**15.0 %**	**4.9 %**
2026	**9,929**	**123,935**	**133,864**	**31.2 %**	**3.5 %**
2027	**6,932**	**49,538**	**56,470**	**13.2 %**	**4.8 %**
2028	**5,864**	**71,486**	**77,350**	**18.1 %**	**3.4 %**
2029	**3,582**	**36,626**	**40,208**	**9.4 %**	**4.1 %**
Thereafter	**3,154**	**53,270**	**56,424**	**13.1 %**	**4.0 %**
	$ 41,597	**$ 386,838**	**$ 428,435**	**100.0 %**	
Financing costs			**(1,593)**		
Total balance outstanding as at December 31, 2024			**$ 426,842**		

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

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

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

Contractual Obligations

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

(CAD $ thousands)	**2025**	**2026**	**2027**	**2028**	**2029**	**Thereafter**
Mortgages and term loan principal instalments	**$ 12,136**	**$ 9,929**	**$ 6,932**	**$ 5,864**	**$ 3,582**	**$ 3,154**
Mortgages and term loan principal maturities	**51,983**	**123,935**	**49,538**	**71,486**	**36,626**	**53,270**
Mortgages and term loan interest	**15,593**	**11,974**	**8,169**	**5,745**	**3,452**	**2,271**
Convertible Debentures	**–**	**–**	**–**	**35,000**	**–**	**–**
Interest on Convertible Debentures	**2,800**	**2,800**	**2,800**	**1,400**	**–**	**–**
Credit facility	**40,000**	**–**	**–**	**–**	**–**	**–**
Accounts payable and other liabilities	**19,184**	**–**	**–**	**–**	**–**	**–**
Rent	**80**	**80**	**96**	**100**	**36**	**–**
	$141,776	**$148,718**	**$ 67,535**	**$119,595**	**$ 43,696**	**$ 58,695**

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.

NAV per Unit

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

(CAD $ thousands)	**December 31 2024**	December 31 2023
Total unitholders equity per consolidated financial statements	**$ 464,647**	$ 488,034
Adjustment for Class B LP Units	**6,288**	6,459
Net Asset Value (1)	**$ 470,935**	$ 494,493
Total outstanding Units and Class B LP Units	**60,634,909**	60,603,438
NAV per Unit (1)	**$7.77**	$8.16

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

Adjusted Debt

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

(CAD $ thousands)	**December 31 2024**	December 31 2023
Debt (non-current and current portion) as reported in the financial statements	**$ 498,571**	$ 515,257
Reconciling items:		
Unamortized financing costs	**4,030**	5,108
Cumulative accretion expense - Convertible Debentures (1)	**(592)**	(217)
Cumulative fair value adjustment - derivative financial instrument (1)	**1,426**	587
Adjusted Debt (2)	**$ 503,435**	$ 520,735

(1) Represents the cumulative amounts since issuance of the Convertible Debentures on May 26, 2023.
(2) Represents a non-IFRS measure. See "Non-IFRS Measures".

Debt Ratios

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

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

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

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

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

Gross Book Value is calculated as follows:

(CAD $ thousands unless otherwise stated)	**December 31 2024**	December 31 2023
Total assets, including investment properties stated at fair value	**$ 997,762**	$ 1,034,591
Accumulated depreciation on property and equipment and intangible assets	**4,011**	3,201
Gross Book Value (1)	**1,001,773**	1,037,792
Adjusted Debt (1)	**$ 503,436**	$ 520,735
Adjusted Debt to Gross Book Value (1)	**50.25 %**	50.18 %

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

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

Financial Measures

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

Adjusted EBITDA

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

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

(CAD $ thousands)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Net income (loss) and comprehensive income (loss)	**$ 1,879**	$ (149)	**$ 2,376**	$ 25,906
Interest and financing costs	**5,826**	5,841	**23,173**	22,425
Depreciation of property and equipment	**82**	156	**590**	477
Amortization of intangible assets	**61**	61	**245**	309
Fair value adjustment - Class B LP Units	**(742)**	664	**619**	(1,638)
Fair value adjustment - investment properties	**6,665**	5,785	**24,519**	2,817
Fair value adjustment - derivative financial instrument	**(509)**	540	**(839)**	(587)
Distributions - Class B LP Units	**134**	153	**568**	619
Straight-line rent	**(139)**	(116)	**(477)**	(468)
Long-term incentive plan expense	**(14)**	1,117	**2,824**	1,684
Debt settlement costs	**332**	–	**1,126**	199
Transaction costs	–	–	–	126
CEO succession plan costs	–	–	–	2,240
Adjusted EBITDA (1)	**$ 13,575**	$ 14,052	**$ 54,724**	$ 54,109
Annualized Adjusted EBITDA (1)	**$ 54,300**	$ 56,208	**$ 54,724**	$ 54,109

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

Interest Coverage Ratio

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

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

(CAD $ thousands)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Adjusted EBITDA (1)	**$ 13,575**	$ 14,052	**$ 54,724**	$ 54,109
Interest expense	**$ 5,514**	$ 5,683	**$ 21,955**	$ 21,609
Interest Coverage Ratio (1)	**2.5x**	2.5x	**2.5x**	2.5x

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

Debt Service Coverage Ratio

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

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

(CAD $ thousands)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Adjusted EBITDA [1]	**$ 13,575**	$ 14,052	**$ 54,724**	$ 54,109
Interest expense	**5,514**	5,683	**21,955**	21,609
Principal repayments	**3,102**	3,335	**12,380**	13,259
Debt Service Requirements	**$ 8,616**	$ 9,018	**$ 34,335**	$ 34,868
Debt Service Coverage Ratio [1]	**1.6x**	1.6x	**1.6x**	1.6x

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

Annualized Adjusted EBITDA Ratio

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

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

(CAD $ thousands)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Adjusted Debt [1]	**$ 503,436**	$ 520,735	**$ 503,436**	$ 520,735
Adjusted EBITDA [1]	**$ 13,575**	$ 14,052	**$ 54,724**	$ 54,109
Annualized Adjusted EBITDA [1]	**$ 54,300**	$ 56,208	**$ 54,724**	$ 54,109
Adjusted Debt to Annualized Adjusted EBITDA Ratio [1]	**9.3x**	9.3x	**9.2x**	9.6x

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

DISTRIBUTIONS AND ADJUSTED FUNDS FROM OPERATIONS

(CAD $ thousands except unit, per unit amounts and unless otherwise stated)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Net income (loss) and comprehensive income (loss) for the period	**$ 1,879**	$ (149)	**$ 2,376**	$ 25,906
Add:				
Long-term incentive plan	**(669)**	503	**945**	(1,120)
Distributions - Class B LP Units	**134**	153	**568**	619
Fair value adjustment - investment properties	**6,665**	5,785	**24,519**	2,817
Fair value adjustment - Class B LP Units	**(742)**	664	**619**	(1,638)
Fair value adjustment - derivative financial instrument	**(509)**	540	**(839)**	(587)
Amortization of intangible assets	**61**	61	**245**	309
FFO [(1)]	**$ 6,819**	$ 7,557	**$ 28,433**	$ 26,306
Deduct:				
Straight-line rent adjustment	**$ (139)**	$ (116)	**$ (477)**	$ (468)
Maintenance capital expenditures	**(87)**	(130)	**(353)**	(615)
Stabilized leasing costs	**(922)**	(801)	**(3,570)**	(2,564)
Add:				
Long-term incentive plan	**655**	614	**1,879**	2,804
Amortization of financing costs	**346**	378	**1,432**	1,184
Accretion expense - Convertible Debentures	**94**	93	**375**	217
Debt settlement costs	**332**	–	**1,126**	126
Transaction costs	**–**	–	**–**	199
CEO Succession plan costs	**–**	–	**–**	2,240
AFFO [(1)]	**$ 7,098**	$ 7,595	**$ 28,845**	$ 29,429
Basic FFO per unit [(1)(2)]	**$ 0.1125**	$ 0.1247	**$ 0.4690**	$ 0.4347
Diluted FFO per unit [(1)(2)]	**$ 0.1113**	$ 0.1232	**$ 0.4646**	$ 0.4285
Basic AFFO per unit [(1)(2)]	**$ 0.1171**	$ 0.1253	**$ 0.4758**	$ 0.4863
Diluted AFFO per unit [(1)(2)]	**$ 0.1159**	$ 0.1239	**$ 0.4713**	$ 0.4794
Distributions declared per Unit and Class B LP Unit	**$ 0.1125**	$ 0.1125	**$ 0.4500**	$ 0.4500
AFFO Payout Ratio – Basic [(1)]	**96.1 %**	89.8 %	**94.6 %**	92.5 %
AFFO Payout Ratio – Diluted [(1)]	**97.1 %**	90.8 %	**95.5 %**	93.9 %
Basic weighted average number of units [(2)(3)]	**60,634,909**	60,603,438	**60,627,925**	60,510,713
Diluted weighted average number of units [(2)(3)]	**61,251,790**	61,316,451	**61,197,011**	61,385,565

(1) Represents a non-IFRS measure. See "Non-IFRS Measures".
(2) FFO and AFFO per unit is calculated as FFO or AFFO, as the case may be, divided by the total of the weighted average number of basic or diluted units, as applicable, added to the weighted average number of Class B LP Units outstanding during the period.
(3) Total basic units consist of Units and Class B LP Units. Total diluted units also includes deferred trust units and restricted trust units issued under the REIT's long-term incentive plan.

The change in FFO for the three month period and year ended December 31, 2024 compared to the same periods in 2023 was a decrease of $738 and an increase of $2,127, respectively. The decrease for the three month period ended December 31, 2024 is driven by an increase in debt settlement costs in connection with the sale of properties, as well as a slight increase in vacancy, offset by general increases in contractual base rent, higher rates on renewals, and higher rental rates on new leases despite having 8 fewer properties compared to December 31, 2023 and the contribution from the acquisition of an investment property in the third quarter of 2024. For the year ended December 31, 2024, the increase is primarily driven by general increases in contractual base rent, higher rates on renewals, and higher rates on new leases despite having 8 fewer properties compared to December 31, 2023, the contribution from the acquisition of an investment property in the third quarter of 2024, and a reduction of one-time costs which included CEO succession plan costs of $2,240, offset by an increase in interest expense and debt settlement costs in connection with the sale of properties.

AFFO was $7,098 and $28,845 for the three month period and year ended December 31, 2024 with a corresponding AFFO Payout Ratio – Basic of 96.1% and 94.6% respectively. The increase in the AFFO Payout Ratio – Basic for the three month period and year ended December 31, 2024 is primarily driven by an increase in stabilized leasing costs, offset by the contribution from the acquisition of an investment property in the third quarter 2024, general increases in contractual base rent, higher rates on renewals, and higher rental rates on new leases despite having 8 fewer properties compared to December 31, 2023.

Distributions

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

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

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

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

Distributions of $0.1125 and $0.4500 per Unit and Class B LP Unit were declared during the three month period and year ended December 31, 2024 and 2023. Distributions were paid on or about the 15th day of the month following the declaration.

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

(CAD $ thousands)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Cash flow provided from operating activities	**$ 11,650**	$ 9,462	**$ 31,098**	$ 31,699
Add (deduct):				
Changes in non-cash working capital	**(3,927)**	(933)	**566**	(1,798)
Distributions – Class B LP Units	**134**	153	**568**	619
Maintenance capital expenditures	**(87)**	(130)	**(353)**	(615)
Stabilized leasing costs	**(922)**	(801)	**(3,570)**	(2,564)
Depreciation of property and equipment	**(82)**	(156)	**(590)**	(477)
Debt settlement costs	**332**	–	**1,126**	126
Transaction costs	**–**	–	**–**	199
CEO succession plan costs	**–**	–	**–**	2,240
Adjusted Funds From Operations (AFFO) (1)	**$ 7,098**	$ 7,595	**$ 28,845**	$ 29,429

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

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

(CAD $ thousands)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Adjusted Funds From Operations (AFFO) (1)	**$ 7,098**	$ 7,595	**$ 28,845**	$ 29,429
Total distributions paid or payable – Units and Class B LP Units	**6,821**	6,817	**27,283**	27,231
Excess of AFFO over distributions paid or payable	**$ 277**	$ 778	**$ 1,562**	$ 2,198

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

For the three month period and year ended December 31, 2024 and 2023, 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:

(CAD $ thousands)	**3 Months Ended December 31 2024**	3 Months Ended December 31 2023	**Year Ended December 31 2024**	Year Ended December 31 2023
Cash flow provided from operating activities	**$ 11,650**	$ 9,462	**$ 31,098**	$ 31,699
Net income (loss) and comprehensive income (loss)	**$ 1,879**	$ (149)	**$ 2,376**	$ 25,906
Total distributions paid or payable – Units (1)	**$ 6,687**	$ 6,664	**$ 26,715**	$ 26,612
Excess of cash flow from operating activities over distributions paid or payable	**$ 4,963**	$ 2,798	**$ 4,383**	$ 5,087
Shortfall of net income (loss) and comprehensive income (loss) over distributions paid or payable	**$ (4,808)**	$ (6,813)	**$ (24,339)**	$ (706)

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

For the three month period and year ended December 31, 2024, the REIT had sufficient cash flows from operating activities to cover the distributions paid or payable.

For the three month period and year ended December 31, 2024, distributions paid or payable exceed net income (loss) and comprehensive income (loss) by $4,808 and $24,339, respectively, as a result of non-cash items such as long-term incentive plan expense, depreciation of property and equipment, amortization of intangible assets, amortization of financing costs, fair value adjustment of investment properties, fair value adjustment of Class B LP Units, and fair value adjustment of derivative financial instrument. These non-cash items are not reflective of the REIT's ability to make distributions and, as such, the REIT does not use net income (loss) and comprehensive income (loss) as a proxy for determining distributions. The REIT anticipates that at given time, net income (loss) and comprehensive income (loss) will continue to vary from total distributions paid or payable – Units, as net income (loss) and comprehensive income (loss) includes fair value adjustments and other non-cash items.

ISSUED AND OUTSTANDING SECURITIES

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

Units

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

Total Units outstanding as of March 12, 2025 were 59,437,135.

Class B LP Units and Special Voting Units

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

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

Total Class B LP Units outstanding as of March 12, 2025 were 1,197,774.

Deferred Units and Restricted Units

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

Total deferred units and restricted units outstanding as of March 12, 2025 were 1,047,507 and 126,826.

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.

(CAD $ thousands)	**Measurement**	**Carrying Value December 31 2024**	**Fair Value December 31 2024**
Loans and Receivables			
Cash (a)	Amortized cost	$ 9,069	$ 9,069
Receivables and other excluding prepaid expenses, deposits and other receivables (a)	Amortized cost	3,570	3,570
		$ 12,639	$ 12,639
Financial Liabilities Through Profit and Loss			
Class B LP Units	Fair value (L2)	$ 6,288	$ 6,288
Long-term incentive plan	Fair value (L2)	6,798	6,798
Derivative financial instrument (b)	Fair value (L3)	513	513
		$ 13,599	$ 13,599
Other Financial Liabilities			
Accounts payable and other liabilities (a)	Amortized cost	$ 19,184	$ 19,184
Credit facility (a)	Amortized cost	39,903	39,903
Distributions payable (a)	Amortized cost	2,274	2,274
Mortgages and term loan (c)	Amortized cost	426,842	417,560
Convertible Debentures (d)	Amortized cost	31,313	35,700
		$ 519,516	$ 514,621

(a) Short-term financial instruments, comprising cash, accounts receivable, accounts payable and other liabilities, credit facility and distributions payable are carried at amortized cost which, due to their short-term nature, approximates their fair value.

(b) Derivative financial instrument fair value is based on forward rates considering the market price, rate of interest and volatility and takes into account the credit risk of the financial instrument (Level 3). Such fair value estimates are not necessarily indicative of the amounts the REIT might pay or receive in actual market transactions.

(c) Mortgages and term loan are a long-term financial instrument. The fair value of the mortgages and term loan are based upon discounted future cash flows using discount rates, adjusted for the REIT's own credit risk, that reflect current market conditions for instruments with similar terms and risks. Such fair value estimates are not necessarily indicative of the amounts the REIT might pay or receive in actual market transactions.

(d) Convertible Debentures are a long-term financial liability. The fair value of Convertible Debentures includes the conversion option and is based on the TSX trading price at the reporting date (Level 1).

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

Off Balance Sheet Arrangements

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

PART V

CONTROLS AND PROCEDURES

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

Disclosure Controls and Procedures

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

The CEO and CFO have evaluated, or caused to be evaluated under their supervision, the effectiveness of the REIT's DC&P at December 31, 2024, the REIT's financial year end. Based on the evaluation, the CEO and CFO concluded that the REIT's DC&P were effective at December 31, 2024.

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.

The CEO and CFO have evaluated, or caused to be evaluated under their supervision, the effectiveness of the REIT's ICFR at the financial year end December 31, 2024, based on the criteria set forth in the 'Internal Control – Integrated Framework (COSO Framework)' (2013) published by The Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on that evaluation, the CEO and CFO have concluded that the REIT's ICFR was effective at December 31, 2024.

Changes in Internal Control over Financial Reporting

There were no changes in the REIT's ICFR in the twelve months ended December 31, 2024 that materially affected or are reasonably likely to materially affect the REIT's ICFR.

The CEO and CFO have evaluated, or caused to be evaluated under their supervision, whether or not there were changes to the REIT's ICFR during the year ended December 31, 2024 that have materially affected or are reasonably likely to materially affect the REIT's ICFR. No such changes were identified through their evaluation.

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

CRITICAL ACCOUNTING ESTIMATES

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

(i) Valuation of investment properties – Investment properties are presented at fair value at the reporting date. Currently, any change in fair value is determined by management and by independent real estate valuation experts using recognized valuation techniques. The techniques used by management and by independent real estate valuation experts comprise of the discounted cash flow and direct capitalization methods of valuation and includes estimating, among other things, capitalization rates and future net operating income and discount rates and future cash flows applicable to investment properties, respectively.

(ii) Fair value of financial instruments – Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. Inputs to these models are taken from observable markets where possible, but where this is not feasible a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported value of the financial instruments.

(iii) 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.

(iv) Derivative financial instrument – Derivative financial instrument, including embedded derivatives, are recognized on the consolidated statements of financial position at fair value. Subsequent to initial recognition, the embedded derivatives are measured at fair value. The fair value of the derivative instruments is based on forward rates considering the market price, rate of interest and volatility. Changes in estimated fair value at each reporting date are included in the consolidated statements of net income (loss) and comprehensive income (loss). Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics are risks of the host contract and the embedded derivative is not closely related and if the entire contract is not measured at fair value with changes in fair value recognized in the consolidated statements of net income (loss) and comprehensive income (loss).

MATERIAL ACCOUNTING POLICIES AND FUTURE CHANGES IN ACCOUNTING POLICIES

Accounting standards effective in the period, future changes in accounting policies and future applicable accounting standards are presented in the REIT's consolidated financial statements for the years ended December 31, 2024 and 2023, as described in note 5 of the audited consolidated financial statements.

SUMMARY OF QUARTERLY RESULTS

(CAD $ thousands except unit, per unit amounts and unless otherwise stated)	**3 Months Ended Dec 31 2024**	3 Months Ended Sep 30 2024	3 Months Ended Jun 30 2024	3 Months Ended Mar 31 2024	3 Months Ended Dec 31 2023	3 Months Ended Sep 30 2023	3 Months Ended Jun 30 2023	3 Months Ended Mar 31 2023
Property revenue	**$ 24,883**	$ 24,033	$ 24,595	$ 25,702	$ 25,618	$ 24,052	$ 24,945	$ 25,278
Property operating expenses	**10,230**	9,771	9,809	10,880	10,721	9,998	10,495	10,738
Net operating income ("NOI")	**14,653**	14,262	14,786	14,822	14,897	14,054	14,450	14,540
General and administrative expenses	**1,408**	1,284	1,273	1,385	1,263	1,210	1,278	3,518
Long-term incentive plan expense	**(14)**	1,620	(140)	1,358	1,117	(409)	395	581
Depreciation of property and equipment	**82**	192	168	148	156	108	108	105
Amortization of intangible assets	**61**	61	62	61	61	62	93	93
Interest and financing costs	**5,826**	5,706	5,848	5,793	5,841	5,980	5,473	5,131
Distributions – Class B LP Units	**134**	135	147	152	153	152	157	157
Fair value adjustment – Class B LP Units	**(742)**	1,257	(871)	975	664	(1,310)	(964)	(28)
Fair value adjustment – investment properties	**6,665**	(12)	4,591	13,275	5,785	(1,567)	6,250	(7,651)
Fair value adjustment - derivative liability	**(509)**	685	(2,520)	1,505	540	(1,148)	21	–
Other income	**(1,123)**	(1,183)	(1,067)	(1,034)	(1,025)	(852)	(748)	(835)
Other expenses	**654**	700	547	478	491	485	398	421
Debt settlement costs	**332**	488	128	178	–	73	53	–
Transaction costs	**–**	–	–	–	–	5	194	–
Net income (loss) and comprehensive income (loss)	**$ 1,879**	$ 3,329	$ 6,620	$ (9,452)	$ (149)	$ 11,265	$ 1,742	$ 13,048
Adjusted Debt to Gross Book Value [(1)]	**50.3 %**	50.2 %	49.5 %	49.5 %	50.2 %	50.0 %	50.9 %	49.2 %
Total assets	**$ 997,762**	$1,003,747	$ 990,199	$1,001,575	$1,034,591	$1,047,114	$1,057,548	$1,054,881
Total debt	**$ 498,571**	$ 501,064	$ 486,646	$ 493,624	$ 515,257	$ 519,075	$ 534,394	$ 518,668
Net income (loss) and comprehensive income (loss) per Unit - Basic [(2)(3)]	**$ 0.0310**	$ 0.0549	$ 0.1092	$ (0.1560)	$ (0.0025)	$ 0.1861	$ 0.0288	$ 0.2159
Net income (loss) and comprehensive income (loss) per Unit - Diluted [(2)(3)]	**$ 0.0307**	$ 0.0543	$ 0.1081	$ (0.1549)	$ (0.0024)	$ 0.1836	$ 0.0284	$ 0.2123
FFO [(1)]	**$ 6,819**	$ 6,513	$ 7,379	$ 7,722	$ 7,557	$ 6,531	$ 7,270	$ 4,948
AFFO [(1)]	**$ 7,098**	$ 6,979	$ 7,327	$ 7,441	$ 7,595	$ 7,030	$ 6,990	$ 7,814
Basic FFO per unit [(1)(4)]	**$ 0.1125**	$ 0.1074	$ 0.1217	$ 0.1274	$ 0.1247	$ 0.1079	$ 0.1203	$ 0.0819
Diluted FFO per unit [(1)(4)]	**$ 0.1113**	$ 0.1063	$ 0.1205	$ 0.1266	$ 0.1232	$ 0.1064	$ 0.1187	$ 0.0805
Basic AFFO per unit [(1)(4)]	**$ 0.1171**	$ 0.1151	$ 0.1208	$ 0.1228	$ 0.1253	$ 0.1161	$ 0.1156	$ 0.1293
Diluted AFFO per unit [(1)(4)]	**$ 0.1159**	$ 0.1139	$ 0.1196	$ 0.1220	$ 0.1239	$ 0.1146	$ 0.1142	$ 0.1271
AFFO Payout Ratio – Basic [(1)(2)]	**96.1 %**	97.7 %	93.1 %	91.6 %	89.8 %	96.9 %	97.3 %	87.0 %
AFFO Payout Ratio – Diluted [(1)(2)]	**97.1 %**	98.8 %	94.1 %	92.2 %	90.8 %	98.2 %	98.5 %	88.5 %
Basic weighted average number of units[(2)]	**60,634,909**	60,634,909	60,634,909	60,606,896	60,603,438	60,534,125	60,447,230	60,447,230
Diluted weighted average number of units[(2)]	**61,251,790**	61,260,167	61,260,167	61,015,319	61,316,451	61,366,430	61,234,171	61,469,854
Number of commercial properties	**115**	116	117	120	123	126	129	130
GLA (square feet)	**6,117,737**	6,129,954	6,159,521	6,217,063	6,352,164	6,420,336	6,483,576	6,531,305
Occupancy rate [(5)]	**97.8 %**	97.2 %	97.1 %	97.7 %	98.3 %	98.2 %	99.0 %	98.6 %
Weighted average lease term to maturity	**3.8**	3.7	3.8	3.9	4.0	4.0	4.1	4.1

(1) Represents a non-IFRS measure. See “Non-IFRS Measures”.
(2) Total basic units consist of Units and Class B LP Units. Total diluted units also include deferred trust units and restricted trust units issued under the REIT's long-term incentive plan.
(3) Net income (loss) and comprehensive income (loss) per unit is calculated as net income (loss) and comprehensive income (loss), divided by the total of the weighted average number of basic or diluted Units, as applicable, added to the weighted average number of Class B LP Units outstanding during the period.
(4) FFO and AFFO per unit is calculated as FFO or AFFO, as the case may be, divided by the total of the weighted average number of basic or diluted Units, as applicable, added to the weighted average number of Class B LP Units outstanding during the period.
(5) Occupancy rate includes lease contracts for future occupancy of currently vacant space and, as applicable, excludes properties under redevelopment and held for sale. Management believes the inclusion of this committed space provides a more balanced reporting.

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

(CAD $ thousands except unit, per unit amounts and unless otherwise stated)	**3 Months Ended Dec 31 2024**	3 Months Ended Sep 30 2024	3 Months Ended Jun 30 2024	3 Months Ended Mar 31 2024	3 Months Ended Dec 31 2023	3 Months Ended Sep 30 2023	3 Months Ended Jun 30 2023	3 Months Ended Mar 31 2023
Total assets, including investment properties stated at fair value	**$ 997,762**	$ 1,003,747	$ 990,199	$ 1,001,575	$ 1,034,591	$ 1,047,114	$ 1,057,548	$ 1,054,881
Accumulated depreciation on property and equipment and intangible assets	**4,011**	3,867	3,649	3,409	3,201	3,619	3,451	3,251
Gross Book Value [(1)]	**$ 1,001,773**	$ 1,007,614	$ 993,848	$ 1,004,984	$ 1,037,792	$ 1,050,733	$ 1,060,999	$ 1,058,132
Debt (non-current and current portion)	**498,571**	501,064	486,646	493,624	515,257	519,075	534,394	518,668
Unamortized financing costs	**4,030**	4,369	4,541	4,721	5,108	5,430	5,701	2,196
Cumulative accretion expense - Convertible Debentures	**(592)**	(498)	(404)	(310)	(217)	(124)	(19)	–
Cumulative fair value adjustment - derivative financial instrument	**1,426**	917	1,602	(918)	587	1,127	(21)	–
Adjusted Debt [(1)]	**$ 503,435**	**$ 505,852**	**$ 492,385**	**$ 497,117**	**$ 520,735**	**$ 525,508**	**$ 540,055**	**$ 520,864**
Adjusted Debt to Gross Book Value [(1)]	**50.25 %**	50.20 %	49.54 %	49.47 %	50.18 %	50.01 %	50.90 %	49.22 %

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

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

(CAD $ thousands except unit, per unit amounts and unless otherwise stated)	**3 Months Ended Dec 31 2024**	3 Months Ended Sep 30 2024	3 Months Ended Jun 30 2024	3 Months Ended Mar 31 2024	3 Months Ended Dec 31 2023	3 Months Ended Sep 30 2023	3 Months Ended Jun 30 2023	3 Months Ended Mar 31 2023
Total unitholders' equity per consolidated financial statements	**$ 464,647**	$ 469,455	$ 472,812	$ 472,075	$ 488,034	$ 494,847	$ 489,296	$ 494,093
Adjustment for Class B LP Units	**6,288**	7,030	5,773	7,434	6,459	5,795	7,244	8,312
Net Asset Value [(1)]	**$ 470,935**	$ 476,485	$ 478,585	$ 479,509	$ 494,493	$ 500,642	$ 496,540	$ 502,405
Total outstanding Units and Class B LP Units	**60,634,909**	60,634,909	60,634,909	60,634,909	60,603,438	60,603,438	60,447,230	60,447,230
NAV per Unit [(1)]	**$ 7.77**	$ 7.86	$ 7.89	$ 7.91	$ 8.16	$ 8.26	$ 8.21	$ 8.31

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

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

(CAD $ thousands except unit, per unit amounts and unless otherwise stated)	**3 Months Ended Dec 31 2024**	3 Months Ended Sep 30 2024	3 Months Ended Jun 30 2024	3 Months Ended Mar 31 2024	3 Months Ended Dec 31 2023	3 Months Ended Sep 30 2023	3 Months Ended Jun 30 2023	3 Months Ended Mar 31 2023
Net income (loss) and comprehensive income (loss)	**$ 1,879**	$ 3,329	$ 6,620	$ (9,452)	$ (149)	$ 11,265	$ 1,742	$ 13,048
Add:								
Long-term incentive plan	**(669)**	1,058	(650)	1,206	503	(923)	(29)	(671)
Distributions - Class B LP Units	**134**	135	147	152	153	152	157	157
Fair value adjustment – investment properties	**6,665**	(12)	4,591	13,275	5,785	(1,567)	6,250	(7,651)
Fair value adjustment - Class B LP Units	**(742)**	1,257	(871)	975	664	(1,310)	(964)	(28)
Fair value adjustment - derivative financial instrument	**(509)**	685	(2,520)	1,505	540	1,127	(21)	–
Amortization of intangible assets	**61**	61	62	61	61	62	93	93
FFO [(1)]	**$ 6,819**	$ 6,513	$ 7,379	$ 7,722	$ 7,557	$ 8,806	$ 7,228	$ 4,948
Deduct:								
Straight-line rent adjustment	**$ (139)**	$ (84)	$ (112)	$ (142)	$ (116)	$ 226	$ (457)	$ (121)
Maintenance capital expenditures	**(87)**	(80)	(123)	(63)	(130)	(126)	(174)	(185)
Stabilized leasing costs	**(922)**	(869)	(891)	(888)	(801)	(665)	(592)	(506)
Add:								
Long-term incentive plan	**655**	562	510	152	614	514	424	1,252
Amortization of financing costs	**346**	355	342	389	378	367	253	186
Accretion expense - Convertible Debentures	**94**	94	94	93	93	105	19	–
Debt settlement costs	**332**	488	128	178	–	73	53	–
Transaction costs	**–**	–	–	–	–	5	194	–
CEO succession plan costs	**–**	–	–	–	–	–	–	2,240
AFFO [(1)]	**$ 7,098**	$ 6,979	$ 7,327	$ 7,441	$ 7,595	$ 9,305	$ 6,948	$ 7,814

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

SUMMARY OF ANNUAL RESULTS

The following table reconciles FFO [(1)] and AFFO [(1)] to net income and comprehensive income for the years ended December 31, 2024, 2023 and 2022:

(CAD $ thousands except unit, per unit amounts and unless otherwise stated)	**Year Ended December 31 2024**	Year Ended December 31 2023	Year Ended December 31 2022
Net income and comprehensive income for the period	**$ 2,376**	$ 25,906	$ 84,494
Add:			
Long-term incentive plan	**945**	(1,120)	(1,505)
Distributions - Class B LP Units	**568**	619	634
Fair value adjustment – investment properties	**24,519**	2,817	(52,541)
Fair value adjustment - Class B LP Units	**619**	(1,638)	(1,179)
Fair value adjustment - derivative financial instrument	**(839)**	(587)	–
Amortization of intangible assets	**245**	309	372
FFO [(1)]	**$ 28,433**	$ 26,306	$ 30,275
Deduct:			
Straight-line rent adjustment	**$ (477)**	$ (468)	$ (394)
Maintenance capital expenditures	**(353)**	(615)	(984)
Stabilized leasing costs	**(3,570)**	(2,564)	(1,650)
Add:			
Long-term incentive plan	**1,879**	2,804	2,196
Amortization of financing costs	**1,432**	1,184	1,571
Accretion expense - Convertible Debentures	**375**	217	–
Debt settlement costs	**1,126**	126	281
Transaction costs	**–**	199	–
CEO Succession plan costs	**–**	2,240	–
AFFO [(1)]	**$ 28,845**	$ 29,429	$ 31,295
Basic weighted average number of units [(2)]	**60,627,925**	60,510,713	60,447,230
Diluted weighted average number of units [(2)]	**61,197,011**	61,385,565	61,932,299
Net income and comprehensive income per Unit - Basic [(2)(3)]	**$ 0.0392**	$ 0.4281	$ 1.3978
Net income and comprehensive income per Unit - Diluted [(2)(3)]	**$ 0.0388**	$ 0.4220	$ 1.3643
Basic AFFO per Unit [(1) (4)]	**$ 0.4758**	$ 0.4863	$ 0.5177
Diluted AFFO per Unit [(1) (4)]	**$ 0.4713**	$ 0.4794	$ 0.5053

(1) See "Non-IFRS Measures".
(2) Total basic units consist of Units and Class B LP Units. Total diluted units also include deferred trust units and restricted trust units issued under the REIT's long-term incentive plan.
(3) Net income and comprehensive income per unit is calculated as net income and comprehensive income, divided by the total of the weighted average number of basic or diluted Units, as applicable, added to the weighted average number of Class B LP Units outstanding during the period.
(4) AFFO per unit is calculated as AFFO divided by the total of the weighted average number of basic or diluted Units, as applicable, added to the weighted average number of Class B LP Units outstanding during the period.

The following table presents the calculation of Gross Book Value and Adjusted Debt to Gross Book Value [(1)] for the years ended December 31, 2024, 2023 and 2022:

(CAD $ thousands)	**Year Ended December 31 2024**	Year Ended December 31 2023	Year Ended December 31 2022
Debt (non-current and current portion)	**$ 498,571**	$ 515,257	$ 514,325
Unamortized financing costs	**4,030**	5,108	2,379
Accretion expense - Convertible Debentures	**(592)**	(217)	–
Fair value adjustment - derivative financial instrument	**1,426**	587	–
Adjusted Debt [(1)]	**$ 503,435**	$ 520,735	$ 516,704

(1) See "Non-IFRS Measures".

The following is a calculation of Annualized Adjusted EBITDA [1] for the years ended December 31, 2024, 2023 and 2022:

(CAD $ thousands)	**Year Ended December 31 2024**	Year Ended December 31 2023	Year Ended December 31 2022
Net income and comprehensive income	**$ 2,376**	$ 25,906	$ 84,494
Interest and financing costs	**23,173**	22,425	20,541
Depreciation of property and equipment	**590**	477	417
Amortization of intangible assets	**245**	309	372
Fair value adjustment - Class B LP Units	**619**	(1,638)	(1,179)
Fair value adjustment - investment properties	**24,519**	2,817	(52,541)
Fair value adjustment - derivative financial instrument	**(839)**	(587)	–
Distributions - Class B LP Units	**568**	619	634
Straight-line rent	**(477)**	(468)	(394)
Long-term incentive plan expense	**2,824**	1,684	691
CEO Succession plan costs	**–**	2,240	–
Transaction costs	**–**	126	–
Debt settlement costs	**1,126**	199	281
Annualized Adjusted EBITDA [1]	**$ 54,724**	$ 54,109	$ 53,316

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

The following is a calculation of the Interest Coverage Ratio [1] for the years ended December 31, 2024, 2023 and 2022:

(CAD $ thousands)	**Year Ended December 31 2024**	Year Ended December 31 2023	Year Ended December 31 2022
Annualized Adjusted EBITDA [1]	**$ 54,724**	$ 54,109	$ 53,316
Interest expense	**$ 21,955**	$ 21,609	$ 19,051
Interest Coverage Ratio [1]	**2.5x**	2.5x	2.8x

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

The following is a calculation of the Debt Service Coverage Ratio [1] for the years ended December 31, 2024, 2023 and 2022:

(CAD $ thousands)	**Year Ended December 31 2024**	Year Ended December 31 2023	Year Ended December 31 2022
Annualized Adjusted EBITDA [1]	**$ 54,724**	$ 54,109	$ 53,316
Interest expense	**21,955**	21,609	19,051
Principal repayments	**12,380**	13,259	13,814
Debt Service Requirements	**$ 34,335**	$ 34,868	$ 32,865
Debt Service Coverage Ratio [1]	**1.6x**	1.6x	1.6x

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

The following is a calculation of the Adjusted Debt to Annualized Adjusted EBITDA Ratio [1] for the years ended December 31, 2024, 2023 and 2022:

(CAD $ thousands)	**Year Ended December 31 2024**	Year Ended December 31 2023	Year Ended December 31 2022
Adjusted Debt [1]	**$ 503,435**	$ 520,735	$ 516,704
Annualized Adjusted EBITDA [1]	**$ 54,724**	$ 54,109	$ 53,316
Adjusted Debt to Annualized Adjusted EBITDA Ratio [1]	**9.2x**	9.6x	9.7x

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

The following is a calculation of the NAV per Unit [(1)] for the years ended December 31, 2024, 2023 and 2022:

(CAD $ thousands)	**Year Ended December 31 2024**	Year Ended December 31 2023	Year Ended December 31 2022
Total unitholders equity per consolidated financial statements	**$ 464,647**	$ 488,034	$ 487,690
Adjustment for Class B LP Units	**6,288**	6,459	8,340
Net Asset Value [(1)]	**$ 470,935**	$ 494,493	$ 496,030
Total outstanding Units and Class B LP Units	**60,634,909**	60,603,438	$ 60,447
NAV per Unit [(1)]	**$7.77**	$8.16	$8.21

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