



PRO REAL ESTATE INVESTMENT TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND
FINANCIAL CONDITION
FOR THE YEAR ENDED DECEMBER 31, 2023

March 20, 2024



ABOUT PROREIT

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

123
Number
of Properties ⁽¹⁾

6.4M
Gross Leasable Area ("GLA")
(Square Feet) ⁽¹⁾

98.3%
Occupancy
Rate ⁽²⁾

HIGH QUALITY PORTFOLIO WITH A STRONG INDUSTRIAL FOCUS



82%
GLA - Industrial ⁽¹⁾



13%
GLA - Retail ⁽¹⁾



5%
GLA - Office ⁽¹⁾

Q4 2023 HIGHLIGHTS (FOR THE YEAR ENDED)

\$1.03B
Total
Assets ⁽¹⁾

\$99.9M
Property Revenue

2.8%
Property Revenue
Increase ⁽⁴⁾

\$25.9M
Net Income and
Comprehensive Income

\$57.9M
Net Operating Income

92.5%
AFFO Payout
Ratio – Basic ⁽³⁾

3.88%
Weighted Average Interest
Rate on Mortgage Debt

\$43M
In Available
Credit Facility ⁽¹⁾

SIGNIFICANT VALUE EMBEDDED IN OUR PORTFOLIO

93.0%
of 2023 GLA has been
Renewed at 45.6% Positive Average Spreads ⁽¹⁾

68.0%
of Base Rent from National and
Government Tenants ⁽¹⁾

OUR COMMITMENT TO SUSTAINABILITY

➤ Second annual ESG report published in May 2023

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

(1) As at December 31, 2023. Of the 123 properties, 81 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 84,508 square feet, as at December 31, 2023. The occupancy rate at December 31, 2023 excludes an industrial property totalling 65,000 square feet, which is under redevelopment.

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

(4) Comparison period is the year ended December 31, 2022.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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120 Troop Avenue, Dartmouth, Nova Scotia

Dear fellow unitholders:

It has been nearly a year since I took on the position of President and Chief Executive Officer at PROREIT and I am pleased with all we achieved as a team as we continued to operate in a volatile macroeconomic and high interest rate environment. We can truly be proud of the strong portfolio, long-standing tenant base and outstanding team we have built over the past decade.

Executing on our stated strategy

Throughout the year, we delivered as planned, staying focused on our on-going capital recycling strategy aiming to rotate capital away from less attractive assets and towards growing our industrial segment, while continuing to manage our balance sheet.

In 2023, we successfully sold seven non-strategic properties for gross proceeds of more than \$26.6 million, ending the year with 123 properties with over 82% exposure to the industrial sector. Subsequent to year-end, we completed the sale of three non-core properties for gross proceeds of \$26.1 million.

Ending the year on solid footing

While maintaining a steadfast focus on both our operations and financial performance, our capacity to generate organic growth and create value was reflected in our results. We delivered top line revenue growth, once again highlighting the quality of our asset base, which includes a large footprint in the high-growth region of Halifax, Nova Scotia.

Our net operating income (NOI) amounted to \$14.9 million for the quarter, a 2.2% increase compared to the same period in 2022. We are particularly pleased to have achieved notable Same Property NOI⁽¹⁾ growth of 7.5% in the fourth quarter of 2023 year-over-year, a testament to our successful GLA renewal and sustained high occupancy rate.

Additionally, I am delighted to note that, over the past year, we have been making progress on the sustainability front, improving our tracking and reporting, as we continue our ESG journey. Every year, we take steps to do better and formalize practices that have been an inherent part of our organization. We look forward to sharing our progress with you when we publish our 2023 Sustainability Report in the next few months.

Continuing to manage our balance sheet

Our strategy of prudently managing our operations and capital also enabled us to manage our balance sheet in 2023. We benefit from a well-staggered debt profile with limited material maturities until 2026, while only approximately 3% of our total debt is at a variable rate.

Our capital allocation strategy remained on course, which includes paying regular distributions to unitholders and continuing to reduce our total debt to total asset ratio and Adjusted Debt to Gross Book Value⁽¹⁾ ratio since inception.

Poised to succeed

With 2024 well-underway, we are confident about the future and remain committed to our strategy to create sustainable long-term value for our stakeholders. As the market stabilizes, we will continue to focus on building organic growth and capitalizing on opportunities in the industrial sector in secondary Canadian markets with robust economies.

As always, our team remains dedicated to managing every aspect of our business to high standards – from sustainable and strategic management of our portfolio to the responsible management of our balance sheet.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

I wish to thank all PROREIT employees for their invaluable contributions over the past year. I am also grateful to our valued tenants for their continued partnership and to our Board of Trustees for their guidance. Finally, to my fellow unitholders, we are so appreciative of your continued support.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

PART I

FINANCIAL AND OPERATIONAL HIGHLIGHTS

	December 31 2023	December 31 2022
Operational data		
Number of properties	123	130
Gross leasable area (square feet) ("GLA")	6,352,164	6,530,196
Occupancy rate ⁽¹⁾	98.3 %	98.5 %
Weighted average lease term to maturity (years)	4.0	4.1

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
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Financial data				
Property revenue	\$ 25,618	\$ 25,070	\$ 99,893	\$ 97,210
Net operating income (NOI)	\$ 14,897	\$ 14,579	\$ 57,941	\$ 57,737
Same Property NOI ⁽²⁾	\$ 14,617	\$ 13,603	\$ 47,347	\$ 46,536
Net income and comprehensive income	\$ (149)	\$ 6,456	\$ 25,906	\$ 84,494
Net income and comprehensive income per Unit - Basic ⁽³⁾	\$ (0.0025)	\$ 0.1068	\$ 0.4281	\$ 1.3978
Net income and comprehensive income per Unit - Diluted ⁽³⁾	\$ (0.0024)	\$ 0.1048	\$ 0.4220	\$ 1.3643
Total assets	\$ 1,034,591	\$ 1,035,928	\$ 1,034,591	\$ 1,035,928
Total debt	\$ 515,257	\$ 514,325	\$ 515,257	\$ 514,325
Total debt to total assets	49.8 %	49.6 %	49.8 %	49.6 %
Adjusted Debt to Gross Book Value ⁽²⁾	50.2 %	49.7 %	50.2 %	49.7 %
Interest Coverage Ratio ⁽²⁾	2.5x	2.7x	2.5x	2.8x
Debt Service Coverage Ratio ⁽²⁾	1.6x	1.6x	1.6x	1.6x
Adjusted Debt to Annualized Adjusted EBITDA Ratio ⁽²⁾	9.3x	9.6x	9.6x	9.7x
Weighted average interest rate on mortgage debt	3.88 %	3.70 %	3.88 %	3.70 %
Net cash flows provided from operating activities	\$ 9,462	\$ 8,331	\$ 31,699	\$ 28,235
Funds from Operations (FFO) ⁽²⁾	\$ 7,557	\$ 7,485	\$ 26,306	\$ 30,275
Basic FFO per unit ⁽²⁾⁽³⁾	\$ 0.1247	\$ 0.1238	\$ 0.4347	\$ 0.5009
Diluted FFO per unit ⁽²⁾⁽³⁾	\$ 0.1232	\$ 0.1215	\$ 0.4285	\$ 0.4888
Adjusted Funds from Operations (AFFO) ⁽²⁾	\$ 7,595	\$ 7,687	\$ 29,429	\$ 31,295
Basic AFFO per unit ⁽²⁾⁽³⁾	\$ 0.1253	\$ 0.1272	\$ 0.4863	\$ 0.5177
Diluted AFFO per unit ⁽²⁾⁽³⁾	\$ 0.1239	\$ 0.1247	\$ 0.4794	\$ 0.5053
AFFO Payout Ratio – Basic ⁽²⁾	89.8 %	88.5 %	92.5 %	86.9 %
AFFO Payout Ratio – Diluted ⁽²⁾	90.8 %	90.2 %	93.9 %	89.1 %

(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, 2023 was approximately 84,508 square feet of GLA (51,590 square feet of GLA at December 31, 2022). The occupancy at December 31, 2023 excludes an industrial property totalling 65,000 square feet under redevelopment.

(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, 2023.

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, 2023 and 2022 (the "2023 Annual Financial Statements") and the REIT's annual information form for the year ended December 31, 2023 (the "2023 Annual Information Form" and, together with the 2023 Annual Financial Statements and this MD&A, the "2023 Annual Reports"). These documents and

additional information regarding the business of the REIT are available under the REIT's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR+") at www.sedarplus.ca.

The REIT's reporting currency is the Canadian dollar ("CAD"). All amounts except unit, per unit, square footage and per square feet amounts and as otherwise stated, are in thousands of CAD and have been rounded to the nearest CAD thousand. Unless otherwise stated, in preparing this MD&A, the REIT has considered information available to it up to March 20, 2024, the date the REIT's board of trustees (the "Board") approved this MD&A and the 2023 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; COVID-19 and public health crises; appraisals and reporting investment property at fair value; joint venture/partnership arrangements; fixed costs; financing risks and leverage; liquidity of real property investments; current global capital market conditions; acquisition, development and dispositions; potential conflicts of interest; competition; geographic concentration; general uninsured losses; access to capital; interest rate exposure; environmental matters; climate change risk; litigation risk; potential undisclosed liabilities; internal controls, data governance and decision support; security of information technology; indexation for inflation and duration of lease contracts; limit on activities; insurance renewals; foreclosure; occupancy by tenants; lease renewals and rental increase; taxation matters; change of tax laws; significant ownership; volatile market price for units; cash distributions are not guaranteed; restrictions on redemptions; subordination of the units; tax related risk factors; nature of investment; unitholder liability; and dilution. These factors are not intended to represent a complete list of the factors that could affect the REIT; however, these factors, as well as those risk factors presented under the heading "Risk Factors" in the 2023 Annual Information Form, elsewhere in this MD&A and the 2023 Annual Reports and in other filings that the REIT has made and may make in the future with applicable securities authorities, should be considered carefully.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results, performance or achievements could vary materially from those expressed or implied by the forward-looking statements contained in this MD&A.

These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Although the forward-looking statements contained in this MD&A are based upon what management currently believes to be reasonable assumptions, the REIT cannot assure prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements.

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

NON-IFRS MEASURES

The 2023 Annual Financial Statements are prepared in accordance with International Financial Reporting 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 debenture, and (iii) fair value adjustment of the derivative financial instrument. Management believes that Adjusted Debt is a useful measure to investors and management in determining the level of indebtedness of the REIT and its ability to meet its obligations. Adjusted Debt is also used by management to measure Adjusted Debt to Annualized Adjusted EBITDA Ratio and Adjusted Debt to Gross Book Value. Adjusted Debt is reconciled to debt, its most directly comparable measure that is disclosed in the primary financial statements of the REIT, in the table under "Part IV – Capitalization and Debt Profile – Adjusted Debt", and the table under "Part V – Summary of Quarterly Results", 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 and comprehensive income before interest and financing costs, depreciation of property and equipment, amortization of intangible assets, fair value adjustments, distributions on Class B LP Units, straight-line rent, long-term incentive plan expense, CEO succession plan costs, transaction costs and debt settlements costs. A reconciliation to net income and comprehensive income, its most directly comparable measure that is disclosed in the primary financial statements of the REIT, is included in the table under "Part IV – Capitalization and Debt Profile – Adjusted EBITDA", and the table under "Part V - Summary of Annual Results".

Adjusted Funds from Operations ("AFFO")

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

Available Liquidity ("Available Liquidity")

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

Funds from Operations ("FFO")

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

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” for the calculation of the Interest Coverage Ratio.

NAV per Unit

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

PART II

REIT OVERVIEW

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

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

The REIT owns a portfolio of Canadian commercial investment properties, comprised of industrial, retail, and office properties. At December 31, 2023, the REIT owned 123 properties (of which 81 are 100% owned and 42 are 50% owned) across Canada, comprising approximately 6.4 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 October 4, 2022, the REIT announced that Gordon G. Lawlor would succeed James W. Beckerleg as President and Chief Executive Officer of the REIT and join the REIT's Board of Trustees, effective April 1, 2023, at which time Mr. Beckerleg would retire as an executive officer of the REIT and be named Vice Chair

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

of the Board and Co-Founder, as part of the REIT's CEO succession plan. In June 2023, Mr. Beckerleg was appointed Chair of the Board. In connection with the CEO succession plan, the REIT incurred approximately \$2,240 of one-time costs. Mr. Beckerleg had been President and Chief Executive Officer and a Trustee of the REIT since 2013. The REIT also announced that Alison Schafer would be appointed Chief Financial Officer and Secretary of the REIT concurrently with these changes.

On April 21, 2023, the REIT sold a 50,000 square foot non-core office property located at 26-32 Prince Arthur/11-15 Princess Street, Amherst, Nova Scotia, for gross proceeds of \$2,100 (excluding closing costs). Proceeds of the sale were used for general business purposes.

On May 26, 2023, the REIT issued \$35,000 of unsecured subordinated debentures bearing 8.00% interest per annum payable semi-annually and maturing on June 30, 2028 (the "Convertible Debentures"). 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 before June 2028, at a conversion price of \$7.00 per Unit. The Convertible Debentures were issued on a bought deal basis pursuant to a prospectus supplement of the REIT dated May 19, 2023. The proceeds of the issuance were used to partially repay approximately \$33,000 of the credit facility (in accordance with the intended use of proceeds disclosed under "Use of Proceeds" in the prospectus supplement prepared for the offering), which may be subsequently redrawn, and the balance used for general business purposes.

On June 1, 2023, the REIT closed on a new mortgage to refinance six industrial properties located in Winnipeg, Manitoba for \$20,500. The rate on the new mortgage was fixed at 5.07% with a term of seven years. Proceeds of the refinancing were used to repay approximately \$16,600 of mortgages maturing in July 2023, \$53 in yield maintenance fees and the balance used for general business purposes.

On June 29, 2023, the REIT received a \$10,000 three year term loan at rate of 6.79%. Approximately \$8,000 of the proceeds was used to partially repay the credit facility and the remaining balance was used for general business purposes.

On August 31, 2023, the REIT sold two non-core office properties located at 9 Auriga Drive, Ottawa, Ontario and 31 Auriga Drive, Ottawa, Ontario, totalling approximately 60,000 square feet for gross proceeds of \$9,100 (excluding closing costs). Proceeds of the sale were used to repay approximately \$5,700 of related mortgages and the balance was used for general business purposes including a repayment of approximately \$1,000 under the REIT's credit facility.

On September 28, 2023, the REIT sold a 3,000 square foot non-core retail property located at 875 King Street, Sherbrooke, Quebec, for gross proceeds of \$2,230 (excluding closing costs). Proceeds of the sale were used to repay approximately \$1,500 of a related mortgage and the balance was used for general business purposes.

On November 27, 2023, the REIT sold two non-core properties located at 165 Chain Lake Drive, Halifax, Nova Scotia and 800 Taniata Avenue, Levis, Quebec, totalling approximately 49,000 square feet for gross proceeds of \$10,875 (excluding closing costs). Proceeds of the sale were used to repay approximately \$4,400 of related mortgages and the balance was used for general business purposes.

On December 28, 2023, the REIT sold a 19,000 square foot non-core retail property located at 1670 Notre Dame Street, Quebec City, Quebec, for gross proceeds of \$2,310 (excluding closing costs). Proceeds of the sale were used for general business purposes.

SUBSEQUENT EVENTS

On January 22, 2024, the REIT announced a cash distribution of \$0.0375 per Unit for the month of January 2024. The distribution was paid on February 15, 2024 to unitholders of record as at January 31, 2024.

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

On February 20, 2024, the REIT announced a cash distribution of \$0.0375 per Unit for the month of February 2024. The distribution was paid on March 15, 2024 to unitholders of record as at February 29, 2024.

On March 18, 2024, the REIT completed the sale of a non-core retail property totalling approximately 11,000 square feet for gross proceeds of \$5,380 (excluding closing costs). The net proceeds of the sale were used to partially repay a \$9.4 million mortgage secured by additional retail properties.

On March 19, 2024, the REIT announced a cash distribution of \$0.0375 per Unit for the month of March 2024. The distribution will be payable on April 15, 2024 to unitholders of record as at March 28, 2024.

OUTLOOK

Economic activity in Canada has been strong in 2023, and the REIT has benefited from this economic activity, including the demand for commercial space especially in the industrial sector.

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

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.

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SELECTED ANNUAL INFORMATION

<i>(CAD \$ thousands except unit, per unit amounts)</i>	Year Ended December 31 2023	Year Ended December 31 2022	Year Ended December 31 2021
Property revenue	\$ 99,893	\$ 97,210	\$ 77,674
Net operating income (NOI)	\$ 57,941	\$ 57,737	\$ 46,282
Net income and comprehensive income	\$ 25,906	\$ 84,494	\$ 81,844
Net income and comprehensive income per Unit - Basic ⁽³⁾	\$ 0.4281	\$ 1.3978	\$ 1.6753
Net income and comprehensive income per Unit - Diluted ⁽³⁾	\$ 0.4220	\$ 1.3643	\$ 1.6377
Net cash flows provided from operating activities	\$ 31,699	\$ 28,235	\$ 29,276
AFFO ⁽¹⁾	\$ 29,429	\$ 31,295	\$ 25,072
Basic AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.4863	\$ 0.5177	\$ 0.5132
Diluted AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.4794	\$ 0.5053	\$ 0.5017
Distributions declared per Unit and Class B LP Units	\$ 0.4500	\$ 0.4500	\$ 0.4500
Basic weighted average number of units ⁽³⁾	60,510,713	60,447,230	48,853,672
Diluted weighted average number of units ⁽³⁾	61,385,565	61,932,299	49,975,662
Total assets	\$ 1,034,591	\$ 1,035,928	\$ 989,963
Total debt	\$ 515,257	\$ 514,325	\$ 522,783
Total non-current liabilities	\$ 462,567	\$ 429,850	\$ 506,444
Interest Coverage Ratio ⁽¹⁾	2.5x	2.8x	2.8x
Debt Service Coverage Ratio ⁽¹⁾	1.6x	1.6x	1.6x
Adjusted Debt to Annualized Adjusted EBITDA Ratio ⁽¹⁾	9.6x	9.7x	12.4x

(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 (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
FOR THE YEAR ENDED DECEMBER 31, 2023**

PART III

RESULTS OF OPERATIONS

<i>(CAD \$ thousands)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
Property revenue	\$ 25,618	\$ 25,070	\$ 99,893	\$ 97,210
Property operating expenses	10,721	10,491	41,952	39,473
Net operating income	14,897	14,579	57,941	57,737
General and administrative expenses	1,263	1,360	7,269	5,160
Long-term incentive plan expense	1,117	1,042	1,684	691
Depreciation of property and equipment	156	126	477	417
Amortization of intangible assets	61	93	309	372
Interest and financing costs	5,841	5,182	22,425	20,541
Distributions - Class B LP Units	153	157	619	634
Fair value adjustment - Class B LP Units	664	332	(1,638)	(1,179)
Fair value adjustment - investment properties	5,785	166	2,817	(52,541)
Fair value adjustment - derivative financial instrument	540	-	(587)	-
Other income	(1,025)	(781)	(3,460)	(2,302)
Other expenses	491	439	1,795	1,169
Debt settlement costs	-	7	126	281
Transaction costs	-	-	199	-
Net income and comprehensive income	\$ (149)	\$ 6,456	\$ 25,906	\$ 84,494

Comparison of the Results from Operations

The REIT's results of operations for the three month period and year ended December 31, 2023 are not directly comparable to the three month period and year ended December 31, 2022. The REIT owned 123 investment properties (including a 50% ownership interest in 42 investment properties) at December 31, 2023, compared to 130 investment properties (including a 50% ownership interest in 42 investment properties) at December 31, 2022. The decrease in the number of properties is driven by the sale of a 100% interest in 7 investment properties during the twelve month period ended December 31, 2023. In addition, on August 4, 2022, the REIT sold a 50% interest in 21 investment properties, and purchased a 50% interest in another 21 investment properties and on September 29, 2022 the REIT sold a 100% interest in 9 investment properties. Notwithstanding the foregoing, year over year figures for the three month period and year ended December 31, 2023 and 2022 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, 2023, property revenue increased by \$548 and \$2,683 respectively, compared to the same periods in 2022. The increase of \$548 and \$2,683 is principally due to the contractual increases in rent and higher rental rates on lease renewals, offset by the decrease in the number of properties, and for the year ended December 31, 2023, the changes in the related ownership percentages of the 42 properties purchased and sold in August 2022 as described in the "Comparison of the Results from Operations" section of this MD&A.

Property Operating Expenses

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

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For the three month period and year ended December 31, 2023, property operating expenses increased by \$230 and \$2,479 respectively, compared to the same periods in 2022 primarily due to the changes in the related ownership percentages of the 42 properties purchased and sold in August 2022 as described in the "Comparison of the Results from Operations" section of this MD&A and an increase in recoverable property taxes. This is offset by the remaining 11 properties sold in 2022 and 7 properties sold in 2023.

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, 2023 and 2022. The following table reconciles net operating income as reported in the 2023 Annual Financial Statements to Same Property NOI.

<i>(CAD \$ thousands)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
Property revenue	\$ 25,618	\$ 25,070	\$ 99,893	\$ 97,210
Property operating expenses	10,721	10,491	41,952	39,473
Net operating income (NOI) as reported in the financial statements	14,897	14,579	57,941	57,737
Straight-line rent adjustment	(116)	(151)	(468)	(394)
NOI after straight-line rent adjustment	14,781	14,428	57,473	57,343
NOI sourced from:				
Acquisitions	-	(151)	(8,417)	(3,593)
Dispositions	(164)	(674)	(1,709)	(7,214)
Same Property NOI ⁽¹⁾	\$ 14,617	\$ 13,603	\$ 47,347	\$ 46,536
Number of same properties	122	122	100 ⁽²⁾	100 ⁽²⁾

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

(2) Includes 21 properties 50% owned at December 31, 2023 (50% owned at December 31, 2022 but 100% owned prior to August 4, 2022). The comparative period has been updated to reflect 50% ownership throughout the period.

The increase in Same Property NOI for the three month period and year ended December 31, 2023 was \$1,014 or 7.5%, and \$811 or 1.7%, respectively, compared to the same periods in 2022. The increase for the three month period and year ended December 31, 2023 are largely driven by contractual increases in rent and higher rental rates on lease renewals and new leases across all asset classes along with higher occupancy rates in the retail and office asset classes, offset by the slight decrease in occupancy in the industrial asset class.

The following is the Same Property NOI by asset class for the three month period and year ended December 31, 2023 and 2022:

<i>(CAD \$ thousands)</i>	3 Months Ended			Year Ended		
	Number of same properties	December 31 2023	December 31 2022	Number of same properties	December 31 2023	December 31 2022
Industrial ⁽¹⁾	85	\$ 10,769	\$ 9,977	65	\$ 32,963	\$ 32,544
Retail	31	2,641	2,595	30	10,310	10,196
Office	6	1,207	1,031	5	4,074	3,796
Same Property NOI ⁽²⁾	122	\$ 14,617	\$ 13,603	100	\$ 47,347	\$ 46,536

(1) The year ended December 31, 2023 includes 21 properties 50% owned at December 31, 2023 (50% owned at December 31, 2022 but 100% owned prior to August 4, 2022). The comparative period has been updated to reflect 50% ownership throughout the period.

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

The increase in industrial Same Property NOI for the three month period and year ended December 31, 2023 was \$792 or 7.9% and an \$419 or 1.3%, respectively, compared to the same periods in 2022. The increase for the three month period and year ended December 31, 2023 is mainly driven by contractual increases in rent and higher rental rates on lease renewals and in new leases compared to the same period in 2022, partially offset by transitional vacancies at certain properties compared to the same periods in 2022.

The increase in retail Same Property NOI for the three month period and year ended December 31, 2023 was \$46 or 1.8% and \$114 or 1.1%, respectively, compared to the same periods in 2022. The marginal increase for the three month period and year ended December 31, 2023 is mainly driven by a slight increase in occupancy and contractual increases in rent and higher rental rates on lease renewals compared to same period in 2022.

The increase in office Same Property NOI for the three month period and year ended December 31, 2023 was \$176 or 17.1%, and \$278 or 7.3% , respectively, compared to the same periods in 2022. The increase for the three month period and year ended December 31, 2023, compared to the same periods in 2022, is mainly due to the increase in occupancy.

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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, 2023 and 2022:

	Same Properties 3 Months Ended December 31		Same Properties Year Ended December 31	
	2023	2022	2023	2022
Industrial	97.5 %	98.3 %	97.3 %	99.0 %
Retail	97.5 %	97.1 %	97.4 %	97.2 %
Office	92.5 %	87.7 %	89.7 %	86.7 %
Total	97.3 %	97.6 %	96.9 %	98.0 %

General and Administrative Expenses

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

General and administrative expenses for the three month period and year ended December 31, 2023 were \$1,263 and \$7,269 respectively, a decrease of \$97 and an increase of \$2,109 over the same periods in 2022. The decrease for the three month period ended December 31, 2023 is largely due to timing of certain expenses. The increase for the year ended December 31, 2023 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 (see "Summary of Significant Events" section of this MD&A).

Long-Term Incentive Plan

Long-term incentive plan expense of \$1,117 and \$1,684 during the three month period and year ended December 31, 2023 relates to deferred and restricted units which vest over a period of one to three years, and is a non-cash item.

Interest and Financing Costs

Interest and financing costs were \$5,841 and \$22,425 for the three month period and year ended December 31, 2023. The increase of \$659 and \$1,884 over the same periods in 2022 is primarily due to interest on Convertible Debentures, the increase in the variable interest rates on the credit facility, and the increase in the weighted average interest rate on mortgage debt to 3.88% as at December 31, 2023 from 3.70% as at December 31, 2022, 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 \$153 and \$619 for the three month period and year ended December 31, 2023.

Fair Value Adjustment – Class B LP Units

A fair value expense of \$664 and fair value gain of \$1,638 on the Class B LP Units was recorded for the three month period and year ended December 31, 2023 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, 2023, 10 and 47 properties were respectively revalued by independent external appraisers.

The fair value loss of \$5,785 and \$2,817 on investment properties for the three month period and year ended December 31, 2023 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 non-recoverable expenditures and leasing costs incurred. The REIT's growth in income achieved through lease deals and increasing market rents, predominately in the industrial sector, is offset by a slight expansion in capitalization rates due to market conditions.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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<i>(CAD \$ thousands)</i>	Industrial	Retail	Office	Total
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
At December 31, 2022				
Fair value of investment properties	\$ 779,280	\$ 160,350	\$ 78,335	\$ 1,017,965
Fair value of investment properties per square feet	\$ 149.43	\$ 181.03	\$ 182.47	\$ 155.89

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, 2023 and 2022:

	As at December 31, 2023		As at December 31, 2022	
	Range %	Weighted Average % ⁽¹⁾	Range %	Weighted Average % ⁽¹⁾
Industrial	4.5% - 8.3%	6.0 %	4.5% - 7.3%	5.5 %
Retail	4.5% - 9.3%	7.0 %	5.0% - 9.0%	6.8 %
Office	7.0% - 7.3%	7.1 %	6.5% - 9.0%	6.8 %
Total portfolio	4.5% - 9.3%	6.2 %	4.5% - 9.0%	5.8 %

⁽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, 2023 and 2022:

	As at December 31, 2023		As at December 31, 2022	
	Range %	Weighted Average % ⁽¹⁾	Range %	Weighted Average % ⁽¹⁾
Maritime provinces	4.5% - 9.0%	6.4 %	5.0% - 9.0%	6.1 %
Ontario	5.5% - 7.3%	5.9 %	4.5% - 6.8%	5.3 %
Quebec	5.0% - 7.1%	5.8 %	4.8% - 6.5%	5.3 %
Western Canada	5.5% - 9.3%	6.3 %	5.5% - 8.5%	6.0 %
Total portfolio	4.5% - 9.3%	6.2 %	4.5% - 9.0%	5.8 %

⁽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 and comprehensive income. At December 31, 2023, Compass manages all 123 of the REIT's properties 6.4 million square feet plus 4.5 million square feet of third party properties, for an aggregate of approximately 10.9 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 2023 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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

The following amounts are included in the 2023 Annual Financial Statements and represent the REIT's proportionate share of the results of operations of its co-owned properties:

<i>(CAD \$ thousands)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
Property revenue	\$ 6,736	\$ 5,719	\$ 24,849	\$ 9,006
Property operating expenses (excluding the undernoted property management fees)	2,961	2,425	10,105	3,626
Property management fees	198	169	726	266
Net operating income	3,577	3,125	14,018	5,114
Interest and financing costs	1,228	1,384	5,304	2,334
Fair value adjustment - investment properties	1,035	765	(2,452)	(7,249)
Net income and comprehensive income	\$ 1,314	\$ 976	\$ 11,166	\$ 10,029

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.

<i>(CAD \$ thousands)</i>	Industrial		Retail		Office		Total
	\$	%	\$	%	\$	%	\$
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
Three months ended December 31, 2022							
Property revenue	17,730	70.7	4,669	18.6	2,671	10.7	25,070
Net operating income (NOI)	10,326	70.8	2,998	20.6	1,255	8.6	14,579
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
Year ended December 31, 2022							
Property revenue	66,575	68.5	20,221	20.8	10,414	10.7	97,210
Net operating income (NOI)	39,638	68.7	13,322	23.1	4,777	8.3	57,737
Investment properties	779,280	76.6	160,350	15.8	78,335	7.7	1,017,965
Mortgages	365,554	76.6	69,505	14.6	42,448	8.9	477,507

The main driver for the change in revenues, NOI, fair values of investment properties and mortgages payables is the net decrease in the number of properties and change in related ownership percentages during the three month period and year ended December 31, 2023 as described in the "Comparison of the Results from Operations" section of this MD&A.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

As at December 31, 2023, the Industrial segment consists of 86 properties (December 31, 2022 – 86 properties), having a total GLA of approximately 5,218,000 square feet (December 31, 2022 – ~5,215,000 square feet).

As at December 31, 2023, the Retail segment consists of 31 properties (December 31, 2022 – 35 properties), having a total GLA of approximately 815,000 square feet (December 31, 2022 – ~886,000 square feet).

As at December 31, 2023, the Office segment consists of 6 properties (December 31, 2022 – 9 properties), having a total GLA of approximately 320,000 square feet (December 31, 2022 – ~429,000 square feet).

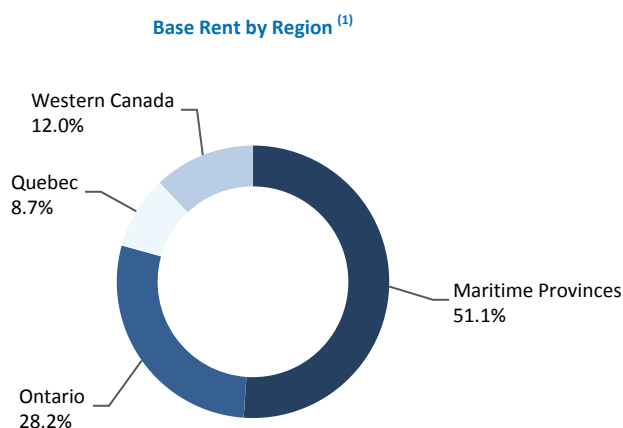
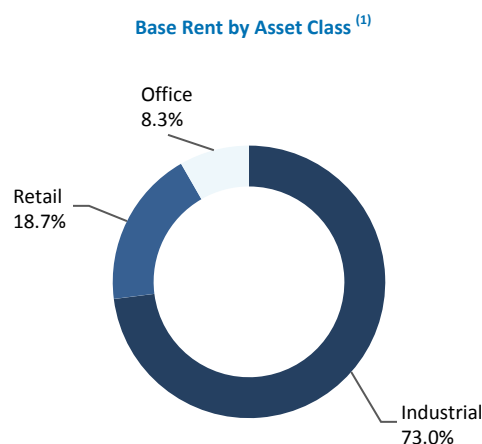
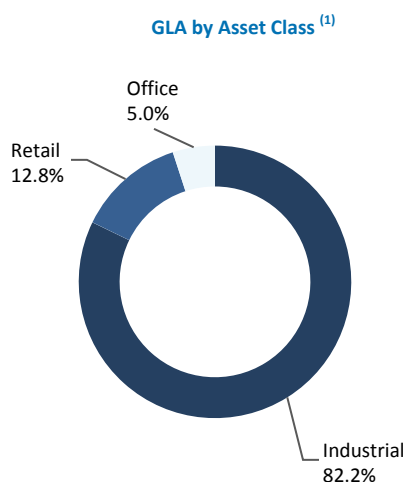
**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

PORTFOLIO PROFILE

At December 31, 2023, the REIT's portfolio consisted of 123 properties, located in prime locations within their respective markets, representing a total GLA of 6,352,164 square feet. The decrease of 178,032 square feet compared to December 31, 2022 is due to the disposition of 7 investment properties.

<i>(CAD \$ thousands unless otherwise stated)</i>	Year Ended/ At December 31, 2023				Year Ended/ At December 31, 2022			
	# of Properties	Occupancy ⁽¹⁾	GLA (sq. ft.)	NOI	# of Properties	Occupancy ⁽¹⁾	GLA (sq. ft.)	NOI
Industrial	86	98.6 %	5,217,929	\$ 41,490	86	99.2 %	5,215,015	\$ 39,638
Retail	31	97.9 %	814,557	11,395	35	97.5 %	885,772	13,322
Office	6	94.7 %	319,678	5,056	9	92.4 %	429,409	4,777
Total	123	98.3 %	6,352,164	\$ 57,941	130	98.5 %	6,530,196	\$ 57,737

⁽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, 2023 was approximately 84,508 square feet of GLA (51,590 square feet of GLA at December 31, 2022). The occupancy at December 31, 2023 excludes an industrial property totalling 65,000 square feet, which is under redevelopment.



¹ Based on annualized in-place and committed base rent at December 31, 2023.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Top Ten Tenants

As at December 31, 2023, the ten largest tenants in the REIT's portfolio accounted for approximately 28.3% on annualized in-place and committed base rent and had a remaining average lease term of approximately 4.1 years.

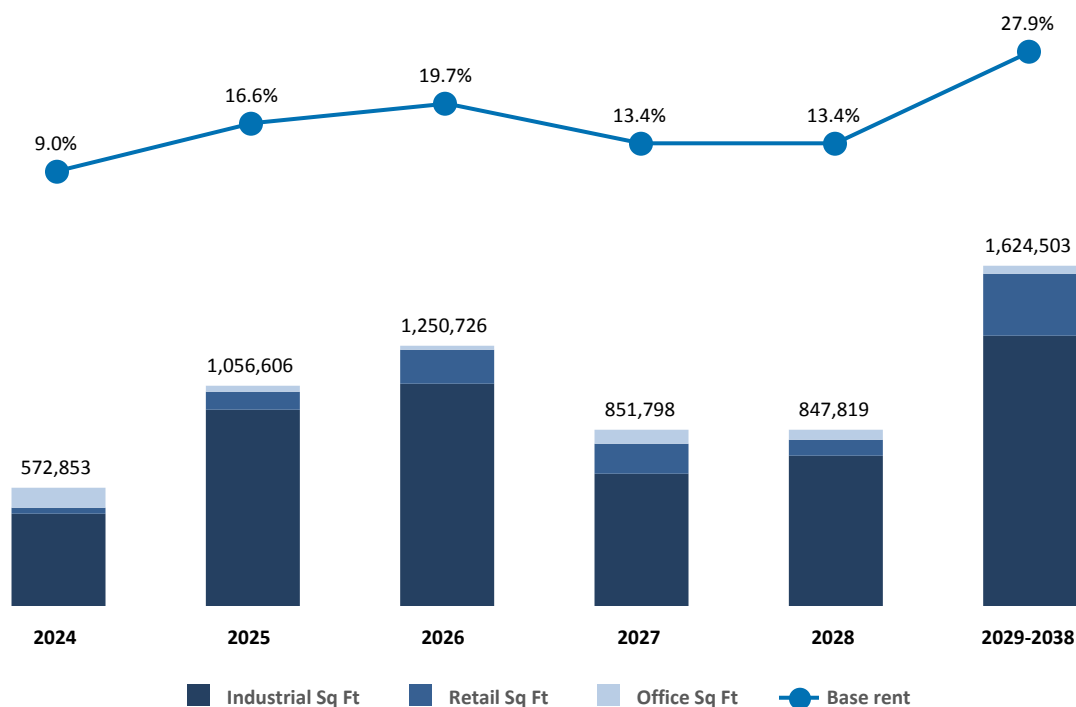
Tenant	% in-Place Base Rent ⁽¹⁾	GLA (Sq. Ft.)	Remaining Average Lease Term (years)	Credit Rating ⁽²⁾
Sobeys	4.3 %	222,491	3.6	na/BBB-/BBB
DRS Technologies Canada	4.1 %	127,334	1.1	Baa3/BBB-/na
Sysco Canada Inc.	3.6 %	326,061	2.6	Baa1/BBB/na
Government of Canada	3.5 %	131,433	3.1	Aaa/AAA/AAA
Rexall	2.8 %	62,799	6.1	Baa1/BBB+/na
Versacold	2.4 %	224,334	5.6	na
Ribbon Communications Canada	2.4 %	98,057	6.0	na
Sherway Warehousing Inc.	1.8 %	156,318	2.7	na
Diversitech Equipment & Sales	1.8 %	66,975	9.7	na
ArcelorMittal Tailored Blanks	1.6 %	185,633	5.5	Baaa3/BBB-/na
Total	28.3 %	1,601,435	4.1	

(1) Based on annualized in-place and committed base rent at December 31, 2023.

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

The REIT's total portfolio includes 68.0% of base rent from national and government tenants and 34.0% of base rent from credit quality tenants, based on annualized in-place and committed base rent at December 31, 2023.

The REIT's diverse tenant base has a staggered lease maturity profile with no more than 1,250,726 square feet or 19.7% of GLA maturing in any given period before 2029.



**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Weighted average lease term to maturity (years)	December 31 2023	December 31 2022
Industrial	3.9	3.9
Retail	4.6	4.5
Office	3.3	4.6
Total Portfolio	4.0	4.1

Rental Rates

Weighted average in-place base rental revenue is contractual base rent and excludes recoverable expense revenue. The following table outlines the weighted average in-place base rental revenue, including committed space, per square foot and by asset class for the REIT's investment property portfolio at December 31, 2023 and December 31, 2022:

	December 31, 2023		December 31, 2022	
	Leased GLA (Sq. Ft.)	Weighted Average In-Place Rent (per Sq. Ft.)	Leased GLA (Sq. Ft.)	Weighted Average In-Place Rent (per Sq. Ft.)
Industrial	5,079,125	\$ 8.39	5,174,029	\$ 7.78
Retail	797,176	14.09	863,484	14.36
Office	302,718	15.27	396,822	14.52
Leased total	6,179,019	\$ 9.45	6,434,335	\$ 9.08
Properties under redevelopment	65,000		-	
Vacant total	108,145		95,861	
Portfolio Total	6,352,164		6,530,196	

The weighted average in-place rent of \$9.45 per square foot at December 31, 2023 increased from \$9.08 per square foot at December 31, 2022 driven by the increase in leasing rates in the industrial asset class as well as changes in portfolio assets.

LEASING ACTIVITY

At December 31, 2023, the REIT's occupancy was 98.3% (including committed space of approximately 84,508 square feet and excluding approximately 65,000 square feet under redevelopment) with a weighted average remaining lease term of 4.0 years. The following table summarizes rental rate spreads achieved on the renewal and replacements during the three month period and year ended December 31, 2023:

	3 Months Ended December 31, 2023		Year Ended December 31, 2023	
	Leased GLA (Sq. Ft.)	Rental Rate Spread % ⁽¹⁾	Leased GLA (Sq. Ft.)	Rental Rate Spread % ⁽¹⁾
Industrial	44,369	82.2 %	922,620	52.3 %
Retail	-	-	49,255	9.4 %
Office	-	-	28,625	(6.6)%
Total	44,369	82.2 %	1,000,500	45.6 %

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

Overall, approximately 93.0% of GLA maturing in 2023 has been renewed at 45.6% positive average spreads.

As of April 1, 2023, a 102,000 square foot industrial property located in Montreal, Quebec was vacant. The space has been fully re-leased to two tenants with 10 year lease terms with an average rental rate spread of 55% over the previous tenants. Occupancy commenced in the third quarter of 2023 with contractual annualized base rent of approximately \$1,600.

As of July 1, 2023, a 61,000 square foot industrial unit located in Winnipeg, Manitoba became vacant. Approximately 33,100 square feet has been re-leased to an existing tenant with a 10 year lease term with an average rental rate spread of 36.4%. Occupancy commenced October 1, 2023.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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.

<i>(CAD \$ thousands)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
Cash provided from (used in):				
Operating activities	\$ 9,462	\$ 8,331	\$ 31,699	\$ 28,235
Financing activities	(12,732)	(9,663)	(30,316)	(38,582)
Investing activities	5,123	2,715	4,342	11,934
Change in cash during the period	1,853	1,383	5,725	1,587
Cash, beginning of period	11,403	6,148	7,531	5,944
Cash, end of period	\$ 13,256	\$ 7,531	\$ 13,256	\$ 7,531

Three Month Period Ended December 31, 2023

Cash flows from operating activities relate primarily to the collection of rent and payment of operating expenses. The cash provided by operating activities of \$9,462 for the three month period ended December 31, 2023 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, 2023 of \$12,732 is attributed to the adjustment of issuance costs of the Convertible Debentures of \$24, distributions paid of \$6,664, repayment of debt of \$7,773, Restricted and Deferred Units settled in cash of \$1,239, financing cost incurred of \$80 and net increase in borrowings on the credit facility of \$3,000.

Cash flows from investing activities of \$5,123 during the three month period ended December 31, 2023 primarily consist of net proceeds of disposal of investment properties of \$12,464, offset by the additions of capital expenditures and leasing costs of \$7,033 and the additions to property and equipment of \$308.

Year Ended December 31, 2023

Cash flows from operating activities relate primarily to the collection of rent and payment of operating expenses. The cash provided by operating activities of \$31,699 for the year ended December 31, 2023 was impacted mainly by the timing of cash receipts and settlement of payables.

Cash used in financing activities during the year ended December 31, 2023 of \$30,316 is attributed to repayment of debt of \$41,468, net decrease of credit facility of \$20,000, distributions paid of \$26,612, Restricted and Deferred Units settled in cash of \$4,799 and financing costs incurred of \$545, offset by the increase in debt of \$30,500, and the issuance of Convertible Debentures (net of costs) of \$32,608.

Cash flows from investing activities of \$4,342 during the year ended December 31, 2023 primarily consist of net proceeds of disposal of investment property of \$25,258, offset by the additions of capital expenditures and leasing costs of \$20,056 and the additions to property and equipment of \$860.

Available Liquidity

The following table represents the REIT's Available Liquidity at December 31, 2023 and December 31, 2022:

<i>(CAD \$ thousands)</i>	December 31 2023	December 31 2022
Cash per consolidated financial statements	\$ 13,256	\$ 7,531
Undrawn revolving credit facility	43,000	23,000
Available Liquidity ⁽¹⁾	\$ 56,256	\$ 30,531

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

CAPITALIZATION AND DEBT PROFILE

<i>(CAD \$ thousands)</i>	December 31 2023
Mortgages (net of financing costs of \$1,804)	\$ 456,996
Term loan (net of financing costs of \$107)	9,828
Convertible Debentures including derivative financial instrument (net of issuance costs of \$2,993)	31,637
Credit facility (net of financing costs of \$204)	16,796
Class B LP Units	6,459
Unitholders' Equity	488,034
Total Capitalization	\$ 1,009,750

The REIT has a revolving credit facility of \$60,000 which bears interest at prime plus 100.0 basis points or bankers' acceptance rate plus 200.0 basis points. The credit facility is secured by a pool of first and second charges on certain investment properties with a fair value of approximately \$111,155 at December 31, 2023. At December 31, 2023, advances under the revolving credit facility were \$17,000.

As at December 31, 2023, all mortgages payable were at fixed rates with a weighted average contractual rate of approximately 3.88% (December 31, 2022 – 3.70%). The mortgages payable are secured by first charges on certain investment properties with a fair value of approximately \$901,139 at December 31, 2023 (December 31, 2022 - \$903,060).

On June 29, 2023, the REIT received a \$10,000 three year term loan at rate of 6.79% per annum. Proceeds of the term loan were used to partially repay the credit facility. The term loan is secured by second charges on certain investment properties with a fair value of approximately \$117,020 at December 31, 2023.

Mortgages and term loan are repayable no later than 2033.

<i>(CAD \$ thousands)</i>	Principal instalments	Principal maturities	Total Principal Payable	% of Total Principal	Weighted Average Interest Rate on Maturity
2024	\$ 12,787	\$ 33,156	\$ 45,943	9.8 %	4.21 %
2025	12,347	58,668	71,015	15.2 %	5.23 %
2026	10,008	130,577	140,585	30.0 %	3.25 %
2027	6,672	49,538	56,210	12.0 %	4.78 %
2028	5,381	69,443	74,824	16.0 %	3.45 %
Thereafter	6,898	73,260	80,158	17.0 %	3.69 %
	\$ 54,093	\$ 414,642	\$ 468,735	100.0 %	
Financing costs			(1,911)		
Total balance outstanding as at December 31, 2023			\$ 466,824		

On May 26, 2023, the REIT issued \$35,000 aggregate principal amount of convertible unsecured subordinated debentures bearing 8.00% interest per annum 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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Contractual Obligations

The following table represents the REIT's contractual obligations at December 31, 2023:

<i>(CAD \$ thousands)</i>	2024	2025	2026	2027	2028	Thereafter
Mortgages and term loan principal instalments	\$ 12,787	\$ 12,347	\$ 10,008	\$ 6,672	\$ 5,381	\$ 6,898
Mortgages and term loan principal maturities	33,157	58,668	130,577	49,538	69,443	73,259
Mortgages and term loan interest	17,528	15,542	11,182	7,135	4,649	5,365
Convertible Debentures	–	–	–	–	35,000	–
Interest on Convertible Debentures	2,800	2,800	2,800	2,800	1,400	–
Credit facility	17,000	–	–	–	–	–
Accounts payable and other liabilities	17,626	–	–	–	–	–
Rent	76	80	80	96	100	36
	\$ 100,974	\$ 89,437	\$ 154,647	\$ 66,241	\$ 115,973	\$ 85,558

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, 2023 and 2022:

<i>(CAD \$ thousands)</i>	December 31 2023	December 31 2022
Total unitholders equity per consolidated financial statements	\$ 488,034	\$ 487,690
Adjustment for Class B LP Units	6,459	8,340
Net Asset Value ⁽¹⁾	\$ 494,493	\$ 496,030
Total outstanding Units and Class B LP Units	60,603,438	60,447,230
NAV per Unit ⁽¹⁾	\$8.16	\$8.21

(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:

<i>(CAD \$ thousands)</i>	December 31 2023	December 31 2022
Debt (non-current and current portion) as reported in the financial statements	\$ 515,257	\$ 514,325
Reconciling items:		
Unamortized financing costs	5,108	2,379
Accretion expense - Convertible Debenture ⁽¹⁾	(217)	–
Fair value adjustment - derivative financial instrument ⁽¹⁾	587	–
Adjusted Debt ⁽²⁾	\$ 520,735	\$ 516,704

(1) For the years ended December 31, 2023 and 2022.

(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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

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

Gross Book Value is calculated as follows:

<i>(CAD \$ thousands unless otherwise stated)</i>	December 31 2023	December 31 2022
Total assets, including investment properties stated at fair value	\$ 1,034,591	\$ 1,035,928
Accumulated depreciation on property and equipment and intangible assets	3,201	3,054
Gross Book Value ⁽¹⁾	1,037,792	1,038,982
Adjusted Debt ⁽¹⁾	\$ 520,735	\$ 516,704
Adjusted Debt to Gross Book Value ⁽¹⁾	50.2 %	49.7 %

(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, 2023.

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, 2023 and 2022:

<i>(CAD \$ thousands)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
Net income and comprehensive income	\$ (149)	\$ 6,456	\$ 25,906	\$ 84,494
Interest and financing costs	5,841	5,182	22,425	20,541
Depreciation of property and equipment	156	126	477	417
Amortization of intangible assets	61	93	309	372
Fair value adjustment - Class B LP Units	664	332	(1,638)	(1,179)
Fair value adjustment - investment properties	5,785	166	2,817	(52,541)
Fair value adjustment - derivative financial instrument	540	-	(587)	-
Distributions - Class B LP Units	153	157	619	634
Straight-line rent	(116)	(151)	(468)	(394)
Long-term incentive plan expense	1,117	1,042	1,684	691
CEO succession plan costs	-	-	2,240	-
Transaction costs	-	-	126	-
Debt settlement costs	-	7	199	281
Adjusted EBITDA ⁽¹⁾	\$ 14,052	\$ 13,410	\$ 54,109	\$ 53,316
Annualized Adjusted EBITDA ⁽¹⁾	\$ 56,208	\$ 53,640	\$ 54,109	\$ 53,316

(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.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
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The following is a calculation of the Interest Coverage Ratio for the three month period and year ended December 31, 2023 and 2022:

<i>(CAD \$ thousands)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
Adjusted EBITDA ⁽¹⁾	\$ 14,052	\$ 13,410	\$ 54,109	\$ 53,316
Interest expense	\$ 5,683	\$ 5,045	\$ 21,609	\$ 19,051
Interest Coverage Ratio ⁽¹⁾	2.5x	2.7x	2.5x	2.8x

(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, 2023 and 2022:

<i>(CAD \$ thousands)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
Adjusted EBITDA ⁽¹⁾	\$ 14,052	\$ 13,410	\$ 54,109	\$ 53,316
Interest expense	5,683	5,045	21,609	19,051
Principal repayments	3,335	3,307	13,259	13,814
Debt Service Requirements	\$ 9,018	\$ 8,352	\$ 34,868	\$ 32,865
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, 2023 and 2022:

<i>(CAD \$ thousands)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
Adjusted Debt ⁽¹⁾	\$ 520,735	\$ 516,704	\$ 520,735	\$ 516,704
Adjusted EBITDA ⁽¹⁾	\$ 14,052	\$ 13,410	\$ 54,109	\$ 53,316
Annualized Adjusted EBITDA ⁽¹⁾	\$ 56,208	\$ 53,640	\$ 54,109	\$ 53,316
Adjusted Debt to Annualized Adjusted EBITDA Ratio ⁽¹⁾	9.3x	9.6x	9.6x	9.7x

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

DISTRIBUTIONS AND ADJUSTED FUNDS FROM OPERATIONS

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
Net income and comprehensive income for the period	\$ (149)	\$ 6,456	\$ 25,906	\$ 84,494
Add:				
Long-term incentive plan	503	281	(1,120)	(1,505)
Distributions - Class B LP Units	153	157	619	634
Fair value adjustment - investment properties	5,785	166	2,817	(52,541)
Fair value adjustment - Class B LP Units	664	332	(1,638)	(1,179)
Fair value adjustment - derivative financial instrument	540	-	(587)	-
Amortization of intangible assets	61	93	309	372
FFO ⁽¹⁾	\$ 7,557	\$ 7,485	\$ 26,306	\$ 30,275
Deduct:				
Straight-line rent adjustment	\$ (116)	\$ (151)	\$ (468)	\$ (394)
Maintenance capital expenditures	(130)	(191)	(615)	(984)
Stabilized leasing costs	(801)	(425)	(2,564)	(1,650)
Add:				
Long-term incentive plan	614	761	2,804	2,196
Amortization of financing costs	378	201	1,184	1,571
Accretion expense - Convertible Debentures	93	-	217	-
Debt settlement costs	-	7	126	281
Transaction costs	-	-	199	-
CEO Succession plan costs	-	-	2,240	-
AFFO ⁽¹⁾	\$ 7,595	\$ 7,687	\$ 29,429	\$ 31,295
Basic FFO per unit ⁽¹⁾⁽²⁾	\$ 0.1247	\$ 0.1238	\$ 0.4347	\$ 0.5009
Diluted FFO per unit ⁽¹⁾⁽²⁾	\$ 0.1232	\$ 0.1215	\$ 0.4285	\$ 0.4888
Basic AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.1253	\$ 0.1272	\$ 0.4863	\$ 0.5177
Diluted AFFO per unit ⁽¹⁾⁽²⁾	\$ 0.1239	\$ 0.1247	\$ 0.4794	\$ 0.5053
Distributions declared per Unit and Class B LP unit	\$ 0.1125	\$ 0.1125	\$ 0.4500	\$ 0.4500
AFFO Payout Ratio – Basic ⁽¹⁾	89.8 %	88.5 %	92.5 %	86.9 %
AFFO Payout Ratio – Diluted ⁽¹⁾	90.8 %	90.2 %	93.9 %	89.1 %
Basic weighted average number of units ⁽²⁾⁽³⁾	60,603,438	60,447,230	60,510,713	60,447,230
Diluted weighted average number of units ⁽²⁾⁽³⁾	61,316,451	61,625,646	61,385,565	61,932,299

(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, 2023 compared to the same periods in 2022 was an increase of \$72 and a decrease of \$3,969, respectively. The increase for the three month period ended December 31, 2023 is primarily driven by general increases in contractual base rent and higher rates on renewals and new leases, a decrease in general and administrative expenses offset by an increase in interest expense. For the year ended December 31, 2023, the decrease is principally related to certain one-time costs including CEO succession plan costs of \$2,240 (see "Summary of Significant Events" section of this MD&A), debt settlement costs of \$126, transaction costs of \$199, a decrease in the number of properties owned, a temporary vacancy in one industrial property (see "Leasing Activity" section of this MD&A), and an increase in interest expense.

AFFO was \$7,595 and \$29,429 for the three month period and year ended December 31, 2023 with a corresponding AFFO Payout Ratio – Basic of 89.8% and 92.5% respectively. The increase in the AFFO Payout Ratio – Basic compared to the same periods in 2022 is driven in part by a decrease in the number of properties owned, an increase in interest expense and an increase in stabilized leasing cost partially offset by contractual increases in rent and higher rental rates on lease renewals. The increase in the AFFO Payout Ratio – Basic for the year ended December 31, 2023 was further burdened by a temporary vacancy in one industrial property (see "Leasing Activity" section of this MD&A).

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED 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, 2023 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, 2023 and 2022. Distributions were paid on or about the 15th day of the month following the declaration.

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

<i>(CAD \$ thousands)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
Cash flow provided from operating activities	\$ 9,462	\$ 8,331	\$ 31,699	\$ 28,235
Add (deduct):				
Changes in non-cash working capital	(933)	(66)	(1,798)	5,196
Distributions – Class B LP Units	153	157	619	634
Maintenance capital expenditures	(130)	(191)	(615)	(984)
Stabilized leasing costs	(801)	(425)	(2,564)	(1,650)
Depreciation of property and equipment	(156)	(126)	(477)	(417)
Debt settlement costs	–	7	126	281
Transaction costs	–	–	199	–
CEO succession plan costs	–	–	2,240	–
Adjusted Funds From Operations (AFFO) ⁽¹⁾	\$ 7,595	\$ 7,687	\$ 29,429	\$ 31,295

(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:

<i>(CAD \$ thousands)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
Adjusted Funds From Operations (AFFO) ⁽¹⁾	\$ 7,595	\$ 7,687	\$ 29,429	\$ 31,295
Total distributions paid or payable – Units and Class B LP Units	6,817	6,800	27,231	27,201
Excess of AFFO over distributions paid or payable	\$ 778	\$ 887	\$ 2,198	\$ 4,094

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

For the three month period and year ended December 31, 2023 and 2022, the REIT had sufficient AFFO to cover the distributions paid or payable.

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

<i>(CAD \$ thousands)</i>	3 Months Ended December 31 2023	3 Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
Cash flow provided from operating activities	\$ 9,462	\$ 8,331	\$ 31,699	\$ 28,235
Net income and comprehensive income	\$ (149)	\$ 6,456	\$ 25,906	\$ 84,494
Total distributions paid or payable – Units ⁽¹⁾	\$ 6,664	\$ 6,643	\$ 26,612	\$ 26,567
Excess of cash flow from operating activities over distributions paid or payable	\$ 2,798	\$ 1,688	\$ 5,087	\$ 1,668
Excess (shortfall) of net income and comprehensive income over distributions paid or payable	\$ (6,813)	\$ (187)	\$ (706)	\$ 57,927

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

For the three month period and year ended December 31, 2023 and 2022, the REIT had sufficient cash flow from operating activities to cover the distributions paid or payable. For the three month periods ended December 31, 2023 and 2022 and for the year ended 2023, there was a shortfall of net income and comprehensive income over distributions paid or payable - Units. The shortfall is mainly due to non-cash fair value adjustments and distributions on Class B LP Units that are recorded as a reduction of net income and comprehensive income. The REIT financed the shortfall using cash on hand and/or using the REIT's revolving credit facility of \$60,000 which bears interest at prime plus 100.0 basis points or bankers' acceptance rate plus 200.0 basis points.

ISSUED AND OUTSTANDING SECURITIES AND NORMAL COURSE ISSUER BID

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

Units

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

Total Units outstanding as of March 20, 2024 were 59,249,207.

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 20, 2024 were 1,354,231.

Deferred Units and Restricted Units

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

Total deferred units and restricted units outstanding as of March 20, 2024 were 961,151 and 102,345.

Normal Course Issuer Bid

Pursuant to a notice accepted by the TSX, the REIT could, during the period commencing September 26, 2022 and ended September 25, 2023, purchase for cancellation, through the facilities of the TSX and at the market price of the Units at the time of purchase, up to 1,771,049 Units representing 3% of the REIT's issued and outstanding Units at the beginning of the normal course issuer bid. The normal course issuer bid expired on September 25, 2023. There were no Units repurchased and cancelled under the normal course issuer bid during the three month period and year ended December 31, 2023.

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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.

<i>(CAD \$ thousands)</i>	Measurement	Carrying Value December 31 2023	Fair Value December 31 2023
Loans and Receivables			
Cash (a)	Amortized cost	\$ 13,256	\$ 13,256
Receivables and other excluding prepaid expenses, deposits and other receivables (a)	Amortized cost	3,187	3,187
		\$ 16,443	\$ 16,443
Financial Liabilities Through Profit and Loss			
Class B LP Units	Fair value (L2)	\$ 6,459	\$ 6,459
Long-term incentive plan	Fair value (L2)	4,942	4,942
Derivative financial instrument (b)	Fair value (L3)	1,352	1,352
		\$ 12,753	\$ 12,753
Other Financial Liabilities			
Accounts payable and other liabilities (a)	Amortized cost	\$ 17,626	\$ 17,626
Credit facility (a)	Amortized cost	16,796	16,796
Distributions payable (a)	Amortized cost	2,273	2,273
Mortgages and term loan (c)	Amortized cost	466,824	445,672
Convertible Debentures (d)	Amortized cost	30,285	32,200
		\$ 533,804	\$ 514,567

- (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, 2023.

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, 2023, the REIT's financial year end. Based on that evaluation, the CEO and CFO concluded that the REIT's DC&P were effective at December 31, 2023.

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, 2023, 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, 2023.

Changes in Internal Control over Financial Reporting

There were no changes in the REIT's ICFR in the twelve months ended December 31, 2023 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, 2023 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 2023 Annual Financial Statements and the 2023 Annual Reports, particularly under the heading "Risk Factors" in the 2023 Annual Information Form, and in other filings that the REIT has made and may make in the future with applicable securities authorities, including those available under the REIT's profile on SEDAR+ at www.sedarplus.ca. The risks and uncertainties described herein and therein are not the only ones the REIT may face. Additional risks and uncertainties that the REIT is unaware of, or that the REIT currently believes are not material, may also become important factors that could adversely affect the REIT's business, financial condition and results of operations. If any of such risks actually occur, the REIT's business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the trading price of the Units (or the value of any other securities of the REIT) could decline, and the REIT's security holders could lose part or all of their investment.

CRITICAL ACCOUNTING ESTIMATES

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

- (i) Valuation of investment properties – Investment properties are presented at fair value at the reporting date. Currently, any change in fair value is determined by management and by independent real estate valuation experts using recognized valuation techniques. The techniques used by management and by independent real estate valuation experts comprise of the discounted cash flow and direct capitalization methods of

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valuation and includes estimating, among other things, capitalization rates and future net operating income and discount rates and future cash flows applicable to investment properties, respectively.

- (ii) Fair value of financial instruments – Where the fair value of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using valuation techniques including the discounted cash flow model. Inputs to these models are taken from observable markets where possible, but where this is not feasible a degree of judgment is required in establishing fair values. The judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported value of the financial instruments.
- (iii) Goodwill impairment and impairment of indefinite lived intangible assets – Goodwill is tested for impairment annually and whenever events or changes in circumstances indicate that the carrying amount of goodwill has been impaired. In order to determine if the value of goodwill has been impaired, the cash-generating unit to which goodwill has been allocated must be valued using present value techniques. When applying this valuation technique, the REIT relies on a number of factors, including historical results, business plans, forecasts and market data. Changes in the conditions for these judgments and estimates can significantly affect the assessed value of goodwill. Management assesses intangible assets with indefinite lives for impairment on an annual basis. This assessment takes into account factors such as economic and market conditions as well as any changes in the expected use of the asset.
- (iv) Contractual rents and other tenant receivables presented net of an allowance for doubtful accounts – Estimates and assumptions used in determining the allowance for doubtful accounts, include the historical credit loss experience adjusted for current conditions and forward-looking information including future expectations of likely default events based on actual or expected insolvency filings, likely deferrals of payments due and potential abatements to be granted by the REIT through tenant negotiations or under government programs, and macroeconomic conditions.
- (v) Derivative financial instrument – Derivative financial instrument, including embedded derivatives, are recognized on the 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 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 and comprehensive income. 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 and comprehensive income.

MATERIAL ACCOUNTING POLICIES AND FUTURE CHANGES IN ACCOUNTING POLICIES

Accounting standards effective in the period, future changes in accounting policies and future applicable accounting standards are discussed in the REIT's consolidated financial statements for the three month period and year ended December 31, 2023 and the notes contained therein.

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SUMMARY OF QUARTERLY RESULTS

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended Dec 31 2023	3 Months Ended Sep 30 2023	3 Months Ended Jun 30 2023	3 Months Ended Mar 31 2023	3 Months Ended Dec 31 2022	3 Months Ended Sep 30 2022	3 Months Ended Jun 30 2022	3 Months Ended Mar 31 2022
Property revenue	\$ 25,618	\$ 24,052	\$ 24,945	\$ 25,278	\$ 25,070	\$ 24,086	\$ 23,724	\$ 24,330
Property operating expenses	10,721	9,998	10,495	10,738	10,491	9,278	9,454	10,250
Net operating income (NOI)	14,897	14,054	14,450	14,540	14,579	14,808	14,270	14,080
General and administrative expenses	1,263	1,210	1,278	3,518	1,360	1,274	1,324	1,202
Long-term incentive plan expense	1,117	(409)	395	581	1,042	(75)	(1,201)	925
Depreciation of property and equipment	156	108	108	105	126	103	99	89
Amortization of intangible assets	61	62	93	93	93	93	93	93
Interest and financing costs	5,841	5,980	5,473	5,131	5,182	5,843	4,804	4,712
Distributions – Class B LP Units	153	152	157	157	157	159	159	159
Fair value adjustment – Class B LP Units	664	(1,310)	(964)	(28)	332	(650)	(1,807)	946
Fair value adjustment – investment properties	5,785	(1,567)	6,250	(7,651)	166	(11,573)	(833)	(40,301)
Fair value adjustment - derivative liability	540	(1,148)	21	–	–	–	–	–
Other income	(1,025)	(852)	(748)	(835)	(781)	(382)	(677)	(462)
Other expenses	491	485	398	421	439	195	340	195
Debt settlement costs	–	73	53	–	7	274	–	–
Transaction costs	–	5	194	–	–	–	–	–
Net income and comprehensive income	\$ (149)	\$ 11,265	\$ 1,742	\$ 13,048	\$ 6,456	\$ 19,547	\$ 11,969	\$ 46,522
Adjusted Debt to Gross Book Value ⁽¹⁾	50.2 %	50.0 %	50.9 %	49.2 %	49.7 %	49.8 %	51.3 %	51.2 %
Total assets	\$ 1,034,591	\$ 1,047,114	\$ 1,057,548	\$ 1,054,881	\$ 1,035,928	\$ 1,040,368	\$ 1,041,296	\$ 1,032,176
Total debt	\$ 515,257	\$ 519,075	\$ 534,394	\$ 518,668	\$ 514,325	\$ 517,143	\$ 531,979	\$ 526,449
Net income and comprehensive income per Unit - Basic ⁽²⁾⁽³⁾	\$ (0.0025)	\$ 0.1861	\$ 0.0288	\$ 0.2159	\$ 0.1068	\$ 0.3234	\$ 0.1980	\$ 0.7696
Net income and comprehensive income per Unit - Diluted ⁽²⁾⁽³⁾	\$ (0.0024)	\$ 0.1836	\$ 0.0284	\$ 0.2123	\$ 0.1048	\$ 0.3172	\$ 0.1942	\$ 0.7578
FFO ⁽¹⁾	\$ 7,557	\$ 6,531	\$ 7,270	\$ 4,948	\$ 7,485	\$ 6,845	\$ 7,836	\$ 8,108
AFFO ⁽¹⁾	\$ 7,595	\$ 7,030	\$ 6,990	\$ 7,814	\$ 7,687	\$ 7,931	\$ 7,862	\$ 7,813
Basic FFO per unit ⁽¹⁾⁽⁴⁾	\$ 0.1247	\$ 0.1079	\$ 0.1203	\$ 0.0819	\$ 0.1238	\$ 0.1132	\$ 0.1296	\$ 0.1341
Diluted FFO per unit ⁽¹⁾⁽⁴⁾	\$ 0.1232	\$ 0.1064	\$ 0.1187	\$ 0.0805	\$ 0.1215	\$ 0.1111	\$ 0.1272	\$ 0.1321
Basic AFFO per unit ⁽¹⁾⁽⁴⁾	\$ 0.1253	\$ 0.1161	\$ 0.1156	\$ 0.1293	\$ 0.1272	\$ 0.1312	\$ 0.1301	\$ 0.1293
Diluted AFFO per unit ⁽¹⁾⁽⁴⁾	\$ 0.1239	\$ 0.1146	\$ 0.1142	\$ 0.1271	\$ 0.1247	\$ 0.1287	\$ 0.1276	\$ 0.1273
AFFO Payout Ratio – Basic ⁽¹⁾⁽²⁾	89.8 %	96.9 %	97.3 %	87.0 %	88.5 %	85.7 %	86.5 %	87.0 %
AFFO Payout Ratio – Diluted ⁽¹⁾⁽²⁾	90.8 %	98.2 %	98.5 %	88.5 %	90.2 %	87.4 %	88.2 %	88.4 %
Basic weighted average number of units ⁽²⁾	60,603,438	60,534,125	60,447,230	60,447,230	60,447,230	60,447,230	60,447,230	60,447,230
Diluted weighted average number of units ⁽²⁾	61,316,451	61,366,430	61,234,171	61,469,854	61,625,646	61,625,646	61,625,646	61,394,385
Number of commercial properties	123	126	129	130	130	132	120	120
GLA (square feet)	6,352,164	6,420,336	6,483,576	6,531,305	6,530,196	6,544,630	6,589,970	6,588,760
Occupancy rate ⁽⁵⁾	98.3 %	98.2 %	99.0 %	98.6 %	98.5 %	97.9 %	98.3 %	98.5 %
Weighted average lease term to maturity	4.0	4.0	4.1	4.1	4.1	4.2	4.4	4.6

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

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

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

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

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended Dec 31 2023	3 Months Ended Sep 30 2023	3 Months Ended Jun 30 2023	3 Months Ended Mar 31 2023	3 Months Ended Dec 31 2022	3 Months Ended Sep 30 2022	3 Months Ended Jun 30 2022	3 Months Ended Mar 31 2022
Total assets, including investment properties stated at fair value	\$ 1,034,591	\$ 1,047,114	\$ 1,057,548	\$ 1,054,881	\$ 1,035,928	\$ 1,040,368	\$ 1,041,296	\$ 1,032,176
Accumulated depreciation on property and equipment and intangible assets	3,201	3,619	3,451	3,251	3,054	2,838	2,642	2,450
Gross Book Value ⁽¹⁾	\$ 1,037,792	\$ 1,050,733	\$ 1,060,999	\$ 1,058,132	\$ 1,038,982	\$ 1,043,206	\$ 1,043,938	\$ 1,034,626
Debt (non-current and current portion)	515,257	519,075	534,394	518,668	514,325	517,143	531,979	526,449
Unamortized financing costs	5,108	5,430	5,701	2,196	2,379	2,582	3,156	3,407
Accretion expense - Convertible Debentures	(217)	(124)	(19)	-	-	-	-	-
Fair value adjustment - derivative financial instrument	587	1,127	(21)	-	-	-	-	-
Adjusted Debt ⁽¹⁾	\$ 520,735	\$ 525,508	\$ 540,055	\$ 520,864	\$ 516,704	\$ 519,725	\$ 535,135	\$ 529,856
Adjusted Debt to Gross Book Value ⁽¹⁾	50.2 %	50.0 %	50.9 %	49.2 %	49.7 %	49.8 %	51.3 %	51.2 %

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

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

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended Dec 31 2023	3 Months Ended Sep 30 2023	3 Months Ended Jun 30 2023	3 Months Ended Mar 31 2023	3 Months Ended Dec 31 2022	3 Months Ended Sep 30 2022	3 Months Ended Jun 30 2022	3 Months Ended Mar 31 2022
Total unitholders' equity per consolidated financial statements	\$ 488,034	\$ 494,847	\$ 489,296	\$ 494,093	\$ 487,690	\$ 487,807	\$ 474,902	\$ 469,574
Adjustment for Class B LP Units	6,459	5,795	7,244	8,312	8,340	8,078	8,728	10,535
Net Asset Value ⁽¹⁾	\$ 494,493	\$ 500,642	\$ 496,540	\$ 502,405	\$ 496,030	\$ 495,885	\$ 483,630	\$ 480,109
Total outstanding Units and Class B LP Units	60,603,438	60,603,438	60,447,230	60,447,230	60,447,230	60,447,230	60,447,230	60,447,230
NAV per Unit ⁽¹⁾	\$ 8.16	\$ 8.26	\$ 8.21	\$ 8.31	\$ 8.21	\$ 8.20	\$ 8.00	\$ 7.94

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	3 Months Ended Dec 31 2023	3 Months Ended Sep 30 2023	3 Months Ended Jun 30 2023	3 Months Ended Mar 31 2023	3 Months Ended Dec 31 2022	3 Months Ended Sep 30 2022	3 Months Ended Jun 30 2022	3 Months Ended Mar 31 2022
Net income and comprehensive income	\$ (149)	\$ 11,265	\$ 1,742	\$ 13,048	\$ 6,456	\$ 19,547	\$ 11,969	\$ 46,522
Add:								
Long-term incentive plan	503	(923)	(29)	(671)	281	(731)	(1,745)	689
Distributions - Class B LP Units	153	152	157	157	157	159	159	159
Fair value adjustment – investment properties	5,785	(1,567)	6,250	(7,651)	166	(11,573)	(833)	(40,301)
Fair value adjustment - Class B LP Units	664	(1,310)	(964)	(28)	332	(650)	(1,807)	946
Fair value adjustment - derivative financial instrument	540	(1,148)	21	–	–	–	–	–
Amortization of intangible assets	61	62	93	93	93	93	93	93
FFO ⁽¹⁾	\$ 7,557	\$ 6,531	\$ 7,270	\$ 4,948	\$ 7,485	\$ 6,845	\$ 7,836	\$ 8,108
Deduct:								
Straight-line rent adjustment	\$ (116)	\$ 226	\$ (457)	\$ (121)	\$ (151)	\$ (21)	\$ (105)	\$ (118)
Maintenance capital expenditures	(130)	(126)	(174)	(185)	(191)	(282)	(232)	(279)
Stabilized leasing costs	(801)	(665)	(592)	(506)	(425)	(387)	(446)	(392)
Add:								
Long-term incentive plan	614	514	424	1,252	761	656	544	236
Amortization of financing costs	378	367	253	186	201	846	265	258
Accretion expense - Convertible Debentures	93	105	19	–	–	–	–	–
Debt settlement costs	–	73	53	–	7	274	–	–
Transaction costs	–	5	194	–	–	–	–	–
CEO succession plan costs	–	–	–	2,240	–	–	–	–
AFFO ⁽¹⁾	\$ 7,595	\$ 7,030	\$ 6,990	\$ 7,814	\$ 7,687	\$ 7,931	\$ 7,862	\$ 7,813

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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, 2023, 2022 and 2021:

<i>(CAD \$ thousands except unit, per unit amounts and unless otherwise stated)</i>	Year Ended December 31 2023	Year Ended December 31 2022	Year Ended December 31 2021
Net income and comprehensive income for the period	\$ 25,906	\$ 84,494	\$ 81,844
Add:			
Long-term incentive plan	(1,120)	(1,505)	1,133
Distributions - Class B LP Units	619	634	663
Fair value adjustment – investment properties	2,817	(52,541)	(63,161)
Fair value adjustment - Class B LP Units	(1,638)	(1,179)	1,083
Fair value adjustment - derivative financial instrument	(587)	–	–
Amortization of intangible assets	309	372	372
FFO ⁽¹⁾	\$ 26,306	\$ 30,275	\$ 21,934
Deduct:			
Straight-line rent adjustment	\$ (468)	\$ (394)	\$ (493)
Maintenance capital expenditures	(615)	(984)	(713)
Stabilized leasing costs	(2,564)	(1,650)	(1,013)
Add:			
Long-term incentive plan	2,804	2,196	1,927
Amortization of financing costs	1,184	1,571	1,592
Accretion expense - Convertible Debentures	217	–	–
Debt settlement costs	126	281	1,838
Transaction costs	199	–	–
CEO Succession plan costs	2,240	–	–
AFFO ⁽¹⁾	\$ 29,429	\$ 31,295	\$ 25,072
Basic weighted average number of units ⁽²⁾	60,510,713	60,447,230	48,853,672
Diluted weighted average number of units ⁽²⁾	61,385,565	61,932,299	49,975,662
Net income and comprehensive income per Unit - Basic ⁽²⁾⁽³⁾	\$ 0.4281	\$ 1.3978	\$ 1.6753
Net income and comprehensive income per Unit - Diluted ⁽²⁾⁽³⁾	\$ 0.4220	\$ 1.3643	\$ 1.6377
Basic AFFO per Unit ⁽¹⁾	\$ 0.4863	\$ 0.5177	\$ 0.5132
Diluted AFFO per Unit ⁽¹⁾	\$ 0.4794	\$ 0.5053	\$ 0.5017

(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) 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.

The following table presents the calculation of Gross Book Value and Adjusted Debt to Gross Book Value ⁽¹⁾ for the years ended December 31, 2023, 2022 and 2021:

<i>(CAD \$ thousands)</i>	Year Ended December 31 2023	Year Ended December 31 2022	Year Ended December 31 2021
Debt (non-current and current portion)	\$ 515,257	\$ 514,325	\$ 522,783
Unamortized financing costs	5,108	2,379	3,663
Accretion expense - Convertible Debentures	(217)	–	–
Fair value adjustment - derivative financial instrument	587	–	–
Adjusted Debt ⁽¹⁾	\$ 520,735	\$ 516,704	\$ 526,446

(1) See "Non-IFRS Measures".

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

The following is a calculation of Annualized Adjusted EBITDA ⁽¹⁾ for the years ended December 31, 2023, 2022 and 2021:

<i>(CAD \$ thousands)</i>	Year Ended December 31 2023	Year Ended December 31 2022	Year Ended December 31 2021
Net income and comprehensive income	\$ 25,906	\$ 84,494	\$ 81,844
Interest and financing costs	22,425	20,541	16,887
Depreciation of property and equipment	477	417	357
Amortization of intangible assets	309	372	372
Fair value adjustment - Class B LP Units	(1,638)	(1,179)	1,083
Fair value adjustment - investment properties	2,817	(52,541)	(63,161)
Fair value adjustment - derivative financial instrument	(587)	-	-
Distributions - Class B LP Units	619	634	663
Straight-line rent	(468)	(394)	(493)
Long-term incentive plan expense	1,684	691	3,060
CEO Succession plan costs	2,240	-	-
Transaction costs	199	-	-
Debt settlement costs	126	281	1,838
Annualized Adjusted EBITDA ⁽¹⁾	\$ 54,109	\$ 53,316	\$ 42,450

(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, 2023, 2022 and 2021:

<i>(CAD \$ thousands)</i>	Year Ended December 31 2023	Year Ended December 31 2022	Year Ended December 31 2021
Annualized Adjusted EBITDA ⁽¹⁾	\$ 54,109	\$ 53,316	\$ 42,450
Interest expense	\$ 21,609	\$ 19,051	\$ 15,323
Interest Coverage Ratio ⁽¹⁾	2.5x	2.8x	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, 2023, 2022 and 2021:

<i>(CAD \$ thousands)</i>	Year Ended December 31 2023	Year Ended December 31 2022	Year Ended December 31 2021
Annualized Adjusted EBITDA ⁽¹⁾	\$ 54,109	\$ 53,316	\$ 42,450
Interest expense	21,609	19,051	15,323
Principal repayments	13,259	13,814	10,944
Debt Service Requirements	\$ 34,868	\$ 32,865	\$ 26,267
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, 2023, 2022 and 2021:

<i>(CAD \$ thousands)</i>	Year Ended December 31 2023	Year Ended December 31 2022	Year Ended December 31 2021
Adjusted Debt ⁽¹⁾	\$ 520,735	\$ 516,704	\$ 526,446
Annualized Adjusted EBITDA ⁽¹⁾	\$ 54,109	\$ 53,316	\$ 42,450
Adjusted Debt to Annualized Adjusted EBITDA Ratio ⁽¹⁾	9.6x	9.7x	12.4x

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