True North Commercial REIT Reports Q4-2022 and Year End Results, Announces Capital Strengthening and Unitholder Value Strategy and 80% of Revenue from Government and Credit-Rated Tenants

Plan includes Strategic Sale of Two Recently Vacated Ontario Properties, Reduction of Unitholder Distribution and Pending Five-year Government Tenant Renewals of 140,000 square feet

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"*This news release constitutes a "designated news release" for the purposes of the REIT's prospectus supplement dated April 21, 2022 to its short form base shelf prospectus dated February 17, 2022."*

TORONTO, ON – March 14, 2023 – True North Commercial Real Estate Investment Trust (TSX: TNT.UN) (the "REIT") today announced its financial results for the three months and year ended December 31,2022. The REIT also announced its capital strengthening and unitholder ("Unitholder") value strategy which includes: (i) the sale of two recently vacated Ontario properties to separate purchasers; and (ii) effective with the March 2023 distribution payable on April 17, 2023 to Unitholders of record on March 31, 2023 a 50% distribution reduction. These strategic initiatives are expected to provide the REIT with greater financial strength and the flexibility to address future tenant turnover while preserving capital, improving its leverage profile and delivering long-term value to its Unitholders.

"The implementation of the strategic initiatives announced today will allow the REIT to strengthen its financial and liquidity position while delivering long-term value to its Unitholders. The reduction of the REIT's distribution will provide an additional $25 million of cash annually that will be used primarily to improve its capital profile and deliver Unitholder value," explained Daniel Drimmer, the REIT's Chief Executive Officer. "The disposition of the recently vacated buildings located at 360 Laurier Avenue West and 400 Carlingview Drive provides us with the ability to extract their underlying value at this time and will provide approximately $5 million of excess sale proceeds to further strengthen the REIT's financial position. Disposing of non-core assets and reducing leverage while also focusing on opportunities to deliver Unitholder value, are expected to be our driving focus as we move forward in 2023."

Q4 Highlights

- Collected approximately 99.5% of contractual rent in Q4-2022.
- Portfolio occupancy of 93%, predominately with government and credit-rated tenants, with an average remaining lease term of 4.4 years.
- Contractually leased and renewed approximately 84,900 square feet with a weighted average lease term of 6.6 years and a 1.6% increase over expiring base rents.
- Pending five-year government tenant renewals of 140,000 square feet.
- Net operating income(1) ("NOI") increased 1% while revenue remained flat, compared to Q4-2021. The increase in NOI was a result of higher same property NOI(1) ("Same Property NOI") of 1.3% combined with additional NOI from the acquisitions in Q4-2021 and Q3-2022, offset by a decrease in occupancy from 96% to 93% and higher amortization of leasing costs and straight-line rent adjustments.
- Same Property NOI experienced an overall increase of 1.3% due to termination fees relating to a tenant in the REIT's Greater Toronto Area ("GTA") portfolio that downsized a portion of their space effective December 2022. Excluding termination fees, Same Property NOI decreased 4.7%.

(1) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measures section.

- Funds from operations[(1)] ("FFO") basic and diluted per trust unit of the REIT ("Unit") decreased $0.02 and $0.01, respectively to $0.13 and adjusted funds from operations ("AFFO")[1] basic and diluted per Unit remained stable at $0.14. Excluding lease termination fees, FFO and AFFO basic and diluted per Unit would have been $0.12.
- $63.1 million of Available Funds[(1)] at the end of Q4-2022.

YTD Highlights

- Collected approximately 99.5% of contractual rent during 2022.
- On August 22, 2022, acquired a 174,000 square foot office property located at 400 Cumberland Street, Ottawa, Ontario for approximately $40.5 million plus closing costs.
- Contractually leased and renewed approximately 612,600 square feet with a weighted average lease term of 5.8 years and a 3.5% increase over expiring base rents.
- FFO basic and diluted per Unit increased $0.02 and $0.01 to $0.61 and $0.60, respectively. AFFO basic and diluted per Unit increased $0.03 and $0.04, respectively to $0.60. Excluding lease termination fees, FFO and AFFO basic and diluted per Unit would have been $0.52.

Key Performance Indicators

The REIT's presentation currency is the Canadian dollar. Unless otherwise stated, dollar amounts expressed in this press release are in thousands of dollars.

	Three months ended December 31		Years ended December 31	
	2022	2021	2022	2021
Number of properties			47	46
Portfolio GLA			4,975,200 sf	4,799,600 sf
Occupancy			93%	96%
Remaining weighted average lease term			4.4 years	4.4 years
Revenue from government and credit rated tenants			80%	76%
Revenue	$ 35,451	$ 35,461	$ 143,575	$ 138,523
NOI [(1)]	20,629	20,451	86,484	82,627
Net (loss) income and comprehensive income	(21,905)	18,916	16,532	51,004
Same Property NOI [(1)]	22,373	22,083	93,360	88,405
FFO [(1)]	$ 12,665	$ 13,309	$ 56,300	$ 53,800
FFO per Unit - basic [(1)]	0.13	0.15	0.61	0.59
FFO per Unit - diluted [(1)]	0.13	0.14	0.60	0.59
AFFO [(1)]	$ 12,734	$ 12,866	$ 55,982	$ 51,408
AFFO per Unit - basic [(1)]	0.14	0.14	0.60	0.57
AFFO per Unit - diluted [(1)]	0.14	0.14	0.60	0.56
AFFO payout ratio - diluted [(1)]	110%	106%	99%	106%
Distributions declared	$ 13,996	$ 13,579	$ 55,296	$ 53,973

(1) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measures section.

Operating Results

The REIT's revenue remained relatively flat compared to Q4-2021 while NOI increased 1%. The main contributor was the increase in Same Property NOI of 1.3% due to termination income received from one tenant at a GTA property that downsized a portion of their space effective December 2022, combined with additional NOI from acquisitions in Q4-2021 and Q3-2022, offset by a decrease in occupancy from 96% to 93% and higher amortization of leasing costs and straight line rent adjustments.

The REIT’s FFO and AFFO decreased $644 (YTD-2022 - increased $2,500) and $132 (YTD-2022 - increased $4,574), respectively in Q4-2022 over the comparable period.

Q4-2022 FFO basic and diluted per Unit were lower by $0.02 and $0.01, respectively compared to Q4-2021. Q4-2022 AFFO basic and diluted per Unit remained stable at $0.14. YTD-2022 FFO basic and diluted per Unit increased $0.02 and $0.01, respectively, to $0.61 and $0.60. YTD-2022 AFFO basic and diluted per Unit increased $0.03 and $0.04, respectively to $0.60.

Excluding termination fees, Q4-2022 FFO and AFFO basic and diluted per Unit would have been $0.12 and YTD-2022 FFO and AFFO basic and diluted per Unit would have been $0.52. Q4-2022 AFFO diluted payout ratio would have been 127% and YTD-2022 AFFO diluted payout ratio would have been 115%.

Same Property NOI

	As at December 31	
Occupancy	**2022**	**2021**
Alberta	94.4 %	96.5 %
British Columbia	98.7 %	100.0 %
New Brunswick	85.1%	89.3 %
Nova Scotia	97.9 %	97.5 %
Ontario	92.7 %	95.9 %
Total	92.9 %	95.6 %

NOI	**Q4 2022**	**Q4 2021**	**Variance**	**Variance %**
Alberta	$ 3,567	$ 3,465	$ 102	2.9 %
British Columbia	1,268	1,250	18	1.4%
New Brunswick	861	1,264	(403)	(31.9)%
Nova Scotia	1,648	1,828	(180)	(9.8)%
Ontario	15,029	14,276	753	5.3 %
	$ 22,373	$ 22,083	$ 290	1.3%

Q4-2022 Same Property NOI increased 1.3% and 5.6% YTD-2022.

Same Property NOI in Alberta increased 2.9% mainly due to a termination payment received from a tenant at the REIT’s Edmonton property. The surrendered space has been re-leased with rents starting in Q1-2023. Same property occupancy in British Columbia decreased due to a lease expiry at the end of Q2-2022. NOI was positively impacted by contractual rent increases.

New Brunswick Same Property NOI experienced a decline due to lower occupancy as certain tenants downsized their space requirements on renewal. A total of 34,000 square feet of new lease deals were completed in 2022 with revenue commencing in the first half of 2023. Same Property NOI in Nova Scotia was negatively impacted by a 14,600 square foot short term lease that ended in Q2-2022 following which the space was subsequently re-leased with rent commencing in Q2-2023.

While occupancy has decreased in the REIT's Ontario portfolio, Same Property NOI increased by 5.3% mainly due to termination fees. Termination fees relate to a tenant in the GTA portfolio that downsized a portion of their space effective December 2022, of which approximately 60% has been contractually re-leased with rents commencing in the second half of 2023.

Excluding termination fees, Same Property NOI for the quarter decreased 4.7% and 2.7% YTD-2022.

Debt and Liquidity

	December 31, 2022	December 31, 2021
Indebtedness to GBV ratio (1)	59.3%	57.7%
Interest coverage ratio (1)	3.00x	3.02x
Indebtedness - weighted average fixed interest rate	3.54%	3.31%
Indebtedness - weighted average term to maturity	3.27 years	3.70 years

On August 19, 2022, the REIT renewed its credit facility for a further two years maturing December 1, 2024 which included an increase from $60,000 to $68,000, with the additional $8,000 expiring on June 30, 2023 to align with the previously announced sale of 32071 South Fraser Way, Abbotsford, British Columbia.

As at December 31, 2022, the REIT's mortgage portfolio carried a weighted average maturity of 3.27 years and a weighted average fixed interest rate of 3.54%. During the quarter, the REIT refinanced a total of $36,000 (YTD-2022 - $118,820) of mortgages with a weighted average fixed interest rate of 5.38% (YTD-2022 - 4.53%) for five year terms (YTD-2022 - one to seven year terms), providing the REIT with additional liquidity of approximately $8,800 (YTD-2022 - $29,400). Subsequent to year-end, the REIT refinanced $31,226 of mortgages providing the REIT with additional liquidity of approximately $5,800.

Property Dispositions

The REIT has entered into a binding agreement for the sale of a 107,100 square foot property located at 360 Laurier Avenue West, Ottawa, Ontario (the “Laurier Property”) and on March 10, 2023 completed the sale of 26,800 square foot property located at 400 Carlingview Drive, Toronto, Ontario (the “Carlingview Property”) for a combined sale price of $24.8 million, excluding transaction costs and standard closing adjustments. The two dispositions will provide the REIT with $5 million of excess sale proceeds.

The Carlingview Property a single-tenanted office building located in close proximity to Toronto Pearson International Airport, was purchased in February 2013 and became fully vacant as of March 2023. The Laurier Property is an eleven-story office building located in Ottawa and was purchased in February 2019. The Laurier Property is approximately 96% vacant as of February 2023 with the sale expected to close on or about June 15, 2023. Completion of the sale of the Laurier Property remains subject to the satisfaction of certain customary closing conditions being fulfilled.

Management believes these dispositions are advantageous and strategic given the lead tenant at each property had provided notice that they would be vacating at the end of their current lease term. For these particular properties, the ability to extract their underlying value at this time is advantageous given the significant re-leasing costs and loss of income associated with replacing the vacancy.

Distribution Reduction

Although the REIT has performed well over the last three years in uncertain operating and capital market conditions, it has faced challenges due to changing office requirements following the COVID-19 pandemic, increased inflation and rising interest rates.

In view of the current capital and property market conditions, together with the uncertainty surrounding the duration and impact of these macroeconomic factors, management and the board of trustees (the “Board”) have carefully considered initiatives in order to ensure the long-term viability of the REIT’s cash flow and preserve value for its Unitholders. As part of its process, the Board conducted a comprehensive review of the REIT’s distribution policy and has approved a 50% reduction to its monthly cash dividend from $0.0495 per Unit to $0.02475 per Unit or $0.297 per Unit on an annualized basis. The new declared distribution will be paid on April 17, 2023 to Unitholders of record on March 31, 2023. The Board will re-evaluate the REIT’s distribution policy on a regular basis, taking into account various factors including, but not limited to, market conditions and the REIT’s financial position.

(1) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measures section.

The decision to reduce the distribution was made by the Board following a careful review of the REIT's strategic goals, capital structure and operations, as well as a thorough investigation of the potential merits of the distribution reduction and strategic alternatives. The Board and management believe this decision is prudent and in the best interests of the REIT and its Unitholders, particularly in light of current market conditions. Specifically, this decision underlines the Board's and management's view that the Unitholders are best served by a well-capitalized REIT, which bolsters the REIT's ability to enhance its portfolio and pursue value-creating opportunities.

The distribution reduction is expected to provide the REIT with financial flexibility to continue advancing its short and long-term objectives while exploring strategic, value-creating opportunities, with maximizing Unitholder value being the principal objective.

About the REIT

The REIT is an unincorporated, open-ended real estate investment trust established under the laws of the Province of Ontario. The REIT currently owns and operates a portfolio of 46 commercial properties consisting of approximately 4.9 million square feet in urban and select strategic secondary markets across Canada focusing on long term leases with government and credit rated tenants.

The REIT is focused on growing its portfolio principally through acquisitions across Canada and such other jurisdictions where opportunities exist. Additional information concerning the REIT is available at www.sedar.com or the REIT's website at www.truenorthreit.com.

Non-IFRS financial measures

Certain terms used in this press release such as FFO, AFFO, FFO and AFFO payout ratios, NOI, Same Property NOI, indebtedness ("Indebtedness"), gross book value ("GBV"), Indebtedness to GBV ratio, net earnings before interest, tax, depreciation and amortization and fair value gain (loss) on financial instruments and investment properties ("Adjusted EBITDA"), interest coverage ratio and Available Funds are not measures defined by International Financial Reporting Standards ("IFRS") as prescribed by the International Accounting Standards Board, do not have standardized meanings prescribed by IFRS and should not be compared to or construed as alternatives to profit/loss, cash flow from operating activities or other measures of financial performance calculated in accordance with IFRS. FFO, AFFO, FFO and AFFO payout ratios, NOI, Same Property NOI, Indebtedness, GBV, Indebtedness to GBV ratio, Adjusted EBITDA, interest coverage ratio, adjusted cash provided by operating activities and Available Funds as computed by the REIT may not be comparable to similar measures presented by other issuers. The REIT uses these measures to better assess the REIT's underlying performance and provides these additional measures so that investors may do the same. Details on non-IFRS financial measures are set out in the REIT's Management's Discussion and Analysis for the three months and year ended December 31, 2022 and the Annual Information Form are available on the REIT's profile at www.sedar.com.

Reconciliation of Non-IFRS financial measures

The following tables reconcile the non-IFRS financial measures to the comparable IFRS measures for the three months and year ended December 31, 2022 and 2021. These non-IFRS financial measures do not have any standardized meanings prescribed by IFRS and may not be comparable to similar measures presented by other issuers.

NOI

The following table calculates NOI:

	Three months ended December 31		Years ended December 31	
	2022	**2021**	**2022**	**2021**
Revenue	$ 35,451	$ 35,461	$ 143,575	$ 138,523
Expenses:				
Property operating costs	(9,834)	(10,016)	(36,882)	(35,940)
Realty taxes	(4,988)	(4,994)	(20,209)	(19,956)
NOI	$ 20,629	$ 20,451	$ 86,484	$ 82,627

Same Property NOI

Same Property NOI is measured as the net operating income for the properties owned and operated by the REIT for the current and comparative period. The following table reconciles the REIT's Same Property NOI to NOI:

	Three months ended December 31		Years ended December 31	
	2022	**2021**	**2022**	**2021**
Number of properties	45	45	45	45
Revenue	$ 33,751	$ 35,059	$ 139,942	$ 137,455
Expenses:				
Property operating	(9,430)	(9,923)	(36,044)	(35,688)
Realty taxes	(4,764)	(4,940)	(19,673)	(19,801)
	$ 19,557	$ 20,196	$ 84,225	$ 81,966
Add:				
Amortization of leasing costs and tenant inducements	2,012	1,652	6,784	5,929
Straight-line rent	804	235	2,351	510
Same Property NOI	$ 22,373	$ 22,083	$ 93,360	$ 88,405
Reconciliation to financial statements:				
Acquisitions and dispositions	1,070	255	2,247	675
Amortization of leasing costs and tenant inducements	(2,012)	(1,652)	(6,784)	(5,943)
Straight-line rent	(802)	(235)	(2,339)	(510)
NOI	$ 20,629	$ 20,451	$ 86,484	$ 82,627

FFO and AFFO

The following table reconciles the REIT's FFO and AFFO to net income and comprehensive income, for the three months and years ended December 31, 2022 and 2021:

	Three months ended December 31		Years ended December 31	
	2022	2021	2022	2021
Net (loss) income and comprehensive (loss) income	$ (21,905)	$ 18,916	$ 16,532	$ 51,004
Add (deduct):				
Fair value adjustment of Unit-based compensation	7	108	(580)	801
Fair value adjustment of investment properties	31,803	(7,361)	41,925	(6,219)
Fair value adjustment of Class B LP Units	455	514	(4,590)	3,601
Transaction costs on sale of investment property	—	—	—	623
Distributions on Class B LP Units	375	449	1,673	1,884
Unrealized gain on change in fair value of derivative instruments	(82)	(969)	(5,444)	(3,837)
Amortization of leasing costs and tenant inducements	2,012	1,652	6,784	5,943
FFO	$ 12,665	$ 13,309	$ 56,300	$ 53,800
Add (deduct):				
Unit-based compensation expense	124	115	665	448
Amortization of financing costs	391	401	1,524	1,372
Amortization of mortgage discounts	(9)	(12)	(45)	(51)
Installment note receipts	15	25	62	105
Straight-line rent	802	235	2,339	510
Capital reserve	(1,254)	(1,207)	(4,863)	(4,776)
AFFO	$ 12,734	$ 12,866	$ 55,982	$ 51,408
FFO per Unit:				
Basic	$ 0.13	$ 0.15	$ 0.61	$ 0.59
Diluted	$ 0.13	$ 0.14	$ 0.60	$ 0.59
AFFO per Unit:				
Basic	$ 0.14	$ 0.14	$ 0.60	$ 0.57
Diluted	$ 0.14	$ 0.14	$ 0.60	$ 0.56
AFFO payout ratio:				
Basic	110%	105%	99%	105%
Diluted	110%	106%	99%	106%
Distributions declared	$ 13,996	$ 13,579	$ 55,296	$ 53,973
Weighted average Units outstanding (000s):				
Basic	94,202	91,312	93,007	90,799
Add:				
Unit options and Incentive Units	20	622	76	753
Diluted	94,222	91,934	93,083	91,552

Indebtedness to GBV Ratio

The table below calculates the REIT's Indebtedness to GBV ratio as at December 31, 2022 and 2021. The Indebtedness to GBV ratio is calculated by dividing the indebtedness by GBV:

	December 31, 2022	December 31, 2021
Total assets	$ 1,450,315	$ 1,421,177
Deferred financing costs	7,070	7,171
GBV	$ 1,457,385	$ 1,428,348
Mortgages payable	846,689	820,402
Credit Facility	14,400	—
Unamortized financing costs and mark to market mortgage adjustments	3,745	3,977
Indebtedness	$ 864,834	$ 824,379
Indebtedness to GBV	**59.3 %**	**57.7 %**

Adjusted EBITDA

The table below reconciles the REIT's adjusted EBITDA to net income and comprehensive income for the years ended December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Net income and comprehensive income	$ 16,532	$ 51,004
Add (deduct):		
Interest expense	28,855	27,344
Fair value adjustment of Unit-based compensation	(580)	801
Transaction costs on sale of investment property	—	623
Fair value adjustment of investment properties	41,925	(6,219)
Fair value adjustment of Class B LP Units	(4,590)	3,601
Distributions on Class B LP Units	1,673	1,884
Unrealized gain on change in fair value of derivative instruments	(5,444)	(3,837)
Amortization of leasing costs, tenant inducements, mortgage premium and financing costs	8,263	7,264
Adjusted EBITDA	$ 86,634	$ 82,465

Interest Coverage Ratio

The table below calculates the REIT's interest coverage ratio for the years ended December 31, 2022 and 2021. The interest coverage ratio is calculated by dividing Adjusted EBITDA by interest expense.

	December 31, 2022	December 31, 2021
Adjusted EBITDA	$ 86,634	$ 82,465
Interest expense	28,855	27,344
Interest coverage ratio	3.00 x	3.02 x

Available Funds

The table below calculates the REIT's Available Funds as at December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Cash	$ 9,501	$ 5,476
Undrawn Credit Facility	53,600	60,000
Available Funds	$ 63,101	$ 65,476

Forward-looking Statements

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws, including statements regarding anticipated outcomes and benefits in respect of the sale of two Ontario properties and the distribution reduction (including the potential impact thereof on Unitholders, as well as the REIT and its ability to advance its objectives, explore strategic opportunities and deliver long-term value to its Unitholders), and the timing thereof, the ability of the REIT to complete the proposed sale of the Laurier Property and the timing thereof, the ability of the REIT to complete the pending five year government tenant renewals of 140,000 square feet and the timing thereof, and the REIT's future plans (including the Board's and management's expectations regarding the REIT's leverage, portfolio and future distributions). Forward-looking statements are provided for the purposes of assisting the reader in understanding the REIT's financial performance, financial position and cash flows as at and for the periods ended on certain dates and to present information about management's current expectations and plans relating to the future. Readers are cautioned that such statements may not be appropriate for other purposes. Forward-looking information may relate to future results, performance, achievements, events, prospects or opportunities for the REIT or the real estate industry and may include statements regarding the financial position, business strategy, budgets, projected costs, capital expenditures, financial results, taxes, plans and objectives of or involving the REIT. In some cases, forward-looking information can be identified by such terms as "may", "might", "will", "could", "should", "would", "expect", "plan", "anticipate", "believe", "intend", "seek", "aim", "estimate", "target", "goal", "project", "predict", "forecast", "potential", "continue", "likely", or the negative thereof or other similar expressions suggesting future outcomes or events.

Forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the REIT's business and results of operations, the ability of the REIT to manage inflation and rising interest rates, and the changes to the REIT's business and operations following the coronavirus pandemic (SARS- CoV-2) ("COVID-19"). Forward-looking statements involve known and unknown risks and uncertainties, which may be general or specific and which give rise to the possibility that expectations, forecasts, predictions, projections or conclusions will not prove to be accurate, assumptions may not be correct and objectives, strategic goals and priorities may not be achieved. A variety of factors, many of which are beyond the REIT's control, affect the operations, performance and results of the REIT and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. These factors include, but are not limited to: risks and uncertainties related to the Units; risks related to the REIT and its business; fluctuating mortgage and interest rates and general economic conditions, including increased levels of inflation; credit, market, operational and liquidity risks generally; occupancy levels and defaults, including the failure to fulfill contractual obligations by tenants; lease renewals and rental increases including the pending five-year government renewals of 140,000 square feet; the ability to re-lease and find new tenants for vacant space; the timing and ability of the REIT to sell certain properties; the after effects of the COVID-19 pandemic on the business, operations and financial condition of the REIT and its tenants, as well as on consumer behavior and the economy in general, including the ability to enforce leases, perform capital expenditure work, increase rents, raise capital through the issuance of Units or other securities of the REIT and obtain mortgage financing on the REIT's properties. The foregoing is not an exhaustive list of factors that may affect the REIT's forward-looking statements. Other risks and uncertainties not presently known to the REIT could also cause actual results or events to differ materially from those expressed in its forward-looking statements. The reader is cautioned to consider these and other factors, uncertainties and potential events carefully and not to put undue reliance on forward-looking statements as there can be no assurance actual results will be consistent with such forward-looking statements.

Information contained in forward-looking statements is based upon certain material assumptions applied in drawing a conclusion or making a forecast or projection, including management's perception of historical trends, current conditions and expected future developments, as well as other considerations believed to be appropriate in the circumstances. There can be no assurance regarding: (a) the sale of the two Ontario properties, including the completion of the sale of the Laurier Property, and the impact of the distribution reduction on long-term Unitholder value including the completion of the five-year government renewals of 140,000 square feet; (b) the after effects of COVID-19 on the REIT's business, operations and performance, including the performance of its Units; (c) the REIT's ability to mitigate any impacts related to fluctuating mortgage and interest rates and inflation; (d) the factors, risks and uncertainties expressed above in regards to the post pandemic environment on the commercial real estate industry and property occupancy levels; (e) credit, market, operational, and liquidity risks generally; (f) the availability of investment opportunities for growth in Canada and the timing and ability of the REIT to sell certain properties; (g) Starlight Group Property Holdings Inc., or any of its affiliates, continuing as asset manager of the REIT in accordance with its current asset management agreement; and (h) other risks inherent to the REIT's business and/or factors beyond its control which could have a material adverse effect on the REIT.

The forward-looking statements made in this news release are dated and relate only to events or information as of the date of this news release. Except as specifically required by applicable Canadian law, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

For further information:

Daniel Drimmer
Chief Executive Officer
(416) 234-8444

or

Tracy Sherren
President and Chief Financial Officer
(416) 234-8444