True North Commercial REIT Reports Q4-2023 and Year End Results

340,000 square feet of leasing transactions with a weighted average lease term of 5.1 years including 92% government and credit rated tenants during Q4-2023

The REIT announces its intention to continue the immediately accretive repurchase of Units under the NCIB program until the end of Q2-2024

/NOT FOR DISTRIBUTION IN THE U.S. OR OVER U.S. NEWSWIRES/

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 19, 2024 – 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, 2023.

“We are pleased the REIT continued its strong leasing momentum from the third quarter and entered into new and renewal leases totalling approximately 340,000 square feet during the fourth quarter which demonstrated the strong relationships the REIT has built with existing tenants and its ability to establish strong relationships with new tenants,” stated Daniel Drimmer, the REIT’s Chief Executive Officer. “Given the success of reallocating funds previously used for distributions to the unit buyback program whereby units were repurchased at an inferred distribution yield of approximately 19%, the REIT intends to continue its normal course issuer bid until the end of Q2-2024, subject to the Toronto Stock Exchange’s approval. The REIT will evaluate the reinstatement of a distribution as operating and capital market conditions improve and continues to remain focused on its strategic initiatives including delivering long-term value to its unitholders as well as strengthening the REIT’s financial statement and liquidity position with steps including the sale of 400 Carlingview Drive, 360 Laurier Avenue West and 32017 South Fraser Way delivering net proceeds of approximately $47.4 million, prior to mortgage repayment."

On November 24, 2023 the REIT executed a consolidation of its trust units ("Units"), special voting Units of the REIT and the class B Limited Partnership Units of the REIT ("Class B LP Units") on the basis of 5.75:1. All Unit and per Unit amounts noted within have been retroactively adjusted to reflect the Unit consolidation. The REIT’s presentation currency is the Canadian dollar. Unless otherwise stated, dollar amounts expressed in this press release are in thousands of dollars.

Update on Nomal Course Issuer Bid ("NCIB") and Distribution Reallocation

- A 50% reduction to the monthly cash distribution from $0.2846 per Unit to $0.1423 per Unit or $1.70775 per Unit on an annualized basis commenced on April 17, 2023 and effective December 15, 2023, the REIT redirected and reallocated substantially all distributions paid to unitholders to purchase the maximum number of Units available under the normal course issuer bid ("NCIB") ("Distribution Reallocation").
- From the commencement of the NCIB Program in April 2023 up to the date of this filing, the REIT had repurchased 946,272 Units for $8.7 million at a weighted average price of $9.12 per Unit under the NCIB which represented an inferred distribution yield of approximately 18.7%[1]. The REIT had repurchased 66% of the maximum Units able to be repurchased under the existing NCIB program and has utilized substantially all of the capital previously used to fund distributions to REIT Unitholders. The REIT intends to renew the NCIB program for a one year period, subject to TSX approval, and believes the NCIB continues to be a very attractive use of capital.

Q4 Highlights

- Portfolio occupancy as at December 31, 2023 remained above average occupancy for the markets in which the REIT operates at 89% with an average remaining lease term of 4.6 years excluding investments properties held for sale.

[1] Estimated using the $1.70775 per Unit distribution prior to reallocating funds used for distributions to the NCIB and the average market price the REIT repurchased Units at under the NCIB up to the date of this filing.

- Contractually leased and renewed approximately 338,900 square feet with a weighted average lease term of 5.1 years and a positive rent spread of 4.2% excluding the government renewal in Alberta which renewed at a lower rate in line with the respective markets.
- Excluding termination income and investment properties held for sale, revenue and net operating income ("NOI")[(1)] decreased 1% and 6%, respectively, compared to Q4-2022. Including termination income and investment properties held for sale, revenue and NOI decreased 7% and 16%, respectively, compared to Q4-2022 driven by lower NOI from properties owned for the entire reporting period in both the current and comparative period ("Same Property NOI")[(1)].
- Q4-2023 Same Property NOI decreased 2.3% excluding termination fees and investment properties held for sale (9.3% decrease excluding investment properties held for sale only).
- During 2022, the REIT received termination income from one tenant at 6925 Century Avenue, Mississauga, Ontario that downsized a portion of its space effective Q4-2022. To date, 82% of the vacated space has been contractually re-leased with rents commencing in the latter half of 2023 and first half of 2024.
- Q4-2023 funds from operations ("FFO")[(1)] and adjusted funds from operations ("AFFO")[(1)] basic and diluted per Unit decreased $0.18 and $0.20, respectively, to $0.59 and $0.58. Excluding termination fees, Q4-2023 FFO and AFFO basic and diluted per Unit[(1)] were lower by $0.09 and $0.10 respectively compared to Q4-2022 due to the loss of rental revenue from the vacancy at 6925 Century Avenue, Mississauga, Ontario.
- FFO and AFFO per Unit decreased $0.04 and $0.03, respectively, to $0.59 and $0.58 when compared to Q3-2023 due to due to termination income received in Q3-2023 from a tenant that downsized combined with an increase in vacancy in the Nova Scotia portfolio as a result of certain tenants vacating at the end of their lease term in the second half of 2023.
- $45.3 million of cash and available funds from the REIT's undrawn floating rate revolving credit facility ("Credit Facility") at the end of Q4-2023 ("Available Funds")[(1)].

YTD Highlights

- Contractually leased and renewed approximately 851,700 square feet with a weighted average lease term of 5.1 years and a 5.7% increase over expiring base rents.
- Completed the sale of 400 Carlingview Drive, Toronto, Ontario (the "Carlingview Property") on March 10, 2023 for a sale price of $7.25 million.
- Completed the sale of 360 Laurier Avenue West, Ottawa, Ontario (the "Laurier Property") totaling 107,100 square feet on July 10, 2023 for a sale price of $17.5 million.
- Completed the sale of 32071 South Fraser Way, Abbotsford, BC totaling 52,300 square feet on July 31, 2023 for a sale price of $24.0 million.

Subsequent Events

- Subsequent to December 31, 2023, the REIT entered into an unconditional agreement of purchase and sale to dispose of 251 Arvin Avenue located in Hamilton, Ontario for a sale price of $2,700, 6865 Century Avenue located in Mississauga, Ontario for a sale a price of $15,300 and 135 Hunter Street East located in Hamilton, Ontario for a sale price of $6,375. Closing is expected on or about April 8, 2024, April 10, 2024 and April 21, 2024, respectively.
- Subsequent to December 31, 2023, the REIT refinanced a $12,962 mortgage for a one year term which represents approximately 16% of mortgages maturing in 2024 with the majority of the remaining 2024 debt maturities occurring towards the end of 2024 on loans with large Canadian financial institutions with whom the REIT and their asset manager have strong relationships.

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

Key Performance Indicators

	Three months ended December 31		Years ended December 31	
	2023	**2022**	**2023**	**2022**
Number of properties			44	47
Portfolio gross leasable area			4,792,200 sf	4,975,200 sf
Occupancy [1]			89 %	93 %
Remaining weighted average lease term [1]			4.6 years	4.4 years
Revenue from government and credit rated tenants			77 %	80 %
Revenue	$ 32,867	$ 35,451	$ 132,204	$ 143,575
NOI	17,346	20,629	72,548	86,484
Net (loss) income and comprehensive (loss) income	(5,937)	(21,905)	(40,621)	16,532
Same Property NOI	19,716	22,570	79,734	91,081
FFO	$ 9,642	$ 12,665	$ 41,412	$ 56,300
FFO per Unit - basic	0.59	0.77	2.52	3.48
FFO per Unit - diluted	0.59	0.77	2.52	3.48
AFFO	$ 9,471	$ 12,734	$ 40,619	$ 55,982
AFFO per Unit - basic	0.58	0.78	2.47	3.46
AFFO per Unit - diluted	0.58	0.78	2.47	3.46
AFFO payout ratio - diluted [2][3]	25 %	110 %	69 %	99 %
Distributions declared	$ 2,337	$ 13,996	$ 28,068	$ 55,296

(1) Excludes investment properties held for sale.
(2) This is a non-IFRS financial measure, refer to “Non-IFRS Financial Measures”.
(3) See Distribution Reallocation.

Operating Results

Revenue and NOI decreased 1% and 6%, respectively, excluding termination income and investment properties held for sale. Revenue and NOI decreased 2% and 7% respectively for YTD-2023 compared to YTD-2022. Revenue and NOI decreased 7% (8% YTD-2023) and 16% (16% YTD-2023) in Q4-2023 when compared to Q4-2022 including termination income and investment properties held for sale. The main contributor was termination income received in 2022 relating to a tenant in the REIT’s greater Toronto area ("GTA") portfolio that downsized a portion of its space effective Q4-2022 which also led to lower rental revenue YTD-2023. 60% of this space was released during the year resulting in higher rental revenue QTD-2023 at the property. Additional drivers of the decrease included disposition activity in 2023, a 101,200 square foot lease expiry in Q1-2023 at the Laurier Property and 115,000 square foot lease expiry in Q2-2023 at the Victoria Park Property (together with the termination income previously mentioned, the “Primary Variance Drivers”). The decrease was partially offset by termination income received from two tenants in the Ontario portfolio and the tenant at the Carlingview Property. In addition, revenue and NOI were positively impacted by NOI from an acquisition completed in Q3-2022, contractual rent increases and positive leasing activity in New Brunswick.

Q4-2023 FFO and AFFO decreased $3,023 (YTD 2023 - $14,888), and $3,263 (YTD 2023 - $15,363), respectively compared to the same period in 2022. FFO and AFFO were negatively impacted by the Primary Variance Drivers, combined with higher financing costs as a result of higher interest rates on mortgage refinancings and higher interest expense on the REIT's Credit Facility. FFO and AFFO benefited from NOI increases resulting from the acquisition completed in Q3-2022, termination income, contractual rent increases and positive leasing activity primarily in New Brunswick.

Q4-2023 FFO and AFFO basic and diluted per Unit decreased $0.18 ($0.96 - YTD-2023) and $0.20 ($0.99 - YTD-2023) to $0.59 and $0.58 over the comparable period. Excluding termination fees, Q4-2023 FFO and AFFO basic and diluted per Unit were lower by $0.09 ($0.53 - YTD-2023) and $0.10 ($0.56 - YTD-2023), respectively, compared to the same period in 2022.

Same Property NOI[(1)]

Occupancy [(2)]	As at December 31 2023	2022
Alberta	70.3 %	94.4 %
British Columbia	100.0 %	98.7 %
New Brunswick	86.7 %	85.1 %
Nova Scotia	76.5 %	97.9 %
Ontario	94.7 %	92.6 %
Total	89.2 %	92.9 %

NOI	Q4 2023	Q4 2022	Variance	Variance %
Alberta	$ 3,655	$ 3,568	$ 87	2.4 %
British Columbia	1,298	1,229	69	5.6 %
New Brunswick	1,342	862	480	55.7 %
Nova Scotia	1,331	1,648	(317)	(19.2)%
Ontario	11,867	14,181	(2,314)	(16.3)%
	$ 19,493	$ 21,488	$ (1,995)	(9.3)%

Q4-2023 Same Property NOI decreased by 2.3% (YTD-2023 - 2.6%) excluding termination fees and investment properties held for sale. Excluding investment properties held for sale only, Q4-2023 Same Property NOI decreased by 9.3% (YTD-2023 - 10.8%) as a result of the significant termination fee income recorded in the prior year periods.

Same Property NOI in Alberta increased due to contractual rent increases and a one time fee incurred upon tenant vacancy. Occupancy in Alberta also decreased 24.1% due to a lease maturity at one of the properties in Q4-2023 where the tenant did not renew.

Same Property NOI for British Columbia increased due to contractual rent increases and lower one time non-recoverable expenses compared to 2022. Same Property NOI for New Brunswick increased as a result of a new leases that commenced throughout 2023 on previously vacant space, coupled with 141,000 square feet of government renewals across three properties at higher rental rates and project management fees earned on tenant projects started in 2023. Same Property NOI for Nova Scotia decreased due to lower occupancy from certain tenants not renewing upon lease maturity and lower project management fees compared to 2022 which was partially offset by contractual rent increases and new lease commencements.

Same Property NOI for Ontario decreased mainly due to termination fees received in Q4-2022 relating to a tenant in the REIT's GTA portfolio that downsized a portion of their space effective December 2022, of which 82% has been contractually re-leased with rents commencing in the latter half of 2023 and first half of 2024. In addition, NOI was lower as a result of lower project management fees earned compared to 2022 and lower rental revenue from the acquisition completed in Q3-2022 due to the free rent provided to the tenant as part of the new lease term that commenced in 2023. The decrease in NOI generated from investment properties held for sale was due to the lead tenant vacating one of the properties on expiry.

Debt and Liquidity

	December 31, 2023	December 31, 2022
Indebtedness to GBV ratio [(1)]	61.9 %	59.3 %
Interest coverage ratio [(1)]	2.30 x	3.00 x
Indebtedness [(1)] - weighted average fixed interest rate	3.90 %	3.54 %
Indebtedness - weighted average term to maturity	3.01 years	3.27 years

At the end of Q4-2023, the REIT had access to Available Funds of approximately $45,346, and a weighted average term to maturity of 3.01 years in its mortgage portfolio with a weighted average fixed interest rate of 3.90%.

During Q4-2023, the REIT refinanced $62,834 of mortgages with the new loans having a weighted average fixed interest rate of 6.06% and term to maturity between three and five year terms. YTD-2023, the REIT refinanced $130,407 of mortgages with a weighted average fixed interest rate of 5.87% (excluding one with a variable interest rate at prime plus 1.5%) and a weighted average term to maturity of 3.9 years, providing the REIT with additional liquidity of approximately $4,200.

Subsequent to December 31, 2023, the REIT renewed a $12,962 mortgage for a one year term.

(1) This is a non-IFRS financial measure. Refer to the Non-IFRS financial measures section below.
(2) Excludes investment properties held for sale.

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 44 commercial properties consisting of approximately 4.8 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.sedarplus.ca or the REIT's website at www.truenorthreit.com.

Non-IFRS 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, net asset value ("NAV") per Unit 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, NAV per Unit 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 measures are set out in the REIT's Management's Discussion and Analysis for the three months and year ended December 31, 2023 and the Annual Information Form are available on the REIT's profile at www.sedarplus.ca.

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

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, 2023 and 2022. 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 the REIT's net operating income, a non-IFRS financial measure:

	Three months ended December 31		Years ended December 31	
	2023	**2022**	**2023**	**2022**
Revenue	$ 32,867	$ 35,451	$ 132,204	$ 143,575
Expenses:				
Property operating costs	(10,692)	(9,834)	(39,492)	(36,882)
Realty taxes	(4,829)	(4,988)	(20,164)	(20,209)
NOI	$ 17,346	$ 20,629	$ 72,548	$ 86,484

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	
	2023	**2022**	**2023**	**2022**
Number of properties	44	44	43	43
Revenue	$ 32,867	$ 34,146	$ 125,576	$ 136,687
Expenses:				
Property operating	(10,692)	(9,600)	(37,685)	(35,566)
Realty taxes	(4,829)	(4,771)	(19,007)	(19,091)
	$ 17,346	$ 19,775	$ 68,884	$ 82,030
Add:				
Amortization of leasing costs and tenant inducements	2,526	1,998	9,252	6,729
Straight-line rent	(156)	797	1,598	2,322
Same Property NOI	$ 19,716	$ 22,570	$ 79,734	$ 91,081
Less: investment properties held for sale	223	1,082	2,430	4,420
Same Property NOI excluding investment properties held for sale	19,493	21,488	77,304	86,661
Reconciliation to financial statements:				
Acquisitions and dispositions	223	1,955	3,639	8,946
Amortization of leasing costs and tenant inducements	(2,526)	(2,012)	(9,261)	(6,784)
Straight-line rent	156	(802)	866	(2,339)
NOI	$ 17,346	$ 20,629	72,548	$ 86,484

FFO and AFFO

The following table reconciles the REIT's FFO and AFFO to net (loss) income and comprehensive (loss) income, for the three and year ended December 31, 2023 and 2022:

	Three months ended December 31		Years ended December 31	
	2023	**2022**	**2023**	**2022**
Net (loss) income and comprehensive (loss) income	$ (5,937)	$ (21,905)	$ (40,621)	$ 16,532
Add (deduct):				
Fair value adjustment of Unit-based compensation	(85)	7	(571)	(580)
Fair value adjustment of investment properties and investment properties held for sale	11,814	31,803	80,205	41,925
Fair value adjustment of Class B LP Units	(956)	455	(10,135)	(4,590)
Transaction costs on sale of investment property	1	—	1,376	—
Distributions on Class B LP Units	60	375	739	1,673
Unrealized loss (gain) on change in fair value of derivative instruments	2,219	(82)	1,158	(5,444)
Amortization of leasing costs and tenant inducements	2,526	2,012	9,261	6,784
FFO	$ 9,642	$ 12,665	$ 41,412	$ 56,300
Add (deduct):				
Unit-based compensation expense	117	124	563	665
Amortization of financing costs	328	391	1,399	1,524
Rent supplement	742	—	2,970	—
Amortization of mortgage discounts	(9)	(9)	(34)	(45)
Instalment note receipts	13	15	54	62
Straight-line rent	(156)	802	(866)	2,339
Capital reserve	(1,206)	(1,254)	(4,879)	(4,863)
AFFO	$ 9,471	$ 12,734	$ 40,619	$ 55,982
FFO per Unit:				
Basic	$ 0.59	$ 0.77	$ 2.52	$ 3.48
Diluted	$ 0.59	$ 0.77	$ 2.52	$ 3.48
AFFO per Unit:				
Basic	$ 0.58	$ 0.78	$ 2.47	$ 3.46
Diluted	$ 0.58	$ 0.78	$ 2.47	$ 3.46
AFFO payout ratio:				
Basic	25 %	110 %	69 %	99 %
Diluted	25 %	110 %	69 %	99 %
Distributions declared	$ 2,337	$ 13,996	$ 28,068	$ 55,296
Weighted average Units outstanding (000s):				
Basic	16,378	16,383	16,424	16,175
Add:				
Unit options and Incentive Units	8	3	5	13
Diluted	16,386	16,386	16,429	16,188

Indebtedness to GBV Ratio

The table below calculates the REIT's Indebtedness to GBV[(1)] ratio as at December 31, 2023 and December 31, 2022. The Indebtedness to GBV ratio is calculated by dividing the indebtedness by GBV:

	December 31, 2023	**December 31, 2022**
Total assets	$ 1,323,672	$ 1,450,315
Deferred financing costs	6,976	7,070
GBV	$ 1,330,648	$ 1,457,385
Mortgages payable	797,393	846,689
Credit Facility	23,600	14,400
Unamortized financing costs and mark to market mortgage adjustments	3,289	3,745
Indebtedness	$ 824,282	$ 864,834
Indebtedness to GBV	61.9 %	59.3 %

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

Adjusted EBITDA

The table below reconciles the REIT's adjusted EBITDA to net (loss) income and comprehensive (loss) income for the twelve month period ended December 31, 2023 and 2022:

	Years ended December 31 2023	2022
Net (loss) income and comprehensive (loss) income	$ (40,621)	$ 16,532
Add (deduct):		
Interest expense	32,821	28,855
Fair value adjustment of Unit-based compensation	(571)	(580)
Transaction costs on sale of investment property	1,376	—
Fair value adjustment of investment properties and investment properties held for sale	80,205	41,925
Fair value adjustment of Class B LP Units	(10,135)	(4,590)
Distributions on Class B LP Units	739	1,673
Unrealized loss (gain) on change in fair value of derivative instruments	1,158	(5,444)
Amortization of leasing costs, tenant inducements, mortgage premium and financing costs	10,626	8,263
Adjusted EBITDA	$ 75,598	$ 86,634

Interest Coverage Ratio

The table below calculates the REIT's interest coverage ratio[1] for the twelve month period ended December 31, 2023 and 2022. The interest coverage ratio is calculated by dividing Adjusted EBITDA[1] by interest expense.

	Years ended December 31 2023	2022
Adjusted EBITDA	$ 75,598	$ 86,634
Interest expense	32,821	28,855
Interest coverage ratio	2.30 x	3.00 x

Available Funds

The table below calculates Available Funds as at December 31, 2023 and December 31, 2022:

	December 31, 2023	December 31, 2022
Cash	$ 8,946	$ 9,501
Undrawn Credit Facility	36,400	53,600
Available Funds	$ 45,346	$ 63,101

NAV per Unit

The table below calculates the REIT's NAV per Unit as at December 31, 2023 and December 31, 2022:

	December 31, 2023		December 31, 2022	
	Units	Amount	Units	Amount
Unitholders' Equity	15,676,644	$ 452,804	15,967,482	$ 522,138
Add: Class B LP Units	420,887	4,231	439,365	14,628
Total Equity (including Class B LP Units)	16,097,531	$ 457,035	16,406,847	$ 536,766
NAV per Unit		$ 28.39		$ 32.72

[1] This is a non-IFRS financial measure. Refer to the Non-IFRS financial measures section below.

Forward-looking Statements

Certain statements contained in this press release constitute forward-looking information within the meaning of Canadian securities laws. 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 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 and trading value of the Units; risks related to the REIT and its business; fluctuating interest rates and general economic conditions, including fluctuating 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; the ability to re-lease and secure new tenants for vacant space; the timing and ability of the REIT to acquire or sell certain properties; work-from-home flexibility initiatives on the business, operations and financial condition of the REIT and its tenants, as well as on consumer behavior and the economy in general; the ability to enforce leases, perform capital expenditure work, increase rents or raise capital through the issuance of Units or other securities of the REIT; the benefits of reallocating the distribution amounts to the NCIB and continuation of such program, or through other capital programs; the impact of the Unit consolidation; the ability of the REIT to resume distributions in future periods; and obtain mortgage financing on the REIT's properties and for potential acquisitions or to refinance debt at maturity on similar terms. 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) work-from-home initiatives on the REIT's business, operations and performance, including the performance of its Units; (b) the REIT's ability to mitigate any impacts related to fluctuating interest rates, inflation and the shift to hybrid working; (c) the factors, risks and uncertainties expressed above in regards to the hybrid work environment on the commercial real estate industry and property occupancy levels; (d) credit, market, operational, and liquidity risks generally; (e) the availability of investment opportunities for growth in Canada and the timing and ability of the REIT to acquire or sell certain properties; (f) repurchasing Units under the NCIB; (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; (h) the benefits of reallocating the amounts previously distributed to the NCIB and continuation of such program, or through other capital programs; (i) the impact of the Unit consolidation; (j) the availability of debt financing for potential acquisitions or refinancing loans at maturity on similar terms; (k) the ability of the REIT to resume distributions at a defined point time; and (l) 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 relate only to events or information as of the date on which the statements are made. 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

Martin Liddell
Chief Financial Officer
(416) 234-8444