Ravelin Properties REIT

Management's Discussion and Analysis

TSX: RPR.UN

December 31, 2024

CONTENTS

FINANCIAL AND INFORMATIONAL HIGHLIGHTS

(in thousands, except per unit amounts and as otherwise stated)

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023 Restated*
Summary of Portfolio Information					
Number of properties	46	49	50	52	54
Gross leasable area ("GLA") [1]	6,592,830	7,068,038	7,138,053	7,279,312	7,525,329
Total assets	$ 1,229,711	$ 1,375,648	$ 1,556,896	$ 1,713,367	$ 1,742,255
Total debt	$ 1,090,024	$ 1,139,228	$ 1,143,995	$ 1,158,123	$ 1,178,734
Occupancy [2]	76.8%	79.0%	79.4%	77.7%	78.5%

	Three months ended				
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023 Restated*
Summary of Financial Information					
Revenue	$ 46,968	$ 50,161	$ 49,567	$ 50,261	$ 48,787
Net operating income ("NOI") [3]	$ 20,827	$ 24,261	$ 24,719	$ 23,177	$ 24,085
Net loss	$ (101,839)	$ (182,071)	$ (150,045)	$ (22,571)	$ (61,360)
Funds from operations ("FFO") [3]	$ (1,900)	$ 3,074	$ 4,388	$ 3,544	$ 4,805
Core-FFO [3]	$ (924)	$ 4,034	$ 5,334	$ 4,474	$ 5,721
Adjusted FFO ("AFFO") [3]	$ (2,252)	$ 2,687	$ 4,211	$ 3,776	$ 5,521
IFRS net asset value ("NAV") [3]	$ 62,857	$ 170,510	$ 349,291	$ 500,592	$ 514,711
Per Unit Financial Information					
Weighted average diluted number of trust units (000s)	86,092	86,012	85,909	85,937	85,792
Diluted units outstanding (000s)	86,146	86,202	86,030	86,047	85,937
IFRS NAV per unit [3]	$ 0.73	$ 1.98	$ 4.06	$ 5.82	$ 5.99
FFO per unit [3]	$ (0.02)	$ 0.04	$ 0.05	$ 0.04	$ 0.06
Core-FFO per unit [3]	$ (0.01)	$ 0.05	$ 0.06	$ 0.05	$ 0.07
AFFO per unit [3]	$ (0.03)	$ 0.03	$ 0.05	$ 0.04	$ 0.06
Distributions per unit [3]	$ —	$ —	$ —	$ —	$ 0.01
FFO payout ratio [3]	—%	—%	—%	—%	17.8%
Core-FFO payout ratio [3]	—%	—%	—%	—%	14.9%
AFFO payout ratio [3]	—%	—%	—%	—%	15.5%

	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023 Restated*
Financial Data					
Loan-to-value ("LTV") ratio [3]	89.4%	83.2%	73.8%	67.8%	67.9%
Weighted average debt interest rate [4]	5.9%	6.0%	6.1%	5.9%	5.3%
Interest coverage ratio (times) [3]	1.2x	1.3x	1.4x	1.4x	1.5x
Net debt to adjusted EBITDA ratio (times) [3]	12.9x	12.6x	12.5x	12.8x	12.9x

*Please see "Summary of Results of Operations".
[1]GLA is presented at 100% of the building's GLA, without taking ownership percentage into consideration.
[2]Occupancy includes units undergoing tenant improvements and is presented based on 100% of the building's GLA, without taking ownership percentage into consideration.
[3]The calculation of these non-IFRS financial measures and a reconciliation to relevant International Financial Reporting Standards ("IFRS") measures are included in Part III and IV.

[4]Weighted average debt interest rate is presented after the impact of interest rate swaps and caps.

PART I - OVERVIEW

INTRODUCTION

This Management's Discussion and Analysis ("MD&A") of the financial position and results of operations of Ravelin Properties REIT ("Ravelin" or the "REIT") is intended to provide readers with an assessment of performance and summarize the financial position and results of operations of the REIT for the year ended December 31, 2024. The presentation of the REIT's financial results, including the related comparative information, contained in this MD&A are based on the REIT's audited consolidated annual financial statements as at and for the years ended December 31, 2024 and 2023 (the "consolidated financial statements"). This MD&A should be read in conjunction with those consolidated financial statements. All dollar amounts are in thousands of Canadian dollars, unless otherwise noted.

The information contained in this MD&A is based on information available to the REIT and is dated as of March 27, 2025. The REIT's board of trustees (the "Board of Trustees"), upon the recommendation of its Audit Committee, approved the contents of this MD&A on March 24, 2025.

RAVELIN PROPERTIES REIT PROFILE

We are an internally managed global owner and operator of well-located commercial real estate assets in North America and Europe.

The REIT is an unincorporated, open-ended real estate investment trust governed by the laws of the Province of Ontario pursuant to an amended and restated Declaration of Trust dated as of December 31, 2024, as it may be further amended, supplemented or amended and restated from time to time (the "Declaration of Trust").

During 2024, key management personnel of the REIT were employed by Slate Asset Management L.P. ("SLAM"). The REIT had a management agreement (the "Management Agreement") with Slate (as defined below), whereby Slate Management ULC (the "Former Manager"), an indirect subsidiary of SLAM (collectively, "Slate"), as the REIT's manager, provided the REIT with the strategic, administrative, property management, leasing, acquisition, financing and construction management services necessary to manage the strategy and day-to-day operations of the REIT and its assets. On December 24, 2024, the REIT amended its Management Agreement with the Former Manager to, among other things, accelerate the termination of the Management Agreement and internalize the REIT's management (the "Internalization") which was effective December 31, 2024. As part of the Internalization, the REIT changed its name from Slate Office REIT to Ravelin Properties REIT.

Additional information on the REIT, including its Annual Information Form, is available on SEDAR+ at www.sedarplus.ca and on the REIT's website at www.ravelinreit.com.

NON-IFRS MEASURES

We disclose a number of financial measures in this MD&A that are not measures used under IFRS, including NOI, same property NOI, FFO, Core-FFO, AFFO, FFO payout ratio, Core-FFO payout ratio, AFFO payout ratio, NAV, adjusted EBITDA, net debt to adjusted EBITDA ratio, interest coverage ratio, debt service coverage ratio and LTV ratio, in addition to certain measures on a fully-diluted per unit basis. We use these measures for a variety of reasons, including measuring performance, managing the business, capital allocation and the assessment of risk. Descriptions of why these non-IFRS measures are useful to investors and how management use each measure is included in this MD&A. We believe that providing these performance measures on a supplemental basis to our IFRS results is helpful to investors in assessing the overall performance of our business in a manner similar to management. These financial measures should not be considered as a substitute for similar financial measures calculated in accordance with IFRS. We caution readers that these non-IFRS financial measures may differ from the calculations disclosed by other businesses, and as a result, may not be comparable to similar measures presented by others. Reconciliations of these non-IFRS measures to the most directly comparable financial measures calculated and presented in accordance with IFRS are included within Part III and IV of this MD&A.

The definitions of non-IFRS financial measures are as follows:

- NOI is defined as rental revenue, excluding non-cash straight-line rent and leasing costs amortized to revenue, less property operating costs prior to International Financial Reporting Interpretations Committee 21, *Levies* ("IFRIC 21") adjustments. Rental revenue for purposes of measuring NOI excludes revenue recorded as a result of determining rent on a straight-line basis and the amortization of leasing costs in revenue for IFRS. Same-property NOI includes those properties owned by the REIT for each of the current period and the relevant comparative period.
- FFO is defined as net income adjusted for certain items including transaction costs, change in fair value of properties, change in fair value of financial instruments, change in fair value of Class B LP units, deferred income taxes, tax on gains on disposals of investment properties, distributions to Class B unitholders, depreciation and IFRIC 21 property tax adjustments.

- Core-FFO is defined as FFO adjusted for the REIT's share of lease payments received for a data centre in Winnipeg, Manitoba (the "Data Centre"), which for IFRS purposes is accounted for as a finance lease.
- AFFO is defined as FFO adjusted for amortization of deferred transaction costs; de-recognition and amortization of mark-to-market ("MTM") adjustments on mortgages refinanced or discharged; adjustments for interest rate subsidies received; recognition of the REIT's share of lease payments received for the Data Centre, which for IFRS purposes, is accounted for as a finance lease; amortization of straight-line rent; and normalized direct leasing and capital costs.
- FFO payout ratio, Core-FFO payout ratio and AFFO payout ratio (the "payout ratios") are defined as aggregate distributions made in respect of units of the REIT and Class B LP units divided by FFO, Core-FFO and AFFO, respectively.
- FFO per unit, Core-FFO per unit and AFFO per unit are defined as FFO, Core-FFO and AFFO divided by the weighted average diluted number of units outstanding, respectively.
- NAV is defined as the aggregate of the carrying value of the REIT's equity, Class B LP units, deferred units, and deferred tax liability.
- Adjusted EBITDA is defined as earnings before interest, income taxes, depreciation, fair value gains (losses) from both financial instruments and investment properties, while also excluding non-recurring items such as transaction costs from dispositions, acquisitions or other events.
- Net debt to adjusted EBITDA is defined as the aggregate amount of debt outstanding, less cash on hand, divided by the trailing twelve month adjusted EBITDA.
- Interest coverage ratio is defined as adjusted EBITDA divided by the REIT's interest expense for the period.
- Debt service coverage ratio is defined as adjusted EBITDA divided by the debt service requirements for the period, whereby the debt service requirements reflects amortizing principal repayments and interest expensed during the period. Payments related to defeasance, prepayment penalties, or payments upon discharge of a mortgage are excluded from the calculation.
- LTV ratio is defined as total indebtedness divided by total assets less restricted cash.

RISKS AND UNCERTAINTIES

We draw your attention to “Part IV – Financial Condition” in this MD&A and note 2 of our consolidated financial statements which indicate the existence of material uncertainty that may cast significant doubt on the REIT’s ability to continue as a going concern. There is material uncertainty and significant doubt as to the REIT’s ability to continue as a going concern that is dependent on, among other things, its ability to remediate the breach of certain covenants under its existing revolving credit facility or obtain modifications or waivers in respect thereof from the lenders, refinance maturing debt, secure additional financing as well as market conditions. While the REIT has been successful in securing financing in the past, obtaining modifications or waivers in respect of the aforementioned covenant breaches, refinancing the REIT’s existing debt or securing additional funds is dependent on a number of factors outside the REIT’s control and the REIT may not be able to sufficiently address its liquidity needs in the foreseeable future.

On December 27, 2024, the Toronto Stock Exchange (the "TSX") approved a 90-day extension of the remedial delisting review for the REIT, following an initial 120-day review period that began on July 4, 2024 and a subsequent 60-day extension in October 2024. The review is a response to the REIT's financial condition. The extension was granted based on materials submitted by the REIT in relation to the potential Recapitalization Plan. The trading of the REIT's securities will not be impacted during the review process.

During the year ended December 31, 2024, the REIT's financial condition has continued to deteriorate. The REIT now requires additional funding in the near term and amendments to its existing indebtedness in order to continue as a going concern. Accordingly, during the year ended December 31, 2024, and with the assistance of professional restructuring advisors, the REIT continued to seek a restructuring of a majority of its outstanding indebtedness and to raise additional capital (collectively, the "Recapitalization Plan"). The potential Recapitalization Plan may involve, among other things, amendments to the REIT's existing secured indebtedness (including amendments to covenants and extensions of maturities, among other potential amendments), conversion of all or a portion of the REIT's convertible debentures into equity, additional subscriptions for units, additional interim secured funding and/or a potential rights offering to raise additional equity capital. The REIT is currently in discussions with certain of its lenders and related parties regarding the terms of an acceptable potential Recapitalization Plan. As of the date hereof, no agreement has been reached with any of the REIT's stakeholders with respect to a potential Recapitalization Plan, and there can be no assurance that the REIT will be successful in negotiating a potential Recapitalization Plan, or in raising the additional funding needed for the REIT to continue as a going concern. In addition, based on the REIT's correspondence with the TSX as discussed above, there is a risk the REIT will not be able to obtain further equity financing if it is de-listed from the TSX. If the REIT is unsuccessful in negotiating a potential Recapitalization Plan and raising additional capital in the near term, the REIT will be unable to continue as a going concern, and, in that case, the market price of the units and the convertible debentures would be materially adversely affected or extinguished.

The REIT's business is subject to a number of other risks and uncertainties which are described under the "Forward-Looking Information" and "Risk Factors" sections in its most recently filed Annual Information Form for the year ended December 31, 2024, available on SEDAR+ at www.sedarplus.ca.

OUR OBJECTIVES

The REIT is committed to disciplined management, strategic capital allocation, and sustainable value creation for unitholders. Our objectives are to:

- **Optimize Portfolio Performance** – Maintain and enhance a high-quality, diversified portfolio spanning office, data centers, industrial, retail, residential, parking, and hospitality assets across Canada, Ireland, and the U.S.
- **Maximize Risk-Adjusted Returns** – Drive long-term value through targeted capital investments, proactive leasing strategies, and disciplined management.
- **Strengthen Tenant Relationships** – Provide best-in-class service and operational excellence to ensure high occupancy and tenant retention across all asset classes.
- **Adapt to Market Dynamics** – Capitalize on improving tenant demand and evolving real estate trends to enhance asset performance and resilience.

With an experienced internal management team fully aligned with unitholders, the REIT is focused on executing a strategic vision that delivers consistent, long-term growth and value.

Our current portfolio comprises a mix of office buildings, a data centre, industrial assets, retail assets, surface parking lots, and a hotel. Many underlying factors which resulted in reduced tenant demand in prior years have abated, and leasing demand has increased during the past year.

IFRS NAV CONTINUITY

The following reconciliation shows the change in IFRS NAV of the REIT on a total and per unit basis for the year ended December 31, 2024, and the years ended December 31, 2023 and 2022:

	Year ended December 31, 2024		Year ended December 31, 2023 Restated*		Year ended December 31, 2022	
	IFRS Net Asset Value [1]	Per Unit	IFRS Net Asset Value [1]	Per Unit	IFRS Net Asset Value [1]	Per Unit
Beginning of period	$ 513,728	$ 5.98	$ 668,834	$ 7.82	$ 651,958	$ 8.90
Core-FFO	12,918	0.15	24,245	0.28	43,423	0.51
Property fair value changes [2]	(437,770)	(5.08)	(138,217)	(1.61)	(87,508)	(1.02)
Other fair value changes	(14,062)	(0.16)	(9,068)	(0.11)	39,144	0.46
Depreciation on hotel	(998)	(0.01)	(966)	(0.01)	(966)	(0.01)
Foreign exchange	7,342	0.09	(2,309)	(0.03)	11,139	0.13
Unit issuances	290	—	—	—	60,202	(0.59)
Distributions	—	—	(17,336)	(0.17)	(33,316)	(0.40)
Unit repurchases	—	—	—	—	(710)	0.01
Transaction costs	(3,322)	(0.04)	—	—	(1,240)	(0.01)
Other	(15,269)	(0.20)	(11,455)	(0.19)	(13,292)	(0.16)
End of period	**$ 62,857**	**$ 0.73**	**$ 513,728**	**$ 5.98**	**$ 668,834**	**$ 7.82**

*Please see "Summary of Results of Operations".
[1]Refer to the IFRS NAV section of this MD&A for the calculation of IFRS NAV on a total and per unit basis to the REIT's consolidated financial statements.
[2]Includes the impact of IFRIC 21 property tax adjustment.

NAV has been determined using the REIT's consolidated financial statements prepared in accordance with IFRS.

IFRS NET ASSET VALUE

IFRS NAV is a non-IFRS measure and is defined by the REIT as the aggregate of the carrying value of the REIT's equity, Class B LP units, deferred units and deferred tax liability. Management believes that this measure reflects the residual value of the REIT to equity holders and is used by management on both an aggregate and per unit basis to evaluate the NAV attributable to unitholders and changes thereon based on the execution of the REIT's strategy.

The following is the calculation of IFRS NAV on a total and per unit basis at December 31, 2024 and December 31, 2023 from the REIT's consolidated financial statements:

	December 31, 2024	December 31, 2023 Restated*
Equity	$ 59,810	$ 508,704
Class B LP units	2,854	4,281
Deferred unit liability	193	489
Deferred tax liability	—	254
IFRS NAV	**$ 62,857**	**$ 513,728**
Diluted number of units outstanding [1]	86,146	85,937
IFRS NAV per unit	**$ 0.73**	**$ 5.98**

*Please see "Summary of Results of Operations".
[1]Represents the fully diluted number of units outstanding and includes outstanding REIT units, deferred units and Class B LP units and is shown in thousands at the end of the respective periods.

The following is an illustration of the REIT's valuation used to determine IFRS NAV at December 31, 2024 and December 31, 2023:

(thousands, except per unit amount)	December 31, 2024	December 31, 2023 Restated*
Property fair value [1]	$ 1,147,834	$ 1,654,685
Data Centre	39,401	43,213
Working capital	(34,354)	(5,436)
Debt	(1,090,024)	(1,178,734)
IFRS NAV	**$ 62,857**	**$ 513,728**
Diluted number of units outstanding	86,146	85,937
IFRS NAV per unit	**$ 0.73**	**$ 5.98**

*Please see "Summary of Results of Operations".
[1]Includes $16.5 million of assets held for sale.

Q4 2024 SIGNIFICANT HIGHLIGHTS

The REIT's property portfolio as at December 31, 2024 consists of interests in 46 properties (6.6 million square feet of GLA), with occupancy as at December 31, 2024 of 76.8%. The weighted average remaining term to maturity as at December 31, 2024 was 5.2 years, not including tenants on month-to-month leases.

Property Transactions

During Q4 2024, the REIT disposed of three properties for total gross proceeds of $64.3 million, and total net proceeds (after debt repayment of $56.9 million) of $2.7 million.

During the year ended December 31, 2024, the REIT disposed of 8 properties for total gross proceeds of $114.1 million, and total net proceeds (after debt repayment of $99.1 million) of $5.9 million.

The REIT also revalued its property portfolio as at December 31, 2024 which resulted in a $97.2 million negative fair value adjustment in the fourth quarter as a result of the REIT's own estimates of the market, and property sales.

Financial

- Net loss was $101.8 million and NOI was $20.8 million for the three months ended December 31, 2024 compared to net loss of $61.4 million and NOI of $24.1 million for the three months ended December 31, 2023.
- Same property NOI was $19.8 million for the three months ended December 31, 2024, a decrease from $21.2 million for the three months ended December 31, 2023.
- FFO and Core-FFO for the three months ended December 31, 2024 were negative $1.9 million and $0.9 million or negative $0.02 and $0.01, respectively on a per unit basis a decrease from $3.1 million and $4.0 million or $0.04 and $0.05 per unit, respectively for the three months ended September 30, 2024.
- AFFO for the three months ended December 31, 2024 was negative $2.3 million or $0.03 per unit, a decrease from $2.7 million or $0.03 per unit for the three months ended September 30, 2024.

Governance

On October 2, 2024, the Former Manager provided the REIT with 180 days' notice of termination of its external Management Agreement with the REIT. In connection with the delivery of notice of termination, trustees Blair Welch and Brady Welch resigned from the REIT's Board of Trustees. On December 24, 2024, the REIT announced the acceleration of the termination of the Management Agreement such that the termination would be effective December 31, 2024, thereby also terminating of all of the executive officers of the REIT effective December 31, 2024 (being Brady Welch as Chief Executive Officer, Robert Armstrong as Chief Financial Officer and Lisa Rowe as Vice President). In addition, the REIT announced the Internalization and the appointment of Shant Poladian (a trustee of the REIT since November 18, 2024) as Chief Executive Officer, both being effective January 1, 2025.

PART II - PROPERTY PORTFOLIO

The REIT's property portfolio as at December 31, 2024 consists of interests in 46 properties. The portfolio has 6.6 million square feet of GLA. For a listing of all of the REIT's properties see Part VI of this MD&A.

OCCUPANCY

Occupancy of the REIT's properties as at December 31, 2024 was 76.8%. The following is a continuity of the change in the in-place occupancy of the REIT's properties:

	Year ended December 31, 2024		
	GLA	**GLA Occupied**	**% of total GLA**
Beginning of period	7,525,329	5,906,450	78.5%
Properties sold	(963,611)	(835,183)	
Remeasurements	31,112	—	
Net of property sales	**6,592,830**	**5,071,267**	**76.9%**
Renewed leases		560,712	8.5 %
New Leases		312,081	4.7 %
Leases not renewed/vacated		(883,581)	(13.3)%
Net change in leasing	**—**	**(10,788)**	**(0.1%)**
End of period	**6,592,830**	**5,060,479**	**76.8%**

LEASING

The weighted average remaining term to maturity of the REIT's leases as at December 31, 2024 was 5.2 years, not including tenants on month-to-month leases.

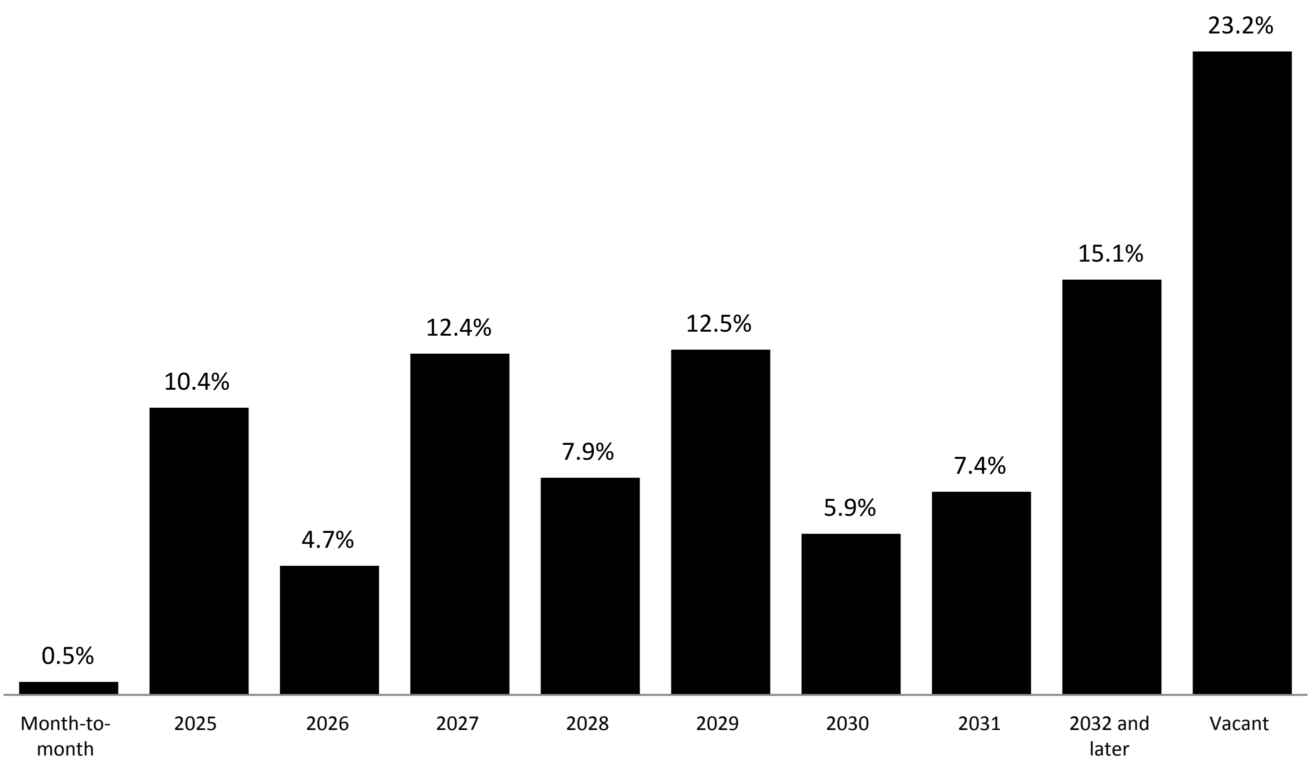
The following table summarizes the composition of the remaining term to maturity of the REIT's leases by region:

	December 31, 2024		
	Weighted average term to maturity (years)	**GLA**	**% of GLA**
Atlantic	4.4	1,785,034	27.1%
Ontario	5.1	1,409,680	21.4%
West	3.7	199,589	3.0%
Ireland	7.2	761,942	11.6%
USA	5.4	862,643	13.1%
	5.2	5,018,888	76.2%
Month-to-month		41,591	0.6%
Vacant		1,532,351	23.2%
Total		**6,592,830**	**100.0%**

The following is a profile of the maturities of the REIT's leases, excluding the impact of tenant extension options as at December 31, 2024:

	GLA (sq. ft.)	% of portfolio GLA
Month-to-month	41,591	0.5%
2025	687,763	10.4%
2026	307,627	4.7%
2027	816,791	12.4%
2028	518,199	7.9%
2029	824,761	12.5%
2030	386,004	5.9%
2031	484,645	7.4%
2032 and later	993,098	15.1%
Vacant	1,532,351	23.2%
Total / weighted average	**6,592,830**	**100.0%**

The following graph summarizes lease maturities of the REIT's leases, excluding the impact of tenant extension options as at December 31, 2024:



Month-to-month tenants comprise 0.5% of the portfolio's GLA. Throughout 2025, 10.4% of the REIT's portfolio GLA is maturing.

Notable lease transactions in Q4 2024 of more than 10,000 square feet include the following:

- A 10-year new lease with a life sciences service provider for a total of 20,648 square feet at 2599 Speakman Drive in Mississauga, Ontario, commenced in December 2024.
- A 3-year renewal with an engineering company for a total of 17,997 square feet at 2599 Speakman Drive in Mississauga, Ontario, commenced in December 2024.
- A 5-year renewal with an insurance company for a total of 14,147 square feet at 20 South Clark Street in Chicago, Illinois, commenced in October 2024.
- A 5-year renewal with a corporate services company for a total of 12,902 square feet at Fortis Place in St. John’s, Newfoundland, commenced in October 2024.

During Q4 2024, the REIT disposed of three properties for total gross proceeds of $64.2 million, and total net proceeds after debt repayment of $2.7 million, as follows:

- On October 16, 2024, the REIT disposed of the property at 114 Garry, Winnipeg, Manitoba (74,246 square feet) for a sale price of $14.3 million, with net proceeds (after debt repayment) of $2.8 million.
- On November 5, 2024, the REIT disposed of its undivided 75% interest in the property known as the Woodbine & Steeles Corporate Centre at 7030, 7050, 7100 Woodbine Avenue and 55, 85 Idema Road, Markham, Ontario (the "Woodbine Complex") (a total of 359,563 square feet) for a sale price of $39.0 million, with a net loss (after debt repayment) to the REIT of $1.6 million.
- On November 21, 2024, the REIT disposed of the property at 365 Hargrave, Winnipeg, Manitoba (70,719 square feet) for a sale price of $11.0 million, with net proceeds (after debt repayment) of $1.5 million.

TENANT PROFILE

Management's strategy includes ensuring that the REIT's tenants are diversified and of high credit quality. A higher quality tenant base is expected to support tenants' continued ability to meet their lease obligations to the REIT and their ability to retain their workforce, which continues their need for office space. This aids the stability of the REIT's income through economic cycles.

The following are the REIT's top 10 largest tenants by percent of base rent receipts at December 31, 2024, which together represent 30.3% of total GLA:

Tenant	Leased (sq. ft.)	Number of properties	% of total GLA	Weighted average lease term (years)
Province of New Brunswick	317,997	6	4.8%	3.8
CIBC	312,650	3	4.8%	4.7
Government of Canada	291,733	6	4.4%	1.7
AtkinsRéalis Group Inc.	273,077	3	4.2%	5.0
Province of Nova Scotia	167,731	1	2.5%	4.3
Johnson Insurance	156,217	1	2.4%	5.9
Blue Cross	151,124	3	2.3%	4.6
Solventum	111,770	2	1.7%	8.1
Moneris [1]	107,078	1	1.6%	16.3
Government of Ireland	106,175	7	1.6%	3.2
Total	**1,995,552**	**33**	**30.3%**	**4.9**

[1] Moneris space is undergoing tenant improvements. Paid lease term commences May 2026.

PROPERTY VALUATION

IFRS Fair Value

The REIT's property portfolio as at December 31, 2024 had an estimated IFRS fair value of $1.1 billion. The REIT's IFRS fair value reflects the current economics of the REIT's properties, including its 76.8% in-place occupancy.

Overall, the average estimated IFRS fair value of the REIT's portfolio (excluding the Data Centre and Delta Brunswick Hotel) is $169 per square foot.

The following table presents a summary of the discount and terminal capitalization rates for the fair value of the REIT's properties:

	December 31, 2024		December 31, 2023	
	Discount rate	Terminal capitalization rate	Discount rate	Terminal capitalization rate
Minimum	7.50%	7.00%	6.75%	6.75%
Maximum	11.50%	10.50%	11.50%	10.50%
Weighted average	8.78%	7.93%	7.99%	7.43%

Property valuation is dependent on leasing history, market reports, tenant profiles and available appraisals alongside other evidence of market conditions. At the balance sheet date there exists a limited number of observable comparable transactions and certain of the observable comparable transactions may have occurred by seller distress, financing pressure or other factors specific to those particular market participants and transactions. Accordingly, estimation uncertainty with determining the fair value of investment properties remains high.

Property Valuation Continuity

A continuity of the REIT's property interests is summarized below:

	Three months ended December 31,		Year ended December 31,	
	2024	2023 Restated*	2024	2023 Restated*
Beginning of period	$ 1,207,930	$ 1,553,082	$ 1,362,188	$ 1,754,338
Acquisitions [1]	—	18	—	28,614
Capital expenditures	947	3,123	7,055	9,975
Leasing costs	5,812	2,864	18,954	17,750
Dispositions [1]	(63,280)	—	(112,695)	—
Depreciation of hotel asset	(250)	(242)	(998)	(966)
Foreign exchange	11,329	(3,352)	25,869	(5,443)
Change in fair value	(97,172)	(58,781)	(437,770)	(138,217)
IFRIC 21 property tax adjustment [2]	3,429	3,479	—	—
Straight-line rent and other changes	(1,512)	(2,927)	(7,266)	(11,366)
Transfer from (to) assets held for sale	64,101	(135,076)	275,997	(292,497)
End of period	**$ 1,131,334**	**$ 1,362,188**	**$ 1,131,334**	**$ 1,362,188**

*Please see "Summary of Results of Operations".
[1]Represents the purchase price and capital adjustments.
[2]In accordance with IFRIC 21, the REIT recognizes property tax liability and expense on its existing U.S. properties as at January 1 of each year, rather than progressively, i.e., ratably throughout the year. The recognition of property taxes as a result of IFRIC 21 has no impact on NOI, FFO or AFFO.

Capital expenditures are incurred by the REIT for maintaining or improving its properties. Certain leases provide the ability to recover all or a portion of these costs from tenants over time. Leasing costs generally include tenant improvement construction costs related to new and renewal leasing.

During the year ended December 31, 2024, the REIT's investment property value decreased by $506.9 million compared to the same period in the prior year (from $1.6 billion at December 31, 2023 to $1.1 billion at December 31, 2024) before factoring the transfer to assets held for sale. The change in value is driven by $437.8 million negative fair value adjustment in the year as a result of third-party appraisals received, the REIT's own estimates of the market, and by the dispositions of the Sheridan Exchange and Airways Units 7 & 8 in February 2024, 84-86 Chain Lake and Walmart Flin-Flon in May 2024, 570 Queen Street in July 2024, 114 Garry in October 2024 and Woodbine Complex and 365 Hargrave in November 2024. This was partially offset by capital expenditures and the appreciation of the U.S. Dollar and Euro.

In 2023, the REIT initiated a program to dispose of certain investment properties (the “Portfolio Realignment Plan”) to raise capital in order to increase liquidity and reduce its outstanding borrowings. As at December 31, 2024, the REIT classified 1 investment property, with a total estimated fair value of $16.5 million and outstanding debt principal of $15.2 million, as held for sale. The REIT classified 14 investment properties with a total estimated fair value of $299.2 million and outstanding debt principal of $195.7 million as held for sale as at December 31, 2023. The REIT's disposition activities under the Portfolio Realignment Plan have had limited success in raising excess proceeds to repay debt and improve liquidity. Accordingly, the REIT is suspending its Portfolio Realignment Plan, which has resulted in a significant reduction of assets classified as held-for-sale.

PART III - RESULTS OF OPERATIONS

SUMMARY OF RESULTS OF OPERATIONS

The following is a summary of the results of operations:

	Three months ended December 31,		Year ended December 31,	
	2024	2023 Restated*	2024	2023 Restated*
Rental revenue	$ 46,968	$ 48,787	$ 196,957	$ 197,621
Property operating expenses	(24,224)	(24,150)	(111,239)	(109,976)
Finance income on finance lease receivable	629	689	2,608	2,840
Interest income	100	117	380	562
Interest and finance costs	(18,435)	(17,244)	(75,079)	(64,831)
General and administrative expenses	(5,399)	(2,206)	(12,930)	(14,246)
Change in fair value of financial instruments	(1,431)	(10,576)	(14,062)	(9,068)
Change in fair value of investment properties	(97,172)	(58,781)	(437,770)	(138,217)
Depreciation of hotel asset	(250)	(242)	(998)	(966)
Transaction costs	(2,030)	—	(3,322)	—
Deferred income tax (expense) recovery	342	(42)	257	204
Current income tax (expense) recovery	(514)	(302)	(2,755)	(1,358)
Net loss before Class B LP units	**$ (101,416)**	**$ (63,950)**	**$ (457,953)**	**$ (137,435)**
Change in fair value of Class B LP units	(423)	2,643	1,427	18,551
Distributions to Class B LP unitholders	—	(53)	—	(899)
Net loss	**$ (101,839)**	**$ (61,360)**	**$ (456,526)**	**$ (119,783)**
Other comprehensive income (loss) to be subsequently reclassified to profit or loss:				
Foreign currency translation income (loss)	727	(868)	7,342	(2,309)
Total other comprehensive income (loss)	727	(868)	7,342	(2,309)
Comprehensive loss	**$ (101,112)**	**$ (62,228)**	**$ (449,184)**	**$ (122,092)**

*Please see "Summary of Results of Operations".

RESTATEMENT OF FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2023

The financial information for the year ended December 31, 2023, has been restated to correct an error that resulted in a $6.7 million understatement of the change in fair value of investment properties and a corresponding overstatement of assets held for sale. As a result, an additional $105 million of debt has been reclassified to current liabilities as of December 31, 2023, due to a covenant breach. Please refer to Note 3(xvii) of the audited consolidated financial statements for further details.

NET LOSS AND COMPREHENSIVE LOSS

For the three months ended December 31, 2024, net loss was $101.8 million, compared to a net loss of $61.4 million for the same period in the prior year. The decrease was primarily driven by an increase in fair value losses on investment properties and financial instruments, a fair value loss on Class B LP Units and from a rise in the REIT's weighted average interest rate due to refinancings completed in the past 12 months. Additionally, the net loss was further impacted by non-recurring costs related to the Internalization during the three months ended December 31, 2024 as well as a decrease in revenue from asset dispositions during 2024. Other comprehensive income increased by $1.6 million for the three months ended December 31, 2024 compared to the same period in the prior year due to the appreciation of the U.S. dollar and Euro during the three months ended December 31, 2024.

For the year ended December 31, 2024, net loss was $456.5 million, compared to a net loss of $119.8 million for the same period in the prior year. The decrease was primarily driven by a higher fair value loss on investment properties, a fair value loss on financial instruments, and from a rise in the REIT's weighted average interest rate due to refinancings completed in the past 12 months, and interest rate swap maturities resulting in an increase in floating rate debt. Additionally, the net loss was further impacted by transaction costs related to assets dispositions during 2024 and a decrease in fair value gain of Class B LP units. This was partially offset by a decrease in general and administrative costs, due to additional expenses in the prior year related to third party advice for the Board of Trustees' special committee and a $1.3 million allowance for an expected credit loss on a vendor-take-back loan due to be repaid in September 2022, as well as on rent receivables at two of the U.S. properties. Other comprehensive income increased by $9.7 million for the year ended December 31, 2024 compared to the same period in the prior year due to the appreciation of the U.S. dollar and the Euro.

See “Risks and Uncertainties” in this MD&A regarding the potential Recapitalization Plan.

NET OPERATING INCOME

NOI is a non-IFRS measure and is defined by the REIT as rental revenue, excluding non-cash straight-line rent and leasing costs amortized to revenue, less property operating costs prior to IFRIC 21 adjustments. Rental revenue for purposes of measuring NOI excludes revenue recorded as a result of determining rent on a straight-line basis and the amortization of leasing costs in revenue for IFRS, which management believes better reflects the cash generation activity of the REIT's properties. NOI is an important measure of the income generated from the REIT's properties and is used by the REIT in evaluating the performance of its properties.

The following is a calculation of NOI for the three months and year ended December 31, 2024 and 2023:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Revenue	$ 46,968	$ 48,787	$ 196,957	$ 197,621
Property operating expenses	(24,224)	(24,150)	(111,239)	(109,976)
IFRIC 21 property tax adjustment [1]	(3,429)	(3,479)	—	—
Straight-line rents and other changes	1,512	2,927	7,266	11,366
Net operating income	**$ 20,827**	**$ 24,085**	**$ 92,984**	**$ 99,011**

[1]In accordance with IFRIC 21, the REIT recognizes property tax liability and expense on its existing U.S. properties as at January 1 of each year, rather than progressively, i.e. ratably throughout the year. The recognition of property taxes as a result of IFRIC 21 has no impact on NOI, FFO or AFFO.

For the three months ended December 31, 2024, NOI decreased to $20.8 million from $24.1 million for the same period in the prior year. The decrease was driven by the dispositions of the Sheridan Exchange and Airways Units 7 & 8 in February 2024, 84-86 Chain Lake and Walmart Flin Flon in May 2024, 570 Queen Street in July 2024, 114 Garry in October 2024 and Woodbine Complex and 365 Hargrave in November 2024. The decrease in NOI was further attributable to a decrease in NOI at the REIT's hotel asset, and from certain vacancies at the REIT's U.S. properties. This was partially offset by the appreciation of the U.S. dollar and the Euro compared to the prior period.

For the year ended December 31, 2024, NOI decreased to $93.0 million from $99.0 million for the same period in the prior year. The decrease was primarily due to the dispositions of the Sheridan Exchange and Airways Units 7 & 8 in February 2024, 84-86 Chain Lake and Walmart Flin Flon in May 2024, 570 Queen Street in July 2024, 114 Garry in October 2024 and Woodbine Complex and 365 Hargrave in November 2024. The decrease in NOI was further attributable to certain vacancies at the REIT's U.S. properties. This was partially offset by increase in NOI at the REIT's hotel asset, positive leasing activity at certain of the REIT's Atlantic properties, and appreciation of the U.S. dollar and the Euro compared to the prior period.

The following is a reconciliation of the change in NOI for the three months and year ended December 31, 2024 compared to the same period in the prior year:

	Three months ended December 31, 2024	Twelve months ended December 31, 2024
NOI at start of period	**$ 24,085**	**$ 99,011**
Change in same-property NOI	(1,342)	(3,744)
Contribution from acquired properties	19	1,184
Impact of foreign exchange rates	164	524
Reduced contribution from sold properties	(2,099)	(3,991)
NOI at end of period	**$ 20,827**	**$ 92,984**
Year-over-year change - $	**$ (3,258)**	**$ (6,027)**
Year-over-year change - %	**(13.5)%**	**(6.1)%**

SAME-PROPERTY NOI

Same-property NOI is a non-IFRS measure and is defined by the REIT as rental revenue, excluding non-cash straight-line rent, less property operating costs for those properties owned by the REIT for all of the current period and the relevant comparative period. Same-property NOI is an important measure of the income generated from the REIT's properties period-over-period, but without consideration of acquisition and disposition activity, and is used by the REIT in evaluating the performance of its properties. The REIT seeks to increase or maintain same-property NOI through leasing up vacant space, increasing rents on renewal to market rents and by signing leases with embedded rent increases throughout the term of the lease.

Management compares same-property NOI for the current quarter to the same quarter in the preceding year and the year to date.

The same-property NOI comparison for the three months ended December 31, 2024 excludes assets acquired and disposed of in the 15 months prior to December 31, 2024. The comparison for the year ended December 31, 2024 excludes assets acquired and disposed of in the 24 months prior to December 31, 2024. Where the REIT owns a partial interest in a property, NOI is included at the REIT's proportionate ownership for the current and comparative period based on its ownership at the current quarter end.

	Three months ended December 31,			Twelve months ended December 31,		
	2024	2023	$ Change	2024	2023	$ Change
Number of properties	46	46		46	46	
GLA [1]	6,592,830	6,561,718		6,592,830	6,561,718	
Revenue	$ 45,026	$ 43,594	$ 1,432	$ 170,882	$ 167,803	$ 3,079
Operating expenses	(22,937)	(21,524)	(1,413)	(94,956)	(92,283)	(2,673)
IFRIC 21 property tax adjustment	(3,429)	(3,479)	50	—	—	—
Straight-line rents and other changes	1,408	2,655	(1,247)	5,730	9,356	(3,626)
Same-property NOI	**$ 20,068**	**$ 21,246**	**$ (1,178)**	**$ 81,656**	**$ 84,876**	**$ (3,220)**
Less: Lease termination payments	—	—	—	(1,142)	(220)	(922)
Same-property NOI (excluding lease termination payments)	**$ 20,068**	**$ 21,246**	**$ (1,178)**	**$ 80,514**	**$ 84,656**	**$ (4,142)**

[1]GLA is presented at 100% of the building's GLA, without taking ownership percentage into consideration.

Same-property NOI for the year ended December 31, 2024 compared to the same period in 2023 decreased by $3.2 million or 3.8%. The decrease is primarily driven by certain vacancies at three of the REIT's U.S. properties and one of the REIT's Atlantic properties. This was partially offset by an increase in NOI from the REIT's hotel asset, positive leasing activity at three other Atlantic properties and one Ontario property, and the appreciation of the U.S. Dollar and Euro.

FUNDS FROM OPERATIONS AND ADJUSTED FUNDS FROM OPERATIONS

Funds from Operations

FFO is a non-IFRS measure for evaluating real estate operating performance. The REIT calculates FFO in accordance with the definition provided by the Real Property Association of Canada ("RealPAC") in its White Paper on FFO, as issued in January 2022.

Core-FFO

Core-FFO is a non-IFRS measure which makes certain adjustments to the REIT's calculation of FFO to recognize the REIT's share of lease payments received for the Data Centre, which for IFRS purposes is accounted for as a finance lease.

Adjusted Funds from Operations ("AFFO")

AFFO is a non-IFRS measure that is used by management of the REIT, certain of the real estate industry and investors to measure the cash flows generated from operations, including certain capital costs, leasing costs, tenant improvements and the impact of non-cash revenue. It is a meaningful measure used to evaluate the extent of cash available for distribution to unitholders. The REIT's use and calculation of AFFO may be different than the use or as disclosed by other businesses, and as a result, may not be comparable to similar measures presented by others.

In calculating AFFO, the REIT makes adjustments to FFO for certain items including: amortization of deferred transaction costs; recognition and amortization of MTM adjustments on mortgages refinanced or discharged; adjustments for interest rate subsidies received; recognition of the REIT's share of lease payments received for the Data Centre, which for IFRS purposes, is accounted for as a finance lease; amortization of straight-line rent; and normalized direct leasing and capital costs.

Amortization of deferred transaction costs are costs incurred to obtain debt financing that are recorded in net income, generally, on a systematic basis over the life of the debt to which they relate. The REIT deducts these amounts in determining AFFO as they represent non-cash charges to net income in the current period. Amortization of MTM adjustments are differences between debt assumed in conjunction with a property acquisition on assumption that are recorded in net income, generally, on a systematic basis over the life of the debt to which they relate. The REIT deducts or adds, as applicable, these amounts in determining AFFO as they represent non-cash charges to net income.

Normalized direct leasing and capital costs are determined as 10% of the net of rental revenue less property operating expenses and represents the normalized on-going costs required to maintain existing space of a stabilized property. Actual amounts will vary from period to period depending on various factors, including but not limited to, the timing of expenditures made and contractual lease obligations.

The method applied by the REIT to calculate AFFO may differ from methods applied by other issuers in the real estate industry and differs from the definition of AFFO as defined by RealPAC in its White Paper, as issued in January 2022.

A reconciliation of net income to FFO, Core-FFO and AFFO is as follows:

	Three months ended December 31,		Year ended December 31,	
	2024	2023 Restated*	2024	2023 Restated*
Net loss	**$ (101,839)**	**$ (61,360)**	**$ (456,526)**	**$ (113,117)**
Add (deduct):				
Leasing costs amortized to revenue	2,404	2,593	9,463	10,053
Change in fair value of properties	97,172	58,781	437,770	138,217
IFRIC 21 property tax adjustment [1]	(3,429)	(3,479)	—	—
Change in fair value of financial instruments	1,431	10,576	14,062	9,068
Transaction costs	2,030	—	3,322	—
Depreciation of hotel asset	250	242	998	966
Deferred income tax expense (recovery)	(342)	42	(257)	(204)
Tax on gains on disposals of investment properties	—	—	1,701	—
Change in fair value of Class B LP units	423	(2,643)	(1,427)	(18,551)
Distributions to Class B LP unitholders	—	53	—	899
FFO	**$ (1,900)**	**$ 4,805**	**$ 9,106**	**$ 20,665**
Finance income on finance lease receivable	(629)	(689)	(2,608)	(2,840)
Finance lease payments received	1,605	1,605	6,420	6,420
Core-FFO	**$ (924)**	**$ 5,721**	**$ 12,918**	**$ 24,245**
Amortization of deferred transaction costs	1,505	1,592	6,309	5,335
Amortization of debt mark-to-market adjustments	(9)	(10)	(36)	(39)
Amortization of straight-line rent	(892)	334	(2,197)	1,313
Normalized direct leasing and capital costs	(1,932)	(2,116)	(8,572)	(8,765)
AFFO	**$ (2,252)**	**$ 5,521**	**$ 8,422**	**$ 22,089**

*Please see "Summary of Results of Operations".
[1]In accordance with IFRIC 21, the REIT recognizes property tax liability and expense on its existing U.S. properties as at January 1 of each year, rather than progressively, i.e. ratably throughout the year. The recognition of property taxes as a result of IFRIC 21 has no impact on NOI, FFO or AFFO.

The following is FFO, Core-FFO and AFFO expressed on a per unit basis:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
FFO per unit (diluted)	$ (0.02)	$ 0.06	$ 0.11	$ 0.24
Core-FFO per unit (diluted)	(0.01)	0.07	0.15	0.28
AFFO per unit (diluted)	(0.03)	0.06	0.10	0.26

FFO and AFFO for the three months ended December 31, 2024 was negative $1.9 million and $2.3 million, respectively, representing a decrease of $6.7 million and $7.8 million compared to the same period in 2023. The decline in FFO and AFFO were primarily due to the Management Agreement termination fee paid to Slate of $2.0 million, an increase in the REIT's weighted average interest rate from refinancings completed in the last 12 months, interest rate swap maturities, and from an event of default on the revolving credit facility which required that all term borrowings on the facility be converted into Canadian Prime and U.S. Base Rate loans. Additionally, FFO and AFFO were impacted by a decrease in NOI due to asset dispositions during the quarter, a decline in NOI at the REIT's hotel asset, and certain vacancies at the REIT's U.S. properties.

FFO and AFFO for the year ended December 31, 2024 was $9.1 million and $8.4 million, respectively, representing a decrease of $11.6 million and $13.7 million compared to the same period in 2023. The decline in FFO and AFFO were primarily due to the Management Agreement termination fee paid to Slate of $2.0 million, an increase in the REIT's weighted average interest rate from refinancings completed in the last 12 months, interest rate swap maturities, and from an event of default on the revolving credit facility which required that all term borrowings on the facility be converted into Canadian Prime and U.S. Base Rate loans. Additionally, FFO and AFFO was impacted by a decrease in NOI due to asset dispositions during 2024, and certain vacancies at the REIT's U.S. properties. This was offset by a decrease in general and administrative costs primarily due to bad debt allowances of $1.0 million and for an expected credit loss on a vendor-take-back loan and strategic review costs recognized during the year ended December 31, 2023.

Core-FFO decreased to a net loss of $0.9 million or $0.01 per unit for the three months ended December 31, 2024 from $5.7 million or $0.07 per unit for the same period in 2023. Core-FFO decreased to $12.9 million or $0.15 per unit for the year ended December 31, 2024 from $24.2 million or $0.28 per unit for the same period in 2023. The period change drivers are as described for FFO.

FFO, CORE-FFO AND AFFO PAYOUT RATIOS

FFO, Core-FFO and AFFO payout ratios are non-IFRS measures that provide a comparison of the distributions made by the REIT to unitholders compared to FFO, Core-FFO and AFFO generated by the REIT. The payout ratios are calculated by dividing aggregate distributions made in respect of units of the REIT and Class B LP units by FFO, Core-FFO and AFFO during the period of measurement. The REIT's AFFO payout ratio for the three months ended December 31, 2024 was 0.0%. The Board of Trustees of the REIT will consider adjustments to its distribution policy.

The table below illustrates the REIT's FFO in comparison to its cash distributions:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
FFO	$ (1,900)	$ 4,805	$ 9,106	$ 20,665
REIT unit and Class B LP distributions declared	—	853	—	14,495
Excess of FFO over cash distributions	$ (1,900)	$ 3,952	$ 9,106	$ 6,170
FFO payout ratio	**—%**	**17.8%**	**—%**	**70.1%**

The table below illustrates the REIT's cash flow capacity, based on Core-FFO, in comparison to its cash distributions:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Core-FFO	$ (924)	$ 5,721	$ 12,918	$ 24,245
REIT unit and Class B LP distributions declared	—	853	—	14,495
Excess of Core-FFO over cash distributions	$ (924)	$ 4,868	$ 12,918	$ 9,750
Core-FFO payout ratio	**—%**	**14.9%**	**—%**	**59.8%**

The table below illustrates the REIT's cash flow capacity, based on AFFO, in comparison to its cash distributions:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
AFFO	$ (2,252)	$ 5,521	$ 8,422	$ 22,089
REIT unit and Class B LP distributions declared	—	853	—	14,495
Excess of AFFO over cash distributions	$ (2,252)	$ 4,668	$ 8,422	$ 7,594
AFFO payout ratio	**—%**	**15.5%**	**—%**	**65.6%**

The FFO, Core-FFO and AFFO payout ratios have decreased for the three months ended December 31, 2024 compared to the same period in 2023 as a result of the REIT's suspension of its monthly cash distribution in November 2023.

DISTRIBUTIONS

The Board of Trustees continually evaluates the distribution policy of the REIT in consideration of various factors. These factors generally include the REIT's available liquidity to fund distributions, the asset allocation alternatives available to the REIT and their impact, the interest rate environment, the REIT's cost of capital and the expected future cash flows to be generated by the REIT. The Board of Trustees considers the REIT's taxable income and future cash flow needs, which include funding value-add opportunities, leasing costs, and other capital. Based on these factors, the Board of Trustees of the REIT may determine a modification of the REIT's distribution to be beneficial to the REIT.

The following table summarizes distributions made during the three months ended December 31, 2024 and 2023 to unitholders of the REIT and Class B LP unitholders:

	Three months ended December 31, 2024			Three months ended December 31, 2023		
		Class B			Class B	
	Trust units	LP units	Total	Trust units	LP units	Total
Distributions declared	$ —	$ —	$ —	$ 800	$ 53	$ 853

The following table summarizes distributions made during the year ended December 31, 2024 and 2023 to unitholders of the REIT and Class B LP unitholders:

	Year ended December 31, 2024			Year ended December 31, 2023		
		Class B			Class B	
	Trust units	LP units	Total	Trust units	LP units	Total
Distributions declared	$ —	$ —	$ —	$ 13,596	$ 899	$ 14,495

The following table summarizes distributions declared during the three months and year ended December 31, 2024 to unitholders of the REIT and Class B LP unitholders compared to cash provided by operations and net income:

	Three months ended December 31,		Year ended December 31,	
	2024	2023 Restated*	2024	2023 Restated*
Cash provided by operations	$ 11,209	$ 15,914	$ 32,775	$ 40,119
Net loss	(101,839)	(61,360)	(456,526)	(119,783)
Distributions declared	—	853	—	14,495
Excess of cash provided by operations over total distributions	**$ 11,209**	**$ 15,061**	**$ 32,775**	**$ 25,624**
Shortfall of net loss over total distributions	**$ (101,839)**	**$ (62,213)**	**$ (456,526)**	**$ (134,278)**

*Please see "Summary of Results of Operations".

The REIT did not declare or pay distributions during the three months and year ended December 31, 2024. Distributions made during the three months and year ended December 31, 2023 were settled in cash. Net loss exceeded distributions declared for the three months and year ended December 31, 2023 primarily driven by a non-cash fair value loss on investment properties, the increase in general and administrative costs and increased interest rates on the REIT's debt. In November 2023, the REIT's Board of Trustees suspended the REIT's its monthly cash distribution, which is expected to provide the REIT with an additional $10.2 million of cash annually.

REIT's Debt

Taxation of Distributions

The REIT qualifies as a "mutual fund trust" under the *Income Tax Act* (Canada) (the "Tax Act"). For taxable Canadian resident REIT unitholders, the REIT's distributions are treated as follows for tax purposes over the four most recent years:

Taxation year	Return of capital	Capital gains	Other income
2024 per $ of distribution	—	—	—
2023 per $ of distribution	100.0%	—	—
2022 per $ of distribution	100.0%	—	—
2021 per $ of distribution	54.1%	45.9%	—

The REIT did not pay distributions in 2024. Of the distributions received by unitholders in 2023 and 2022, 100.0% were treated as return of capital due to the impact of depreciation recapture on asset sales. For 2021, 45.9% were treated as capital gains and 54.1% were treated as return of capital.

SEGMENTED INFORMATION

The REIT operates in Canada, the United States, and Ireland. The following is a summary of investment properties and assets held for sale by geographic location:

	December 31, 2024	December 31, 2023 Restated*
Canada	$ 699,254	$ 1,072,824
United States	210,408	318,621
Ireland	238,172	263,240
Total	**$ 1,147,834**	**$ 1,654,685**

*Please see "Summary of Results of Operations".

The following is the REIT's NOI by geographic location for the three months ended December 31, 2024 and 2023:

	Three months ended December 31,			
	2024		2023	
	NOI	Percentage (%)	NOI	Percentage (%)
Canada	$ 12,940	62.2%	$ 14,919	62.0%
U.S.	3,277	15.7%	5,232	21.7%
Ireland	4,610	22.1%	3,934	16.3%
Total	**$ 20,827**	**100.0%**	**$ 24,085**	**100.0%**

The Canadian segment can be further broken down into three regions. The following is the REIT's Canadian NOI for the three months ended December 31, 2024 and 2023:

	Three months ended December 31,			
	2024		2023	
	NOI	Percentage (%)	NOI	Percentage (%)
Atlantic	$ 7,041	54.4%	$ 7,287	48.9%
Ontario	5,157	39.9%	6,359	42.6%
Western	742	5.7%	1,273	8.5%
Total	**$ 12,940**	**100.0%**	**$ 14,919**	**100.0%**

The following is the REIT's NOI by geographic location for the years ended December 31, 2024 and 2023:

	Year ended December 31,			
	2024		2023	
	NOI	Percentage (%)	NOI	Percentage (%)
Canada	$ 57,469	61.8%	$ 58,713	59.3%
U.S.	17,126	18.4%	22,863	23.1%
Ireland	18,389	19.8%	17,435	17.6%
Total	**$ 92,984**	**100.0%**	**$ 99,011**	**100.0%**

The following is the REIT's Canadian NOI for the years ended December 31, 2024 and 2023:

	Year ended December 31,			
	2024		2023	
	NOI	Percentage (%)	NOI	Percentage (%)
Atlantic	$ 29,416	51.2%	$ 29,295	49.9%
Ontario	23,348	40.6%	24,217	41.2%
Western	4,705	8.2%	5,201	8.9%
Total	**$ 57,469**	**100.0%**	**$ 58,713**	**100.0%**

	Three months ended December 31,				Year ended December 31,			
Atlantic		2024		2023		2024		2023
# of properties		11		13		11		13
Owned GLA (000s of square feet)		2,470		2,609		2,470		2,609
Occupancy rate (%) (period-end)		73.9%		74.0%		73.9%		74.0%
Revenue	$	17,263	$	17,764	$	70,232	$	69,215
Property operating expenses		(10,953)		(11,236)		(43,812)		(42,956)
Straight-line rent and other changes		731		759		2,996		3,036
NOI	**$**	**7,041**	**$**	**7,287**	**$**	**29,416**	**$**	**29,295**

NOI for the Atlantic properties decreased by $0.2 million for the three months ended December 31, 2024 compared to the same period in 2023. The decrease was primarily a result of a decrease in NOI at the REIT's hotel asset and the disposition of 84-86 Chain Lake in May 2024 and 570 Queen Street in July 2024. This was partially offset by positive leasing activity at one of the REIT's Atlantic properties and reduced property operating expense at another property.

NOI for the Atlantic properties increased by $0.1 million for the year ended December 31, 2024 compared to the same period in 2023. The increase was a result of an increase in NOI at the REIT's hotel asset and an increase in NOI at the REIT's Atlantic properties from positive leasing and increased parking revenue for the year ended December 31, 2024 compared to the same period in 2023.

	Three months ended December 31,				Year ended December 31,			
Ontario		2024		2023		2024		2023
# of properties		7		9		7		9
Owned GLA (000s of square feet)		1,739		2,268		1,739		2,268
Occupancy rate (%) (period-end)		81.2%		77.6%		81.2%		77.6%
Revenue	$	10,546	$	11,847	$	45,919	$	46,501
Property operating expenses		(6,244)		(6,400)		(26,105)		(26,100)
Straight-line rent and other changes		855		912		3,534		3,816
NOI	**$**	**5,157**	**$**	**6,359**	**$**	**23,348**	**$**	**24,217**

NOI for the Ontario properties decreased by $1.2 million for the three months ended December 31, 2024 compared to the same period in 2023. The decrease is largely a result of the disposition of the Sheridan Exchange in February 2024 and Woodbine Complex in November 2024. This was partially offset by positive leasing at two of the REIT's Ontario properties.

NOI for the Ontario properties decreased by $0.9 million for the year ended December 31, 2024 compared to the same periods in 2023. The decrease is largely a result of the disposition of the Sheridan Exchange in February 2024, Woodbine Complex in November 2024 and a certain vacancy at one of the REIT's Ontario properties. This was partially offset by the 25% acquisition of West Metro Corporate Centre in August 2023 and from positive leasing at another one of the REIT's Ontario properties.

	Three months ended December 31,				Year ended December 31,			
Western		2024		2023		2024		2023
# of properties		3		6		3		6
Owned GLA (000s of square feet)		256		463		256		463
Occupancy rate (%) (period-end)		77.9%		88.7%		77.9%		88.7%
Revenue	$	1,834	$	2,563	$	9,710	$	10,626
Property operating expenses		(1,077)		(1,298)		(4,965)		(5,471)
Straight-line rent and other changes		(15)		8		(40)		46
NOI	$	742	$	1,273	$	4,705	$	5,201
NOI from Data Centre		1,605		1,605		6,420		6,420
NOI including Data Centre	**$**	**2,347**	**$**	**2,878**	**$**	**11,125**	**$**	**11,621**

Including income from the Data Centre, NOI for the Western properties decreased by $0.5 million for the three months ended December 31, 2024 compared to the same period in 2023. The decrease is largely a result of the dispositions of 114 Garry in October 2024 and 365 Hargrave in November 2024.

Including income from the Data Centre, NOI for the Western properties was $11.1 million for the year ended December 31, 2024 compared to $11.6 million in the same period in 2023. The decrease is largely a result of the disposition of Walmart Flin Flon in May 2024, 114 Garry in October 2024 and 365 Hargrave in November 2024.

	Three months ended December 31,		Year ended December 31,	
United States	2024	2023	2024	2023
# of properties	3	3	3	3
Owned GLA (000s of square feet)	1,253	1,224	1,253	1,224
Occupancy rate (%) (period-end)	68.9%	76.7%	68.9%	76.7%
Revenue	$ 11,302	$ 11,262	$ 46,789	$ 49,094
Property operating expenses	(4,595)	(3,803)	(30,614)	(30,637)
IFRIC 21 property tax adjustment [1]	(3,429)	(3,479)	—	—
Straight-line rent and other changes	(1)	1,252	951	4,406
NOI	**$ 3,277**	**$ 5,232**	**$ 17,126**	**$ 22,863**

[1]In accordance with IFRIC 21, the REIT recognizes property tax liability and expense on its existing U.S. properties as at January 1 of each year, rather than progressively, i.e. ratably throughout the year. The recognition of property taxes as a result of IFRIC 21 has no impact on NOI, FFO or AFFO.

NOI for the United States properties decreased by $2.0 million and $5.7 million for the three months and year ended December 31, 2024 compared to the same periods in 2023, respectively. The decrease is primarily a result of certain vacancies at the REIT's U.S. properties. This was partially offset by an increase in the average U.S. dollar exchange rate.

	Three months ended December 31,		Year ended December 31,	
Ireland	2024	2023	2024	2023
# of properties	22	23	22	23
Owned GLA (000s of square feet)	874	962	874	962
Occupancy rate (%) (period-end)	87.2%	90.0%	87.2%	90.0%
Revenue	$ 6,023	$ 5,351	$ 24,307	$ 22,185
Property operating expenses	(1,355)	(1,413)	(5,743)	(4,812)
Straight-line rent and other changes	(58)	(4)	(175)	62
NOI	**$ 4,610**	**$ 3,934**	**$ 18,389**	**$ 17,435**

NOI for the Irish properties increased by $0.7 million for the three months ended December 31, 2024 compared to the same period in 2023. The increase is primarily due to an increase in the average Euro exchange rate and termination income at one of the REIT's Irish properties during the three months ended December 31, 2024. This was partially offset by the disposition of Airways Units 7 & 8 in February 2024.

NOI for the Irish properties increased by $1.0 million for the year ended December 31, 2024 compared to the same period in 2023. The increase is primarily due to termination income and the completion of a certain rent free period for a tenant at one of the REIT's Irish properties during the year ended December 31, 2024. This was partially offset by the disposition of Airways Units 7 & 8 in February 2024.

REVENUE

Revenue from properties includes rent from tenants under lease agreements, straight-line rental income, percentage rents, property taxes and operating cost recoveries, parking revenue and other incidental income. The following is a summary of the components of revenue:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Property base rent [1]	$ 24,426	$ 27,400	$ 103,609	$ 110,359
Operating cost recoveries	13,962	14,981	60,389	59,613
Tax recoveries	6,854	6,028	27,649	27,343
Hotel	3,238	3,305	12,576	11,672
Straight-line adjustments and other changes	(1,512)	(2,927)	(7,266)	(11,366)
Total	**$ 46,968**	**$ 48,787**	**$ 196,957**	**$ 197,621**

[1]Includes parking revenue earned at properties.

For the three months ended December 31, 2024 revenue from properties decreased by $1.8 million when compared to the same periods in 2023. The decrease is largely a result of asset dispositions, certain vacancies at the REIT's U.S. properties and decrease in revenue at the REIT's hotel asset, partially offset by the appreciation of the U.S. Dollar and Euro.

For the year ended December 31, 2024 revenue from properties decreased by $0.7 million compared to the same period in 2023. The decrease was due to asset dispositions offset by termination income received at one of the Irish properties, an increase in revenue at the REIT's hotel asset, and the appreciation of the U.S. Dollar and Euro.

PROPERTY OPERATING RECOVERIES AND EXPENSES

Property operating expenses consist of property taxes, property management fees and other expenses such as common area costs, utilities and insurance. The majority of the REIT’s property operating expenses are recoverable from tenants in accordance with the terms of the tenants’ lease agreements. Operating cost recoveries are included in revenue from properties and amounted to $14.0 million for the three months ended December 31, 2024 compared to $15.0 million for the same period in 2023. Operating cost recoveries were $60.4 million for the year ended December 31, 2024 compared to $59.6 million in the same period in 2023. Property tax recoveries were $6.9 million for the three months ended December 31, 2024 which is lower than $6.0 million for the same period in 2023.

The share of net leases as a percentage of the portfolio’s occupied gross leasable area as at December 31, 2024 was 80.9% compared to 83.5% at December 31, 2023. Certain of the REIT’s net leases include limitations on cost escalations over a benchmark amount and specific cost exclusions.

Excluding the impact of IFRIC 21 property tax adjustments, property operating expenses for the three months ended December 31, 2024, compared to the three months ended December 31, 2023, decreased by $0.1 million primarily due to a decrease in utilities and accrued property tax costs at certain of the REIT's Atlantic and Ontario properties. Compared to the three months ended December 31, 2023, property operating expenses decreased by $0.1 million primarily due to asset dispositions during 2024 and certain vacancies at the REIT's U.S. properties. This was partially offset by the acquisition of 25% of West Metro in Toronto, ON in August 2023, and an increase in operating expenses at the REIT's hotel asset.

GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are primarily comprised of asset management fees, professional fees, trustee fees and other amounts. For the three months ended December 31, 2024, general and administrative expenses increased $3.2 million due to a one-time payment of $2.0 million to Slate to terminate the Management Agreement in December 2024, an allowance for an expected credit loss on rent receivable at two of the REIT's Ontario properties and from non-recurring professional fees related to the Internalization.

(Thousands of dollars)	Three months ended December 31, 2024	2023	Year ended December 31, 2024	2023
Professional fees:				
Legal fees	$ 873	$ 274	$ 1,797	$ 1,221
Accounting fees	480	175	1,030	718
Other professional fees	78	161	681	2,950
Asset management fees	1,017	1,379	4,766	5,589
Management Agreement termination fee	2,000	—	2,000	—
Trustee fees	62	122	317	566
Bad debt (recovery) expense	451	(264)	951	1,419
Other:				
TSX fees	24	29	101	152
Director and officer insurance	54	64	224	259
Travel and entertainment	47	101	247	538
Marketing and advertising	36	1	47	59
SEDAR fees	13	6	60	104
Space planning fees	40	15	94	66
Bank charges	13	16	65	71
Subscriptions, publications and other fees	176	95	487	474
Other	35	32	63	60
Total	**$ 5,399**	**$ 2,206**	**$ 12,930**	**$ 14,246**

For the year ended December 31, 2024, general and administrative expenses decreased $1.3 million compared to the same period in 2023 as a result of additional expenses in the prior year relating to third party advice for the Board of Trustees' special committee and a $1.3 million allowance for an expected credit loss on a vendor-take-back loan that was due to be repaid in September 2022 and on rent receivables at two of the U.S. properties. This was offset by non-recurring Management Agreement termination fee and professional fees related to the Internalization.

See “Risks and Uncertainties” in this MD&A regarding the potential Recapitalization Plan.

INTEREST AND FINANCE COSTS

Interest and finance costs are comprised of the following:

	Three months ended December 31, 2024	2023	Year ended December 31, 2024	2023
Mortgage interest	$ 8,544	$ 9,040	$ 36,008	$ 32,601
Interest on other debt	5,724	3,950	22,174	16,512
Amortization of financing costs	1,505	1,592	6,309	5,335
Amortization of debt mark-to-market adjustments	(8)	(10)	(35)	(39)
Interest on convertible debentures	2,670	2,672	10,623	10,422
Total	**$ 18,435**	**$ 17,244**	**$ 75,079**	**$ 64,831**

For the three months and year ended December 31, 2024, interest and finance costs increased by $1.2 million and $10.2 million when compared to the same periods in 2023, respectively. The increase is due to an increase in the REIT's weighted average interest rate from refinancings completed in the last 12 months, interest rate swap maturities, and from an event of default on the revolving credit facility which required that all term borrowings on the facility be converted into Canadian Prime and U.S. Base Rate loans.

FINANCE INCOME ON FINANCE LEASE RECEIVABLE

The REIT has a 15 year lease with Bell MTS Data Centres GP for the Data Centre. The terms of the lease at inception met the requirements for classification as a finance lease because the minimum lease payments amounted to at least substantially all of the fair value of the leased asset. As a result of this classification, a portion of the lease payments earned on the property is recorded as interest income on the finance lease. Interest income recognized on the finance lease for the year ended December 31, 2024 was $2.6 million, which is a decrease of $0.2 million when compared to the same period in 2023.

The REIT makes an adjustment to recognize the contribution made by the Data Centre to its Core-FFO and AFFO to account for the difference between accounting under IFRS and the lease contributions on a cash basis. On a cash basis the Data Centre currently contributes approximately $6.6 million annually from lease payments.

CHANGE IN FAIR VALUE OF PROPERTIES

The REIT recognized a fair value loss on its properties for the year ended December 31, 2024 of $437.8 million. The decrease is primarily due to increases in the discount and terminal capitalization rates and decreases in cash flow assumptions used in the REIT's estimate of fair value using the discounted cash flow method. This was partially offset by the appreciation of the U.S. Dollar and the Euro.

The weighted average discount rate and terminal capitalization rate used to determine the estimate of the fair value of the REIT's property as at December 31, 2024 was 8.78% and 7.93%, respectively. These rates represent an increase of 0.79% and 0.50% compared to December 31, 2023.

Of the fair value change for the year ended December 31, 2024, 17.5% of the change in fair value was attributable to five independently appraised properties with the balance of the change attributable to management's estimate of fair value. Of the fair value change for the year ended December 31, 2023, 35.4% of the change in fair value was attributable to 15 independently appraised properties with the balance of the change attributable to management's estimate of fair value.

CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

The change in fair value of financial instruments represents the change in the fair value of the REIT's interest rate and losses on extinguishment of debt. The fair value on financial instruments decreased by $9.1 million and $5.0 million for the three months and year ended December 31, 2024 when compared to the same periods in 2023, respectively. The decrease was primarily due to the maturity of certain interest rate swaps in 2024, a fair value loss on the REIT's interest rate caps, a decrease in fair value gain on the convertible debenture embedded derivatives and deferred units in 2024 and an increase in fair value loss on the REIT's cross currency swap.

INCOME TAXES

The REIT is a mutual fund trust and real estate investment trust pursuant to the Tax Act. Under the Tax Act, so long as the REIT meets prescribed conditions relating to the nature of its assets and revenue (the “REIT Conditions”), the REIT is not liable to pay Canadian income taxes provided that its taxable income is fully distributed to unitholders during the period. Management intends to operate the REIT in a manner that enables the REIT to continue to meet the REIT Conditions and to distribute all of its taxable income to unitholders. The REIT has reviewed the special taxation regime imposed by the Tax Act ("SIFT Rules") and has assessed their application to the REIT’s assets and revenues. While there are uncertainties in the interpretation and application of the SIFT Rules, the REIT believes that it has met the REIT Conditions for the years ended December 31, 2024 and 2023, and accordingly is not subject to current income taxes in Canada. Accordingly, no provision for current income taxes is required, except for amounts incurred by the U.S. and Irish subsidiaries.

The REIT's U.S. and Irish subsidiaries are subject to income tax on taxable income from U.S. and Irish operations respectively. The REIT recognizes deferred tax assets and liabilities at prevailing tax rates when such differences are expected to settle. Based on tax laws enacted at the reporting date, the U.S. subsidiary is subject to a combined federal and state rate of 28.51%, and the Irish subsidiaries are subject to a tax rate of 25.00% on rental income, 33.00% on capital gains.

QUARTERLY INFORMATION

The following is a summary of financial and operational information for the REIT for the eight most recently completed quarters:

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023 Restated*	Q3 2023	Q2 2023	Q1 2023
Revenue	$ 46,968	$ 50,161	$ 49,567	$ 50,261	$ 48,787	$ 51,034	$ 48,708	$ 49,092
Operating costs	(24,224)	(24,123)	(23,428)	(39,464)	(24,150)	(24,498)	(23,396)	(37,932)
IFRIC 21 property tax adjustment	(3,429)	(3,419)	(3,349)	10,197	(3,479)	(3,490)	(3,522)	10,491
Straight-line rent and other	1,512	1,642	1,929	2,183	2,927	2,926	2,804	2,709
Net operating income	$ 20,827	$ 24,261	$ 24,719	$ 23,177	$ 24,085	$ 25,972	$ 24,594	$ 24,360
Net loss	$(101,839)	$(182,071)	$(150,045)	$ (22,571)	$ (61,360)	$ (34,730)	$ (19,622)	$ (4,071)
Weighted average diluted units [1]	86,092	86,012	85,909	85,937	85,792	85,703	85,640	85,585
Net income and comprehensive income per unit	$ (1.18)	$ (2.12)	$ (1.75)	$ (0.26)	$ (0.72)	$ (0.41)	$ (0.23)	$ (0.05)
Distributions [2]	$ —	$ —	$ —	$ —	$ 853	$ 2,560	$ 2,560	$ 8,522
Distributions per unit	$ —	$ —	$ —	$ —	$ 0.01	$ 0.03	$ 0.03	$ 0.10
FFO [3]	$ (1,900)	$ 3,074	$ 4,388	$ 3,544	$ 4,805	$ 4,776	$ 5,770	$ 5,314
FFO per unit - diluted [3]	$ (0.02)	$ 0.04	$ 0.05	$ 0.04	$ 0.06	$ 0.06	$ 0.07	$ 0.06
FFO payout ratio [3]	—%	—%	—%	—%	17.8%	53.6%	44.4%	160.4%
Core-FFO [3]	$ (924)	$ 4,034	$ 5,334	$ 4,474	$ 5,721	$ 5,678	$ 6,658	$ 6,188
Core-FFO per unit - diluted [3]	$ (0.01)	$ 0.05	$ 0.06	$ 0.05	$ 0.07	$ 0.07	$ 0.08	$ 0.07
Core-FFO payout ratio [3]	—%	—%	—%	—%	14.9%	45.1%	38.4%	137.7%
AFFO [3]	$ (2,252)	$ 2,687	$ 4,211	$ 3,776	$ 5,521	$ 5,151	$ 6,166	$ 5,251
AFFO per unit - diluted [3]	$ (0.03)	$ 0.03	$ 0.05	$ 0.04	$ 0.06	$ 0.06	$ 0.07	$ 0.06
AFFO payout ratio [3]	—%	—%	—%	—%	15.5%	49.7%	41.5%	162.3%
Properties [4]	$1,147,834	$1,295,197	$1,467,572	$1,621,455	$1,654,685	$1,710,503	$1,708,814	$1,753,789
Total assets	$1,229,711	$1,375,648	$1,556,896	$1,713,367	$1,747,860	$1,822,403	$1,826,368	$1,862,474
Debt	$1,090,024	$1,139,228	$1,143,995	$1,158,123	$1,178,734	$1,190,712	$1,166,406	$1,158,116
IFRS NAV	$ 62,857	$ 170,510	$ 349,291	$ 500,592	$ 514,711	$ 579,466	$ 617,069	$ 653,743
Diluted units outstanding [1]	86,146	86,202	86,030	86,047	85,937	85,788	85,700	85,636
IFRS NAV per unit	$ 0.73	$ 1.98	$ 4.06	$ 5.82	$ 5.99	$ 6.75	$ 7.20	$ 7.63
LTV ratio [3]	89.4%	83.2%	73.8%	67.8%	67.9%	65.6%	64.0%	62.3%
Net debt to adjusted EBITDA [3]	12.9x	12.6x	12.5x	12.8x	12.9x	13.1x	12.6x	12.5x
Interest coverage ratio [3]	1.2x	1.3x	1.4x	1.4x	1.5x	1.6x	1.8x	1.9x
Debt service coverage ratio [3]	1.0x	1.2x	1.2x	1.2x	1.1x	1.4x	1.5x	1.6x
Number of properties	46	49	50	52	54	54	54	54
Office GLA	6,401,429	6,876,637	6,946,652	7,024,472	7,182,520	7,182,361	7,180,863	7,181,511
Total GLA	6,592,830	7,068,038	7,138,053	7,279,312	7,525,329	7,525,170	7,523,672	7,524,320
Occupancy [5]	76.8%	79.0%	79.4%	77.7%	78.5%	78.6%	79.1%	80.6%

*Please see "Summary of Results of Operations".

[1]Includes REIT units, the conversion of the Class B LP units and deferred units and is shown in thousands at the end of the respective periods. Weighted average diluted units is the weighted average number of diluted units outstanding during the respective quarter and diluted units outstanding is the diluted units outstanding at the end of the quarter.

[2]Includes distributions made to unitholders of the REIT and Class B LP unitholders. The REIT suspended its monthly cash distribution in November 2023.

[3]The calculation of these non-IFRS financial measures and a reconciliation to relevant IFRS measures are included in Part III and IV.

[4]Includes assets classified as held for sale.

[5]Occupancy includes units undergoing tenant improvements and is presented based on 100% of the building's GLA, without taking ownership percentage into consideration.

PART IV - FINANCIAL CONDITION

As discussed in note 2 of our consolidated financial statements and below under "Liquidity and Capital Resources", there are conditions that indicate the existence of a material uncertainty that may cast significant doubt upon the REIT's ability to continue as a going concern, and therefore, realize its assets and discharge its liabilities and commitments in the normal course of business. The REIT's audited consolidated annual financial statements have been prepared on a going concern basis and measured at historical cost except for investment properties, assets held for sale and certain financial instruments including derivatives and Class B LP units, which are measured at fair value. If the going concern assumption is not appropriate as of December 31, 2024, material adjustments to the carrying values of assets and liabilities would be necessary.

LIQUIDITY AND CAPITAL RESOURCES

The REIT endeavors to safeguard its ability to continue as a going concern and otherwise maintain appropriate levels of financial liquidity to meet its business objectives and commitments. Primarily, the REIT utilizes revolving credit facilities to provide this financial liquidity, in addition to cash on hand. Subject to availability, the revolving credit facilities can be drawn or repaid at short notice, which reduces the need to hold cash and deposits, while also minimizing borrowing rates.

The principal liquidity needs of the REIT arise from working capital requirements; debt servicing and repayment obligations; obligations to redeem outstanding puttable trust units at the option of the unitholders; and planned funding of maintenance capital expenditures and leasing costs.

The liquidity needs of the REIT are funded by cash flows from operating the REIT's investment property portfolio and available credit facilities, with the exception of debt repayment obligations, investment property acquisition funding requirements and obligations to redeem puttable trust units. These are funded by refinancing the REIT's maturing debt and future issuances of REIT units and debentures. The particular features and quality of the underlying assets being financed and the debt market parameters existing at the time will affect the success of this strategy.

The REIT's liquidity is impacted by various covenants, certain of which are described below. Compliance with the requirements of the revolving facility, which became more restrictive as of March 31, 2024 and are described below, and the covenants applicable to the REIT's term loans and mortgages are dependent on the REIT achieving its financial forecasts. As at December 31, 2024, the REIT has breached financial leverage, debt service coverage and minimum unitholders' equity covenants pertaining to the revolving credit facility, convertible debentures, and certain mortgage agreements, and failed to repay principal due on maturity, totaling $889.7 million of breached debt. In certain cases, including with respect to the revolving credit facility and mortgages, the lenders have provided the REIT with a formal event of default notice expressing their right to demand repayment of the borrowings at their discretion. On March 29, 2024, the REIT received another default letter relating to debt outstanding as of December 31, 2023, requiring a principal payment of $5.6 million to cure such default. See "Risks and Uncertainties" in this MD&A for the latest developments and risks related to the REIT's efforts to address its liquidity concerns, including the potential Recapitalization Plan.

In addition, pursuant to the trust indentures governing the REIT's convertible debentures, due to default letters provided by senior lenders, the REIT is currently restricted from making payments of accrued interest in respect of its convertible debentures so long as such defaults have not been cured or waived. The REIT has determined that based on the information currently available to it, there can be no assurance regarding if or when a cure or waiver in respect of such defaults will be achieved. As such, the REIT did not make the cash interest payments due on June 30, 2024 and December 31, 2024 in respect of its 7.50% convertible unsecured subordinated debentures and 5.50% convertible unsecured subordinated debentures, and did not make the cash interest payments due on August 31, 2024 and February 28, 2025 in respect of its outstanding 9.00% convertible unsecured subordinated debentures. Failure to pay interest on the convertible debentures for 15 days following such interest being due gave rise to an event of default under the terms of the trust indentures. On July 15, 2024 and September 15, 2024, the REIT triggered event of defaults on its outstanding debentures. However, the trust indentures also provide that the convertible debenture holders will not be entitled to demand or institute proceedings for the collection of indebtedness represented by the convertible debentures at any time when a default has occurred under senior indebtedness and is continuing and which permits the holder of the senior indebtedness to demand payment or to accelerate the maturity thereof, and the notice of such event of default has been given by or on behalf of the holders of senior indebtedness to the REIT, unless the senior indebtedness has been cured, waived or repaid in full. The REIT has presented the convertible debentures as current on the statement of financial position in its consolidated financial statements.

The REIT seeks to maintain collaborative relationships with its financing counterparties to minimize the impact economic and property markets may have on the REIT's current and future debt. However, changes in interest rates driven by central banks in Canada, the U.S. and Europe seeking to reduce inflationary pressures and broad market sentiment towards the office sector as a whole have reduced the availability of and increased the cost of financing. The risk associated with any refinancing of maturing debt is mitigated, in part, by matching debt maturities on mortgages with lease renewals to optimize the value of the assets with the leverage to achieve the best value for pricing. However, as a result of certain event of default notices received as at and subsequent to December 31, 2024, the REIT is now subject to various additional restrictions. These include limitations on acquiring new debt and distributing profits related to certain properties.

The REIT's available liquidity is as follows:

	December 31, 2024	December 31, 2023
Cash	$ 13,590	$ 11,270
Undrawn revolving facilities [1]	—	2,200
Liquidity	**$ 13,590**	**$ 13,470**

[1]Debt is only available to be drawn subject to certain covenants and other requirements.

DEBT

The REIT’s obligations with respect to debt repayments and funding requirements for future investment property acquisitions will be primarily funded from cash retained after distributions, refinancing the REIT’s maturing debt or future issuances of trust units.

The REIT’s overall borrowing objective is to obtain secured financing, with terms to maturity that are appropriate in regards to the lease maturity profiles of the underlying properties and which allows the REIT to stagger debt maturities that reduce its exposure to interest rate fluctuations and re-financing risk in any particular period. The REIT also endeavors to have an appropriate amount of fixed rate debt and to extend loan terms when borrowing conditions are favourable, which is actively monitored by management.

Changes in interest rates driven by central banks in Canada, the U.S. and Europe seeking to reduce inflationary pressures and the broad market sentiment towards the office sector as a whole have reduced the availability of and increased the cost of financing, which gives rise to the risk of the REIT not being able to service its debt costs. Notwithstanding that central banks have begun to ease interest rates, the availability of debt capital remains low and the cost of borrowing continues to be high. The REIT has undertaken various actions in order to increase liquidity and reduce its financial leverage and borrowings. These actions include the Portfolio Realignment Plan, which has had limited success in raising excess proceeds to repay debt and improve liquidity. Accordingly, the REIT has ended its Portfolio Realignment Plan, which has resulted in a significant reduction of assets classified as held-for-sale.

During the year ended December 31, 2024, and with the assistance of professional restructuring advisors, the REIT initiated a process in respect of the potential Recapitalization Plan. See “Risks and Uncertainties” in this MD&A.

The REIT's revolving credit facility, term loan, construction facility and some mortgages are subject to financial and other covenants, including customary maximum leverage ratios, interest service coverage ratios, minimum debt service coverage ratios, minimum unitholders' equity and mutual performance conditions among others which may impact the available capacity based on the financial results of the REIT. For the REIT's revolving credit facility, financial covenants include a maximum leverage ratio, minimum debt service coverage ratio, and minimum unitholders' equity, with calculations conducted quarterly. Similarly, the REIT's term loan is subject to financial covenants, including a maximum leverage ratio and minimum historical and forecasted interest coverage ratios, also calculated quarterly. Additionally, the construction facility and some mortgages are subject to financial covenants, including a maximum leverage ratio, minimum debt service coverage ratio, and minimum unitholders' equity, calculated quarterly or annually.

The following covenants relate to the REIT's revolving credit facility:

- Total debt to gross book value 65% or less. As at December 31, 2024 the REIT's total debt to gross book value was 89.4%.
- Senior debt, which is total debt excluding the REIT's convertible debentures to gross book value, of 55% or less. As at December 31, 2024 the REIT's senior debt to gross book value was 77.4%.
- Debt service coverage ratio not less than 1.25:1. As at December 31, 2024 the REIT's debt service coverage ratio was 1.05:1.
- Minimum unitholders' equity, which includes the REIT's Class B LP units of $350.0 million. As at December 31, 2024 the REIT's unitholders' equity was $62.9 million.

The REIT is also subject to additional covenants associated with various mortgages. Additionally, certain of the REIT's debt, including the REIT's revolving credit facility, includes cross default provisions, generally for defaults on debt in excess of $5.0 million.

As at December 31, 2024, as discussed above, the REIT exceeded the financial leverage, minimum equity and debt service coverage covenants on its revolving credit facility and certain other mortgages resulting in other mortgages being in breach due to cross-default clauses. The convertible debentures were also in default due to restrictions imposed by default of the debt from senior lenders. The REIT is in active discussions with its lenders to amend, renew or consider alternate arrangements to reach amendable terms on conditions that are acceptable to the REIT.

Although the REIT continues to proactively work with its lenders to achieve positive outcomes for the REIT, including the potential Recapitalization Plan, there is a risk that current and future covenant violations will result in its lenders demanding repayment of such borrowings. The REIT does not have sufficient liquidity to satisfy material demands for repayment.

Convertible Debentures

On October 24, 2022, the REIT issued $45.0 million of 7.50% extendible convertible unsecured subordinated debentures of the REIT (the "2022 Convertible Debentures"). The proceeds from the issuance of the 2022 Convertible Debentures were used to proactively pay down secured mortgage debt and partially fund the acquisition of 275 North Field.

The 2022 Convertible Debentures are convertible into freely tradable units at the option of the holder at any time prior to the close of business on the earliest of: (i) the last business day before the final maturity date; or (ii) if called for redemption, the business day immediately preceding the date specified by the REIT for redemption of the debentures, at a conversion price of $5.50 per unit. 2022 Convertible Debenture holders converting their debentures will, in addition to the applicable number of units to be received on conversion, receive accrued and unpaid interest, if any, for the period from the last interest payment date on their convertible debentures (or the date of the offering closing if no interest has yet been paid on the convertible debentures) to and including the last record date set by the REIT occurring prior to the date of conversion for determining the unitholders entitled to receive a distribution on the units.

The 2022 Convertible Debentures may not be redeemed by the REIT prior to December 31, 2025. On and from December 31, 2025, and prior to December 31, 2026, the 2022 Convertible Debentures may be redeemed by the REIT, in whole at any time, or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice provided that the volume weighted-average trading price of the units on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the conversion price. On and from December 31, 2026, and prior to December 31, 2027, the 2022 Convertible Debentures may be redeemed by the REIT, in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice.

On November 19, 2021, the REIT issued $84.2 million of 5.50% extendible convertible unsecured subordinated debentures of the REIT (the "2021 Convertible Debentures"). The proceeds from the issuance of the 2021 Convertible Debentures were received on February 7, 2022 and were used to partially fund the acquisition of Yew Grove.

The 2021 Convertible Debentures are convertible into freely tradable units at the option of the holder at any time prior to the close of business on the earliest of: (i) the last business day before the final maturity date; or (ii) if called for redemption, the business day immediately preceding the date specified by the REIT for redemption of the debentures, at a conversion price of $6.50 per unit. 2021 Convertible Debenture holders converting their debentures will, in addition to the applicable number of units to be received on conversion, receive accrued and unpaid interest, if any, for the period from the last interest payment date on their convertible debentures (or the date of the offering closing if no interest has yet been paid on the convertible debentures) to and including the last record date set by the REIT occurring prior to the date of conversion for determining the unitholders entitled to receive a distribution on the units.

The 2021 Convertible Debentures may not be redeemed by the REIT prior to December 31, 2024. On and from December 31, 2024, and prior to December 31, 2025, the 2021 Convertible Debentures may be redeemed by the REIT, in whole at any time, or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice provided that the volume weighted-average trading price of the units on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the conversion price. On and from December 31, 2025, and prior to December 31, 2026, the 2021 Convertible Debentures may be redeemed by the REIT, in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice.

On January 26, 2018, the REIT issued $28.8 million of 5.25% convertible unsecured subordinated debentures of the REIT (the "2018 Convertible Debentures").

On January 27, 2023, the REIT amended the terms of its 2018 Convertible Debentures. The amendments: (i) increased the interest rate of the 2018 Convertible Debentures from 5.25% to 9.00%, effective February 28, 2023; (ii) decreased the conversion price of the 2018 Convertible Debentures from $10.53 per trust unit of the REIT to $5.50 per unit; (iii) extended the maturity date of the 2018 Convertible Debentures from February 28, 2023 to February 28, 2026; and (iv) provided that the 2018 Convertible Debentures are not redeemable at the option of the REIT prior to February 28, 2025 and, at any time after February 28, 2025, the REIT will be permitted to redeem the amended 2018 Convertible Debentures, in whole or in part at a price equal to the principal amount thereof plus accrued and unpaid interest to, but excluding, the date of the redemption. 2018 Convertible Debenture holders converting their debentures will, in addition to the applicable number of units to be received on conversion, receive accrued and unpaid interest, if any, for the period from the last interest payment date on their convertible debentures to and including the last record date set by the REIT occurring prior to the date of conversion for determining the unitholders entitled to receive a distribution on the units. On and from February 28, 2025, and prior to February 28, 2026, the 2018 Convertible Debentures may be redeemed by the REIT, in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice.

In connection with the potential Recapitalization Plan, all or a portion of the 2022 Convertible Debentures, 2021 Convertible Debentures and 2018 Convertible Debentures may be converted into equity. See "Risk and Uncertainties" in this MD&A.

Maturity Profile

The REIT's 2024 debt maturities relate to the revolving credit facility and mortgages on one office property in the Greater Toronto Area and one office property in Chicago. The following is a summary of future contractual principal repayments and maturities as at December 31, 2024:

2025	$ 699,021
2026	214,912
2027	179,390
2028	2,548
2029	2,662
Thereafter	8,205
Total	**$1,106,738**

Debt profile

Debt held by the REIT as at December 31, 2024 is as follows:

	Maturity	Coupon	Properties provided as security	Fair value of security	Maximum available	Principal
Mortgages [1 2 3 4]	Various	Various	12	$ 616,035	$ 520,183	$ 520,183
Revolving facilities [3 4 5 6 7]	Oct. 14, 2024	Various	12	292,947	296,593	296,593
Term loan [3 4 8 9]	Apr. 5, 2027	5.8%	22	238,172	132,012	132,012
Convertible debentures	Feb. 28, 2026	9.0%	—	—	28,750	28,750
Convertible debentures	Dec. 31, 2026	5.5%	—	—	84,200	84,200
Convertible debentures	Dec. 31, 2027	7.5%	—	—	45,000	45,000
Total			**46**	**$1,147,154**	**$1,106,738**	**$1,106,738**

[1]The weighted average remaining term to maturity of mortgages is 0.9 years with maturities ranging from overheld debt that matured on April 20, 2024 to October 1, 2030 and the weighted average interest rate of mortgages is 5.56% with coupons ranging from 2.53% to 10.00%. Due to covenant violations and in some cases, failure to repay on maturity, certain mortgages are contractually due on demand.
[2]Security includes assets held for sale and the Data Centre, which is accounted for as a finance lease receivable all of which are not included in the REIT's investment properties.
[3]Certain amounts have been translated from U.S. dollars and Euros to Canadian dollars using the Bank of Canada prevailing exchange rates on December 31, 2024.
[4]The REIT's revolving credit facility, term loan, construction facility and some mortgages are subject to financial and other covenants, including customary maximum leverage ratios, interest service coverage ratios, minimum debt service coverage ratios and minimum unitholders' equity.
[5]Stand-by fees incurred on the unused portion of the revolving credit facility are 50.63 bps, charged and paid quarterly.

[6]Principal balance includes $233,735 and U.S. $43,700 of revolving facilities. From December 31, 2024, the maximum availability of the revolving facilities is the lesser of (i) $100,000 and U.S. $38,000, (ii) the sum of the margined fair value of the property securing the facility and (iii) the amount which can be serviced (both monthly principal and interest) by the quotient obtained by dividing the net operating income by 1.40 and assuming (a) a 25 year amortization period, and (b) an interest rate compounded semi-annually, equal to the greater of (y) 4.5%, and (z) the relevant five year government bond yield plus 2.50%. The revolving facilities mature on October 14, 2024 and the weighted average interest rate is 7.99%. Due to covenant violations, the revolving credit facility is contractually due on demand.
[7]Security includes assets held for sale, which are not included in the REIT's investment properties on the consolidated statement of financial position.
[8]The term loan facility is secured by 22 properties in Ireland.
[9]On July 26, 2024, the REIT amended its term loan facility to replace the interest rate cap that matured on July 8, 2024. The amendment fixed the coupon on the term loan at 5.78%, effective until January 7, 2026. After January 7, 2026, the coupon reverts to Euribor plus 265 bps.

The carrying value of debt held by the REIT as at December 31, 2024 is as follows:

	Principal	MTM adjustments and costs	Accumulated amortization of MTM adjustments, costs and other	Carrying amount	Current [1 2]	Non-current
Mortgages	$ 520,183	$ (5,521)	$ 2,419	$ 517,081	$ 492,007	$ 25,074
Revolving facilities	296,593	—	—	296,593	296,593	—
Term loan	132,012	(5,111)	2,691	129,592	—	129,592
Convertible debentures [3]	28,750	(1,464)	—	27,286	27,286	—
Convertible debentures [3]	84,200	(6,479)	2,151	79,872	79,872	—
Convertible debentures [3]	45,000	(6,252)	852	39,600	39,600	—
Total	**$ 1,106,738**	**$ (24,827)**	**$ 8,113**	**$ 1,090,024**	**$ 935,358**	**$ 154,666**

[1]Included in current liabilities and shown as debt held for sale on the consolidated statement of financial position is $15.2 million of principal associated with assets held for sale. Of the $15.2 million debt associated with assets held for sale, all of this is contractually current debt.
[2]Total debt of $889.7 million was in default due to being overheld or in breach of financial covenants as at December 31, 2024, all of which has been presented in current liabilities. Of the defaulted debt, $546.3 million was impacted due to financial covenant breaches, $0.5 million was overheld and $343.0 million was both in breach of a financial covenant and overheld. Of the $889.7 million defaulted debt, $638.9 million is contractually current and $250.8 million was reclassified to current debt. Additionally, of the defaulted debt, $14.4 million is also debt associated with assets held for sale. The REIT remains in the process of seeking an amendment to, or renewal of the above defaulted debt as of the authorization date of the consolidated financial statements.
[3]Represents the debt component of the convertible debentures. The embedded derivative features, which are the holder conversion options and the issuer redemption options, originally recorded in the aggregate amount of $8.3 million, are accounted for separately. These embedded derivative features are included within derivatives on the REIT's consolidated statements of financial position.
[4]Due to default letters provided by senior lenders, the REIT is currently restricted from making payments of accrued interest in respect of the convertible debentures so long as such defaults have not been cured or waived. On July 15, 2024 and September 15, 2024, the REIT triggered an event of default on the outstanding convertible debentures due to failure to pay interest due. The REIT has therefore reclassified the debentures as current debt.

INDEBTEDNESS RATIO

The indebtedness ratio is a non-IFRS measure calculated by the REIT. In order to provide for greater flexibility, and while management pursued the Portfolio Realignment Plan to decrease leverage, on January 15, 2024, the REIT amended the REIT’s Declaration of Trust for the purposes of removing the restriction imposed on the REIT not to incur or assume additional indebtedness (being certain defined obligations set out in the REIT’s Declaration of Trust) that would cause the REIT to achieve financial leverage in excess of 65% of its gross book value, which is defined in the Declaration of Trust as the REIT’s total assets less restricted cash (the “Restriction”). The Board of Trustees exercised their discretion to implement the amendment to the Declaration of Trust in the form of a waiver of the Restriction until December 31, 2025, rather than implement the amendment as a blanket removal of the Restriction. Additional investment and operating guidelines are provided for by the Declaration of Trust. The REIT is in compliance with these guidelines. After December 31, 2025, the Declaration of Trust provides that the REIT is not permitted to incur or assume additional indebtedness that would cause (as at the time of incurrence or assumption, as applicable) the REIT to achieve financial leverage in excess of 65% of its gross book value. For certainty, under the REIT’s Declaration of Trust, the measurement of any indebtedness against the REIT’s gross book value is completed only at the time of the incurrence or assumption of the indebtedness in question (which would exclude the refinancing of existing debt that is outstanding) and is not a determination that is continually assessed over time against the REIT’s gross book value. The REIT’s indebtedness ratio at December 31, 2024 was 89.4% (December 31, 2023: 67.9%) and calculated as follows:

The REIT's indebtedness level is calculated as follows:

	December 31, 2024	December 31, 2023 Restated*
Total assets	$ 1,229,711	$ 1,742,255
Less: Restricted cash	(10,656)	(5,856)
Gross book value	**$ 1,219,055**	**$ 1,736,399**
Debt	1,090,024	1,178,734
Leverage ratio	**89.4%**	**67.9%**

*Please see "Summary of Results of Operations".

Management's target is to reduce the REIT's total indebtedness below 65% of its gross book value by executing on the potential Recapitalization Plan to decrease leverage and generate equity to pay down the REIT's revolving credit and operating facilities. See "Risks and Uncertainties" in this MD&A regarding the potential Recapitalization Plan. However, if such plan is unsuccessful and other financing is not available, and the REIT's gross book value declines further, total indebtedness may further exceed 65% of the REIT's gross book value.

ADJUSTED EBITDA

Adjusted EBITDA is a non-IFRS measure and is used by the REIT to monitor the REIT's ability to satisfy and service its debt as well as 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, assess its ability to satisfy its obligations, and service its debt. Management views adjusted EBITDA as a proxy for operating cash flow prior to interest costs. Adjusted EBITDA represents earnings before interest, income taxes, depreciation, fair value gains (losses) from both financial instruments and investment properties, while also excluding non-recurring costs related to the Internalization and the potential Recapitalization Plan, strategic reviews and transaction costs from dispositions, acquisitions or other events. See "Risks and Uncertainties" in this MD&A regarding the potential Recapitalization Plan.

The following is a reconciliation from net income to adjusted EBITDA:

	Twelve months ended December 31,	
	2024	2023 Restated*
Net loss	$ (456,526)	$ (119,783)
Straight line rent and other changes	7,266	11,366
Interest income	(380)	(562)
Interest and finance costs	75,079	64,831
Change in fair value of properties	437,770	138,217
Change in fair value of financial instruments	14,062	9,068
Distributions to Class B shareholders	—	899
Transaction costs	3,322	—
Depreciation of hotel asset	998	966
Change in fair value of Class B LP units	(1,427)	(18,551)
Costs related to the Internalization	501	—
Strategic review costs	—	2,591
Deferred income tax recovery	(257)	(204)
Current income tax expense	2,755	1,358
Adjusted EBITDA	**$ 83,163**	**$ 90,196**

*Please see "Summary of Results of Operations".

INTEREST COVERAGE

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) net debt to adjusted EBITDA leverage ratio, (ii) interest coverage ratio, and (iii) the debt service coverage ratio. All of these measures are non-IFRS measures.

Net debt to adjusted EBITDA leverage ratio

The net debt to adjusted EBITDA ratio is used to calculate the financial leverage of the REIT, specifically, its ability to meet financial obligations and to provide a measure of its balance sheet strength. The REIT calculates debt to adjusted EBITDA by dividing the aggregate amount of debt outstanding, less cash on hand, by the trailing twelve month adjusted EBITDA. The net debt to adjusted EBITDA leverage ratio also indicates the number of years required for the REIT's unleveraged operating earnings (i.e. before depreciation, amortization, transaction costs, gains or losses, fair value adjustments and taxes) to cover or repay all outstanding debts. The net debt to adjusted EBITDA ratio also takes into consideration the cash on hand to decrease debt.

The following is a calculation of net debt to adjusted EBITDA for the trailing twelve months ended:

	December 31, 2024	December 31, 2023
Debt	$ 1,090,024	$ 1,178,734
Less: Cash on hand	13,590	11,270
Net debt	**$ 1,076,434**	**$ 1,167,464**
Adjusted EBITDA [1]	83,163	90,196
Net debt to Adjusted EBITDA (times)	**12.9x**	**12.9x**

[1]Adjusted EBITDA is based on actuals for the twelve months preceding the balance sheet date.

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 leverage.

The following is a calculation of the interest coverage ratio:

	Twelve months ended December 31,	
	2024	2023
Adjusted EBITDA	$ 83,163	$ 90,196
Interest expense	68,805	59,535
Interest coverage ratio (times)	**1.2x**	**1.5x**

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 reflects amortizing principal repayments and interest expensed during the period. Payments related to defeasance, prepayment penalties, or payments upon discharge of a mortgage are excluded from the calculation. The debt service coverage ratio is used by the REIT's management to monitor the REIT's ability to meet annual interest and principal payments.

The following is a calculation of debt service coverage ratio:

	Twelve months ended December 31,	
	2024	2023
Adjusted EBITDA	$ 83,163	$ 90,196
Interest expense	68,805	59,535
Principal repayments	10,669	10,388
Debt service requirements	$ 79,474	$ 69,923
Debt service coverage ratio (times)	**1.0x**	**1.3x**

DEBT REPAYMENT SCHEDULE

The following table outlines the REIT's annual principal payments and maturity schedule, together with the weighted average annual interest rates as at December 31, 2024:

	Amortizing Principal Payments	Principal Repayments on Maturity	Total	Percentage (%)	Weighted Average Contractual Interest Rate on Maturing Debt (%)
2025	$ 9,208	$ 689,813	$ 699,021	63.2%	6.6%
2026	24,450	190,462	214,912	19.4%	5.6%
2027	9,768	169,622	179,390	16.2%	6.1%
2028	2,548	—	2,548	0.2%	4.4%
2029	2,662	—	2,662	0.2%	4.4%
Thereafter	2,310	5,895	8,205	0.7%	4.4%
Weighted average interest rate					**6.3%**

[1]Total debt of $889.7 million was in default due to being overheld or in breach of financial covenants as at December 31, 2024, all of which has been presented in current liabilities. Of the defaulted debt, $546.3 million was impacted due to financial covenant breaches, $0.5 million was overheld and $343.0 million was both in breach of a financial covenant and overheld. Of the $889.7 million defaulted debt, $638.9 million is contractually current and $250.8 million was reclassified to current debt. Additionally, of the defaulted debt, $14.4 million is also debt associated with assets held for sale. The REIT remains in the process of seeking an amendment to, or renewal of the above defaulted debt as of the authorization date of the consolidated financial statements.

The REIT has managed indebtedness to ensure the REIT mitigates liquidity risk due to concentration of debt maturities. As part of this strategy, the REIT is proactive in negotiating renewals for near term debt maturities. The REIT has $689.8 million of debt contractually maturing through to the end of 2025. The REIT also has certain debt that is past maturity and/or in breach of covenants. This is further discussed above, under "Liquidity and Capital Resources".

At December 31, 2024, after the impact of the REIT's pay-fixed receive-float interest rate swaps and interest rate caps, the REIT had floating rate debt of $260.0 million (December 31, 2023: $132.3 million).

The following table presents the annual impact of a change in floating interest rates of 25 bps on finance costs:

	December 31, 2024	December 31, 2023
Change of 25 bps	$ 650	$ 331

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

The following is a summary of the REIT's contractual obligations over the next five years at December 31, 2024:

	Total contractual cash flow	2025	2026-2027	2028-2029	Thereafter
Accounts payable and accrued liabilities	$ 67,679	$ 67,679	$ —	$ —	$ —
Amortizing principal repayments on debt [1]	50,946	9,208	34,218	5,210	2,310
Principal repayments on maturity of debt [1]	1,055,792	689,813	360,084	—	5,895
Interest on debt [2]	61,629	34,658	25,760	952	259
Interest rate swaps [3]	(6,387)	(5,246)	(1,141)	—	—
Other liabilities	6,120	1,501	649	801	3,169
Total	**$ 1,235,779**	**$ 797,613**	**$ 419,570**	**$ 6,963**	**$ 11,633**

[1]Total debt of $889.7 million was in default due to being overheld or in breach of financial covenants as at December 31, 2024, all of which has been presented in current liabilities. Of the defaulted debt, $546.3 million was impacted due to financial covenant breaches, $0.5 million was overheld and $343.0 million was both in breach of a financial covenant and overheld. Of the $889.7 million defaulted debt, $638.9 million is contractually current and $250.8 million was reclassified to current debt. Additionally, of the defaulted debt, $14.4 million is also debt associated with assets held for sale. The REIT remains in the process of seeking an amendment to, or renewal of the above defaulted debt as of the authorization date of the consolidated financial statements.
[2]Interest amounts on floating rate debt have been determined using rates at December 31, 2024.
[3]Interest rate swap obligations have been calculated as the difference between the pay-fixed rate and receive-float rate based on the forward rates determined at December 31, 2024.

DERIVATIVES

Interest rate derivatives

The REIT has interest rate derivatives to reduce the impact of interest rate risk of certain debt with floating interest rates.

The REIT has in-place certain pay-fixed and receive-float interest rate swaps. The swaps are derivative financial instruments that require a periodic exchange of payments with counter-parties without the exchange of the notional amount on which the payments are based. The recorded interest expense on the underlying mortgages payable reflects payments made and received under the interest rate swaps. These swaps are not designated as hedging instruments that qualify for hedge accounting under IFRS. Interest rate derivatives are measured at fair value with fair values estimated as the present value of contractual cash flows based on forward curves and an applicable discount rate.

The following are the terms and fair values of the REIT's interest rate swaps where the REIT pays fixed and receives floating interest rates:

			Notional amount [2]		Fair value	
Maturity date	Floating interest rate [1]	Fixed interest rate	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
February 1, 2024	1 month U.S. SOFR	1.80%	$ —	$ 66,215	$ —	$ 318
March 22, 2024	1 month CDOR	1.90%	—	100,000	—	858
April 20, 2024	1 month CDOR	5.61%	—	81,300	—	(97)
March 3, 2025	1 month CORRA [3]	0.94%	62,500	62,500	369	2,670
March 3, 2025	1 month CORRA [3]	0.94%	10,000	10,000	59	427
March 3, 2025	1 month CORRA [3]	4.01%	8,000	8,000	(13)	44
May 1, 2025	1 month CORRA [3]	4.06%	59,003	59,003	(206)	227
September 10, 2025	1 month U.S. SOFR	2.22%	145,386	133,854	2,281	4,839
April 30, 2026	1 month CORRA	3.30%	78,300	—	(476)	—
October 30, 2026	1 month CORRA [3]	2.00%	100,000	100,000	1,303	4,327
Total			**$ 463,189**	**$ 620,872**	**$ 3,317**	**$ 13,613**

[1]"CORRA" means the Canadian Overnight Repo Rate Average, "SOFR" means the Secured Overnight Financing Rate and "CDOR" means the Canadian Dollar Offered Rate.
[2]The notional amount of the U.S. dollar pay-fixed receive-float interest rate swaps, maturing September 10, 2025 is U.S. $101.1 million.
[3]On July 2, 2024, the floating interest rate benchmark was converted from 1 month Bankers' Acceptances rate or Canadian Dollar Offered Rate to 1 month term CORRA.

In connection with a previous acquisition, the REIT entered into a cross currency interest rate swap transaction on November 16, 2021 to pay a fixed EUR rate of 3.72% and receive a fixed CAD rate of 5.50%, effective on January 31, 2022 and maturing on December 31, 2026. Payments are payable semi-annually on or around June 30 and December 30, commencing June 30, 2022. During the year ended December 31, 2024, the REIT recorded a fair value loss of $1.5 million (December 31, 2023: $2.2 million), which is recorded in the consolidated statement of loss.

The following are the terms and fair value of the REIT's cross currency interest rate swap:

			Notional amount [1]		Fair value	
Maturity date	Pay EUR	Receive CAD	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
December 31, 2026	3.72%	5.50%	$ 75,000	$ 75,000	$ (2,138)	$ (626)
Total			**$ 75,000**	**$ 75,000**	**$ (2,138)**	**$ (626)**

[1]The notional amount of the pay Euro interest rate of 3.72% is €52.5 million and the notional amount of the receive Canadian dollar interest rate of 5.50% is $75.0 million.

The following are the terms and fair values of the REIT's interest rate caps:

		Notional amount [1]		Fair value	
Maturity date	Cap rate	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
July 8, 2024	1.60%	$ —	$ 136,658	$ —	$ 2,251
November 1, 2025	3.75%	16,809	15,737	71	227
Total		**$ 16,809**	**$ 152,395**	**$ 71**	**$ 2,478**

[1]The notional amounts of the Euro and U.S. dollar interest rate caps are €93.6 million and U.S. $11.9 million, respectively.

The following is a summary of the REIT's interest rate caps:

	Year ended December 31,	
	2024	2023
Beginning of the period	$ 2,478	$ 3,833
Fair value changes	(2,451)	(1,372)
Foreign exchange gain	44	17
End of period	**$ 71**	**$ 2,478**

Foreign exchange derivative

From time to time, the REIT may use forward foreign exchange contracts to hedge against fair value changes in the REIT's U.S. dollar net investment in its U.S. operations arising from fluctuations in the U.S. and Canadian dollar exchange rates, and its Euro net investment in its Irish operations arising from fluctuations in the Euro and Canadian dollar exchange rates. Sources of hedge ineffectiveness include instances where the net investments in U.S. and Irish operations are less or greater than outstanding hedge instruments and potential misalignment between the term of the hedging instrument and the holding term of the REIT's net investment in U.S. and Irish operations.

The REIT entered into one derivative contract and no foreign exchange contracts during the year ended December 31, 2024 and two derivative contracts and no foreign exchange contracts during the year ended December 31, 2023.

FINANCIAL CONDITION

The REIT’s primary sources of capital are cash generated from operating, financing, and investing activities. Management expects to meet all of the REIT’s obligations through current cash and cash equivalents, cash flows from operations, execution of the potential Recapitalization Plan, refinancing of mortgages and equity. The REIT's contractual obligations as outlined above are expected to be funded through its sources of capital. Incremental to these contractual obligations, the REIT endeavours to invest in its current portfolio of assets through leasing and capital expenditure, the amount and timing of which are uncertain. The REIT intends to fund these expenditures through its various sources of capital in addition to the execution of the potential Recapitalization Plan. See “Risks and Uncertainties” in this MD&A.

The following table provides an overview of the REIT’s cash flows from operating, financing and investing activities:

	Year ended December 31,	
	2024	2023 Restated*
Net change in cash related to:		
Operating	$ 32,775	$ 40,119
Investing	82,826	(26,361)
Financing	(113,561)	(15,204)
Foreign exchange gain (loss) on cash held in foreign currency	280	(7,189)
Increase (decrease) in cash	**$ 2,320**	**$ (8,635)**

*Please see "Summary of Results of Operations".

The change in cash for the year ended December 31, 2024 and 2023 was the result of the following factors:

- Operating – cash inflows for the year ended December 31, 2024 decreased by $7.3 million when compared to the same period in 2023. The decrease is a result of a lower Cash NOI in 2024, primarily due to investment property dispositions and from vacancies at certain U.S. properties. This was partially offset by the suspension of distributions to Class B LP unitholders.

- Investing – cash inflows for the year ended December 31, 2024 were $82.8 million compared to outflows of $26.4 million for the same period in 2023. The cash inflows in the current period were primarily due to dispositions of eight investment properties in 2024. In the prior period, cash outflows were primarily a result of capital expenditures throughout the REIT's portfolio as well as from the 25% acquisition of West Metro Corporate Centre in August 2023.
- Financing – cash outflows of $113.6 million for the year ended December 31, 2024 was primarily due to the discharge of debt and repayments on the revolving credit facility as a result of the eight investment property dispositions in 2024 and from other mortgage repayments. For the year ended December 31, 2023, the cash outflows of $15.2 million were primarily from mortgage repayments and distributions on REIT units, mortgage repayments net of advances on the revolving credit facility and from the drawing of funds under a vendor-take-back for the 25% acquisition of West Metro Corporate Centre.

DEFERRED UNIT PLAN

Trustee deferred unit plan

Trustees who are not employees of the REIT or Slate Asset Management L.P., or any of their subsidiaries, are eligible to participate in the REIT's trustee deferred unit plan ("the Trustee DUP"). Participants may elect to receive all or a portion of their annual retainer, meeting fees and additional compensation (including travel fees), in deferred units. One deferred unit, which vests immediately on the grant date, is equivalent to one trust unit. Additional deferred units accumulate at the same rate that distributions are paid on the trust units.

The deferred units may be redeemed by a participant for a period of two years after the participant ceases to be a trustee of the REIT in whole or in part for cash or trust units. The value of the deferred units when converted to cash will be equivalent to the market value of trust units on the date of the redemption request.

At December 31, 2024, the liability associated with the deferred units issued under the Trustee DUP was $0.2 million (December 31, 2023: $0.5 million), and the number of outstanding deferred units was 342,337 (December 31, 2023: 588,311 units). During the year ended December 31, 2024, 674,196 units were redeemed for trust units under the Trustee DUP by five former Trustees of the REIT (December 31, 2023: 30,555).

Officer deferred unit plan

The officer deferred unit plan ("the Officer DUP") provides officers of the REIT the opportunity to receive deferred units of the REIT through the Officer DUP. The maximum number of deferred units reserved for issuance under the Officer DUP is 1% of total units outstanding. One deferred unit, which vests immediately on the grant date, is equal to one trust unit.

The deferred units may be redeemed by a participant after two years following the date the units were issued in whole or in part for cash or trust units. The value of the deferred units when converted to cash will be equivalent to the market value of trust units on the date of the redemption request. If a participant ceases to be an officer of the REIT, the deferred units must be redeemed no later than two years following that date.

As at December 31, 2024, the liability associated with deferred units issued under the Officer DUP was $8 thousand (December 31, 2023: $12 thousand), and the number of deferred units was 14,294 units (December 31, 2023: 14,294 units).

EQUITY

The REIT is authorized to issue an unlimited number of trust units. Each trust unit represents a proportionate undivided beneficial interest and voting right in the REIT and entitles the holder to an equal participation in distributions of the REIT. The trust units are redeemable at the option of the holder at any time. The REIT's trust units are traded on the TSX and had a closing price of $0.54 on December 31, 2024.

The REIT is also authorized to create and issue an unlimited number of preferred units, in one or more classes comprised of unlimited series, having terms and conditions as may be determined by the Board of Trustees from time to time. There have been no preferred units created or issued.

On December 27, 2024, the TSX approved a 90-day extension of the remedial delisting review for the REIT, following an initial 120-day review period that began on July 4, 2024 and subsequent 60-day extension. The review is a response to the REIT's financial condition. The extension was granted based on materials submitted by the REIT in relation to the REIT's plan and activities to restructure the majority of its debt. During this period, the REIT aims to continue to address these issues to meet the TSX's requirements. The trading of the REIT's securities will not be impacted during the review process.

As at December 31, 2024, the total number of trust units outstanding was 80,503,998. As at March 26, 2025, the total number of trust units outstanding was 80,562,461.

Potential trust units

	December 31, 2024	December 31, 2023
Class B LP units	5,285,160	5,285,160
Deferred units	356,631	602,606
Total	**5,641,791**	**5,887,766**

The Class B LP units are exchangeable into trust units of the REIT on a one-for-one basis, subject to anti-dilution adjustments. Each Class B LP unit is accompanied by one special voting unit of the REIT providing the same voting rights in the REIT as the trust units of the REIT and is entitled to distributions of cash equal to the cash distributions paid to holders of trust units by the REIT. The Class B LP units are recognized in the REIT's consolidated financial statements as financial liabilities measured at fair value through profit and loss. Upon exchange into trust units of the REIT, the carrying amount of the liability representing the fair value of the Class B LP units on exchange date will be reclassified to unitholders' equity. During the year ended December 31, 2024 and 2023, there were no Class B LP units exchanged for the REIT's trust units.

Weighted average diluted units outstanding

The following is the weighted average diluted number of units outstanding during the year ended December 31, 2024 and 2023. The diluted weighted average trust units outstanding is determined as if all of the Class B LP units and deferred units have been converted to units of the REIT:

	Three months ended December 31,		Year ended December 31,	
	2024	2023	2024	2023
Basic weighted average units outstanding	80,442,895	80,030,938	80,258,496	80,025,307
Class B LP units	5,285,160	5,285,160	5,285,160	5,285,160
Basic weighted average deferred units outstanding	363,582	475,408	444,269	370,260
Diluted weighted average units outstanding	**86,091,637**	**85,791,506**	**85,987,925**	**85,680,727**

Diluted units outstanding

The following is the diluted number of units outstanding at December 31, 2024 and 2023. The diluted number of units outstanding is determined as if all of the Class B LP units and deferred units have been converted to units of the REIT:

	December 31, 2024	December 31, 2023
Trust units outstanding	80,503,998	80,049,062
Class B LP units	5,285,160	5,285,160
Deferred units	356,631	602,606
Diluted units outstanding	**86,145,789**	**85,936,828**

RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024 and 2023, the REIT had a Management Agreement with Slate whereby the Former Manager as the REIT's manager provided the REIT with the strategic, administrative, property management, leasing, acquisition, financing and construction management services necessary to manage the strategy and day-to-day operations of the REIT and its assets. Key management personnel of the REIT were employed by SLAM. On December 24, 2024, the REIT amended its Management Agreement with the Former Manager to, among other things, accelerate the termination of the Management Agreement and internalize the REIT's management which was effective December 31, 2024.

These transactions were in the normal course of operations and were in accordance with the Management Agreement and were measured at the exchange amount. The exchange amount is the consideration established under contract and approved by the REIT's Board of Trustees. The REIT's key personnel include trustees and officers of the REIT.

Slate held the following interests in the REIT:

	December 31, 2024	December 31, 2023
REIT units	3,329,040	3,302,040
Class B LP units	5,285,160	5,285,160
Total	**8,614,200**	**8,587,200**
Economic interest	10.0%	10.0%

During the year ended December 31, 2024, Slate purchased 27,000 REIT units (December 31, 2023: 430,989).

The Management Agreement provided for the following fees:

Type	Basis
Property management	3% of gross revenue [1]
Asset management	0.3% of gross book value [2]
Leasing	5% on new leases, 2% on renewals [3]
Financing	0.25% of debt financed
Construction	5.0% of costs
Acquisition	Variable [4]

[1]Gross revenue is defined as all revenues received by and/or on behalf of the REIT from the leasing and/or licensing of the REIT's investment properties.
[2]Gross book value is defined as the book value of the REIT's assets as shown on the previous quarter's consolidated financial statements, less restricted cash.
[3]Leasing fees are charged to the REIT net of any third party brokerage fees paid to leasing agents retained by the REIT. No fee is charged to the REIT where such third party fees are equal to or greater than the lease fee payable to Slate.
[4]Acquisition fees are 1.00% on the first $100.0 million of acquisitions; 0.75% on the next $100.0 million of acquisitions and 0.50% for acquisitions in excess of $200.0 million.

Property and asset management fees are recorded as property operating and general and administrative expenses, respectively, in the period incurred. Acquisition, construction and leasing fees are recorded as additions to investment properties when payable to the Former Manager. Financing fees are capitalized to debt placed at the time of closing and amortized to interest expense over the term to maturity of the related debt.

Fees charged during the period to the Former Manager and SLAM for services provided were as follows:

	Year ended December 31, 2024	2023
Fees charged by the Former Manager per Management Agreement:		
Property management	$ 5,338	$ 5,600
Management Agreement termination fee	2,000	—
Asset management	4,766	5,589
Leasing, financing and construction management	2,963	2,493
Acquisition	—	43
	$ 15,067	**$ 13,725**
Other amounts charged by Slate[1]:		
SLAM asset manager salary recoveries [2]	$ 815	$ 830
SLAM asset management software [3]	293	283
Other property operating expenses	—	21
Property operating expenses	$ 1,108	$ 1,134
General and administrative expenses	785	1,253
	$ 1,893	**$ 2,387**
Total charged by Slate	**$ 16,960**	**$ 16,112**

[1]The Management Agreement provided for the Manager to be reimbursed by the REIT for all reasonable third-party costs and out-of-pocket expenses incurred by the Manager. These amounts are included in the REIT's consolidated statement of loss and represent expenses payable to the Former Manager, SLAM or vendors engaged by the Former Manager or SLAM.
[2]Included in property administrative fees as shown below.
[3]Asset management software developed by Slate.

Property administration fees are generally recoverable under the tenants' leases relating to assets or resources of the Manager that are directly attributable to the management of the REIT's investment properties. Property administration fees were $11.1 million for the year ended December 31, 2024 (December 31, 2023: $10.5 million). Administrative fees are recovered from most tenants by the REIT in accordance with the terms of the leases, whereas property management fees payable by the REIT to the Manager are determined in accordance with the Management Agreement.

The following table summarizes property administration fees paid and related recoveries included in the REIT's consolidated statement of loss:

	Year ended December 31, 2024	2023
Property administration fees	$ 11,120	$ 10,531
Less: administrative fees recovered from tenants	(6,243)	(5,830)
Property administration fees not recovered	**$ 4,877**	**$ 4,701**

The REIT entered into an agreement to lease approximately 6,000 square feet of office space to Slate at one of its properties at market rents which expires October 31, 2029. In 2022, the REIT agreed to lease approximately 4,000 additional square feet to Slate at the same property and at the same rent rate and expiration. Total rent received under this lease for the year ended December 31, 2024 was $0.6 million (year ended December 31, 2023: $0.6 million). There were no amounts receivable related to this lease as at December 31, 2024 and December 31, 2023.

The following are the assets and liabilities included in the consolidated statements of financial position of the REIT related to the Former Manager and Slate:

	December 31, 2024	December 31, 2023
Accounts receivable	$ 199	$ 13
Accounts payable and accrued liabilities	—	(178)
Class B LP units	(2,854)	(4,281)

A trustee of the REIT and a corporation controlled by the trustee, G2S2 Capital Inc., through its wholly-owned subsidiary, Armco Alberta Inc. (collectively, “G2S2”), held the following interests in the REIT:

	December 31, 2024	December 31, 2023
REIT units	15,110,200	15,110,200
Deferred units	160,866	35,839
Total	**15,271,066**	**15,146,039**
Economic interest	17.7%	17.6%

G2S2 also held an aggregate principal amount of $12.1 million (December 31, 2023: $12.1 million) of the REIT's convertible debentures as at December 31, 2024. If G2S2 was the sole convertible debenture holder to convert convertible debentures to trust units, it would indirectly own a total of 17,407,192 trust units (December 31, 2023: 17,282,165), representing an economic interest of approximately 19.7% (December 31, 2023: 19.6%) on a diluted basis.

The REIT entered into an agreement to lease approximately 17,000 square feet of office space to G2S2 at one of its properties at market rents, which expired June 30, 2023. G2S2 vacated the property subsequent to June 30, 2023. Total rent received under this lease for the year ended December 31, 2023 was $118 thousand. There were no amounts receivable related to this lease as at December 31, 2024 and December 31, 2023. In connection with a settlement agreement signed on February 16, 2023, between the REIT and G2S2, the REIT agreed to reimburse G2S2 for out-of-pocket fees and expenses including legal fees relating to the agreement. During the year ended December 31, 2023, the REIT reimbursed G2S2's legal fees of $161 thousand and recorded the cost to professional fees.

On January 12, 2024, the REIT announced that the REIT and G2S2 agreed to amend the settlement agreement to, among other things, (i) reduce the size of the Board of Trustees from eight to six trustees at the REIT’s next annual general meeting, and (ii) to terminate certain restrictions applicable to G2S2 including restrictions on G2S2 acquiring additional securities of the REIT. G2S2 also agreed to provide credit support and a letter of credit in favour of a tenant of the REIT for certain obligations that the REIT has undertaken in connection with its pursuit of leasing opportunities, such as leasing costs and tenant inducements. On August 28, 2024, G2S2 provided the REIT with credit support in the aggregate of up to $13.4 million and the letter of credit. As at December 31, 2024, $3.2 million has been advanced to the REIT. During the year ended December 31, 2024, the REIT triggered an event of default under a mortgage that includes cross-default provisions with the credit support provided by G2S2. As a result, the REIT has also triggered an event of default on the credit support and therefore, the advance from the credit support has been classified as a current debt.

PART V - ACCOUNTING AND CONTROL

CRITICAL ACCOUNTING ESTIMATES

The REIT has identified the estimate of the fair value of its properties as a critical accounting estimate due to the significance of the estimate to the REIT's financial position and impact of changes on fair value to net income. Estimating the fair value of real property is characterized by uncertainty, both in terms of differences between different methods of valuation but also in the selection of assumptions to reflect the property being valued, certain of which are subjective. There is no assurance that management's, or a third-party's, estimate of fair value would be realized on sale due to the specific and unique aspects of real property, including their location, liquidity, tenants and the local demand and supply of competing properties for tenants.

The REIT determines the fair value of investment properties based on the discounted cash flow method, which is a generally accepted appraisal methodology. The appropriate methodology is selected by management and by independent real estate valuation experts considering the nature of the property and availability of information.

The fair values of properties are measured individually without consideration to their aggregate value on a portfolio basis. No consideration is given to diversification benefits related to single property tenant risk and geography, the value of assembling a portfolio or to the utilization of a common management platform, amongst other benefits. As a result, the fair value of the REIT's properties taken in aggregate may differ from the fair value of properties measured individually in the REIT's consolidated statements of financial position. Property valuation is dependent on leasing history, market reports, tenant profiles and available appraisals alongside other evidence of market conditions. At the balance sheet date there exists a limited number of observable comparable transactions and certain of the observable comparable transactions may have occurred by seller distress, financing pressure or other factors specific to those particular market participants and transactions. Accordingly, estimation uncertainty with determining the fair value of investment properties remains high.

Under the discounted cash flow method, fair values are primarily determined by discounting the future cash flows, generally over a term of 10 years, including a terminal value based on the application of a terminal capitalization rate to estimated year 11 net operating income. Future cash flows, discount rates and terminal capitalization rates are the most significant assumptions in determining fair value. The REIT uses leasing history, market reports, tenant profiles and available appraisals, among other evidence including current market conditions, in determining the most appropriate assumptions

A summary of the significant assumptions used in the REIT's estimate of fair value as at December 31, 2024 is included in this MD&A. Changes in these assumptions, which have become increasingly uncertain due to the lack of comparable market evidence, would have a significant impact on the REIT's estimate of fair value, which can be impacted by changes in demand for properties similar to those owned by the REIT, expectations of market rents, the covenant quality of tenants and the general economic environment. Further, these changes can occur at different times and magnitudes for each of the REIT's regions based on the investment environments in each of their respective markets.

INCOME TAXES AND THE REIT EXCEPTION

The REIT currently qualifies as a "mutual fund trust" as defined in the Tax Act. In accordance with the REIT's Declaration of Trust, distributions to unitholders are declared at the discretion of the trustees. The REIT endeavours to distribute to unitholders, in cash or trust units, in each taxation year its taxable income to such an extent that the REIT will not be liable to income tax under Part I of the Tax Act.

The Tax Act imposes SIFT Rules applicable to certain publicly traded income trusts (each a "SIFT"). A SIFT includes a trust resident in Canada with publicly traded units that holds one or more "non-portfolio properties". Non-portfolio properties include certain investments in real properties situated in Canada and certain investments in corporations and trust residents in Canada and in partnerships with specified connections in Canada. Under SIFT Rules, a SIFT is subject to tax in respect of certain distributions that are attributable to the SIFT's "non-portfolio earnings" (as defined in the Tax Act; generally, income (other than certain dividends) from, or capital gains realized on, non-portfolio properties, which does not include certain investments in non-Canadian entities), at a rate substantially equivalent to the combined federal and provincial corporate tax rate on certain types of income. The SIFT Rules are not applicable to a SIFT that meets certain specified criteria relating to the nature of its revenues and investments in order to qualify as a real estate investment trust for purposes of the Tax Act (the "REIT Exception"). The REIT believes that it qualifies for the REIT Exception as of December 31, 2024.

The REIT's U.S. and Irish subsidiaries are subject to income tax on taxable income from U.S. and Irish operations respectively. The REIT recognizes deferred tax assets and liabilities at prevailing tax rates when such differences are expected to settle. Based on tax laws enacted at the reporting date, the REIT's U.S. subsidiary is subject to a combined federal and state rate of 28.51%, and the Irish subsidiaries are subject to a tax rate of 25.00% on rental income and 33.00% on capital gains. The REIT assesses each reporting period whether it can recognize the deferred tax assets of its U.S. and Irish subsidiaries.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

The REIT's management, under the supervision of its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), is responsible for establishing and maintaining disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as such terms are defined in National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings*.

DC&P are those controls and other procedures that are designed to provide reasonable assurance that all material information required to be disclosed by the REIT in 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 the securities legislation. Furthermore, DC&P are those controls and other procedures that are designed to ensure that material information required to be disclosed by the REIT in annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to the REIT's management, including its CEO and CFO, as appropriate to allow timely decisions regarding required disclosure.

ICFR is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS for the year ended December 31, 2024.

The REIT's CEO and CFO, along with the assistance of others, have designed disclosure controls and procedures to provide reasonable assurance that information required to be disclosed in the various reports filed or submitted by the REIT under securities legislation is recorded, processed, summarized and reported accurately and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

In the design of its internal controls, the REIT uses the 2013 framework published by the Committee of Sponsoring Organizations of the Treadway Commission. No changes were made in the REIT's design of ICFR for the year ended December 31, 2024, that have materially affected, or are reasonably likely to materially affect, the REIT's ICFR.

In designing such controls, it should be recognized that due to inherent limitations, any controls or control systems, no matter how well designed and operated, can provide only reasonable, and not absolute, assurance that the objectives of the control system are met. As a result of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, including instances of fraud, if any, have been detected or prevented. These inherent limitations include, without limitation, (i) the possibility that management's assumptions and judgments may ultimately prove to be incorrect under varying conditions and circumstances; or (ii) the impact of isolated errors.

Additionally, controls may be circumvented by unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any control system is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

ENVIRONMENTAL, SOCIAL AND CORPORATE GOVERNANCE DISCLOSURE

On June 26, 2023, the ISSB released its finalized General Requirements for Disclosure of Sustainability-Related Financial Information. On December 18, 2024, the Canadian Sustainability Standards Board (CSSB) released its finalized Canadian Sustainability Disclosure Standards (CSDS) 1 and 2, establishing a framework aligned with the International Sustainability Standards Board (ISSB)'s IFRS S1 and IFRS S2. These standards create a global baseline for sustainability-related financial disclosures.

- IFRS S1 requires companies to disclose all sustainability-related risks and opportunities that could reasonably affect their cash flows, access to finance, or cost of capital over the short, medium, or long term.
- IFRS S2 requires companies to disclose climate-related risks, including both physical risks and transition risks, as well as opportunities relevant to investors and financial stakeholders. IFRS S2 incorporates the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

In Canada, voluntary adoption of the CSDS standards begins January 1, 2025, with mandatory adoption for public companies yet to be determined by the Canadian Securities Administrators (CSA).
The transition relief periods include:

- Two years for aligning sustainability-related financial disclosures with financial reporting.
- Three years for disclosing Scope 3 emissions (tenant-controlled emissions) and the quantitative aspects of scenario analysis, with mandatory reporting beginning on or after January 1, 2028.

While these timelines have been proposed by the CSSB, they remain subject to change through further comment and deliberation periods. The CSA will determine the final mandatory disclosure rules for public issuers in Canada.

PART VI - PROPERTY TABLE

Details of the REIT's property portfolio as at December 31, 2024 are set out in the table below:

Property Address	Property Name	City	Year Built / Renovated / Expanded	Interest	Square feet of GLA	Occupancy
United States Office						
20 South Clark	20 South Clark	Chicago, IL	1970 / 2018-2021	100 %	400,291	64.4%
120 South LaSalle	120 South LaSalle	Chicago, IL	1929 / 1998	100 %	655,037	76.6%
275 N Field Drive	275 N Field Drive	Chicago, IL	1989 / 2021	100 %	197,527	52.2%
Total United States Office					**1,252,855**	**68.9%**
Greater Toronto Area Office						
3000 - 3100 Steeles Avenue East	Gateway Centre	Markham, ON	1982 / 1987	75 %	244,189	74.9%
2285 Speakman Drive		Mississauga, ON	1981 / 2016	100 %	127,419	100.0%
2599 Speakman Drive		Mississauga, ON	1971 / 2011	100 %	123,368	88.0%
2251 Speakman Drive		Mississauga, ON	1965/2016	100 %	115,582	100.0%
1189 Colonel Sam Drive		Oshawa, ON	2001	100 %	103,179	100.0%
185-195 The West Mall [1]	West Metro Corporate Centre	Toronto, ON	1986 / 2006	100 %	610,193	77.8%
401-405 The West Mall	Commerce West	Toronto, ON	1982 / 2009	75 %	415,514	72.0%
Total Greater Toronto Area Office					**1,739,444**	**81.2%**
Atlantic Office						
440 King Street	Kings Place	Fredericton, NB	1974 / 2001	100 %	298,610	76.0%
250 King Street		Fredericton, NB	2000	100 %	80,164	100.0%
460 Two Nations Crossing		Fredericton, NB	2008	100 %	50,229	100.0%
644 Main Street	Blue Cross Centre	Moncton, NB	1988 / 2006	100 %	326,072	97.0%
81 Albert Street		Moncton, NB	2002	100 %	64,954	92.2%
39 King Street [2]	Brunswick Square	Saint John, NB	1976	100 %	517,363	50.8%
100 New Gower Street	Cabot Place	St. John's, NL	1987	100 %	145,384	61.4%
10 Factory Lane	The Johnson Building	St. John's, NL	1980	100 %	216,076	73.7%
5 Springdale Street	Fortis Place	St. John's, NL	2014	100 %	143,769	71.2%
140 Water Street	TD Place	St. John's, NL	1980 / 2013	100 %	108,765	41.4%
1505 Barrington Street	Maritime Centre	Halifax, NS	1977 / 1985	100 %	518,970	83.4%
Total Atlantic Office					**2,470,356**	**73.9%**

[1]Includes 107,078 sq.ft. of space is undergoing tenant improvements. Paid lease term commences May 2026
[2]GLA and occupancy statistics do not include the Delta Brunswick Hotel.

Property Address	Property Name	City	Year Built / Renovated / Expanded	Interest	Square feet of GLA	Occupancy
Ireland Office						
Three Gateway, East Wall Road	Three Gateway	Dublin, Dublin	2006	100 %	43,212	100.0%
One Gateway, East Wall Road	One Gateway	Dublin, Dublin	2006	100 %	51,495	0.0%
Ashtown Gate Road	Ashtown Gate Blocks B&C	Dublin, Dublin	2000	100 %	33,149	80.8%
Citywest Business Campus	Citywest Blocks E&F	Dublin, Dublin	1998	100 %	45,972	49.7%
Birch House, Millennium Park	Birch House	Naas, Kildare	2006	100 %	40,333	100.0%
Chestnut House, Millennium Park	Chestnut House	Naas, Kildare	2006	100 %	31,600	66.7%
Hazel House, Millennium Park	Hazel House	Naas, Kildare	2006	100 %	19,326	100.0%
Ash House, Millennium Park	Ash House	Naas, Kildare	2006	100 %	19,108	100.0%
Willow House, Millennium Park	Willow House	Naas, Kildare	2006	100 %	17,865	100.0%
Beech House, Millennium Park	Beech House	Naas, Kildare	2006	100 %	12,778	100.0%
Athlone Business & Technology Park	Teleflex	Athlone, Westmeath	2016	100 %	45,370	100.0%
Cork Airport Business Park	Unit 2600, Cork Airport	Cork, Cork	1999	100 %	40,827	49.6%
Mallow Business Park	Blackwater House	Mallow, Cork	2000	100 %	29,930	100.0%
Letterkenny Business & Technology Park	Optum Buildings	Letterkenny, Donegal	1999 / 2007	100 %	90,548	100.0%
Waterford Business & Technology Park	IDA Waterford Block A	Waterford, Waterford	2005	100 %	28,027	100.0%
IDA Athlone Block A, Athlone Business & Technology Park	IDA Athlone Block A	Athlone, Westmeath	2009	100 %	33,693	100.0%
IDA Athlone Blocks B & B2, Athlone Business & Technology Park	IDA Athlone Blocks B & B2	Athlone, Westmeath	2009	100 %	101,230	100.0%
IDA Athlone Block C, Athlone Business & Technology Park	IDA Athlone Block C	Athlone, Westmeath	2008	100 %	26,447	100.0%
IDA Athlone Block C - Extension, Athlone Business & Technology Park	IDA Athlone Block C - Extension	Athlone, Westmeath	2022	100 %	35,897	100.0%
Total Ireland Office					**746,807**	**85.0%**
Western Office						
280 Broadway Avenue [3]		Winnipeg, MB	1957	100 %	105,341	86.2%
1870 Albert Street	Saskatchewan Place	Regina, SK	1985	100 %	86,626	51.5%
Total Western Office					**191,967**	**70.5%**
Office					**6,401,429**	**76.1 %**
Non-office						
Naas Enterprise Park	Unit L2 Toughers	Naas, Kildare	2000	100 %	34,494	100.0%
Coes Road	Tanola House	Dundalk, Louth	2019	100 %	86,451	100.0%
Bridge Street	Bridge Centre	Tullamore, Offaly	1995	100 %	6,238	100.0%
1450 Waverley Street	Equinix WI1 Data Centre	Winnipeg, MB	2015	100 %	64,218	100.0%
Non-office					**191,401**	**100.0%**
Total Portfolio					**6,592,830**	**76.8%**

[3]Includes a seven-story office building at 280 Broadway Avenue, a three-story multi-family residential building located at 70 Smith Street and two parking lots located at 286 Broadway Avenue and 68 Smith Street; excludes occupancy from residential tenants at 70 Smith Street.