NEXUS REAL ESTATE INVESTMENT TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the year ended December 31, 2020

March 17, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of Nexus Real Estate Investment Trust ("the REIT") for the year ended December 31, 2020 should be read in conjunction with the REIT's audited consolidated financial statements for the years ended December 31, 2020 and 2019.

The information contained in this MD&A reflects events up to March 17, 2021, the date on which this MD&A was approved by the REIT's Board of Trustees. Financial data included in this MD&A is presented in Canadian dollars, which is the functional currency of the REIT, and has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Additional information about the REIT can be accessed at www.sedar.com.

On January 29, 2021, the REIT's trust units, Class B Limited Partnership Units of the REIT's subsidiary limited partnerships and associated special voting units were consolidated on the basis of one post-consolidation unit per four pre-consolidation units (the "Consolidation"). Unless otherwise indicated, information relating to the number of Units and Class B LP Units issued or outstanding in this MD&A for the period prior to the Consolidation is presented on a pre-Consolidation basis.

FORWARD LOOKING STATEMENTS

Certain statements contained in this MD&A 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 MD&A. 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 MD&A. 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.

NON-IFRS FINANCIAL MEASURES

Net operating income ("NOI") is a measure of operating performance based on income generated from the properties of the REIT. Management considers this non-IFRS measure to be an important measure of the REIT's operating performance. Funds from operations ("FFO") is a measure of operating performance based on the funds generated from the business of the REIT before reinvestment or provision for other capital needs. Management considers this non-IFRS measure to be an important measure of the REIT's operating performance. Management considers adjusted funds from operations ("AFFO"), a non-IFRS measure, to be an important performance measure of recurring economic earnings.

Normalized FFO and Normalized AFFO are considered important measures which adjust FFO and AFFO, respectively, to exclude the impact of unique or non-recurring items.

NOI, FFO, Normalized FFO, AFFO and Normalized AFFO are not measures defined by IFRS, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income, cash generated by (used in) operating activities or other measures of financial performance calculated in accordance with IFRS. NOI, FFO, Normalized FFO, AFFO and Normalized AFFO as computed by the REIT may differ from similar measures as reported by other trusts or companies in similar or different industries.

NOI is used by industry analysts, investors and management to measure operating performance of Canadian real estate investment trusts. NOI represents property revenues less property operating expenses as presented in the statements of income prepared in accordance with IFRS. Accordingly, NOI is equivalent to net rental income as presented in the statements of income. NOI excludes certain expenses included in the determination of net income such as general and administrative expense, fair value adjustments, income (loss) from equity accounted investment in joint venture, loss on disposal of investment properties, other income, net interest expense and distributions on Class B LP Units.

The Real Property Association of Canada issued whitepapers on FFO for IFRS and AFFO for IFRS dated February 2017 (the "Whitepapers"), as amended in February 2018 and February 2019. The REIT calculates FFO and AFFO in accordance with the Whitepapers.

FFO is defined as net income in accordance with IFRS, excluding gains or losses on sales of investment properties, tax on gains or losses on disposal of properties, transaction costs expensed as a result of acquisitions being accounted for as business combinations, gain from bargain purchase, fair value adjustments of investment properties, warrants, unit options, restricted share units and derivative financial instruments, fair value adjustments and other effects of redeemable units classified as liabilities and the Class B LP Units, if any, amortization of right-of-use assets, lease principal payments, deferred income taxes, and amortization of tenant incentives and leasing costs. FFO also includes adjustments in respect of equity accounted entities for the preceding items. Normalized FFO is defined as FFO, net of adjustments for unique or non-recurring items.

AFFO is defined as FFO subject to certain adjustments, including differences resulting from recognizing ground lease payments and rental income on a straight-line basis, and reserves for normalized maintenance capital expenditures, tenant incentives and leasing costs. Normalized AFFO is defined as AFFO, net of adjustments for unique or non-recurring items.

The diluted weighted average number of units used to calculate diluted FFO per unit and diluted AFFO per unit reflects conversion of all dilutive potential units, represented by unit options, warrants and restricted share units, assuming that unit options and warrants are exercised with the assumed proceeds (comprised of exercise price and any related unrecognized compensation cost) used to purchase units at the average market price during the period.

AFFO payout ratio, and Normalized AFFO payout ratio are calculated as total distributions declared during the period (including distributions declared on Class B LP Units) divided by AFFO, and Normalized AFFO, respectively.

BUSINESS OVERVIEW AND STRATEGY

Nexus Real Estate Investment Trust 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 August 13, 2020. The REIT is an open-ended real estate investment trust which owns and operates commercial real estate properties across Canada.

The strategy of the REIT is to grow by acquiring commercial real estate assets in jurisdictions, potentially including the United States, where opportunities exist to purchase assets on terms such that the acquisitions are expected to be accretive, on a per unit basis, to the AFFO of the REIT. The REIT seeks to identify potential acquisitions using investment criteria that focus on the security of cash flow, potential for capital appreciation, and potential for increasing value through more efficient management of the assets being acquired.

The REIT has a strategic relationship with RFA Capital Partners Inc. ("RFA"), through which the REIT expects to have unique access to properties identified through RFA's expansive network of favourable industry relationships developed through over 25 years of successfully investing in the Canadian real estate industry.

HIGHLIGHTS

- Occupancy of 93% at December 31, 2020 remained consistent as compared to Q3 2020 and Q4 2019.
- Rent collections continue to be strong despite the challenges of COVID-19.
- Completed a total of $50.25MM of industrial acquisitions during the fourth quarter of 2020.
- YTD 2020 net operating income of $39,226,095 increased $1,297,995 or 3.4% as compared to 2019 net operating income of $37,928,100. Q4 2020 net operating income of $9,698,301 decreased $251,061 or 2.5% compared to $9,949,362 for Q3 2020 and increased $41,027 or 0.4% compared to $9,657,274 for Q4 2019. Q3 2020 NOI was higher primarily due to a $124,000 early lease termination fee and COVID-19 wage subsidies indirectly benefiting the REIT in Q3.
- YTD 2020 normalized FFO per unit of $0.215, as compared to $0.225 for 2019; Q4 2020 normalized FFO per unit of $0.051, as compared to $0.055 for Q3 2020 and $0.058 for Q4 2019.
- YTD 2020 normalized AFFO per unit of $0.193, as compared to $0.201 for 2019; Q4 2020 normalized AFFO per unit of $0.046, as compared to $0.048 for Q3 2020 and $0.052 for Q4 2019.
- YTD 2020 normalized AFFO payout ratio 82.4% compared to 79.4% for 2019; Q4 2020 normalized AFFO payout ratio of 86.1%, as compared to 84.2% for Q3 2020 and 77.0% for Q4 2019.
- Ended 2020 with $14MM of cash and full availability of $5MM credit facility; debt to total assets of 48.2%.
- Book NAV per unit, including Class B LP Units, of $2.54 ($10.16 post-Consolidation) at December 31, 2020, as compared to $2.46 ($9.84 post-Consolidation) at September 30, 2020 and $2.52 ($10.08 post-Consolidation) at December 31, 2019.
- Graduated to the Toronto Stock Exchange on February 1, 2021, with a 1 for 4 consolidation of outstanding units.
- On February 19, 2021, went firm on an agreement to acquire six industrial properties in London, Ontario, for $103.5MM.
- Acquired two industrial properties in Edmonton, Alberta for $14MM, on March 1, 2021.
- Closed a $34.9MM bought deal equity offering on March 4, 2021 with 4,255,000 REIT Units issued, including 555,000 units issued as part of a fully exercised overallotment.
- Management of the REIT will host a conference call on Thursday March 18th at 1PM EST to review results and operations.

COVID-19 Update

While vaccine roll out has begun, COVID-19 continued to impact the REIT and its tenants through the fourth quarter of 2020 and the first quarter of 2021. The REIT's retail portfolio, the majority of which is made up of national strong-credit tenants, has proven to be resilient. There are signs that the REIT may experience headwinds within its office portfolio, with some near-term lease renewals expected to be challenging while most office employees are working from home.

The Canada Emergency Rent Subsidy ("CERS") announced on October 9, 2020 provides up to 90% rent support for qualifying businesses that are temporarily shut down by a mandatory public health order. On March 3, 2021, the Government of Canada announced its intention to extend the program from March 14, 2021, when it was previously set to expire, to June 5, 2021.

Programs such as CERS, its predecessor program the Canada Emergency Commercial Rent Assistance ("CECRA") program and the Canada Emergency Wage Subsidy program have benefitted many of the REIT's tenants, and the REIT has been able to maintain a high level of rent collections through the pandemic.

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

	Q2 2020	Q3 2020	Q4 2020	January	February	March
Cash collected from tenants	92.3%	94.4%	98.7%	96.6%	95.9%	95.3%
CECRA collected from government	3.5%	3.7%	0.0%	0.0%	0.0%	0.0%
Subtotal of cash collected from tenants and government	**95.8%**	**98.1%**	**98.7%**	**96.6%**	**95.9%**	**95.3%**
Deferrals granted	7.0%	0.8%	0.3%	0.0%	0.0%	0.0%
Cash collected on deferrals granted	(4.6)%	(0.4)%	0.0%	0.0%	0.0%	0.0%
Subtotal of deferrals granted, net of cash collected	**2.4%**	**0.4%**	**0.3%**	**0.0%**	**0.0%**	**0.0%**
CECRA abatement (1)	1.0%	1.0%	0.0%	0.0%	0.0%	0.0%
Cash to be collected from government (2)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sub-total of cash collected, adjusted for CECRA and deferrals granted	**99.2%**	**99.5%**	**99.0%**	**96.6%**	**95.9%**	**95.3%**
Remaining to be collected	0.8%	0.5%	1.0%	3.4%	4.1%	4.7%
Total	**100.0%**	**100.0%**	**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.

The REIT has also been an indirect beneficiary of the Canada Emergency Wage Subsidy program, net of which, COVID-19 directly resulted in a reduction of the REIT's NOI by approximately $326,000 for the year ended December 31, 2020, and $151,000 for Q4 2020. Partially offsetting, travel and other general and administrative costs decreased as an indirect result of COVID-19 travel and commercial operation restrictions.

ACQUISITIONS AND DISPOSAL

Acquisitions

On December 31, 2020, the REIT acquired a 50 percent interest in an industrial property located in Ajax, Ontario (the "Ajax Property") for a contractual purchase price of $28,500,000. The REIT satisfied $25,500,000 of the purchase price on the closing date and the remaining $3,000,000 of purchase price will be satisfied in cash from mortgage financing to be placed on the Ajax Property following completion of an approximately 95,000 square foot expansion which the vendor is obligated to complete at its own cost. Over the period commencing December 31, 2020 and ending when the expansion is complete, the REIT will receive vendor rent obligation payments from the vendor, which are estimated to total $270,839.

On December 1, 2020, the REIT acquired a single-tenant industrial property located in Moncton, New-Brunswick (the "Moncton Property"), for a contractual purchase price of $8,000,000. The purchase price was partially satisfied through the issuance of 1,600,000 REIT Units at a deemed value of $2.00 per unit with the balance, net of closing adjustments, satisfied in cash.

On October 1, 2020, the REIT acquired a single-tenant industrial property located in Rocky View County Alberta, within the Calgary Metropolitan Region (the "Rocky View Property"), for a contractual purchase price of $13,750,000. The purchase price was partially satisfied through the issuance of 2,750,000 Class B LP Units of a subsidiary limited partnership of the REIT at a deemed value of $2.00 per unit, which are convertible to REIT Units on a one to one basis with the balance, net of closing adjustments, satisfied in cash.

On February 3, 2020, the REIT acquired three industrial properties located in Regina and Saskatoon, Saskatchewan (the "Access Properties") for a contractual purchase price of $17,400,000. The purchase price was satisfied through the issuance of 4,809,524 Class B LP Units of a subsidiary limited partnership of the REIT, which are convertible to REIT Units on a one to one basis, and 3,476,190 REIT Units, with both the REIT Units and the Class B LP Units issued at a deemed value of $2.10 per unit, with closing adjustments satisfied in cash.

On April 2, 2019, the REIT acquired four industrial properties located in Fort St John, British Columbia; Blackfalds, Alberta; Medicine Hat, Alberta and Estevan, Saskatchewan (the “Mastec Properties”) for a contractual purchase price of $31,000,000. The purchase price was partially satisfied through the issuance of 7,030,186 Class B LP Units of a subsidiary limited partnership of the REIT at a deemed value of $2.10 per unit and convertible into REIT Units on a one to one basis, with the balance, net of closing adjustments, satisfied in cash.

Disposal

On December 2, 2019, the REIT sold a property located in Mascouche, Quebec for a selling price of $3,700,000. Net of selling costs of $134,313, the REIT received cash proceeds of $3,565,687. The sale of the property generated a loss on sale of $134,313.

REIT PROPERTIES AS AT DECEMBER 31, 2020

Property Address	Property Use	Rentable Area (Square Feet)	Rentable Area (Square Feet) At REIT Ownership Interest	Occupancy	Weighted Average Remaining Lease Term
Northwest Territories					
348-352 Old Airport Rd., Yellowknife, NWT	Industrial	53,212	53,212	100%	4.9 years
British Columbia					
965 McMaster Way, Kamloops, BC	Industrial	13,706	13,706	100%	4.9 years
988 Great St., Prince George, BC	Multi-Tenant Service, Warehousing, Retail	53,126	53,126	100%	3.2 years
1751 &1771 Savage Road, Richmond, BC (2) (4)	Retail	171,274	171,274	65% (2) (4)	8.4 years
9929 Swanson St., Fort St. John, BC	Industrial	26,477	26,477	100%	2.3 years
Alberta					
4700 & 4750 - 102 Ave., SE, Calgary, AB	Industrial	29,471	29,471	100%	4.0 years
3780 & 4020 - 76th Ave., SE, Calgary, AB	Industrial	58,937	58,937	100%	4.9 years
41 Royal Vista Drive, NW, Calgary, AB	Industrial	36,915	36,915	31%	6.4 years
8001 - 99 St., Clairmont, AB	Warehouse and Office	26,638	26,638	100%	3.5 years
12104 & 12110 - 17th St., NE, Edmonton, AB	Industrial and Headquarters	116,582	116,582	100%	4.9 years
14801 - 97th St., Grande Prairie, AB	Industrial	42,120	42,120	100%	4.9 years
3501 Giffen Rd. North & 3711 - 36 St. North, Lethbridge, AB	Industrial	229,000	229,000	100%	8.5 years
5406 - 59th Ave., Lloydminster, AB	Industrial	12,425	12,425	100%	4.9 years
4301 – 45 Ave., Rycroft, AB	Industrial	22,110	22,110	100%	8.5 years
2301 – 8 St., Nisku, AB	Industrial	21,506	21,506	100%	3.8 years
2303A – 8 St., Nisku, AB	Industrial	39,649	39,649	100%	4.8 years
1010 Brier Park Dr., Medicine Hat, AB	Industrial	14,354	14,354	100%	2.3 years
27323 – 144 Township Rd. 394, Blackfalds, AB	Industrial	25,000	25,000	100%	5.8 years
261177-261185 Wagon Wheel Way, Balzac, AB	Industrial	95,180	95,180	100%	4.8 years

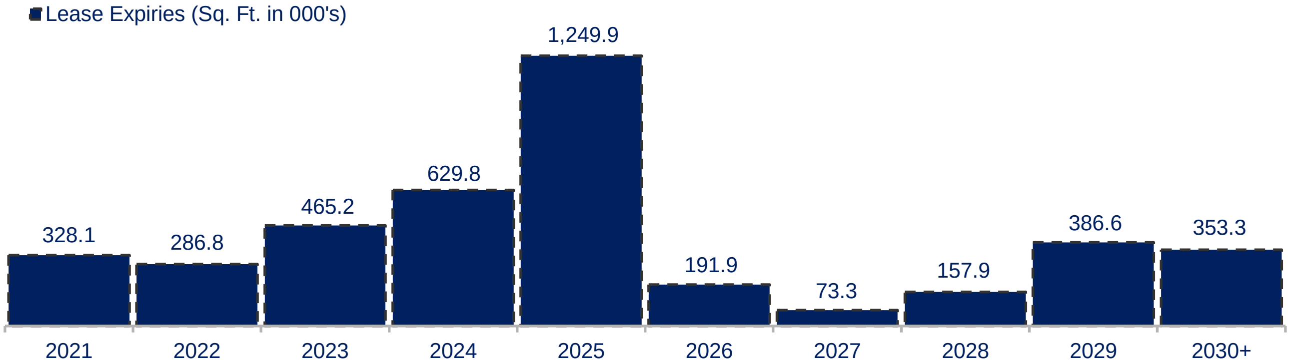
Saskatchewan					
110 - 71st St., Saskatoon, SK	Industrial	74,796	74,796	100%	4.9 years
15 Peters Ave., Saskatoon, SK	Industrial	38,160	38,160	100%	4.9 years
1414 Fletcher Road, Saskatoon, SK	Industrial	86,000	86,000	100%	2.3 years
850 Manitoba St. East & 15 - 9th Ave., NE, Moose Jaw, SK	Industrial	18,800	18,800	100%	4.9 years
4271 – 5 Ave. East, Prince Albert, SK	Industrial	24,600	24,600	100%	5.0 years
1117 -1135 Pettigrew Ave., Regina, SK	Industrial	38,690	38,690	93%	1.3 years
320 Industrial Drive, Regina, SK	Industrial	60,000	60,000	100%	2.3 years
332 Industrial Drive, Regina, SK	Industrial	85,660	85,660	100%	2.3 years
101 Jahn St., Estevan, SK	Industrial	11,846	11,846	100%	2.3 years
Ontario					
455 Welham Rd., Barrie, ON	Industrial	109,366	109,366	100%	4.5 years
200 Sheldon Drive, Cambridge, ON	Industrial	150,000	150,000	100%	3.7 years
5005 South Service Road, Beamsville, ON	Retail	8,125	8,125	100%	2.7 years
241-377 Fairall Street 332-360 Frankcom Street 97-121 McMaster Avenue Ajax, ON (1)	Industrial	479,496	239,748	100%	10.2 years
Quebec					
935-965 rue Reverchon, Saint-Laurent, QC	Multi-tenant Industrial	114,857	114,857	86%	3.3 years
2045 rue Stanley, Montréal, QC (1)	Office	112,406	56,203	95%	13.2 years
1901 Dickson / 5780 Ontario Est, Montréal, QC	Industrial	91,068	91,068	100%	4.4 years
72 rue Laval, Gatineau, QC (1)	Office	68,473	34,237	100%	1.6 years
6810 boul. Des Grandes Prairies, Montréal, QC	Industrial	60,786	60,786	100%	1.5 years
3330 2e rue, Saint-Hubert, QC	Multi-tenant Industrial	60,441	60,441	100%	0.9 years
3600 1ère rue, Saint-Hubert, QC	Multi-tenant Industrial	37,554	37,554	100%	4.5 years
3550 1ère rue, Saint-Hubert, QC	Industrial	22,428	22,428	100%	3.1 years
1185-1195 Chemin du Tremblay, Longueuil, QC	Retail	53,924	53,924	97%	3.4 years

41 boulevard Saint-Jean-Baptiste, Châteauguay, QC	Retail	53,151	53,151	100%	4.8 years
10500 avenue Ryan, Dorval, QC	Office	52,372	52,372	100%	8.9 years
3490-3504 rue Griffith, Saint-Laurent, QC	Multi-tenant Industrial	40,665	40,665	100%	2.3 years
955 boulevard Michèle-Bohec, Blainville, QC	Office	33,461	33,461	100%	5.5 years
1600 rue Montgolfier, Laval, QC	Office	27,097	27,097	100%	5.6 years
10330-10340 Ch. Côte-de-Liesse, Lachine, QC (5)	Office	26,281	26,281	44%	1.9 years
1094-1100 boulevard Des Chutes, Beauport, QC (1)	Retail	32,411	16,206	100%	3.7 years
1700 rue Sherbrooke, Magog, QC (1)	Retail	132,584	66,292	78%	3.1 years
1971 rue Bilodeau, Plessisville, QC (1)	Retail	99,611	49,806	92%	4.2 years
14000 boulevard Henri-Bourassa, Québec City, QC (1)	Retail	44,619	22,310	100%	4.1 years
6700 rue St-Georges, Lévis, QC (1)	Retail	43,203	21,602	84%	4.0 years
10516 boulevard Sainte-Anne, Ste-Anne-de-Beaupré, QC (1)	Retail	88,625	44,313	86%	3.5 years
9550 boulevard L'Ormière, Québec, QC (1)	Retail	114,331	57,166	97%	2.1 years
333 Côte Joyeuse, St-Raymond, QC (1)	Retail	64,481	32,241	80%	2.4 years
161 Route 230 Ouest, La Pocatière, QC (1)	Retail	208,799	104,400	69%	4.5 years
25 Route 138, Forestville, QC (1)	Retail	55,962	27,981	87%	2.2 years
2000 boulevard Louis-Fréchette, Nicolet, QC (1)	Retail	88,383	44,192	93%	5.2 years
3856 boulevard Taschereau, Greenfield Park, QC (1)	Retail	213,982	106,991	86%	3.8 years
250 boulevard Fiset, Sorel, QC (1)	Retail	116,348	58,174	100%	4.9 years
8245 boulevard Taschereau, Brossard, QC (1)	Retail	43,335	21,668	93%	7.6 years
340 rue Belvédère Sud, Sherbrooke, QC (1)	Retail	171,265	85,633	91%	3.3 years
401-571 boulevard Jutras Est, Victoriaville, QC	Retail	379,254	379,254	92%	6.0 years
7500 boulevard Les Galeries d'Anjou, Anjou, QC (1)	Retail	104,691	52,346	92%	4.7 years
353 St-Nicolas, Montréal, QC (1)	Office	34,425	17,213	56%	2.8 years

410 St-Nicolas, Montréal, QC [1]	Office	154,862	77,431	82%	5.2 years
360 Notre-Dame Ouest, Montréal, QC [1]	Office	29,442	14,721	98%	2.1 years
321 de la Commune, Montréal, QC [1]	Office	11,502	5,751	100%	2.0 years
329 de la Commune, Montréal, QC [1]	Office	21,022	10,511	93%	2.5 years
127, 137 & 145 St-Pierre, Montréal, QC [1]	Office	36,837	18,419	77%	4.5 years
63 rue des Brésoles, Montréal, QC [1]	Office	38,253	19,127	100%	2.8 years
425 rue Guy, Montréal, QC [1]	Multi-tenant Industrial	37,196	18,598	82%	2.4 years
New Brunswick					
400 Main Street, St. John, NB	Office	160,071	160,071	91%	3.3 years
675 St-George Boulevard, Moncton, NB	Industrial	93,443	93,443	100%	4.5 years
Prince Edward Island					
695 University Ave., Charlottetown, PEI	Retail	4,501	4,501	100%	0.5 years
Total		5,751,623	4,428,359	93% [3]	5.0 years [3]

(1) The REIT owns a 50% interest in these properties.
(2) Property is currently being repositioned from industrial uses to other higher yielding uses.
(3) Excluding 1751 & 1771 Savage Road (the “Richmond Property”), which is currently being repositioned, the occupancy rate is 94% and the weighted average remaining lease term is 4.8 years.
(4) As at December 31, 2020, 1751 & 1771 Savage Road has a total committed occupancy of 100%.
(5) This property was sold on March 16, 2021.

LEASE EXPIRIES



Expiring Annual Base Revenue ($Ms)

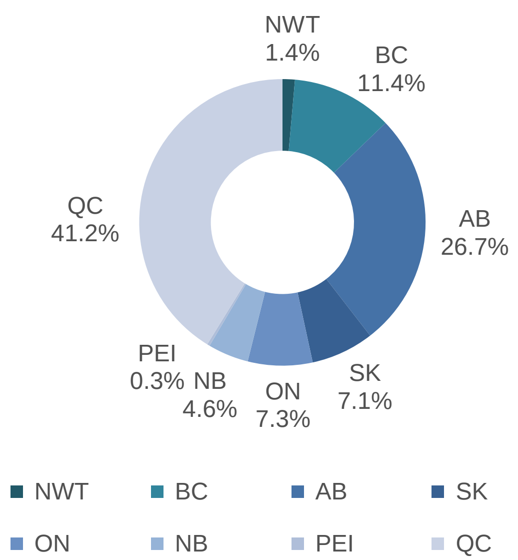
2021	2022	2023	2024	2025	2026	2027	2028	2029	2030+
3.5	3.5	5.1	8.5	12.6	3.7	0.9	1.8	4.3	3.7

% of Total Leased GLA Expiring

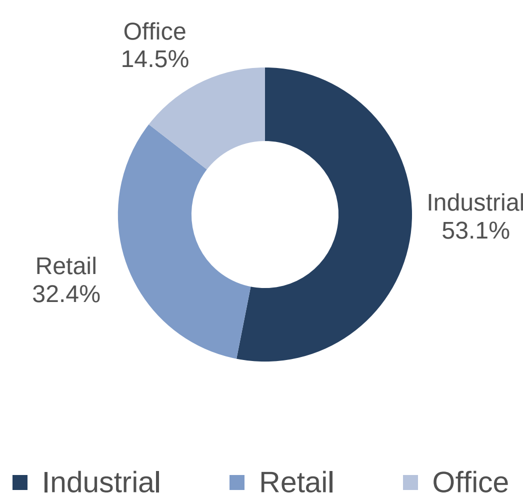
2021	2022	2023	2024	2025	2026	2027	2028	2029	2030+
8.0%	7.0%	11.3%	15.2%	30.2%	4.7%	1.8%	3.8%	9.4%	8.6%

PROPERTY COMPOSITION DIVERSITY

GEOGRAPHIC MIX (BY BASE RENT)



ASSET CLASS MIX (BY BASE RENT)



SUMMARY OF RESULTS

	Three months ended December 31, 2020 $	Three months ended December 31, 2019 $	Year ended December 31, 2020 $	Year ended December 31, 2019 $
Financial highlights				
Property revenues	15,648,288	15,583,030	61,385,585	60,010,310
Net rental income (NOI)	9,698,301	9,657,274	39,226,095	37,928,100
Funds from operations (FFO) (1)	6,612,764	7,892,732	27,458,202	28,230,409
Normalized FFO (1) (2)	6,992,342	6,993,921	28,262,574	26,568,084
Adjusted funds from operations (AFFO) (1)	5,909,260	7,141,757	24,522,214	25,451,219
Normalized AFFO (1) (2)	6,288,838	6,242,946	25,326,586	23,788,894
Distributions declared (3)	5,413,912	4,808,507	20,864,837	18,897,262
Weighted average units outstanding – basic (4)	136,058,373	120,205,902	131,433,360	118,131,076
Weighted average units outstanding – diluted (4)	136,146,624	120,317,048	131,521,611	118,202,305
Distributions per unit, basic and diluted (3) (4)	0.040	0.040	0.159	0.160
FFO per unit, basic and diluted (1) (4)	0.049	0.066	0.209	0.239
Normalized FFO per unit, basic and diluted (1) (2) (4)	0.051	0.058	0.215	0.225
AFFO per unit, basic (1) (4)	0.043	0.059	0.187	0.215
AFFO per unit, diluted (1) (4)	0.043	0.059	0.186	0.215
Normalized AFFO per unit, basic and diluted (1) (2) (4)	0.046	0.052	0.193	0.201
AFFO payout ratio, basic (1) (3)	91.6%	67.3%	85.1%	74.2%
Normalized AFFO payout ratio, basic (1) (2) (3)	86.1%	77.0%	82.4%	79.4%
Debt to total assets ratio	48.2%	49.1%	48.2%	49.1%

(1) See Non-IFRS Measures.

(2) Normalized FFO and Normalized AFFO include adjustments for a vendor rent obligation amount related to the REIT's Richmond Property, which are 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 also include adjustments for debt repayment fees included in interest expense in the year ended December 31, 2019 of $578,399 which were due on repayment of debt assumed in acquisitions completed in July 2017.

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

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

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
	$	$	$	$
Financial results				
Property revenues	15,648,288	15,583,030	61,385,585	60,010,310
Property expenses	(5,949,987)	(5,925,756)	(22,159,490)	(22,082,210)
Net operating income (NOI)	9,698,301	9,657,274	39,226,095	37,928,100
General and administrative expense	(773,217)	(742,429)	(3,473,655)	(3,187,095)
Fair value adjustment of investment properties	13,191,196	19,779,867	10,582,824	20,169,991
Fair value adjustment of Class B LP Units	(9,263,746)	(3,097,390)	6,981,773	(5,165,873)
Fair value adjustment of warrants	-	70	1,210	3,015
Fair value adjustment of unit options	(164,000)	(147,000)	333,000	(247,000)
Fair value adjustment of restricted share units	(69,718)	(15,841)	(51,252)	(15,841)
Fair value adjustment of derivative financial instruments	(139,246)	1,743,383	(6,156,831)	781,269
Income from equity accounted investment in joint venture	980,017	2,333,538	865,198	2,142,091
Loss on disposal of investment properties	-	(134,313)	-	(134,313)
Other income	180,718	1,416,625	1,546,330	4,624,419
	13,640,305	30,793,784	49,854,692	56,898,763
Net interest expense	(2,811,759)	(2,732,394)	(11,001,134)	(11,620,169)
Distributions on Class B LP Units	(997,431)	(728,450)	(3,619,197)	(2,890,624)
Net income	9,831,115	27,332,940	35,234,361	42,387,970

For the three months ended December 31, 2020, NOI of $9,698,301 was $41,027 higher than Q4 2019 NOI of $9,657,274. Properties acquired in 2020 and CPI increases generated incremental NOI of approximately $634,000 and $57,000, respectively, in Q4 2020 as compared to Q4 2019. The early termination of a tenant at the REIT's Richmond Property in Q4 2019 reduced Q4 2020 NOI by approximately $163,000 as compared to Q4 2019. The tenancy was early terminated to allow the REIT to proceed with a value-add project for this property. Q4 2020 COVID-19 related costs, primarily comprised of an allowance for expected credit losses, totalled $151,000 as compared to $nil in Q4 2019. A vacancy at a REIT industrial property in Calgary, Alberta reduced Q4 2020 NOI by approximately $110,000 as compared to Q4 2019. An early lease termination completed in Q3 2020 reduced Q4 2020 NOI by approximately $130,000 as compared to Q4 2019, with lower rental revenue due to the vacancy, and repairs and maintenance costs incurred to ready the space for a new tenancy.

For the year ended December 31, 2020, NOI of $39,226,095 was $1,297,995 higher than NOI of 2019 of $37,928,100. Properties acquired in 2020 and in 2019 contributed approximately $2,236,000 of incremental NOI in 2020 as compared to 2019. CPI increases generated incremental NOI of approximately $231,000 in 2020 as compared to 2019. Partially offsetting was the impact of disposing a property in Q4 2019, which reduced NOI of 2020 by approximately $202,000 as compared to 2019, and the early termination of a tenant at the REIT's Richmond Property in Q4 2019, which reduced NOI by $747,000 in 2020 as compared to 2019. The tenancy was early terminated to allow the REIT to proceed with a value-add project for this property. A vacancy at a REIT industrial property in Calgary, Alberta reduced 2020 NOI by approximately $110,000 as compared to 2019.

For the three months ended December 31, 2020, general and administrative expense of $773,217 was $30,788 higher than Q4 2019 general and administrative expense of $742,429, primarily due to higher salaries and expenses related to the REIT's equity-settled RSU plan, partially offset by lower professional fees and travel costs.

For the year ended December 31, 2020, general and administrative expense of $3,473,655 was $286,560 higher than general and administrative expense of $3,187,095 in the same period of the prior year primarily due to higher salaries as compared to 2019 and expenses related to the equity-settled RSU plan in the amount of $287,000 in 2020 compared to $86,000 for the same period of 2019. TSX listing fees relating to unit issuances and higher professional fees, including professional fees related to TSX graduation efforts in the year ended December 31, 2020 accounted for an increase of approximately $56,000 as compared to 2019. Partially offsetting were lower expenses relating to travel, meals and entertainment and related costs which were approximately $124,000 lower in 2020 as compared to 2019 as a result of COVID-19.

Fair value increases of investments properties of $13,191,196 and $10,582,824 were recorded during the three months and year ended December 31, 2020, respectively. During the year ended December 31, 2020, upwards fair value adjustments of approximately $23,585,000 were recorded to adjust carrying values of properties that were recently acquired to appraised values and to reflect increases in fair values of primarily industrial properties. The majority of these fair value adjustments were validated by reference to external appraisals completed on the properties adjusted. Partially offsetting were downward fair value adjustments of approximately $11,370,000 to reflect COVID-19 driven changes in valuation assumptions including capitalization rates, NOI and occupancy, of certain of the REIT's investment properties.

Fair value adjustments of Class B LP Units are driven by changes in the trading price of units of the REIT, multiplied by the number of Class B LP Units outstanding at a quarter end, as well as fair value adjustments to the date that Class B LP Units are exchanged for REIT Units. As at December 31, 2020, 25,485,487 Class B LP Units were outstanding. The trading price of the REIT's units as at December 31, 2020 was $1.93 as compared to $1.56 as at September 30, 2020 and $2.17 per unit as at December 31, 2019.

Fair value adjustments of unit options are impacted primarily by changes in the trading price of the REIT Units relative to the strike price of the unit options and by the number of unit options outstanding, as well as by changes in interest rates and the expected remaining life of unit options. The trading price of the REIT's Units accounted for the majority of the change in fair value during the year.

Fair value losses on derivative financial instruments of $139,246 and $6,156,831 were recorded for the three months and year ended December 31, 2020, respectively. The fair value losses were due to a significant drops in interest rates, which impacted the fair value of interest rate swaps that the REIT is a party to. The interest rate swaps effectively fix interest rates on $65,000,000 of the REIT's Credit Facility and $77,384,097 of floating rate mortgages.

Net income from equity accounted investment in joint venture for the three months ended December 31, 2020 of $980,017 is comprised of $244,234 of NOI from the joint venture investment property, a fair value gain on the investment property of $769,291 and a fair value gain of $54,858 to mark to market interest rate swaps in place at the joint venture, offset by $70,149 of interest expense as well as $18,217 of general and administrative expense.

For the year ended December 31, 2020, the income from equity accounted investment in joint venture of $865,198 is comprised of $942,397 of NOI from the joint venture investment property, a fair value gain on the investment property of $769,291, partially offset by a loss on fair value adjustment of $480,321 to mark to market the swaps, interest expense of $282,114, and general and administrative expense of $84,055.

During the year ended December 31, 2020, the estimated vendor rent obligation related to the Richmond Property was reassessed in the context of anticipated COVID-19 driven delays in the completion of property improvements required before the commencement of certain leases. $180,718 for the three-month period ended December 31, 2020 and $1,546,330 for the year then ended was recorded in other income, reflecting an increase in the total amount expected to be collected from the vendor through to completion of the property improvements. The work is progressing and expected to be completed in the second quarter of 2021.

Net interest expense for the three months ended December 31, 2020 of $2,811,759 was $79,365 higher than net interest expense of $ 2,732,394 for Q4 2019 primarily due to increased mortgage interest expense relating to new mortgage financings completed in Q2 2020 on the previously unencumbered Access Properties and a property in Beamsville, Ontario, as well as new mortgage financing secured by the properties acquired in the quarter.

Net interest expense for the year ended December 31, 2020, of $11,001,134 was $619,035 lower than net interest expense of $11,620,169 for the same period of the prior year primarily due to debt repayment fees of

$578,399 incurred in 2019, as compared to $nil in 2020. During the year ended December 31, 2020, interest expense was reduced by approximately $148,000 on account of lower interest rates on renewal of the Credit Facility in September 2019 and interest expense was also reduced by approximately $64,000 due to the REIT paying down approximately $5,000,000 of debt through the year.

For the three months ended December 31, 2020, distributions on Class B LP Units of $997,431 were $268,981 higher than distributions on Class B LP Units of $728,450 for the same period of the prior year due to a greater number of Class B LP Units outstanding in the period, which were primarily issued in connection with the acquisitions of the Access Properties in Q1 2020 and the Rocky View Property in Q4 2020.

For the year ended December 31, 2020, distributions on Class B LP Units of $3,619,197 were $728,573 higher than distributions on Class B LP Units of $2,890,624 for the 2019 for the same reason.

	As at December 31, 2020 $	**As at December 31, 2019 $**
Select balance sheet data		
Investment properties	667,600,805	584,772,861
Cash	13,993,230	7,875,818
Total Assets	**710,498,718**	**613,379,467**
Current portion of mortgages payable	34,368,494	45,132,631
Total Current Liabilities	**47,954,912**	**54,292,590**
Non-current portion of mortgages payable	239,413,077	186,971,943
Non-current portion of Credit Facility	64,903,002	65,009,228
Class B LP Units	49,186,994	39,528,332
Total Non-current Liabilities	**362,964,311**	**295,857,626**
Total Unitholders' Equity	**299,579,495**	**263,229,251**
Debt to total assets ratio	48.2%	49.1%

Debt to total assets

The REIT's debt to total assets as at December 31, 2020 was 48.2% as compared to 49.1% as at December 31, 2019. The decrease is mainly due to the completion of a $17,400,000 acquisition in Q1 2020 which was financed by issuing Class B LP and REIT Units to satisfy 100% of the purchase price. Also contributing are fair value increases relating to the REIT's investment properties. The REIT's calculation of debt includes mortgages payable, Credit Facility and lease liabilities balances at the amounts carried in the REIT's consolidated statement of financial position.

SUMMARY OF QUARTERLY RESULTS [1]

	Q4 2020	Q3 2020	Q2 2020	Q1 2020
Property revenues	$ 15,648,288	$ 15,103,549	$ 15,040,989	$ 15,592,759
Property expenses	$ (5,949,987)	$ (5,154,187)	$ (5,236,192)	$ (5,819,124)
Net operating income (NOI)	$ 9,698,301	$ 9,949,362	$ 9,804,797	$ 9,773,635
Net income	$ 9,831,115	$ 4,848,450	$ 6,883,796	$ 13,671,000
Weighted average number of units, basic [2]	136,058,373	132,127,277	131,745,744	125,743,611
Weighted average number of units, diluted [2]	136,146,624	132,215,528	131,833,996	125,861,519

	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Property revenues	$ 15,583,030	$ 14,929,417	$ 15,057,425	$ 14,440,438
Property expenses	$ (5,925,756)	$ (5,340,871)	$ (5,311,966)	$ (5,503,617)
Net operating income (NOI)	$ 9,657,274	$ 9,588,546	$ 9,745,459	$ 8,936,821
Net income	$ 27,332,940	$ 6,412,316	$ 4,041,737	$ 4,600,977
Weighted average number of units, basic [2]	120,205,902	119,951,933	119,729,985	112,532,148
Weighted average number of units, diluted [2]	120,317,048	120,009,354	119,798,205	112,557,675

(1) The quarterly results fluctuate based on timing related to pursuing and completing acquisitions and corporate activities, other income and fair value adjustments of investment properties, Class B LP Units, warrants, unit options, restricted share units and derivative financial instruments.

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

FUNDS FROM OPERATIONS AND ADJUSTED FUNDS FROM OPERATIONS

	Three months ended December 31, 2020 $	Three months ended December 31, 2019 $	Year ended December 31, 2020 $	Year ended December 31, 2019 $
FFO				
Net income	9,831,115	27,332,940	35,234,361	42,387,970
Adjustments:				
Loss on disposal of investment properties	-	134,313	-	134,313
Fair value adjustment of investment properties	(13,191,196)	(19,779,867)	(10,582,824)	(20,169,991)
Fair value adjustment of Class B LP Units	9,263,746	3,097,390	(6,981,773)	5,165,873
Fair value adjustment of warrants	-	(70)	(1,210)	(3,015)
Fair value adjustment of unit options	164,000	147,000	(333,000)	247,000
Fair value adjustment of RSU	69,718	15,841	51,252	15,841
Fair value adjustment of derivative financial instruments	139,246	(1,743,383)	6,156,831	(781,269)
Adjustments for equity accounted joint venture (1)	(824,149)	(2,152,954)	(288,970)	(1,830,150)
Attribution of grant date fair value of unit options	(31,224)	(31,224)	(124,896)	(161,965)
Distributions on Class B LP Units expensed	997,431	728,450	3,619,197	2,890,624
Amortization of tenant incentives and leasing costs	166,695	135,575	636,734	317,326
Lease principal payments	(15,891)	(14,553)	(61,320)	(75,242)
Amortization of right-of-use assets	23,273	23,274	93,094	93,094
Deferred income taxes	20,000	-	40,726	-
Funds from operations (FFO)	6,612,764	7,892,732	27,458,202	28,230,409
Add: Vendor rent obligation (2)	560,296	517,814	2,350,702	2,383,695
Less: Other income (2)	(180,718)	(1,416,625)	(1,546,330)	(4,624,419)
Add: Repayment fees (3)	-	-	-	578,399
Normalized FFO	6,992,342	6,993,921	28,262,574	26,568,084
AFFO				
FFO	6,612,764	7,892,732	27,458,202	28,230,409
Adjustments:				
Straight-line adjustments ground lease and rent	(128,504)	(197,294)	(635,988)	(575,147)
Capital reserve (4)	(575,000)	(553,681)	(2,300,000)	(2,204,043)
Adjusted funds from operations (AFFO)	5,909,260	7,141,757	24,522,214	25,451,219
Add: Vendor rent obligation (2)	560,296	517,814	2,350,702	2,383,695
Less: Other income (2)	(180,718)	(1,416,625)	(1,546,330)	(4,624,419)
Add: Repayment fees (3)	-	-	-	578,399
Normalized AFFO	6,288,838	6,242,946	25,326,586	23,788,894

(1) Adjustment for equity accounted joint venture relates to a fair value adjustment of swaps in place at the joint venture to swap floating rate bankers' acceptance rates to a fixed rate and fair value adjustment of the joint venture investment property.

(2) Normalized FFO and Normalized AFFO include adjustments for vendor rent obligation amounts related to the REIT's Richmond Property, which are payable from the vendor of the property until the buildout of the property is complete and tenants are occupying and paying rent. The vendor rent obligation amount is not included in NOI for accounting, but the estimated total amount of vendor rent obligation is recorded in other income. Normalized FFO and Normalized AFFO exclude estimated future vendor rent obligation amounts included in other income in the statement of income and comprehensive income and include the scheduled quarterly rents receivable in the form of vendor rent obligation.

(3) Normalized FFO and Normalized AFFO include adjustments for debt repayment fees included in interest expense in the year ended December 31, 2019 of $578,399 which were due on repayment of debt assumed in acquisitions completed in July 2017.

(4) Capital reserve includes maintenance capital expenditures, tenant incentives and leasing costs. Reserve amounts are established with reference to building condition reports, appraisals, and internal estimates of tenant renewal, tenant incentives and leasing costs. The REIT believes that a reserve is more appropriate given the fluctuating nature of these expenditures.

AFFO Capital Reserve

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
	$	$	$	$
Capital reserve	575,000	553,681	2,300,000	2,204,043
Average square feet of GLA	4,124,604	3,783,145	4,009,115	3,767,763
Annualized capital reserve per square foot of GLA	$0.56	$0.59	$0.57	$0.58

	Three months ended December 31,		Year ended December 31,	
	2020	2019	2020	2019
	$	$	$	$
Actual tenant incentives and leasing costs (1)	511,828	904,456	1,153,774	1,875,963
Actual maintenance capital expenditures (2)	334,374	555,133	1,110,635	1,169,658
Total	846,202	1,459,589	2,264,409	3,045,621
Less expenditures funded from mortgage escrow	-	-	(195,286)	-
Total spending funded by the REIT	846,202	1,459,589	2,069,123	3,045,621
Average square feet of GLA	4,124,604	3,783,145	4,009,115	3,767,763
Annualized capital spent per square foot of GLA unadjusted for capital reserve	$0.82	$1.54	$0.52	$0.81

(1) Excludes tenant incentives and leasing costs in the amount of $nil (2019 - $406,680) and $907,182 (2019 - $406,680) incurred during the three month and year ended December 31, 2020, respectively, for incremental revenue generation relating to the construction of a new pad site and repurposing a previous industrial space into significantly higher yielding uses.

(2) Excludes capital expenditures in the amount of $897,189 (2019 – $nil) and $3,985,972 (2019 – $nil) incurred during the three months and year ended December 31, 2020, respectively, for incremental revenue generation relating to the repurposing of a previous industrial space into significantly higher yielding uses.

Actual capital spending and tenant incentive and leasing costs for the year ended December 31, 2020 of $2,264,409 is lower than the amount of the capital reserve included in AFFO of $2,300,000 by $35,591. Capital spending on a portfolio acquired in July 2017 was anticipated to be higher in the first 2 to 3 years post-acquisition, and to then normalize. Some of the anticipated spending on this portfolio of properties has been deferred due to COVID-19.

The following is a reconciliation of the REIT's AFFO to cash flows from operating activities:

	Three months ended December 31,		Year ended December 31,	
	2020 $	2019 $	2020 $	2019 $
Cash flows generated by operating activities	9,453,787	6,612,159	24,348,165	23,347,175
Adjustments:				
Changes in non-cash working capital	(3,996,606)	(20,048)	(1,145,233)	897,635
Changes in other non-current assets	894	(31,663)	17,180	(59,611)
Changes in restricted cash	8,436	224,086	41,070	453,944
Distributions on Class B LP Units expensed	997,431	728,450	3,619,197	2,890,624
Loss on disposal of investment properties	-	134,313	-	134,313
Adjustments for equity accounted joint venture	(824,149)	(2,152,954)	(288,970)	(1,830,150)
Share of net income from equity accounted investment in joint venture	980,017	2,333,538	865,198	2,142,091
Straight-line rent adjustments of equity accounted joint venture	(24,550)	(4,828)	(90,437)	(85,674)
Restricted share unit expense	(43,082)	(86,339)	(287,092)	(158,339)
Attribution of grant date fair value of unit options	(31,224)	(31,224)	(124,896)	(161,965)
Amortization of deferred financing fees	(78,295)	(73,537)	(322,660)	(373,695)
Amortization of mortgage fair value adjustments	57,492	78,038	252,012	534,156
Lease principal repayments	(15,891)	(14,553)	(61,320)	(75,242)
Capital reserve	(575,000)	(553,681)	(2,300,000)	(2,204,043)
AFFO	5,909,260	7,141,757	24,522,214	25,451,219

FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

The REIT's principal source of liquidity is cash on hand and the undrawn borrowing capacity on its Credit Facility. As at December 31, 2020, the REIT had cash of $13,993,230 (December 31, 2019 - $7,875,818) and a working capital deficit of $16,097,240 (December 31, 2019 - $37,635,642). Excluding the current portion of mortgages payable of $34,368,494, working capital would be a surplus of $18,271,254. The REIT expects that it will be able to refinance the mortgages on their maturities. Management of the REIT believes that sufficient cash from operations will be generated to settle the REIT's liabilities as they come due, and the REIT has the ability to draw funds on the Credit Facility if required. The REIT has sufficient liquidity to maintain and expand its business.

Changes in cash for the periods noted are detailed in the following table:

	Three months ended December 31,		Year ended December 31,	
	2020 $	2019 $	2020 $	2019 $
Cash generated by (used in)				
Operating activities	9,453,787	6,612,159	24,348,165	23,347,175
Investing activities	(40,350,720)	1,696,089	(45,073,435)	(17,993,641)
Financing activities	28,530,549	(5,281,460)	26,842,682	(831,885)
Change in cash	(2,366,384)	3,026,788	6,117,412	4,521,649
Cash – beginning of period	16,359,614	4,849,030	7,875,818	3,354,169
Cash – end of period	13,993,230	7,875,818	13,993,230	7,875,818

Cash generated from operating activities for the three months ended December 31, 2020 of $9,453,787 is comprised of net income of $9,831,115, cash from changes in non-cash working capital, other non-current assets and restricted cash of $3,987,276, and non-cash items of $4,364,604. Prepaid expenses decreased in the quarter, generating $1,579,733 with most property taxes having been fully paid for the year prior to Q4 2020 and tenant and other receivables generated $1,259,055 during the quarter, mainly due to the collection of previously deferred rent amounts.

Cash generated from operating activities for the year ended December 31, 2020 of $24,348,165 is comprised of net income of $35,234,361, net of the impact of increases in non-cash working capital, other non-current assets and restricted cash of $1,086,983 and non-cash items of $11,973,179.

Cash used in investing activities for the three months ended December 31, 2020, of $40,350,720 is primarily related to $39,250,182 used for the acquisition of the Ajax and the Moncton and Rocky View properties in Q4 2020. The remainder of cash used in investing activities relates to tenant incentives, leasing costs and capital spending in the amount of $1,100,538, including $727,992 of capital expenditures as part of the repurposing of a previous industrial space into significantly higher yielding uses.

Cash used in investing activities for the year ended December 31, 2020 of $45,073,435 is primarily related to $39,415,864 used for the acquisitions completed during the year. The remainder related to tenant incentives, leasing costs and capital spending in the amount of $5,657,571, including capital expenditures, leasing costs and tenant incentives relating to the construction of a new pad site and repurposing a previous industrial space into significantly higher yielding uses, which totalled $2,964,589.

Cash generated from financing activities for the three months ended December 31, 2020 of $28,530,549 is primarily related to new mortgage financing proceeds of $34,744,747, of which $31,312,500 was related to financing the Ajax, Moncton and Rocky View Properties acquired in the quarter, and equity take out on refinancing two properties in the quarter, partially offset by cash distributions to unitholders of $3,765,249 and mortgage principal repayments of $1,975,606.

Cash generated from financing activities for the year ended December 31, 2020 of $26,842,682 is primarily related to proceeds from new mortgage financing of $49,428,837, of which $31,312,500 was related to financing the properties acquired in the fourth quarter of the year. Partially offsetting was cash distributions to unitholders of $14,889,612 and mortgage principal repayments of $7,280,155.

The REIT believes that it has sufficient financial resources and generates sufficient cash from operations to operate its investment properties and to identify, investigate and complete potential acquisitions, and to fund further expenditures as required.

Mortgages Payable

As at December 31, 2020, the mortgages payable are secured by charges against 60 of the REIT's investment properties. The weighted average interest rate, including deferred financing costs and interest rate swap agreements, of the mortgages payable is 3.66% and the weighted average term to maturity is 3.95 years (December 31, 2019 – 3.68 years). The breakdown of future principal repayments, including mortgage maturity, is presented in the following table:

	Scheduled Repayments $	Principal Maturities $	Total $
2021	8,363,067	26,027,188	34,390,255
2022	8,061,362	15,984,322	24,045,684
2023	6,801,702	48,922,042	55,723,744
2024	4,860,656	43,318,733	48,179,389
2025	3,079,854	63,170,777	66,250,631
Thereafter	4,354,156	41,286,822	45,640,978
Total	35,520,797	238,709,884	274,230,681

Credit Facility

On September 13, 2019, the REIT refinanced its existing credit facility to a fixed-term facility of $65,000,000 and a revolving facility of $5,000,000 (together the Credit Facility). The Credit Facility matures on September 13, 2024 and is secured against 13 of the REIT's investment properties.

The $65,000,000 fixed-term facility bears interest at the 30-day Bankers' acceptance rate plus 150 basis points. Concurrent with the refinancing, the REIT entered into interest rate swap agreements totalling $65,000,000 to swap floating 30-day Bankers' acceptance rates for a fixed rate of 1.65%, such that the interest rate on the fixed-term facility, including the 150 basis point spread, is fixed at 3.15%. The $5,000,000 revolving credit facility allows the REIT to draw against the facility in the form of prime rate advances or Bankers' acceptances. Prime rate advances bear interest at 100 basis points per annum over the Canadian prime borrowing rate. Bankers' acceptance advances bear interest at 200 basis points per annum over the floating bankers' acceptance rate.

On April 6, 2020, the REIT received working capital relief loans totalling $500,000 from its Credit Facility lender as part of their COVID-19 relief programs. These loans were set at an amount that approximates three months' interest payments under the Credit Facility. The loans bear interest of 100 basis points over the lender's prime lending rate, can be early repaid without penalty and must be repaid by July 31, 2021. As at December 31, 2020, $293,491 (December 31, 2019 - nil) relating to these working capital relief loans remained outstanding.

The REIT has a $500,000 revolving line of credit bearing interest at 100 basis points per annum over the Canadian prime borrowing rate. The line of credit is secured against six of the REIT's investment properties and allows the REIT to draw down a yearly average maximum of 75% of the $500,000 credit limit. As at December 31, 2020, this line of credit was undrawn (December 31, 2019 - undrawn).

Funds drawn against the Credit Facility and the revolving line of credit are as follows:

	December 31, 2020 $	**December 31, 2019 $**
Fixed-term borrowings	65,000,000	65,000,000
Working capital relief loans	293,491	-
Prime rate borrowings	-	139,273
Total drawn against the Credit Facility	65,293,491	65,139,273
Less: deferred financing costs	(96,998)	(130,045)
	65,196,493	65,009,228

Amounts drawn on the Credit Facility as at December 31, 2020 are as follows:

	Principal Amount $	**Interest Rate**	**Repricing Date**
Fixed-term borrowings	65,000,000	1.97% (1)	January 13, 2021 (1)
Working capital relief loans	293,491	3.45%	January 31, 2021
	65,293,491		

(1) The REIT entered into interest rate swap agreements to swap floating rate interest for a fixed rate of 3.15% over the term of the Credit Facility.

The Credit Facility includes, inter alia, covenants that RW Real Estate Holdings Limited Partnership ("RW LP"), a subsidiary of the REIT which is party to the Credit Facility: (i) will not allow the Total Funded Debt to Real Property Ratio to exceed 60% at any time; and (ii) the Interest Coverage Ratio shall not be less than 2.25:1.00. As at December 31, 2020, RW LP was in compliance with both of these covenants. The Credit Facility also contains restrictions on, inter alia, change of business, sale of assets, and mergers and acquisitions without the consent of the lender and includes events of default such as failure to pay the principal loan, failure to observe covenants and involuntary insolvency.

Total Funded Debt to Real Property Ratio is a defined term contained in the Credit Facility. Total Funded Debt to Real Property Ratio is calculated as the total amount drawn against the Credit Facility divided by the fair market value of the investment properties of RW LP.

Interest Coverage Ratio is a defined term contained in the Credit Facility. Interest Coverage Ratio is calculated by dividing the interest expense of RW LP by the result of the following as contained in the RW LP Statement of Income: net income plus interest expense, plus loss on fair value adjustment of investment properties, less gain on fair value adjustment of investment properties, plus depreciation and amortization.

Total Funded Debt to Real Property Ratio and Interest Coverage Ratio are not measures defined by IFRS, do not have standardized meanings prescribed by IFRS and should not be construed as alternatives to net income, financial position, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. These covenant calculations are not used by the REIT as a measure of the REIT's future or historical financial performance, financial position or cash flow, but are used solely to determine RW LP's compliance with its covenants set out in the Credit Facility Agreement.

SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and the reported amount of revenues and expenses during the period. Actual results may differ materially from these estimates. The estimates and judgments used in determining the recorded amount for asset, liabilities and equity in the financial statements include the following:

Valuation of investment properties

Fair value is determined with reference to external valuations and internal valuations based on the direct income capitalization method. The critical assumptions and estimates used by management and external valuations when determining the fair value of investment properties are stabilized net rental income and capitalization rates (see note 4 of the consolidated financial statements). Management determines fair value internally utilizing financial information, external market data and capitalization rates determined by reference to third party appraisals and reports published by industry experts including commercial real estate brokerages. The REIT also applies judgment in determining whether the properties it acquires are considered to be asset acquisitions or business combinations. As at December 31, 2020, a 0.25% increase in the weighted average capitalization rate would result in a decrease of approximately $24,797,000 in the determination of the fair value of the investment properties. A 0.25% decrease in the weighted average capitalization rate would result in an increase of approximately $26,778,000 in the determination of the fair value of the investment properties.

Unit options

The estimates used when determining the fair value of unit-based compensation are the average expected unit option holding period, the average expected volatility rate and the average risk-free interest rate. For vested options, the average expected holding period is estimated to be half of the remaining contractual life of the option. For unvested options, the average expected unit option holding period is estimated to be the period until the options vest plus half of the period from vesting to expiry. The average expected volatility rate is estimated based on the historical volatility of comparable companies over a period of time approximating the average expected unit option holding period. The average risk-free interest rate is based on Government of Canada bonds with terms consistent with the average expected unit option holding period.

Coronavirus disease 2019

The duration and full impact of the coronavirus disease 2019 ("COVID-19") pandemic are unknown. As such, it is not possible to reliably estimate COVID-19 related impacts on the REIT's financial results and operations. Any estimates are therefore subject to significant uncertainty and may materially and adversely vary from actual outcomes. In particular, there is increased estimation uncertainty in determining the fair value of the REIT's investment properties and the recoverability of amounts receivable. Estimates and assumptions used in these consolidated financial statements are based on information available to the REIT as at the end of the reporting period.

New accounting standards adopted by the REIT

IFRS 3, Business Combinations

On January 1, 2020, the REIT adopted amendments to IFRS 3, Business Combinations. The amendments to IFRS 3 clarify the definition of a business and provide guidance on whether an acquired set of activities and assets is a group of assets rather than a business. An acquirer only recognizes goodwill when acquiring a business, and not when acquiring a group of assets. The adoption of these amendments to IFRS 3 had no impact on the REIT's consolidated financial statements.

Standards issued but not yet effective

There are pending changes to IFRS which are not yet effective for the current period and have not been applied in the preparation of the REIT's consolidated financial statements:

IAS 1, Classification of Liabilities as Current or Non-Current

On January 23, 2020, the IASB issued "Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)". The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period. The amendments also clarify the definition of "settlement" and provide situations which would be considered as a settlement of a liability. The amendments are effective January 1, 2023, with earlier application permitted. These amendments are not expected to impact the REIT's consolidated financial statements.

IFRS 7, 9 and IAS 39, Financial Instruments, IFRS 4, Insurance Contracts and IFRS 16, Leases

On August 27, 2020, the IASB published "Interest Rate Benchmark Reform - Phase 2 (Amendments to IFRS 7, 9, IAS 39, IFRS 4 and IFRS 16)" with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments primarily relate to modifications in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities. The amendments are effective January 1, 2021, with earlier application permitted. These amendments are not expected to impact the REIT's consolidated financial statements.

FINANCIAL INSTRUMENTS AND RISKS AND UNCERTAINTIES

Real property ownership and tenant risk

All real property investments are subject to elements of risk. The value of real property and any improvements thereto depends on the credit and financial stability of tenants and upon the vacancy rates of the property. The properties generate revenue through rental payments made by the tenants thereof. The ability to rent vacant property will be affected by many factors, including changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics, competition from other available properties, and various other factors.

Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant will be replaced. The terms of any subsequent lease may be less favourable to the REIT than those of an existing lease. In the event of default by a tenant, the REIT may experience delays or limitations in enforcing its rights as landlord and incur substantial costs in protecting its investment. Furthermore, at any time, a tenant may seek the protection of bankruptcy, insolvency or similar laws which could result in the rejection and termination of the lease of the tenant and, thereby, cause a reduction in the cash flows available to the REIT.

Competition

The real estate business is competitive. Numerous developers, managers and owners of properties compete with the REIT when seeking tenants. Some of the competing properties may be better located than the REIT's properties. The existence of competition could have an impact on the REIT's ability to lease its properties and could have an impact on the rents that can be charged. The REIT is subject to competition for suitable real property investments and a number of these competitors have greater financial resources than those of the REIT. There is a risk that continuing increased competition for real property acquisitions may increase purchase prices to levels that are not accretive.

Fixed costs and increased expenses

The REIT incurs a number of fixed costs which must be paid throughout its ownership of real property, regardless of whether its properties are producing income. Fixed costs include utilities, property taxes, maintenance costs, mortgage payments, insurance costs, and related costs.

General uninsured risks

The REIT carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with customary policy specifications, limits and deductibles. There can be no assurance, however, that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms.

Environmental and litigation risk

The REIT is subject to federal, provincial and local environmental regulations that apply generally to the ownership of real property and the operation of commercial properties. If it fails to comply with those laws, the REIT could be subject to significant fines or other governmental sanctions. Under various federal, provincial and local laws, ordinances and regulations, an owner or operator of real estate may be required to investigate and clean up hazardous or toxic substances or petroleum product releases at a facility and may be held liable to a governmental entity or to third parties for property damage and for investigation and clean-up costs incurred by such parties in connection with contamination. Such liability may be imposed whether or not the owner or operator knew of, or was responsible for, the presence of these hazardous or toxic substances. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to properly remediate such substances, may adversely affect the REIT's ability to sell or rent such facility or to borrow using such facility as collateral. In order to assess the potential for liabilities arising from the environmental condition at the REIT's properties, the REIT may obtain or examine environmental assessments prepared by environmental consulting firms. The environmental assessments received in respect of the investment properties have not revealed, nor is the REIT aware of, any environmental liability that the REIT believes will have a material adverse effect on it.

In addition, in connection with the ownership, operation and management of real properties, the REIT could potentially be liable for property damage or injuries to persons and property. In the normal course of the REIT's operations, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a loss to another party by failing to settle its obligations. The REIT is subject to credit risk with respect to its cash deposited with financial institutions and tenant and other receivables. As at December 31, 2020, one tenant accounted for approximately 12% of the REIT's base rental income, resulting in a concentration of credit risk. The REIT monitors the creditworthiness of its tenants on an ongoing basis. The REIT mitigates credit risk by monitoring the credit ratings of the institutions holding the REIT's deposits. The REIT has examined its tenant receivables for indications of impairment. The tenant receivables default rate of the REIT is less than 0.5%.

COVID-19 has resulted in government mandated shutdowns, and an economic slow down which are creating financial difficulties for tenants. While government plans have been put in place to support businesses through the COVID-19 pandemic, a deterioration in the economy may impact the ability of tenants to meet their obligations under their leases. The REIT continues to assess the effect of economic conditions on the creditworthiness of its tenants. As part of this assessment, the REIT reviews contractual rent receivables on a regular basis and reduces carrying amounts through the use of an allowance for expected credit losses recognizing the amount of any loss in the consolidated statements of income and comprehensive income within property expenses.

Liquidity risk

Liquidity risk is the risk that the REIT will not have the financial resources required to meet its financial obligations as they come due. The REIT manages this risk by ensuring it has sufficient cash on hand or borrowing capacity to meet obligations as they come due by forecasting cash flows from operations, cash required for investing activities and cash from financing activities. As at December 31, 2020, the REIT had cash of $13,993,230 (December 31, 2019 - $7,875,818), mortgages payable of $ 274,230,681 (December 31, 2019 - $232,081,999), a Credit Facility balance of $65,293,491 (December 31, 2019 - $65,139,273) and accounts payable, accruals and other liabilities of $11,734,709 (December 31, 2019 - $7,737,487). The REIT had a working capital deficit of $16,097,240 as at December 31, 2020 (December 31, 2019 - $37,635,642). Excluding the current portion of mortgages payable of $34,368,494, the working capital would be a surplus of $18,271,254. The REIT expects that it will be able to refinance the mortgages on their maturities. The REIT has access to undrawn funds under the Credit Facility and expects to generate sufficient cash from operations to satisfy its financial liabilities as they come due. On March 4, 2021, the REIT completed a bought deal equity offering and received cash proceeds, net of underwriters' commissions, of $33,320,905, before considering other costs associated with the offering.

The contractual maturities and repayment obligations of the REIT's financial liabilities are as follows:

	Accounts payable accruals and other liabilities $	**Lease liabilities $**	**Credit Facility principal repayment**	**Interest on fixed portion of Credit Facility $**	**Mortgages payable $**	**Mortgage interest $**	**Total $**
2021	11,734,709	287,739	293,491	2,047,500	34,390,254	9,302,741	58,056,434
2022	-	287,739	-	2,047,500	24,045,685	8,230,478	34,611,402
2023	-	297,039	-	2,047,500	55,723,744	6,628,131	64,696,414
2024	-	269,905	65,000,000	1,535,625	48,179,389	4,695,125	119,680,044
2025	-	269,905	-	-	66,250,631	2,869,468	69,390,004
Thereafter	-	5,921,775	-	-	45,640,978	3,655,571	55,218,324
Total	11,734,709	7,334,102	65,293,491	7,678,125	274,230,681	35,381,514	401,652,622

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates. There is a risk that the REIT may not be able to renegotiate its mortgages and Credit Facility at maturity on terms as favourable as the existing mortgages payable and Credit Facility. As at December 31, 2020, there was a total of $142,677,588 (December 31, 2019 - $101,536,795) of mortgage and Credit Facility borrowings which bear interest at floating bankers' acceptance or Canadian prime rates plus a fixed spread. There is a risk that prevailing interest rates could increase, and those increases could be significant. The REIT mitigates interest rate risk by maintaining reasonable levels of debt to investment property value and aims to structure new debt to stagger the maturities to ensure that the majority of debt does not come due for repayment in any one particular year. As at December 31, 2020, the REIT has interest rate swap agreements totalling $142,384,097 (2019 - $101,397,522) to mitigate interest rate risk arising from floating rate debt.

In December 2020, November 2020 and April 2019, the REIT entered into certain mortgages and simultaneously entered into interest rate swap agreements to swap floating rate interest for fixed rate interest over the terms of these mortgages. The interest rate swap agreements expire coterminous with the maturity of the corresponding mortgages.

In September 2019, the REIT refinanced its Credit Facility and simultaneously entered into interest rate swap agreements to swap floating rate interest for fixed rate interest over the term of the Credit Facility. The interest rate swap agreements expire coterminous with the maturity of the Credit Facility.

The following table presents relevant information on interest rate swap agreements:

Transaction date	**Effective fixed interest rate**	**Maturity date**	**Original principal amount** $	**Outstanding amount** $	**Unrealized loss on change in the fair value** $
April 2019	3.67 %	April 24, 2024	12,000,000	11,750,110	527,661
April 2019	3.74 %	April 24, 2026	12,500,000	12,245,404	796,104
April 2019	3.87 %	April 24, 2029	12,500,000	12,255,928	1,131,274
September 2019	3.15 %	September 13, 2024	65,000,000	65,000,000	2,355,099
November 2020	2.82 %	November 2, 2027	7,650,000	7,632,655	29,686
December 2020	3.61 %	December 1, 2025	18,500,000	18,500,000	182,635
December 2020	3.35 %	December 30, 2030	15,000,000	15,000,000	353,103
			143,150,000	142,384,097	5,375,562

COMMITMENTS

Development Management Agreement

On March 16, 2020, the REIT entered into a development management agreement (the “DMA”) with the vendor of the REIT’s Richmond Property (the “Developer”). Pursuant to the DMA, the REIT will redevelop approximately 60,000 square feet previously occupied by an industrial tenant. The Developer will manage the redevelopment and has secured new tenants for the space, and the REIT has entered into lease agreements with these tenants. The REIT will assume the costs of the redevelopment, which have been capped at $7,360,000, including leasing costs, tenant incentives, and construction costs.

Per the DMA, the REIT will also construct an approximately 70,000 square foot addition at this property. The REIT will assume the costs of the construction. The Developer will secure tenants and manage the construction. The REIT will pay the Developer a development management fee estimated at $3,000,000. The DMA provides that, as long as certain conditions are met, the development management fee may be paid by issuing to the Developer Class B LP Units of a subsidiary limited partnership of the REIT, valued at $2.30 per unit and exchangeable on a 1 for 1 basis for REIT Units. In accordance with the DMA, 465,837 Class B LP Units were issued on April 1, 2020, representing 5 months of development management fees. The 465,837 units were released to the Developer on August 1, 2020. Between September 2020 and December 2020, an additional 372,668 Class B LP Units were issued and released to the Developer. Between January 1, 2021 and April 1, 2021, 93,167 Class B P LP units a month will be issued and released to the Developer with a final issuance of 93,175 units on May 1, 2021 in full settlement of the estimated development management fee.

Also, pursuant to the DMA, the REIT will split the value enhancement of the property, measured as the difference between the fair market value of the property following completion of the redevelopment and addition described above, less the REIT’s total cost of the property. The REIT’s total cost of the property will be measured as the REIT’s original acquisition cost plus costs of redevelopment and construction (inclusive of construction costs, tenant incentives, leasing costs, and development management fees). The first $20,000,000 of value enhancement will be for the benefit of the REIT. The next $20,000,000 of value enhancement will be for the benefit of the Developer, provided that the Developer’s share of value enhancement will be reduced by the amount of rental income that would have been received between December 15, 2019 and the date the two new tenants take occupancy, had the previous industrial tenancy not been early terminated on December 15, 2019. Any value enhancement in excess of $40,000,000 will be split equally between the REIT and the Developer. As long as certain conditions are met, the REIT may satisfy its obligation to split the value enhancement with the Developer by issuing Class B LP Units valued at $2.30 per unit.

Pursuant to the DMA, the REIT is required to provide the Developer a $5,000,000 advance of the Developer's share of the value enhancement. This advance is payable in Class B LP Units valued at $2.30 per unit and exchangeable on a 1 for 1 basis for REIT Units. On April 1, 2020, 2,173,908 Class B LP Units were issued from treasury, and recorded within prepaid expenses. Each month commencing April 1, 2020 through to March 1, 2021, 181,159 of these Class B LP Units shall be released to the Developer. As at December 31, 2020, 1,630,431 of these units were released to the Developer and 543,477 units were held by the REIT.

OUTSTANDING UNIT DATA

The following table presents the changes in unitholders' equity for the year ended December 31, 2020:

	Units	Amount $
Unitholders' equity as at December 31, 2019	102,111,919	197,073,074
Units issued under distribution reinvestment plan	1,354,712	2,225,546
Units issued under restricted share unit plan	55,348	91,931
Units issued as purchase price consideration	5,076,190	10,754,380
Class B LP Units exchanged for REIT Units	3,302,269	5,289,663
Unitholders' equity as at December 31, 2020	111,900,438	215,434,594

As at March 17, 2021, a total of approximately 33,295,000 REIT Units and 6,281,000 Class B LP Units were issued and outstanding.

DISTRIBUTIONS

The REIT currently pays a monthly distribution of $0.01333 per unit, representing $0.16 per unit on an annualized basis. Total distributions declared with respect to REIT Units in the three months and year ended December 31, 2020 amounted to $4,416,481 (2019 - $4,080,056) and $17,245,637 (2019 - $16,006,631), respectively.

On April 1, 2020, 2,639,745 Class B LP Units were issued in settlement of contractual obligations. Between September 2020 and December 2020, an additional 372,668 Class B LP Units were issued in settlement of contractual obligations. As at December 31, 2020, 543,477 of these units were held in trust by the REIT. While the units are held in trust, they will not accrue any distributions declared.

In accordance with National Policy 41-201, "Income Trusts and Other Offerings", the REIT is required to provide the following information:

	Three months ended December 31, 2020 $	Year ended December 31, 2020 $	Year ended December 31, 2019 $	Year ended December 31, 2018 $
Cash generated from operating activities	9,453,787	24,348,165	23,347,175	19,528,428
Net income	9,831,115	35,234,361	42,387,970	38,834,266
Actual cash distributions paid or payable during the period (1)	4,416,481	17,245,638	16,006,631	14,412,308
Excess of cash flows from operating activities over cash distributions paid	5,037,306	7,102,527	7,340,544	5,116,120
Excess of net income over cash distributions paid	5,414,634	17,988,723	26,381,339	24,421,958

(1) Actual cash distributions paid or payable includes all distributions declared payable to holders of REIT Units and excludes distributions declared payable to holders of Class B LP Units during the period. Actual cash distributions paid or payable is unadjusted for distributions settled through the issuance of REIT Units under the distribution reinvestment plan. Of distributions declared in the three months and year ended December 31, 2020, $614,077 and $2,225,546, respectively, was settled through the issuance of REIT Units under the distribution reinvestment plan.

Net income for the three months ended December 31, 2020 of $9,831,115 was $5,414,634 higher than actual cash distributions paid or payable for the three months ended December 31, 2020 of $4,416,481. Net income excluding non-cash fair value adjustments of investment properties, Class B LP Units, unit options, restricted share units and derivative financial instruments totalling $3,554,486 and excluding other income of $180,718 was $6,095,911 for the three months ended December 31, 2020, which exceeded actual cash distributions paid or payable by $1,679,430.

Net income for the year ended December 31, 2020 of $35,234,361 was $17,245,638 higher than actual cash distributions paid or payable for the year ended December 31, 2020 of $17,988,723. Net income excluding non-cash fair value adjustments of investment properties, Class B LP Units, unit options, warrants, restricted share units and derivative financial instruments totalling $11,690,724 and other income of $1,546,330 was $21,997,307 for the year ended December 31, 2020, which exceeded actual cash distributions paid or payable by $4,751,669.

For the three months ended December 31, 2020, cash generated from operating activities exceeded actual cash distributions paid or payable by $5,037,306. Excluding changes in non-cash working capital, other non-current assets and restricted cash of $3,987,276, cash generated from operating activities exceeded actual cash distributions paid or payable by $1,050,030.

For the year ended December 31, 2020, cash generated from operating activities exceeded actual cash distributions paid or payable by $7,102,527. Excluding changes in non-cash working capital, other non-current assets and restricted cash of $1,086,983, cash generated from operating activities exceeded actual cash distributions paid or payable by $6,015,544.

DISTRIBUTION REINVESTMENT PLAN

The REIT adopted a distribution reinvestment plan ("DRIP") on February 20, 2014, pursuant to which resident Canadian unitholders are entitled to elect to have all or some of the cash distributions of the REIT automatically reinvested in additional units at a price per unit calculated by reference to the weighted average of the trading price for the units for the five trading days immediately preceding the relevant distribution date. 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. During the year ended December 31, 2020, 1,354,712 units (2019 - 809,176 units) were issued under the DRIP for a stated value of $2,225,546 (2019 - $1,564,091).

RELATED PARTY TRANSACTIONS

For the year ended December 31, 2020, trustee retainer fees in the amount of $177,500 were expensed (2019 - $195,951), and nil units (2019 - 22,844 units at an average price per unit of $1.88) were issued to trustees as payment of retainer fees. Trustee retainer fees are settled in cash commencing with retainer fees earned in respect of 2019. Trustee retainer fees in the amount of $44,375 were accrued as at December 31, 2020 (December 31, 2019 - $44,375).

Trustee meeting fees in the amount of $16,800 were expensed for the year ended December 31, 2020, (2019 - $52,200). Trustee meeting fees in the amount of $4,600 were accrued as at December 31, 2020 (December 31, 2019 - $11,500).

For the year ended December 31, 2020, key management earned salaries and other short-term employee benefits in the amount of $1,367,198 (2019 - $1,170,698).

TriWest is a related party to a former trustee of the REIT. On May 14, 2020, the trustee did not seek re-election to the REIT's board of trustees, and the former trustee and TriWest both ceased to be related parties of the REIT. Between January 1, 2020 and May 14, 2020, the REIT received lease payments from companies controlled by funds associated with TriWest totalling $1,530,978 (for the year ended December 31, 2019 - $3,603,174).

SUBSEQUENT EVENTS

On January 27, 2021, the REIT announced that it received approval from the TSX to list its units on the TSX. The units were listed and commenced trading on the TSX at the opening of markets on February 1, 2021. The units continue to trade under the stock symbol “NXR.UN”, and have been delisted from the TSXV upon listing and commencement of trading on the TSX. Concurrent with the TSX listing, the REIT completed a consolidation of its units on the basis of one (1) post-consolidation unit for every four (4) pre-consolidation units, and the Class B LP Units were concurrently consolidated on the basis of the same consolidation ratio (the “Consolidation”). The Consolidation was implemented after the close of markets on January 29, 2021.

On February 19, 2021, the REIT waived conditions with respect to an agreement to purchase six industrial properties in London, Ontario, for a contractual purchase price of $103,500,000. Of the contractual purchase price, $65,600,150 is expected to be satisfied through the issuance of Class B LP Units of a subsidiary limited partnership of the REIT at a deemed value of $7.64 per unit, which are convertible to REIT Units on a one to one basis. The remainder of the purchase price, net of closing adjustments, is expected to be satisfied through a combination of the assumption of debt and cash.

On February 28, 2021, a purchaser waived their conditions to acquire the REIT’s Lachine, Quebec property for a purchase price of $2,900,000. The sale closed on March 16, 2021.

On March 1, 2021, the REIT purchased two industrial properties located in Edmonton, Alberta, for a contractual purchase price of $14,000,000. The contractual purchase price was partially satisfied through the issuance of 853,659 Class B LP Units of a subsidiary limited partnership of the REIT at a deemed value of $8.20 per unit, which are convertible to REIT Units on a one to one basis with the balance, net of closing adjustments, satisfied in cash. As at December 31, 2020, the REIT had a deposit of $100,000 with respect to this purchase.

On March 4, 2021, the REIT completed a bought deal equity offering, issuing 4,255,000 REIT Units for gross proceeds of $34,891,000. Net of underwriters’ commissions, the REIT received cash proceeds of $33,320,905.