NEXUS REIT ANNOUNCES Q3 2020 RESULTS AND NOVEMBER DISTRIBUTION

Toronto, Ontario and Montreal, Quebec, November 16, 2020 - Nexus Real Estate Investment Trust (the "REIT") (TSXV: NXR.UN) announced today its results for the quarter ended September 30, 2020.

Highlights

- The Toronto Stock Exchange has conditionally approved the listing of Nexus REIT's units subject to the REIT fulfilling all of the requirements of the Exchange on or before January 26, 2021, including distribution of the REIT's securities to a minimum number of public unitholders.
- The REIT intends to complete a 4 to 1 consolidation of outstanding units concurrent with graduation to the TSX.
- Completed the $13,750,000 acquisition of a single-tenant industrial property located in Balzac, AB, on October 1, 2020 at an attractive 6.8% capitalization rate.
- The REIT has contracted to acquire a 50% interest in an Ajax, ON, industrial property with approximately 500,000 square feet of GLA for a purchase price of $28,500,000. The purchase price will be satisfied with proceeds of new mortgage financing and cash on hand. The acquisition is expected to close by year end.
- The REIT has contracted to acquire a single-tenant industrial property in Moncton, NB with a strong credit tenant for $8,000,000. $3,200,000 of the purchase price will be satisfied by issuing units valued at $2.00 per unit.
- The REIT's debt to total assets ratio as at September 30, 2020 was a conservative 47.7%, while maintaining a comfortable level of liquidity with $16,359,614 of cash on the balance sheet and $5,000,000 available on the REIT's credit facility.
- Q3 2020 net operating income of $9,949,362 increased $144,565 or 1.5% compared to $9,804,797 for Q2 2020 and increased $360,816 or 3.8% compared to $9,588,546 for Q3 2019.
- Q3 2020 normalized AFFO per unit of $0.048 decreased by 2.6% as compared to Q2 2020 normalized AFFO per unit of $0.049; normalized AFFO payout ratio for Q3 2020 of 82.4% is up from 79.8% for Q2 2020. Higher interest expense related to new mortgages financing entered into part way through Q2 2020 to increase the REIT's liquidity, and higher general and administrative expense related to TSX graduation efforts accounted for the majority of these variances.
- Management of the REIT will host a conference call on Tuesday November 17th at 1PM EST to review results and operations.

"In the second quarter, we increased liquidity to further strengthen our balance sheet, and we've been working toward TSX graduation." commented Kelly Hanczyk, the REIT's Chief Executive Officer. "Bolstering liquidity has meant slightly higher interest expense in the third quarter and TSX graduation efforts have led to incurring some professional fees. As a result, while we had another strong quarter, our Q3 AFFO per unit decreased slightly by 2.6% compared to Q2 2020. In the fourth quarter we will put some of our idle cash to work to acquire $36 million of high-quality industrial assets without the need to raise public equity. The acquisition of these properties will add additional solid covenant tenants to the REIT's portfolio and increase the percentage of our industrial portfolio, which has shown to be a stable asset class. We have additional opportunities that we are currently evaluating and are expecting the next year to be one of solid growth."

Summary of Results

Included in the tables that follow and elsewhere in this news release are non-IFRS measures that should not be construed as an alternative to net income / loss, cash from operating activities or other measures of financial performance calculated in accordance with IFRS and may not be comparable to similar measures as reported by other issuers. Readers are encouraged to refer to the REIT's MD&A for further discussion of the non-IFRS measures presented.

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Financial Results	$	$	$	$
Property revenue	15,103,549	14,875,417	45,737,297	44,265,280
Net operating income (NOI)	9,949,362	9,588,546	29,527,794	28,270,826
Net income	4,848,450	6,412,316	25,403,246	15,055,030

	Three months ended September 30,		Nine months ended September 30,	
	2020	2019	2020	2019
Financial highlights	$	$	$	$
Funds from operations (FFO) (1)	6,897,687	6,816,612	20,845,438	20,337,677
Normalized FFO (1) (2)	7,214,380	6,741,260	21,270,232	19,574,163
Adjusted funds from operations (AFFO) (1)	6,026,556	6,158,299	18,612,954	18,309,462
Normalized AFFO (1) (2)	6,343,249	6,082,947	19,037,748	17,545,948
Distributions declared (3)	5,229,610	4,798,386	15,450,925	14,088,755
Weighted average units outstanding – basic (4)	132,127,277	119,951,933	129,880,436	117,431,868
Weighted average units outstanding – diluted (4)	132,215,528	120,009,354	129,968,687	117,499,500
Distributions per unit, basic and diluted (3) (4)	0.040	0.040	0.119	0.120
FFO per unit, basic (1) (4)	0.052	0.057	0.160	0.173
Normalized FFO per unit, basic (1) (2) (4)	0.055	0.056	0.164	0.167
AFFO per unit, basic (1) (4)	0.046	0.051	0.143	0.156
Normalized AFFO per unit, basic (1) (2) (4)	0.048	0.051	0.147	0.149
Normalized AFFO payout ratio, basic (1) (2) (3)	82.4%	78.9%	81.2%	80.3%
Debt to total assets ratio	47.7%	51.4%	47.7%	51.4%

(1) Non-IFRS Measure

(2) Normalized FFO and Normalized AFFO include a vendor rent obligation amount related to the REIT's Richmond, BC property which is payable from the vendor of the property until the buildout of the property is complete and all tenants are occupying and paying rent. The vendor rent obligation amount is not included in NOI for IFRS accounting purposes. Normalized FFO and Normalized AFFO exclude amounts recorded in other income related to estimated future vendor rent obligation amounts. Normalized FFO and Normalized AFFO for the nine-month period ended September 30, 2019 include adjustments for debt repayment fees of $578,399 included in interest expense in that period.

(3) Includes distributions payable to holders of Class B LP Units which are accounted for as interest expense in the consolidated financial statements.

(4) Weighted average number of units includes the Class B LP Units.

COVID-19 Update

Economic reopening for the REIT's Quebec retail tenants began in May and in late June, gyms, restaurants, and bars were allowed to reopen with physical distancing and other precautions in place. Quebec retail tenants remained open and in operation throughout Q3 2020 with the application of these additional safety measures. However, subsequent to the quarter end, restrictions were once again imposed as the province experienced a second wave of COVID-19.

The Canada Emergency Commercial Rent Assistance ("CECRA") program ended in September and is expected to be replaced by the Canada Emergency Rent Subsidy ("CERS"). CERS will provide rent relief to tenants by directly subsidizing up to 65% of eligible expenses (rent, property taxes, property insurance), with an additional 25% Lockdown Support for businesses that must close or significantly reduce operations under a public health order, bringing the maximum combined support for these businesses to 90%. The program is expected to operate on a sliding scale based on revenue declines experienced by tenants. This program may benefit many of the REIT's tenants that did not qualify for CECRA. For the months of April to September 2020, total rents of approximately $260,000 were abated under the CECRA program, net of the Quebec program contribution.

The REIT has been an indirect beneficiary of the Canada Emergency Wage Subsidy program, which served to offset COVID-19 related losses in the third quarter. For the nine-month period ended September 30, 2020, COVID-19 directly resulted in a reduction of NOI by approximately $175,000. Partially offsetting, travel and other general and administrative costs decreased as an indirect result of COVID-19 travel and commercial operation restrictions.

The following table summarizes rent collections presented as a percentage of contractual gross rent:

	Q2 2020	Q3 2020	October 2020	November 2020
Cash collected from tenants	89.2%	94.0%	96.4%	94.8%
CECRA collected from government	2.7%	2.8%	0.0%	0.0%
Subtotal of cash collected from tenants and government	**91.9%**	**96.8%**	**96.4%**	**94.8%**
Deferrals granted	6.8%	0.7%	0.7%	0.1%
Cash collected on deferrals granted	(1.7)%	(0.2)%	0.0%	0.0%
Subtotal of deferrals granted, net of cash collected	**5.1%**	**0.5%**	**0.7%**	**0.1%**
CECRA abatement (1)	0.8%	0.8%	0.0%	0.0%
Cash to be collected from government (2)	0.5%	0.6%	0.0%	0.0%
Subtotal of cash collected, adjusted for CECRA and deferrals granted	**98.3%**	**98.7%**	**97.1%**	**94.9%**
Remaining to be collected (inclusive of applicable sales taxes)	1.7%	1.3%	2.9%	5.1%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**

(1) Represents 25% of gross rent required to be abated under the CECRA program, net of the Quebec Government's 12.5% contribution for qualifying Quebec tenants where applicable.

(2) Cash to be collected from government relates to the Quebec Government program which effectively reduces the landlord CECRA abatement from 25% to 12.5% of gross rents. The Quebec program became available for application on November 2, 2020.

Revenues and Results from Operations

Net operating income for Q3 2020 of $9,949,362 was $360,816 higher than net operating income of $9,588,546 for Q3 2019. Properties acquired in 2020 contributed approximately $327,000 in incremental net operating income in Q3 2020 as compared to Q3 2019 and annual CPI lease adjustments increased Q3 2020 net operating income by approximately $57,000 as compared to Q3 2019.

The REIT received an early lease termination fee of approximately $124,000 in Q3 2020, accounting for most of the $144,565 increase in Q3 2020 NOI as compared to Q2 2020. The surrendered space has been leased to another tenant.

General and administrative expense of $877,186 for the quarter was up $25,608 as compared to Q3 2019 and up $46,596 as compared to Q2 2020, with higher professional fees in Q3 2020 as compared to Q2 2020 and Q3 2019. The REIT incurred professional fees in the quarter relating to efforts to graduate to the TSX.

Q3 2020 interest expense increased $82,205 as compared to Q2 2020 with new mortgages which closed part way through Q2 2020 explaining the majority of the increase. The REIT took on additional debt to increase liquidity in the face of COVID-19 uncertainty.

Other income of $271,468 for the quarter relates to an accrual of additional vendor rent obligation payments expected to be received from the vendor of the REIT's Richmond, BC property through to the completion of build out and tenant occupancy, the target dates for which were delayed slightly due to COVID-19.

Earnings Call

Management of the REIT will host a conference call at 1:00 PM Eastern Standard Time on Tuesday November 17, 2020 to review the financial results and operations. To participate in the conference call, please dial 416-915-3239 or 1-800-319-4610 (toll free in Canada and the US) at least five minutes prior to the start time and ask to join the Nexus REIT conference call.

A recording of the conference call will be available until December 17, 2020. To access the recording, please dial 604-674-8052 or 1-855-669-9658 (toll free in Canada and the US) and enter access code 5401.

November Distribution

The REIT will make a cash distribution in the amount of $0.01333 per unit, representing $0.16 per unit on an annualized basis, payable December 15, 2020 to unitholders of record as of November 30, 2020. Should the REIT complete its planned unit consolidation prior to the November 30, 2020 record date, the distribution amount will be adjusted proportionately.

The REIT's distribution reinvestment plan ("DRIP") entitles eligible unitholders to elect to receive all, or a portion of the cash distributions of the REIT reinvested in units of the REIT. Eligible unitholders who so elect will receive a bonus distribution of units equal to 4% of each distribution that was reinvested by them under the DRIP.

Insider participation in the DRIP is approximately 1.5% of total participation for the November distribution payable on December 15, 2020.

A total of 3,124,530 units have been issued under the DRIP since its inception in February 2014.

About Nexus REIT

Nexus is a growth oriented real estate investment trust focused on increasing unitholder value through the acquisition, ownership and management of industrial, office and retail properties located in primary and secondary markets in North America. The REIT currently owns a portfolio of 73 properties comprising approximately 4.1 million square feet of rentable area. The REIT has approximately 109,910,000 units issued and outstanding. Additionally, there are Class B LP Units of subsidiary limited partnerships of Nexus REIT issued and outstanding, which are convertible into approximately 25,667,000 REIT Units.

Forward Looking Statements

Certain statements contained in this news release constitute forward-looking statements which reflect the REIT's current expectations and projections about future results. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects" or "does not expect", "is expected", "estimates", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this news release. Such forward-looking statements are based on a number of assumptions that may prove to be incorrect.

While the REIT anticipates that subsequent events and developments may cause its views to change, the REIT specifically disclaims any obligation to update these forward-looking statements except as required by applicable law. These forward-looking statements should not be relied upon as representing the REIT's views as of any date subsequent to the date of this news release. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the REIT.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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