Nexus Industrial REIT

Condensed Consolidated Interim Financial Statements
(Unaudited)
For the three and nine months ended September 30, 2024

Nexus Industrial REIT

Consolidated Statements of Financial Position
As at September 30, 2024 and December 31, 2023
(In thousands of Canadian dollars) (Unaudited)

	Note(s)	September 30, 2024 $	December 31, 2023 $
Non-current assets			
Investment properties	3,4	2,449,960	2,364,027
Equity investment in joint venture		11,471	11,038
Restricted cash		—	1,444
Derivative financial instruments	15	4,891	10,194
Right-of-use assets		1,092	1,183
Other investment		7,950	7,950
Other assets		319	373
		2,475,683	2,396,209
Current assets			
Cash		7,823	5,918
Tenant and other receivables		3,472	11,142
Deposits		150	3,000
Prepaid expenses		3,459	2,713
Derivative financial instruments	15	11	1,747
Other assets		17,490	13,188
Assets held for sale	5	104,170	29,150
		136,575	66,858
Total assets		2,612,258	2,463,067
Non-current liabilities			
Mortgages payable	3,7	566,100	601,796
Credit facilities	8	567,428	453,563
Lease liabilities		10,639	10,715
Derivative financial instruments		21,156	10,399
Class B LP Units	9	24,185	27,052
Other liabilities	10	7,872	8,322
		1,197,380	1,111,847
Current liabilities			
Mortgages payable	3,7	48,530	57,508
Credit facilities	8	72,922	64,981
Class B LP Units	9	182,058	172,053
Distributions payable		3,773	3,658
Accounts payable and other liabilities		36,635	37,886
Liabilities associated with assets held for sale	5,7	47,622	14,805
		391,540	350,891
Total liabilities		1,588,920	1,462,738
Equity			
Unitholders' equity	11	663,416	648,171
Retained earnings		359,922	352,158
Total unitholders' equity		1,023,338	1,000,329
Total liabilities and unitholders' equity		2,612,258	2,463,067
Subsequent event	18		

On behalf of the Board:

"Benjamin Rodney" Trustee "Floriana Cipollone" Trustee

The accompanying notes are an integral part of the consolidated financial statements.

Nexus Industrial REIT

Consolidated Statements of (Loss) Income and Comprehensive (Loss) Income

For the three and nine months ended September 30, 2024 and 2023
(In thousands of Canadian dollars) (Unaudited)

	Note(s)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
		$	$	$	$
Net rental income					
Property revenues	13	45,529	39,752	131,036	115,647
Property expenses		(12,961)	(10,421)	(37,314)	(32,899)
Net rental income		32,568	29,331	93,722	82,748
General and administrative expense		(1,905)	(1,402)	(6,182)	(5,501)
Fair value adjustments:					
Investment properties	4,5	11,081	30,112	39,824	60,428
Class B LP Units	9	(47,477)	28,663	(15,592)	51,184
Incentive units	10	(322)	131	(175)	252
Derivative financial instruments	15	(22,243)	3,766	(17,794)	6,337
Income from equity accounted investment in joint venture		79	209	383	626
Loss on disposal of investment properties	3	(282)	—	(533)	(807)
Unrealized foreign exchange gain (loss)		152	(178)	(207)	59
Other income		60	882	180	1,770
		(28,289)	91,514	93,626	197,096
Finance expense					
Net interest expense	14	(13,957)	(11,005)	(40,889)	(29,167)
Distributions on Class B LP Units	9	(3,745)	(3,555)	(11,532)	(10,036)
		(17,702)	(14,560)	(52,421)	(39,203)
Net (loss) income and comprehensive (loss) income		(45,991)	76,954	41,205	157,893

The accompanying notes are an integral part of the consolidated financial statements.

Nexus Industrial REIT

Consolidated Statements of Changes in Unitholders' Equity
For the nine months ended September 30, 2024 and 2023
(In thousands of Canadian dollars) (Unaudited)

	Note	Units	Unitholders' Equity	Retained Earnings	Total
			$	$	$
Balance – January 1, 2024		68,589,606	648,171	352,158	1,000,329
Net income and comprehensive income		—	—	41,205	41,205
Distributions		—	—	(33,441)	(33,441)
Units issued under distribution reinvestment plan	12	418,631	3,045	—	3,045
Units issued under Incentive Plan	10	65,383	526	—	526
Units issued under Employee Purchase Plan	10	10,506	78	—	78
Class B LP Units exchanged for REIT Units		1,657,863	11,596	—	11,596
Balance – September 30, 2024		70,741,989	663,416	359,922	1,023,338

	Note	Units	Unitholders' Equity	Retained Earnings	Total
			$	$	$
Balance – January 1, 2023		67,322,644	636,776	235,764	872,540
Net income and comprehensive income		—	—	157,893	157,893
Distributions		—	—	(32,675)	(32,675)
Units issued under distribution reinvestment plan	12	484,487	4,178	—	4,178
Units issued under Incentive Plan	10	65,692	651	—	651
Units issued under Employee Purchase Plan	10	10,987	97	—	97
Units cancelled		(375)	(4)	—	(4)
Unit issuance costs		—	(75)	—	(75)
Class B LP Units exchanged for REIT Units		460,486	4,854	—	4,854
Balance – September 30, 2023		68,343,921	646,477	360,982	1,007,459

The accompanying notes are an integral part of the consolidated financial statements.

Nexus Industrial REIT

Consolidated Statements of Cash Flows

For the three and nine months ended September 30, 2024 and 2023
(In thousands of Canadian dollars) (Unaudited)

	Note(s)	Three months ended September 30, 2024	Three months ended September 30, 2023	Nine months ended September 30, 2024	Nine months ended September 30, 2023
		$	$	$	$
Operating activities					
Net (loss) income for the period		(45,991)	76,954	41,205	157,893
Adjustment for items not involving cash:					
Incentive unit expense	10	198	162	1,181	1,021
Share of net income from equity accounted investment in joint venture		(79)	(209)	(383)	(626)
Loss on disposals		282	—	533	807
Amortization of deferred financing costs		383	286	1,037	886
Amortization of mortgage fair value adjustments	7	(4)	(9)	(30)	(64)
Amortization of right-of-use assets		30	23	90	69
Amortization of tenant incentives and leasing costs	4	445	272	1,102	853
Straight-line adjustments of rent		(1,215)	(1,435)	(3,582)	(3,649)
Fair value adjustments		58,961	(62,672)	(6,263)	(118,201)
Unrealized foreign exchange (gain) loss		(152)	178	207	(59)
Changes in non-cash operating items	10	(1,989)	(4,623)	(4,973)	(5,219)
Total cash generated by operating activities		10,869	8,927	30,124	33,711
Investing activities					
Acquisition of income producing properties	3,4	(12,436)	(50,043)	(75,209)	(272,382)
Acquisition of properties under development		—	—	—	(4,600)
Additions to properties under development	4	(12,572)	(11,439)	(48,488)	(15,374)
Net proceeds on disposal of properties	3	17,096	—	21,902	27,552
Capital expenditures, tenant incentives and leasing costs	4	(2,082)	(6,639)	(8,069)	(16,089)
Total cash used in investing activities		(9,994)	(68,121)	(109,864)	(280,893)
Financing activities					
New mortgage financing	7	34,800	—	34,800	—
Financing costs	7,8	(295)	(394)	(1,169)	(1,757)
Lease principal repayments		(25)	(17)	(45)	(49)
Mortgage principal repayments	7	(18,617)	(8,452)	(45,556)	(47,344)
Net (repayments) borrowing on the Credit Facilities	8	(5,888)	85,060	123,896	329,000
Unit issuance costs		—	—	—	(75)
Distributions to unitholders		(10,895)	(9,231)	(30,281)	(28,442)
Total cash (used in) generated by financing activities		(920)	66,966	81,645	251,333
Change in cash during the period		(45)	7,772	1,905	4,151
Cash - beginning of period		7,868	7,912	5,918	11,533
Cash - end of period		7,823	15,684	7,823	15,684

Supplemental cash flow and non-cash information 17

The accompanying notes are an integral part of the consolidated financial statements.

1 Organization

Nexus Industrial REIT is an unincorporated, open-ended real estate investment trust governed by the laws of the Province of Ontario pursuant to an amended and restated declaration of trust dated March 7, 2022. Nexus Industrial REIT and its subsidiaries, (together, “the REIT”) own and operate commercial real estate properties across Canada. The registered office of the REIT is located at 105-586 Argus Road, Oakville, ON, L6J 3J3.

2 Material accounting policies

Statement of compliance

The condensed consolidated interim financial statements of the REIT have been prepared by management in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements, including International Accounting Standard 34, Interim Financial Reporting, and do not include all of the information required for full annual financial statements, and should be read in conjunction with the audited consolidated financial statements as at and for the year ended December 31, 2023.

Basis of presentation

The condensed consolidated interim financial statements have been prepared on a going concern basis and under the historical cost convention, except for the revaluation of investment properties, unit options, restricted share units and financial instruments classified as fair value through profit or loss (“FVTPL”), which are presented at fair value. These condensed consolidated interim financial statements are presented in thousands of Canadian dollars, which is the functional currency of the REIT. The condensed consolidated interim financial statements were authorized for issue by the board of trustees of the REIT on November 11, 2024.

Certain comparative figures have been re-classified to conform to the current period presentation.

Significant accounting judgments, estimates and assumptions

The preparation of financial statements in compliance with IFRS Accounting Standards 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 assets, liabilities and equity in these condensed consolidated interim 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

The accounting policies used in the preparation of the consolidated financial statements are consistent with those of the year ended December 31, 2023, except for the adoption of new standards and interpretations effective January 1, 2024, as follows:

IAS 1, Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants

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. In October 2022, the IASB issued “Amendments to IAS 1 - Non-current Liabilities with Covenants”. These further amendments clarify how to address the effects on classification and disclosure of covenants currently applicable and covenants that will apply in future periods. These amendments are effective January 1, 2024, with earlier application permitted and are to be applied retrospectively.

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

The REIT adopted the amendments to IAS 1 described above on January 1, 2024. The amendments resulted in the REIT re-classifying certain Class B Units from non-current to current liabilities on the Condensed Statements of Financial Position. Those Class B Units where the holder has unrestricted rights to convert the Class B Units to REIT Units, or where such unrestricted rights will become available within 12 months of the balance sheet date, are classified as current liabilities. See note 9 for further details.

3 Acquisitions and dispositions

Acquisitions of income producing properties

The impact of the acquisitions of income producing properties completed during the nine months ended September 30, 2024, is as follows:

Property location	Acquisition date	Contractual purchase price	Fair value adjustment (1)	Transaction costs	Income producing properties acquired	Working capital acquired	Mortgages assumed (2)	Net assets acquired
		$	$	$	$	$	$	$
Sherbrooke, QC	July 2nd	16,567	(1,425)	580	15,722	(144)	—	15,578
Kelowna, BC	May 15th	34,950	—	856	35,806	(9,864)	—	25,942
Dorval, QC (3)	February 7th	1,463	—	32	1,495	9	—	1,504
Rocky View, AB	January 3rd	35,060	—	267	35,327	—	—	35,327
		88,040	(1,425)	1,735	88,350	(9,999)	—	78,351

(1) Fair value adjustment for Class B LP units issued.
(2) Fair value of mortgages assumed.
(3) This parcel of land was acquired and designated as an asset held for sale. See Note 5 for further details.

Consideration:	
Cash	75,209
Class B LP Units issued	3,142
	78,351

The impact of the acquisitions of income producing properties completed during the year ended December 31, 2023, is as follows:

Property location	Acquisition date	Contractual purchase price	Fair value adjustment (1)	Transaction costs	Income producing properties acquired	Working capital acquired	Mortgages assumed (2)	Net assets acquired
		$	$	$	$	$	$	$
London, ON	November 1st	55,794	(11,112)	1,237	45,919	(324)	—	45,595
Burlington, ON	July 4th	48,370	—	2,218	50,588	(545)	—	50,043
London, ON	June 15th	56,358	(3,791)	1,290	53,857	(358)	(32,379)	21,120
Laval, QC	June 1st	64,701	—	2,553	67,254	(2,167)	—	65,087
London, ON	April 21st	36,000	—	808	36,808	(87)	—	36,721
Casselman, ON	March 7th	116,516	—	2,599	119,115	214	—	119,329
		377,739	(14,903)	10,705	373,541	(3,267)	(32,379)	337,895

(1) Fair value adjustment for Class B LP units issued on acquisition.
(2) Fair value of mortgages assumed

Consideration:	
Cash	302,028
Class B LP Units issued	35,867
	337,895

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

Acquisitions of properties held for development

There were no acquisitions of properties held for development during the nine months ended September 30, 2024.

On June 5, 2023, the REIT acquired a parcel of land in St. Thomas, Ontario for a contractual purchase price of $4,500. The purchase price was settled in cash. The parcel acquired is adjacent to another property owned by the REIT.

Dispositions of income producing properties

On June 21, 2024, the REIT sold the office property located at 955 Michele-Bohec Blainville, Quebec for a selling price of $5,057. This property had been classified as an asset held for sale. Net of selling costs of $251, the REIT received cash proceeds of $4,806. At the time of the disposal, the REIT repaid a mortgage against the property of $3,602.

On September 11, 2024, the REIT completed the sale of six office properties in which it held a 50% ownership interest. These properties, previously classified as assets held for sale, were located in Montreal, Quebec and sold for a price of $34,500 ($17,250 at the REIT's 50% ownership interest). Net of selling costs of $154 , the REIT received cash proceeds of $17,096. At the time of disposal, the REIT repaid mortgages against the properties of $28,116 ($14,058 at the REIT's 50% ownership interest).

On September 26, 2024, the REIT sold excess land associated with an income property located in Fort St. John, British Columbia for a selling price of $2,350. Net of selling costs of $128 , the REIT recorded a receivable of $2,222 and the cash proceeds were received subsequent to September 30, 2024.

4 Investment properties

	September 30, 2024	December 31, 2023
	$	$
Income producing properties	2,375,852	2,256,677
Properties held for development	74,108	107,350
Balance, end of period	2,449,960	2,364,027

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

	Note	Income producing properties $	Properties held for development $	Investment properties $
Balance – January 1, 2024		2,256,677	107,350	2,364,027
Acquisitions	3	86,855	—	86,855
Additions – capital expenditures		4,954	—	4,954
Additions – tenant incentives and leasing costs		3,115	—	3,115
Additions – development		—	51,340	51,340
Amortization of tenant incentives and leasing costs		(1,102)	—	(1,102)
Disposal on investment property		(2,350)	—	(2,350)
Fair value adjustment		35,823	22,251	58,074
Transfers from properties held for development to income producing properties		112,833	(112,833)	—
Transfers from income producing properties to properties held for development		(6,000)	6,000	—
Investment properties reclassified as assets held for sale	5	(114,953)	—	(114,953)
Balance – September 30, 2024		2,375,852	74,108	2,449,960

	Note	Income producing properties $	Properties held for development $	Investment properties $
Balance - January 1, 2023		1,797,109	25,530	1,822,639
Acquisitions	3	373,541	4,600	378,141
Additions - capital expenditures		14,354	—	14,354
Additions - tenant incentives and leasing costs		4,579	—	4,579
Additions - development		—	53,511	53,511
Amortization of tenant incentives and leasing costs		(1,171)	—	(1,171)
Transfers from income producing properties to properties held for development		(8,600)	8,600	—
Investment properties reclassified as assets held for sale	5	(12,288)	—	(12,288)
Fair value adjustment		89,153	15,109	104,262
Balance – December 31, 2023		2,256,677	107,350	2,364,027

Acquisitions of income producing properties include $1,735 of transaction costs (December 31, 2023 - $10,705).

During the nine months ended September 30, 2024, the REIT capitalized borrowing costs of $2,156 (December 31, 2023 - $2,315) to qualifying development properties.

The REIT obtains third party appraisals to supplement internal management valuations in support of the determination of the fair market value of investment properties. Investment properties with an aggregate fair value of $317,500 were valued by qualified external valuation professionals during the nine months ended September 30, 2024.

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

The fair value of the investment properties as at September 30, 2024, represents the REIT's best estimate based on available information as at the end of the reporting period.

The calculation of the fair value of investment properties using the direct income capitalization method results in the measurement being classified as Level 3 in the fair value hierarchy. Significant unobservable inputs used in the Level 3 valuation of the investment properties are the capitalization rate and the stabilized net operating income applied in the valuations. Generally, an increase in stabilized net operating income or a decrease in capitalization rates will result in an increase in the fair value of investment properties. Conversely, a decrease in stabilized net operating income or an increase in capitalization rates will generally result in a decrease in the fair value of investment properties.

The key valuation metrics used in determining the fair value of the investment properties are detailed below:

	September 30, 2024	**December 31, 2023**
Weighted average capitalization rate	5.81%	5.89%
Range of capitalization rates	4.35% - 10.00%	4.35% - 10.00%
Stabilized net operating income	$ 141,180	$ 136,278

The fair value of the investment properties is most sensitive to changes in capitalization rates. As at September 30, 2024, a 0.25% increase in the weighted average capitalization rate would result in a decrease of approximately $100,200 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 $109,300 in the determination of the fair value of the investment properties. Further, an increase (decrease) of 1% in stabilized net operating income would result in an increase (decrease) of approximately $24,300 in the determination of the fair value of the investment properties.

5 Assets held for sale

As at September 30, 2024, twenty one investment properties with a combined fair value of $104,170 were classified as assets held for sale. The mortgages associated with these properties are classified as liabilities associated with assets held for sale, totaling $47,622. During the nine months ended September 30, 2024, a fair value adjustment (loss) of $18,250 was recognized directly in the statement of income (loss) and comprehensive income (loss) for the investment properties classified as assets held for sale.

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

The following table summarizes the fair value changes in properties classified as assets held for sale:

	Note	September 30, 2024 $	December 31, 2023 $
Balance, beginning of period		29,150	70,885
Acquisition of property	3	1,495	—
Investment properties reclassified as assets held for sale	4	114,953	12,288
Fair value adjustment		(18,250)	(8,125)
Disposal of properties	3	(22,307)	(46,002)
Other adjustments [1]		(871)	104
Balance, end of period		104,170	29,150

(1) Other adjustments comprise the reclassification of straight-line rent relating to assets held for sale from other current assets. The adjustment for the nine months ended September 30, 2024, also includes the termination of a ground lease asset of $1,348, which was terminated on acquisition of the leased land on February 7, 2024.

6 Tenant and other receivables

The REIT leases industrial, office and retail properties to tenants under operating leases. Minimum rental commitments on non-cancellable tenant operating leases over their remaining terms are as follows:

	September 30, 2024 $
Remainder of 2024	31,960
2025	126,624
2026	119,465
2027	110,058
2028	106,936
Thereafter	512,493
Balance as at September 30, 2024	1,007,536

7 Mortgages payable

As at September 30, 2024, the mortgages payable are secured by charges against 61 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 3.45% (December 31, 2023 – 3.37%) and the weighted average term to maturity is 5.50 years (December 31, 2023 – 5.84 years). The breakdown of future principal repayments, including mortgage maturity, is presented in the following table:

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

	Scheduled repayments $	Principal maturities $	Total $
Remainder of 2024	4,499	15,099	19,598
2025	17,595	45,240	62,835
2026	15,586	89,123	104,709
2027	13,444	48,731	62,175
2028	12,709	18,577	31,286
Thereafter	82,139	301,008	383,147
Balance as at September 30, 2024	145,972	517,778	663,750

The following table summarizes the changes in mortgages payable for the nine months ended September 30, 2024, and year ended December 31, 2023:

	Note	September 30, 2024 $	December 31, 2023 $
Mortgages payable, beginning of period		674,506	738,359
New mortgage financing		34,800	—
Mortgages refinanced/repaid		(14,232)	(58,849)
Principal repaid on disposal of investment properties	3	(17,758)	(17,476)
Mortgages assumed on acquisition of investment properties	3	—	31,780
Principal repayments		(13,566)	(19,308)
Mortgages payable, end of period		663,750	674,506
Less: Deferred financing costs, beginning of period		(2,138)	(2,664)
Less: Additions to deferred financing costs		(290)	(83)
Plus: Amortization of deferred financing costs		490	609
Plus: Fair value adjustment of mortgages, beginning of period		470	(57)
Plus: Additions to fair value adjustment of mortgages	3	—	599
Less: Amortization of fair value adjustments		(30)	(72)
Balance, end of period		662,252	672,838
Less: Current portion		(48,530)	(57,508)
Less: Mortgages payable associated with assets held for sale		(47,622)	(13,534)
Non-current balance, end of period		566,100	601,796

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

8 Credit Facilities

As at September 30, 2024, the REIT had the following credit facilities (the "Credit Facilities"):

Facility	Interest Rate	Maturity Date	Security	Facility Limit $	Amount Drawn $
Secured Credit Facility 1:					
Revolving facility [1]	Prime rate + 1.25% or CORRA + 1.50% + Fixed CORRA Spread Adjustment	September 15, 2025	12 investment properties	70,000	65,003
Secured Credit Facility 2:					
Term construction facility[3]	Prime rate + 1.25% or floating CORRA + 2.85%	August 31, 2025	1 investment property	15,048	8,019
Unsecured Credit Facilities:					
Revolving facility[2] [4]	Prime rate + 0.70% or floating CORRA or SOFR + fixed CORRA or SOFR adjustment spread +1.70% [1]	March 1, 2027	Unsecured	440,000	394,784
Term loan facility[4]	Prime rate + 0.70% or floating CORRA or SOFR + fixed CORRA or SOFR adjustment spread +1.70% [1]	March 1, 2027	Unsecured	175,000	174,457
Swingline facility	Prime rate + 0.70% or floating CORRA or SOFR + fixed CORRA or SOFR adjustment spread +1.70% [1]	March 1, 2027	Unsecured	10,000	Undrawn
				710,048	642,263

(Secured Credit Facility 1, Secured Credit Facility 2, and Unsecured Credit Facilities, collectively "the Credit Facilities")

(1) Represents the spreads in effect as at September 30, 2024. The Canadian Overnight Repo Rate Average (CORRA) adjustment spread is fixed at 0.29547% for an interest period of one month and is fixed at 0.32138% for an interest period of 3 months. The Secured Overnight Financing Rate (SOFR) adjustment spread is fixed at 0.10%. The applicable spread is set based on the REIT's total debt to total assets, unless the REIT receives an external credit rating, at which time the applicable spread will be based on the REIT's external credit rating. In September 2024, the REIT refinanced this facility from a fixed-term facility of $65,000 and a revolving facility of $5,000 to a revolving facility of $70,000, and extended this facility by one year to September 15, 2025. This facility continues to be secured against 12 of the REIT's investment properties.

(2) On March 11, 2024, the revolving facility limit was increased from $340,000 to $440,000.

(3) Balances presented are at the REIT's 80% interest. Includes a non-revolving letter of credit facility totalling $1,600, and $477 was drawn as at September 30, 2024.

(4) The Credit Facility can be drawn in Canadian or US dollars at the REIT's option, and bears interest payable monthly based on Banker's Acceptance and Prime rates for Canadian dollar loans and based on the Secured Overnight Financing Rate (SOFR) for US dollar loans. As at September 30, 2024, the Revolving facility and Term loan facility were drawn in US dollars for US$291,892 ($394,784 equivalent) and US$128,983 ($174,457 equivalent) respectively.

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

The following table summarizes the changes in the Credit Facilities for the nine months ended September 30, 2024, and year ended December 31, 2023:

	September 30, 2024	**December 31, 2023**
	$	**$**
Drawn against Credit Facilities, beginning of period	520,125	113,000
Net borrowings during the period	122,138	407,125
Drawn against Credit Facilities, end of period	642,263	520,125
Less: Deferred financing costs, beginning of period	(1,581)	(468)
Less: Deferred financing costs incurred	(879)	(1,689)
Plus: Amortization of deferred financing costs	547	576
Balance, end of period	640,350	518,544
Less: Current portion	(72,922)	(64,981)
Non-current balance, end of period	567,428	453,563

A new risk-free benchmark interest rate, the Canadian Overnight Repo Rate Average (CORRA) was introduced as a fallback rate to the Canadian Dollar Offered Rate (CDOR), which was eliminated under IBOR reform effective June 30, 2024. The REIT transitioned its mortgages, credit facilities, and their respective interest rate hedging derivatives from CDOR to CORRA by June 30, 2024.

Details of the amounts drawn under the Credit Facilities on September 30, 2024, are as follows:

	Total principal amount	**Weighted average interest rate**	**Repricing date**
	$		
Credit Facility borrowings covered by fixed interest rate swaps(1)	573,904	5.45% (2)	October 31, 2024 (2)
Credit Facility borrowings not covered by fixed interest rate swaps(1)	60,332	6.17 %	October 31, 2024
Prime rate borrowings not covered by fixed interest rate swaps	8,027	7.45 %	Variable
Total drawn against the Credit Facilities	642,263		

(1) Amounts are represented in CAD equivalents inclusive of revaluation gain of $1,786 relating to the REIT's US denominated debt.
(2) Represents the weighted average interest rate net of the effect of swaps in place. The REIT is party to swaps that fix the interest rate on the borrowings under the Credit Facilities.

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

The REIT is party to the following interest rate swaps, which are used to manage floating interest rate exposure:

Effective date	Swapped interest rate	Maturity date	Original notional amount	Current notional amount
			$	$
December 2020	3.610 %	December 1, 2025	18,500	16,669
November 2023	4.260 %	June 1, 2028	8,272	7,235
March 2023	3.260 %	February 29, 2028	50,000	50,000
August 2023	4.180 %	August 31, 2028	100,000	100,000
September 2023	4.045 %	September 29, 2028	50,000	50,000
October 2023	4.140 %	October 31, 2028	25,000	25,000
October 2023	4.156 %	October 31, 2028	50,000	50,000
October 2023	4.110 %	October 31, 2028	25,000	25,000
October 2023	4.140 %	October 31, 2028	25,000	25,000
October 2023	4.055 %	October 31, 2028	25,000	25,000
May 2024	3.440 %	May 31, 2029	50,000	50,000
May 2024	3.430 %	May 31, 2029	50,000	50,000
June 2024	3.090 %	June 29, 2029	50,000	50,000
June 2024	3.095 %	July 1, 2029	50,000	50,000
October 2024	2.730 %	October 2, 2029	60,000	60,000
			636,772	633,904

To reduce interest expense, at September 30, 2024, debt of $569,236 (Canadian dollar equivalent) was drawn in US dollars, representing US$420,880. To mitigate the foreign exchange risk on these drawings, the REIT entered into cross-currency interest rate swaps to economically convert the US dollar drawings into Canadian dollars. These swaps involve exchanging principal and interest payments in US dollars for Canadian dollar payments. Gains and losses resulting from these swaps are recorded as unrealized foreign exchange gains (losses) in the consolidated statement of (loss) income and comprehensive (loss) income. The following table summarizes the cross-currency interest rate swaps at September 30, 2024:

Effective date	Pay / Receive interest rate	Maturity date	Notional Amount
			$
September 2024	CORRA(CAD) / SOFR(USD)	October 31, 2024	246,195
September 2024	CORRA(CAD) / SOFR(USD)	October 31, 2024	162,400
September 2024	CORRA(CAD) / SOFR(USD)	October 31, 2024	162,400
			570,995

The primary financial covenants of the REIT’s Credit Facilities are interest coverage, distribution, and loan to value covenants, for which non-compliance would result in an event of default, allowing the lender to demand repayment of amounts outstanding under the Credit Facilities. As at September 30, 2024, the REIT was in compliance with all of the financial covenants contained within the Credit Facilities and the mortgages.

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

9 Class B LP Units

The following table summarizes the changes in Class B LP Units for the nine months ended September 30, 2024:

	Units	Amount $
Balance – January 1, 2024	24,611,356	199,105
Class B LP Units exchanged for REIT Units	(1,657,863)	(11,596)
Class B LP Units issued as purchase price consideration	456,700	3,142
Fair value adjustment	n/a	15,592
Balance – September 30, 2024	23,410,193	206,243
Less: Current portion, end of period	(20,664,899)	(182,058)
Non-current portion, end of period	2,745,294	24,185

Distributions in the amount of $3,745 (2023 - $3,555) and $11,532 (2023 - $10,036) were declared payable to holders of Class B LP Units for the three and nine months ended September 30, 2024. These amounts have been recognized as finance expense in the consolidated statement of (loss) income and comprehensive (loss) income. Distributions payable to holders of Class B LP Units in the amount of $1,248 were accrued as at September 30, 2024 (December 31, 2023 - $1,313).

Those Class B Units where the holder has unrestricted rights to convert the Class B Units to REIT Units, or where such unrestricted rights will become available within 12 months of the balance sheet date, are classified as current liabilities. Conversion of certain Class B Units to REIT units is restricted by date, i.e., the holder of such Class B Units can only exercise the conversion option on or after a specified date.

10 Other Liabilities

Other liabilities are comprised of the following:

	September 30, 2024 $	December 31, 2023 $
Unit-based compensation	580	300
Deferred consideration	7,292	8,022
	7,872	8,322

Unit-based compensation comprises the following:

1) Incentive unit plan

The REIT adopted an incentive unit plan (the “Incentive Plan”) effective June 22, 2018. Under the Incentive Plan, the Board of Trustees may grant restricted share units (“RSUs”) or performance share units (“PSUs”) of the REIT (collectively, the “Incentive Units”) to trustees, officers and employees of the REIT and consultants. The REIT is authorized to issue up to 1,112,176 Incentive Units under the Incentive Plan. The maximum number of Incentive Units that may be reserved under the Incentive Plan is 10% of the outstanding units of the REIT.

On March 20, 2024, the REIT granted an aggregate of 160,988 Incentive Units, which comprised the following:

- 26,020 RSUs to trustees with a fair value at the grant date of $7.69. These RSUs vested on the date of issuance;
- 52,849 RSUs to an employee with a fair value at the grant date of $7.69. These RSUs vest one third on the date of issuance, one third on March 20, 2025 and one third on March 20, 2026;
- 29,270 RSUs to an employee with a fair value at the grant date of $7.69. These RSUs vest on July 8, 2025;
- 52,849 PSUs to an employee with a fair value at the grant date of $7.69. These PSUs vest on March 20, 2027.

On January 15, 2024, the REIT granted an aggregate of 12,422 RSUs to employees with a fair value at the grant date of $8.31. These RSUs vest one third on the date of issuance, one third on January 15, 2025 and one third on January 15, 2026.

The initial fair value of each Incentive Unit granted is determined based on the volume-weighted average trading price of units of the REIT for the five trading days prior to the valuation date. The Incentive Units are remeasured to fair value at each reporting date with gains and losses reported within the REIT's statement of income (loss) and comprehensive income (loss).

During the three and nine months ended September 30, 2024, a total of $198 (2023 - $162) and $1,181 (2023 - $1,022) of expense for Incentive Units granted under the plan was recognized within general and administrative expense, respectively.

2) Employee unit purchase plan

The REIT adopted an employee unit purchase plan (the “Employee Purchase Plan”) effective August 30, 2021. Under the Employee Purchase Plan, employees of the REIT may contribute up to $7.5 per calendar year to the plan (“Employee Contributions”), and Employee Contributions will be matched by a contribution from the REIT equivalent to 100% of the Employee Contributions (“REIT Contributions”). REIT Contributions will vest one year following each purchase date. All contributions received in respect of each participant in the Employee Purchase Plan shall be paid in full on behalf of such participant to purchase REIT Units from treasury or, at the election of the REIT, through market purchases carried out by an independent broker through the facilities of the TSX. REIT Units issued from treasury will be issued at the volume weighted average trading price of REIT Units for the five trading days prior to each respective purchase date.

During the three months ended September 30, 2024, 4,718 REIT Units (2023 – 738 REIT Units) were issued from treasury at $6.97 per unit in respect of $20 of Employee Contributions, and $13 of REIT Contributions net of withholding taxes.

During the nine months ended September 30, 2024, 10,506 REIT Units (2023 – 10,280 REIT Units) were issued from treasury at an average of $7.40 per unit in respect of $46 of Employee Contributions, and $32 of REIT Contributions net of withholding taxes.

11,627 REIT Units issued in respect of REIT Contributions remain in the Employee Purchase Plan at September 30, 2024 (2023 – 16,332 REIT Units), of which, 4,838 REIT Units are unvested.

3) Deferred Consideration

As at September 30, 2024, $7,292 ($5,391 USD) (December 31, 2023 - $8,022 ($6,020 USD)) represents deferred consideration related to the acquisition of an investment property. The deferred consideration is denominated in US dollars and payable in quarterly installments amortized over a 10-year period which commenced October 1, 2021.

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

11 Unitholders' equity

The REIT is authorized to issue an unlimited number of units and special voting units. Each unit entitles the holder to a single vote at any meeting of unitholders and entitles the holder to receive a pro rata share of all distributions and in the event of termination or winding up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. The units are redeemable at any time at the demand of the holders to receive a price per unit as determined by the REIT's declaration of trust. Among other conditions for redemption, the total amount payable by the REIT in respect of units surrendered for redemption shall not exceed $50 in any one calendar month.

The declaration of trust provides for the issuance of special voting units which have no economic entitlement in the REIT or in the distribution of assets of the REIT but are used to provide voting rights proportionate to the votes of the units to holders of securities exchangeable into units, including Class B LP Units.

12 Distribution reinvestment plan

The REIT adopted a distribution reinvestment plan ("DRIP)" on February 20, 2014, pursuant to which resident Canadian holders 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 would receive a bonus distribution of units equal to 4% of each distribution that was reinvested by them under the DRIP. On June 21, 2024, the REIT suspended the distribution reinvestment plan effective, July 16, 2024.

The following table summarizes units issued under the DRIP:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	$	$	$	$
Number of units issued	62,195	214,723	418,631	484,487
Stated value ($)	419	1,679	3,045	4,178

13 Property revenues

The following table summarizes the main components of property revenues according to their nature:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	$	$	$	$
Rental income	42,955	37,062	123,533	106,731
Revenue from services	2,354	2,414	6,819	8,181
Other revenue	220	276	684	735
Property revenues	45,529	39,752	131,036	115,647

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

14 Net Interest expense

Net interest expense consists of the following:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	$	$	$	$
Interest on mortgages payable [1]	5,387	5,639	16,268	17,043
Interest on credit facility [1]	8,812	6,270	25,455	12,444
Interest on lease liabilities	100	101	398	303
Interest on deferred consideration	75	80	224	247
Amortization of acquisition date fair value adjustments on assumed mortgages	(4)	(9)	(30)	(64)
Amortization of deferred financing costs	383	286	1,037	886
	14,753	12,367	43,352	30,859
Less: Interest income	(6)	(64)	(307)	(354)
Less: Interest capitalized to properties under development	(790)	(1,298)	(2,156)	(1,338)
Net Interest expense	13,957	11,005	40,889	29,167

(1) These balances are net of the impact from interest rate swaps.

15 Financial instruments

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.

	Note	September 30, 2024	December 31, 2023
		$	$
Working capital deficit		**(254,965)**	**(284,033)**
Excluding:			
Current portion of mortgage payables	7	48,530	57,508
Current portion of credit facilities	8	72,922	64,981
Current portion of Class B Units	9	182,058	172,053
Liabilities associated with assets held for sale		47,622	14,805
Assets held for sale	5	(104,170)	(29,150)
Adjusted working capital deficit		**(8,003)**	**(3,836)**

The Class B Units are settled in equity and may not be redeemed for cash. The REIT expects that it will be able to renew the mortgages and current portion of the credit facilities on their maturities. The REIT has access to undrawn funds on operating facilities of $60,756 as at September 30, 2024, under the Credit

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

Facilities and expects to generate sufficient cash from operations to satisfy its financial liabilities as they come due.

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

	Accounts payable and other liabilities	Lease Liabilities	Credit Facilities principal repayment	Interest on fixed term portion of Credit Facilities(1)	Mortgages payable	Mortgage interest	Total
	$	$	$	$	$	$	$
Remainder of 2024	35,792	126	—	18,276	19,598	5,237	79,029
2025	1,129	524	73,022	33,157	62,835	20,252	190,919
2026	1,167	525	—	30,537	104,709	17,693	154,631
2027	1,206	526	569,241	4,914	62,175	14,680	652,742
2028	1,247	528	—	—	31,286	13,168	46,229
Thereafter	3,385	21,511	—	—	383,147	38,012	446,055
	43,926	23,740	642,263	86,884	663,750	109,042	1,569,605

(1) Net of interest rate swap agreements where applicable.

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 Facilities at maturity on terms as favourable as the existing mortgages payable and Credit Facilities. As at September 30, 2024, there was a total of $801,889 (December 31, 2023 - $690,300) of mortgage and Credit Facilities borrowings which bear interest at CORRA, SOFR 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 September 30, 2024, the REIT has interest rate swap agreements totaling $781,854 (December 31, 2023 - $603,505) to mitigate interest rate risk arising from floating rate debt.

The REIT is a party to interest rate swap agreements to swap floating rate interest for fixed rate interest over the terms of certain mortgages. The interest rate swap agreements expire coterminous with the maturity of the corresponding mortgages, with the remaining agreements expiring through February 23, 2032.

The fair value measurements of the interest rate swap agreements have been classified as Level 2, as they are based mainly on observable market data.

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

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

Effective date	Fixed interest rate on swap	Maturity date	Original notional amount	Current notional amount	Fair value asset (liability)
			$	$	$
April 2019	3.740% (1)	April 24, 2026	12,500	11,020	174
April 2019	3.870% (1)	April 24, 2029	12,500	10,990	248
November 2020	2.820% (1)	November 2, 2027	7,650	6,797	389
December 2020	3.610% (1)	December 1, 2025	18,500	16,669	481
December 2020	3.350% (1)	December 30, 2030	18,000	16,372	1,286
April 2021	3.080% (1)	April 1, 2026	19,750	17,859	456
November 2021	4.080% (1)	June 1, 2028	22,600	20,403	189
February 2022	3.280% (1)	February 23, 2032	29,500	27,942	773
February 2022	3.280% (1)	February 23, 2032	20,000	18,943	524
March 2022	3.410% (1)	March 1, 2027	17,800	16,622	352
March 2022	3.760% (1)	April 1, 2025	1,500	1,001	11
March 2023	3.260%	February 29, 2028	50,000	50,000	(506)
August 2023	4.180%	August 31, 2028	100,000	100,000	(4,714)
September 2023	4.045%	September 29, 2028	50,000	50,000	(2,153)
October 2023	4.140% (4)	October 31, 2028	25,000	25,000	(1,193)
October 2023	4.156% (4)	October 31, 2028	50,000	50,000	(2,416)
October 2023	4.110% (4)	October 31, 2028	25,000	25,000	(1,160)
October 2023	4.140% (4)	October 31, 2028	25,000	25,000	(1,189)
October 2023	4.055% (4)	October 31, 2028	25,000	25,000	(1,107)
November 2023	4.260% (1)(3)	June 1, 2028	8,272	7,235	19
May 2024	3.440% (2)	May 31, 2029	50,000	50,000	(1,902)
May 2024	3.430% (2)	May 31, 2029	50,000	50,000	(1,877)
June 2024	3.090% (2)	June 29, 2029	50,000	50,000	(1,256)
June 2024	3.095% (2)	July 1, 2029	50,000	50,000	(1,324)
October 2024	2.730%	October 2, 2029	60,000	60,000	(359)
			798,572	781,854	(16,254)

(1) Effective fixed interest rate of mortgage debt and borrowings under the Credit Facilities, including the applicable spread.
(2) The counterparties to these swaps have one-time options to terminate the swaps one year after the effective date.
(3) Amortizing swap assumed November 1, 2023, as part of the 1040 Wilton Grove acquisition. The underlying BA debt was repaid with funds drawn on the unsecured facilities and the swap was maintained.
(4) The counterparties to these swaps have the right to offset through a swaption issued by the REIT in the counterparty's favour with an exercise date of November 1, 2024. See details in the table below.

In connection with entering the interest rate swaps in October 2023, the REIT granted the counterparties of the swaps a one-time option, exercisable on November 1, 2024, to economically offset the swap by entering equal and offsetting swaps (the "interest rate swaptions") for the remaining life of the original swap. Subsequent to the reporting period, on Novemebr 1, 2024, the swaptions were not exercised by the counterparty and expired. The following table summarizes the interest rate swaptions that the REIT issued:

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

Effective date	Effective fixed interest rate received	Maturity date	Original notional amount	Current notional amount	Swaption fair value asset (liability)
			$	$	$
October 2023	4.140 %	October 31, 2028	25,000	25,000	—
October 2023	4.156 %	October 31, 2028	50,000	50,000	—
October 2023	4.110 %	October 31, 2028	25,000	25,000	—
October 2023	4.140 %	October 31, 2028	25,000	25,000	—
October 2023	4.055 %	October 31, 2028	25,000	25,000	—
			150,000	150,000	—

It is estimated that, all else constant, a hypothetical increase of 1% in the variable interest rate would result in an increase in the fair value of the REIT's interest rate swaps and swaptions of $8,439 and a hypothetical decrease of 1% in the variable interest rate would result in a decrease in the fair value of the REIT's interest rate swaps and swaptions of $16,607.

Foreign exchange risk

Foreign exchange risk arises from the possibility that fluctuations in exchange rates may adversely affect the value of financial instruments. As at September 30, 2024, the REIT is able to draw its unsecured credit facilities in US dollars or Canadian dollars as described in note 8 above. As at September 30, 2024, debt of US$420,880 ($569,236 Canadian dollar equivalent) was outstanding under the credit facilities. To mitigate the foreign exchange risk on these drawings, the REIT entered into cross-currency interest rate swaps to economically convert the US dollar drawings into Canadian dollars. These swaps involve exchanging principal and interest payments in US dollars for Canadian dollar payments. Gains and losses resulting from these swaps are recorded as unrealized foreign exchange gains (losses) in the consolidated statement of (loss) income and comprehensive (loss) income. The following table summarizes the cross-currency interest rate swaps at September 30, 2024:

Effective date	Pay / Receive interest rate	Maturity date	Current notional amount	Fair value asset (liability)
			$	$
September 2024	CORRA(CAD) / SOFR(USD)	October 31, 2024	246,195	(846)
September 2024	CORRA(CAD) / SOFR(USD)	October 31, 2024	162,400	(483)
September 2024	CORRA(CAD) / SOFR(USD)	October 31, 2024	162,400	(525)
			570,995	(1,854)

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, derivative hedge contracts, and tenant and other receivables. As at September 30, 2024, one tenant accounted for approximately 11% 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 1.0%. 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 using an allowance for expected credit losses recognizing the amount of any loss in the condensed consolidated interim statements of (loss) income and comprehensive (loss) income within property expenses. As at September 30, 2024, the REIT had an allowance for expected credit losses of $186 (December 31, 2023 – $370).

16 Related party transactions

Trustee and key management fees

For the three and nine months ended September 30, 2024, trustee retainer fees in the amount of $119 (2023 - $119) and $358 (2023 - $358) were expensed, respectively. Trustee retainer fees in the amount of $119 were accrued as at September 30, 2024 (December 31, 2023 - $269).

For the three and nine months ended September 30, 2024, key management earned salaries and other short-term employee benefits in the amount of $827 (2023 - $705) and $2,481 (2023 - $2,115), respectively.

Transactions with RFA Capital Partners Inc. (“RFA”), an entity related to a trustee of the REIT

The REIT recognized $47 (2023 - $40) and $142 (2023 - $112) of guarantee fees during the three and nine months ended September 30, 2024, respectively.

Fees to RFA related entities in respect of the RFA Development Properties totalled $179 (2023 - $167) and $472 (2023 - $487) for the three and nine months ended September 30, 2024, respectively.

Transactions with 1803299 Ontario Inc. (“1803299”)

The REIT purchased several properties from 1803299 and issued Class B LP Units to 1803299 as purchase price consideration. 1803299 owns 18,209,828 Class B LP Units of a subsidiary limited partnership of the REIT, representing approximately 19.3% of the REIT’s outstanding voting units as at September 30, 2024. An entity related to 1803299 is a tenant of the REIT and provides property management services to the REIT for which it is paid fees on market terms. During the three and nine months ended September 30, 2024, the REIT incurred fees for property management services totalling $70 (2023 - $25) and $248 (2023 - $211), respectively. During the three and nine months ended September 30, 2024, the REIT earned property revenues from an entity related to 1803299 totalling $967 (2023 - $932) and $2,539 (2023 - $2,586), respectively.

(In thousands of Canadian dollars, except unit amounts) (Unaudited)

17 Supplemental cash flow and non-cash information

The following details the changes in other non-cash operating items included in operating activities:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	$	$	$	$
Changes in non-cash working capital - increase/(decrease) to cash flow:				
Tenant and other receivables	1,905	(353)	5,858	(606)
Prepaid expenses	920	984	(827)	(3,962)
Deposits	150	1,500	2,850	5,250
Other currents assets	(2,229)	(148)	(1,119)	980
Accounts payable and other liabilities	(3,775)	(6,297)	(12,503)	(5,883)
Total changes in non-cash working capital	(3,029)	(4,314)	(5,741)	(4,221)
Changes in other non-current assets	14	(203)	54	(204)
Changes in restricted cash	1,453	(8)	1,444	37
Changes in other non-current liabilities	(427)	(98)	(730)	(831)
Total changes in other non-cash operating items	(1,989)	(4,623)	(4,973)	(5,219)

The following details cash paid included in operating activities and non-cash items included in investing and financing activities:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
	$	$	$	$
Interest paid included in operating activities	16,934	15,574	52,290	39,685
Non-cash investing and financing activities:				
REIT Units issued under distribution reinvestment plan	419	1,679	3,045	4,178
Class B LP Units issued as purchase price consideration	3,142	—	3,142	19,918
Class B LP Units exchanged for REIT Units	—	—	11,596	—

18 Subsequent event

On October 8, 2024, the REIT completed the sale of one office property and one industrial property in which it held a 50% interest. These properties were located in Montreal, Quebec and sold for a price of $13,500 ($6,750 at the REIT's 50% ownership interest), of which $2,750 was settled through the issuance of a vendor take back loan (VTB) that matures on April 8, 2025 at an interest rate of prime plus 3%, and the remaining $4,000 was paid in cash.