



NEXUS INDUSTRIAL REIT

ANNUAL INFORMATION FORM

For the year ended December 31, 2024

March 7, 2025

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GLOSSARY

The following terms used in this Annual Information Form have the meanings set forth below:

“**affiliate**” has the meaning set out in the National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators;

“**AFFO**” means adjusted funds from operations;

“**Audit Committee**” means the audit committee of Nexus Industrial REIT;

“**Board**” or “**Board of Trustees**” means the board of trustees of Nexus Industrial REIT;

“**CBCA**” means the *Canada Business Corporations Act*;

“**CDOR**” means the Canadian Dollar Offered Rate;

“**Class B LP Units**” means the non-voting exchangeable limited partnership units issued by certain Subsidiaries of Nexus Industrial REIT that are partnerships, which are exchangeable for Units pursuant to the terms of the limited partnership agreements of such Subsidiaries;

“**Consolidation**” has the meaning ascribed thereto in “Overview”;

“**CORRA**” means the Canadian Overnight Repo Rate Average;

“**CRA**” means the Canada Revenue Agency;

“**Credit Facilities**” means collectively the Secured Credit Facility 1, Secured Credit Facility 2 and Unsecured Facilities;

“**Credit Facility 1**” has the meaning ascribed thereto in “Nexus Industrial REIT Indebtedness – Credit Facilities”;

“**Credit Facility 2**” has the meaning ascribed thereto in “Nexus Industrial REIT Indebtedness – Credit Facilities”;

“**Credit Facility 3**” has the meaning ascribed thereto in “Nexus Industrial REIT Indebtedness – Credit Facilities”;

“**Declaration of Trust**” means the amended and restated declaration of trust of Nexus Industrial REIT dated as of March 7, 2022, as it may be further amended or amended and restated from time to time;

“**Distribution Date**” means, in respect of a Distribution Period, the 15th day of the month immediately following the Distribution Period and such other dates determined from time to time by the Trustees;

“**Distribution Period**” means each calendar month from and including the first day thereof and to and including the last day thereof;

“**DPSP**” means a “deferred profit sharing plan” as defined in the Tax Act;

“**DRIP**” the unitholder distribution reinvestment plan of Nexus Industrial REIT, as amended, supplemented or amended and restated from time to time and includes any document, instrument or agreement in substitution or replacement thereof;

“FHSAs” means first home savings accounts;

“GC&N Committee” means the Governance, Compensation and Nominating Committee of Nexus Industrial REIT;

“GLA” means gross leasable area;

“Gross Book Value” or **“GBV”** means the acquisition cost of the assets of Nexus Industrial REIT plus: (i) the cumulative impact of fair value adjustments; (ii) acquisition related costs in respect of completed investment property acquisitions that were expensed in the period incurred; (iii) accumulated amortization on property, plant and equipment, and other assets; and (iv) deferred loan costs;

“IFRS” means the International Financial Reporting Standards established by the International Accounting Standards Board, as amended from time to time;

“Indebtedness” means (without duplication) on a consolidated basis:

- (a) any obligation of Nexus Industrial REIT for borrowed money (other than the impact of any net discount or premium on Indebtedness at the time assumed from vendors of properties at rates of interest less or greater than, respectively, fair value and any undrawn amounts under any acquisition or operating facility);
- (b) any obligation of Nexus Industrial REIT (other than the impact of any net discount or premium on Indebtedness at the time assumed from vendors of properties at rates of interest less or greater than, respectively, fair value and any undrawn amounts under any acquisition or operating facility) incurred in connection with the acquisition of property, assets or businesses other than the amount of future income tax liability arising out of indirect acquisitions;
- (c) any obligation of Nexus Industrial REIT issued or assumed as the deferred purchase price of property;
- (d) any capital lease obligation of Nexus Industrial REIT; and
- (e) any obligation of the type referred to in subsections (a) through (d) of another person, the payment of which Nexus Industrial REIT has guaranteed or for which Nexus Industrial REIT is responsible for or liable, other than such an obligation in connection with a property that has been disposed of by Nexus Industrial REIT for which the purchaser has assumed such obligation and provided Nexus Industrial REIT with an indemnity or similar arrangement therefor;

provided that (A) for the purposes of subsections (a) through (d), an obligation (other than convertible debentures) will constitute Indebtedness only to the extent that it would appear as a liability on the consolidated balance sheet of Nexus Industrial REIT in accordance with IFRS, (B) obligations referred to in subsections (a) through (c) exclude trade accounts, payables, security deposits, distributions payable to Unitholders and accrued liabilities arising in the ordinary course of business, (C) convertible debentures will constitute Indebtedness to the extent of the principal amount thereof outstanding, and (D) Units and exchangeable securities, including Class B LP Units, will not constitute Indebtedness;

“Independent Trustee” means a Trustee who, in relation to Nexus Industrial REIT, is “independent” within the meaning of National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, as replaced or amended from time to time (including any successor rule or policy thereto);

“London Vendor” means 1803299 Ontario Inc.. The REIT has purchased several properties from the London Vendor and issued Class B LP Units to the London Vendor as purchase price consideration. The

London Vendor 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 December 31, 2024;

"Nexus Industrial REIT" or the **"REIT"** means Nexus Industrial REIT;

"Nobel" means Nobel Real Estate Investment Trust, an unincorporated open-ended real estate investment trust governed by the laws of the Province of Québec;

"Nobel Exchange Agreement" means the amended and restated supplemental agreement to exchange agreement made as of August 31, 2018 among the REIT, Nobel, Nobel GP, Nobel LP and each person who from time to time executes such exchange agreement or is deemed to be a party thereto, pursuant to which holders of Nobel Exchangeable Units are granted the right to require Nexus Industrial REIT to facilitate the exchange by Nobel LP of each Nobel Exchangeable Unit for one Unit, as provided for in the Nobel LP Agreement;

"Nobel Exchangeable Units" means the non-voting exchangeable limited partnership units issued by Nobel LP which are exchangeable for Units in the manner set out in the Nobel LP Agreement and the Nobel Exchange Agreement;

"Nobel GP" means Nobel REIT GP Inc., a corporation incorporated under the laws of Canada;

"Nobel LP" means Nobel REIT Limited Partnership, a limited partnership created under the laws of the Province of Québec;

"Nobel LP Agreement" means the third amended and restated limited partnership agreement dated August 31, 2018 between Nobel GP, as general partner, and Nobel, as limited partner, as amended;

"Non-Resident" means a person who is a "non-resident" within the meaning of the Tax Act or a partnership other than a Canadian partnership for the purposes of the Tax Act;

"OBCA" means the Business Corporations Act (Ontario);

"Partnerships" means, collectively, subsidiary limited partnerships controlled by Nexus Industrial REIT from time to time;

"Plans" means, collectively, trusts governed by RRSPs, RRIFs, RESPs, RDSPs, DPSPs, TFSA and FHSAs, and **"Plan"** means any of them;

"Properties" means the properties owned by Nexus Industrial REIT;

"RDSPs" means registered disability savings plans;

"REIT Exception" has the meaning set out in "Risk Factors – Risks Related to the Structure of Nexus Industrial REIT – Tax-Related Risks";

"RESPs" means registered education savings plans;

"RRIFs" means registered retirement income funds;

"RRSPs" means registered retirement savings plans;

"Secured Credit Facility 1" has the meaning set out in "General Developments of the Business – 2024";

“**Secured Credit Facility 2**” has the meaning ascribed thereto in “Nexus Industrial REIT Indebtedness – Credit Facilities”;

“**SIFT Rules**” has the meaning set out in “Declaration of Trust and Description of Capital Structure – Amendments to the Declaration of Trust”;

“**SOFR**” means the Secured Overnight Financing Rate;

“**Special Voting Unitholders**” means the holders of Special Voting Units;

“**Special Voting Units**” means the voting non-participating trust units of Nexus Industrial REIT issued in connection with the Class B LP Units and “**Special Voting Unit**” means any one of them;

“**Subsidiary**” has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*, as replaced or amended from time to time (including any successor rule or policy thereto), and “**Subsidiaries**” means collectively more than one Subsidiary;

“**Subsidiary Entity**” means a partnership, a trust all of the units of which, or a corporation all of the shares of which, are owned directly or indirectly by Nexus Industrial REIT or another entity that would be consolidated with Nexus Industrial REIT under IFRS;

“**Subsidiary Notes**” means promissory notes of a Subsidiary Entity, having a maturity date, determined at the time of issuance, of not more than five years, bearing interest at a market rate determined by the Trustees at the time of issuance;

“**Tax Act**” means the *Income Tax Act* (Canada) as now in effect and as it may be promulgated or amended from time to time;

“**TFSAs**” means tax-free savings accounts;

“**Transfer Agent**” means TSX Trust Company;

“**Trustee**” means a trustee of Nexus Industrial REIT and “**Trustees**” means all of the trustees of Nexus Industrial REIT;

“**TSX**” means the Toronto Stock Exchange;

“**Unit**” means a trust unit in the capital of Nexus Industrial REIT, other than Special Voting Units;

“**Unitholder**” means, generally, a holder of a Unit;

“**Unsecured Facilities**” has the meaning ascribed thereto in “Nexus Industrial REIT Indebtedness”;

“**Voting Unitholder**” means the holders of Voting Units; and

“**Voting Units**” means, collectively, the Units and the Special Voting Units.

FORWARD-LOOKING STATEMENTS

Certain information in this Annual Information Form contains forward-looking information within the meaning of applicable securities laws (also known as forward-looking statements) which reflect the REIT's current expectations and projections about future results, including statements made or implied relating to the REIT's objectives, strategies to achieve those objectives, the REIT's beliefs, plans, estimates, projections and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements generally can be identified by words such as "outlook", "objective", "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "should", "plans", "project", "budget" or "continue" or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect the REIT's current beliefs and are based on information currently available to management at the time such statements are made. Examples of such statements in this Annual Information Form include, but are not limited to, statements with respect to: (A) the intention to grow the business and operations of the REIT; (B) the expected tax treatment of the REIT and of the REIT's distributions to Unitholders; (C) the REIT's capital expenditure requirements; and (D) the intention to distribute available cash to security holders and the amount of distributions to be paid by the REIT. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the REIT to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this Annual Information Form. Such forward-looking statements are based on a number of assumptions that may prove to be incorrect, including, but not limited to: the ability of the REIT to collect rent from its tenants; the continuing concentration of the REIT's tenants; the fulfillment by tenants of their lease responsibilities as well as their capital expenditures and environmental remediation responsibilities; the ability of the REIT to obtain necessary financing or to be able to implement its business strategies; the level of activity in the industrial, office, retail or other commercial real estate markets in each geographic region of Canada; and the state of the real estate industry generally (including property ownership and tenant risks, liquidity of real estate investments, competition, government regulation, environmental matters, and fixed costs, recent market volatility and increased expenses) and the economy generally. While the REIT anticipates that subsequent events and developments may cause its views to change, the REIT specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the REIT's views as of any date subsequent to the date of this Annual Information Form. Although the REIT has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The factors identified above are not intended to represent a complete list of the factors that could affect the REIT. Additional factors are noted under "Risk Factors" in this Annual Information Form and under "Financial Instruments and Risks and Uncertainties" in the management's discussion and analysis of the REIT for the year ended December 31, 2024.

MEANING OF CERTAIN REFERENCES

References to dollars or “\$” are to Canadian currency and are presented in thousands of Canadian dollars unless otherwise stated. Unless the context otherwise requires, all references to the “REIT” in this Annual Information Form refer to Nexus Industrial REIT and its Subsidiary Entities, on a consolidated basis, and in the case of references to matters undertaken by a predecessor in interest to Nexus Industrial REIT or its Subsidiary Entities, include each such predecessor in interest.

OVERVIEW

The REIT is an open-ended real estate investment trust formed under the laws of the Province of Ontario pursuant to the Declaration of Trust, as amended from time to time.

The Declaration of Trust was amended on December 4, 2013 in connection with certain matters relating to the conversion of Edgefront Realty Corp. into Edgefront Real Estate Investment Trust (the “**REIT Conversion**”). The Declaration of Trust was further amended and restated on April 28, 2014 to conform to the terms of the management information circular of the REIT in respect of the REIT Conversion. The Declaration of Trust was amended and restated on November 28, 2017 to reflect the change in name of the REIT from “Edgefront Real Estate Investment Trust” to “Nexus Real Estate Investment Trust” and certain consequential amendments. The Declaration of Trust was amended and restated on August 13, 2020 to provide for the ability to issue Units pursuant to the direct registration system of the Transfer Agent, the ability to hold meetings by telephone, electronic or other communications facilities, and certain housekeeping amendments. The Declaration of Trust was most recently amended and restated on March 7, 2022 to reflect the change in name of the REIT from “Nexus Real Estate Investment Trust” to “Nexus Industrial REIT”.

The REIT has two principal offices, located at 105-586 Argus Road, Oakville, Ontario L6J 3J3 and at 1200-2045 rue Stanley, Montréal, Québec H3A 2V4. The REIT’s executive officers are located in the Oakville office, and that office is considered the REIT’s head office location for regulatory purposes.

As at December 31, 2024, the REIT owned a portfolio of 106 commercial properties (including one properties held for development in which the REIT has an 80% interest), of which 40 industrial properties are located in Western Canada, 29 industrial properties are located in Ontario, 13 industrial properties, 16 retail properties and 3 office properties are located in Québec, 3 industrial properties are located in Atlantic Canada, and 1 industrial property is located in the Northwest Territories. As at December 31, 2024, the total gross leasable area of the properties comprising the REIT’s portfolio at the REIT’s ownership interest is approximately 12.5 million square feet. Subsequent to December 31, 2024, the REIT sold one legacy office building located in Québec.

The REIT holds its indirect interest in the properties comprising the REIT’s portfolio through its direct and indirect ownership of securities of certain Subsidiaries, the majority of which are limited partnerships.

The strategy of the REIT is to grow by acquiring industrial real estate assets located in primary and secondary markets in Canada where opportunities exist to purchase assets on terms such that the acquisitions are expected to be accretive, on a per unit basis, to the adjusted funds from operations (“**AFFO**”) of the REIT, or where there are opportunities to purchase high-quality, well-located assets that will enhance the overall quality of the REIT’s portfolio of properties. The REIT seeks to identify potential acquisitions using investment criteria that focus on the security of cash flow, potential for capital appreciation, and potential for increasing value through management of the assets being acquired or development opportunities.

The REIT has developed a pipeline with high yielding projects, of which three projects were completed in the year ended December 31, 2024 with going-in unlevered yields ranging from 5.9% to 8.4% (located in Ontario and Saskatchewan), two project are currently underway in St. Thomas, Ontario and Calgary,

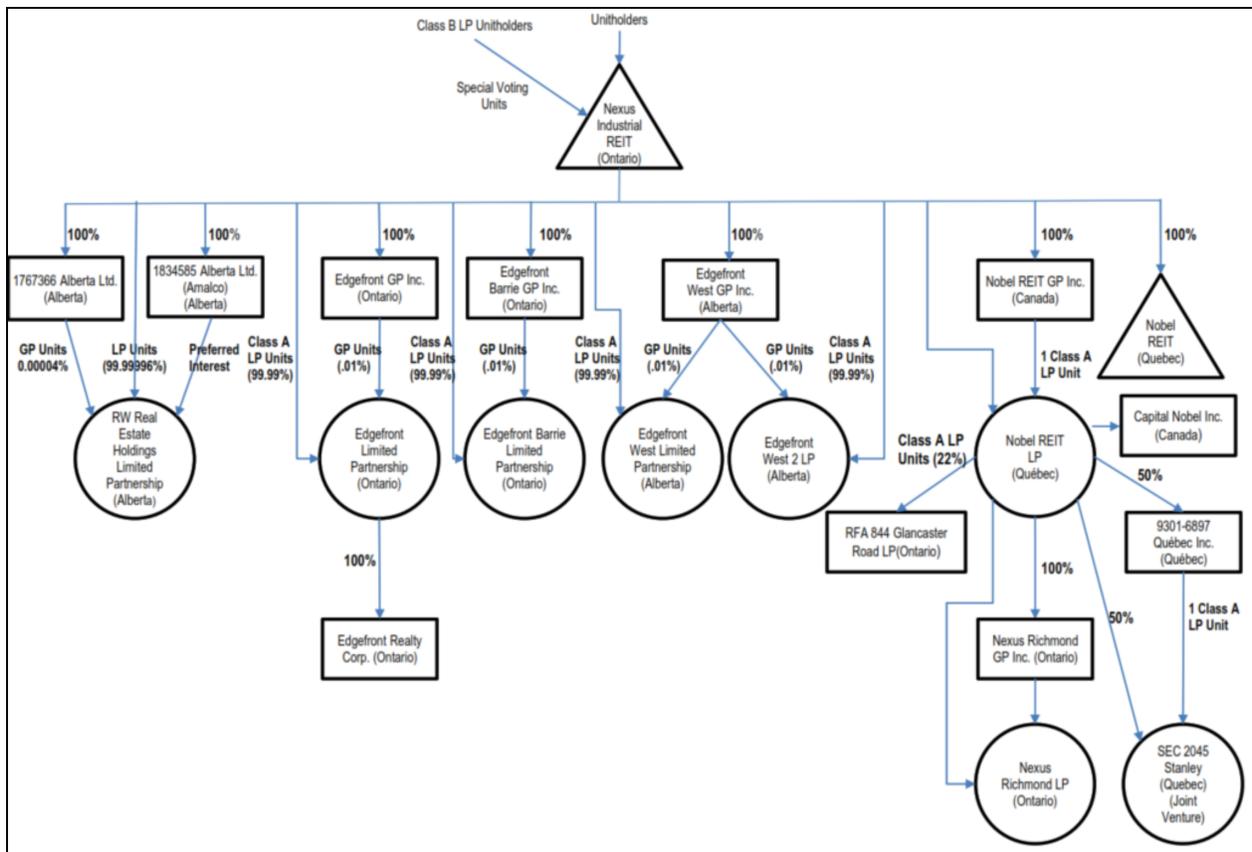
Alberta with an estimated going-in unlevered yield of 9.0% and 12.0% respectively, and five projects are currently in the planning stage.

On February 1, 2021, the REIT commenced trading on the TSX. The Units continued to trade under the symbol NXR.UN and were delisted from the TSX Venture Exchange upon commencement of trading on the TSX. The Units were consolidated on the basis of one post-consolidation Unit for every four pre-consolidation Units outstanding as of the close of business on January 29, 2021 (the “**Consolidation**”).

On March 7, 2022, the REIT changed its name to “Nexus Industrial REIT”. The REIT believes that the new name better reflects the nature of the REIT’s current portfolio and its strategy of acquiring quality industrial assets located in primary and secondary markets across Canada.

Organizational Structure

The following chart summarizes the organizational structure of Nexus Industrial REIT as at the date hereof:



Note:

Class B LP Units are issued by certain subsidiary limited partnerships of Nexus Industrial REIT. Each Class B LP Unit is issued with a corresponding Special Voting Unit. For a description of the Class B LP Units and Special Voting Units, see “Declaration of Trust and Description of Capital Structure – Special Voting Units”.

GENERAL DEVELOPMENT OF THE BUSINESS

Over the last three completed financial years, the portfolio of Properties that the REIT has an interest in has changed both in number (from interests in 97 Properties as at December 31, 2021, to interests in 106 Properties as at December 31, 2024) and in GLA (from approximately 9.1 million square feet as at December 31, 2020 to approximately 12.5 million square feet at the REIT's interest as at December 31, 2024).

2022

On January 12, 2022, the REIT acquired a multi-tenant industrial property located in Regina, Saskatchewan for a contractual purchase price of \$28,000.

On February 2, 2022, the REIT acquired a newly constructed distribution centre located in the Montreal, Québec area for a contractual purchase price of \$28,914.

On February 8, 2022, the REIT acquired an industrial warehouse located in Edmonton, Alberta for a contractual purchase price of \$38,161.

On Feb 22, 2022, the REIT acquired two industrial properties located in Edmonton, Alberta for a contractual purchase price of \$91,000.

On March 1, 2022, the REIT acquired three industrial properties, two of which are located in London, Ontario and one of which is located in Chatham, Ontario for a contractual purchase price of \$35,694. The purchase price was partially satisfied through the issuance of 1,565,394 Class B LP Units to the London Vendor at a deemed value of \$11.30 per Class B LP Unit and convertible to Units on a one-to-one basis, with the balance, net of closing adjustments, satisfied in cash.

On March 1, 2022, the REIT acquired an industrial property located in Edmonton, Alberta for a contractual purchase price of \$14,600.

On June 22, 2022, the REIT acquired an 80% interest in a property held for development located in Hamilton, Ontario for a contractual purchase price of \$17,760.

On July 11, 2022, the REIT acquired an industrial property located in St-Augustin-de-Desmaures, Québec for a contractual purchase price of \$18,875.

On July 18, 2022, the REIT acquired an 80% interest in a property held for development located in Hamilton, Ontario for a contractual purchase price of \$4,846.

On August 3, 2022, the REIT sold a retail property located in Châteauguay, Québec for a selling price of \$8,300.

On August 31, 2022, the REIT amended Credit Facility 3 to increase the amount available under the facility from \$40,000 to \$140,000. Credit Facility 3 was replaced by the Unsecured Facilities on March 1, 2023. The facility was secured against 13 of the REIT's investment properties. The facility allowed the REIT to draw against it in the form of prime rate advances or bankers' acceptances. Prime rate advances bear interest rate at 80 basis points per annum over the lender's Canadian prime borrowing rate. Bankers' acceptance advances bear interest at 180 basis points per annum over the floating bankers' acceptance rate. The unadvanced portion of the revolving credit facility was subject to a predetermined standby fee.

On September 8, 2022, the REIT acquired an industrial property located in Baie-D'Urfe, Québec for a contractual purchase price of \$17,800.

On September 30, 2022, the REIT acquired an industrial property located in Cornwall, Ontario for a contractual purchase price of \$4,850.

On October 4, 2022, the REIT sold a retail property located in Longueuil, Québec for a selling price of \$11,850.

On November 1, 2022, the REIT acquired a portfolio of four industrial properties for a purchase price of \$38,875 (\$28,500 USD). Three of the properties are located in Windsor, Ontario and one is located in Tilbury, Ontario.

On December 8, 2022, the REIT completed a bought deal equity offering, issuing 8,255,000 Units for gross proceeds of \$84,718. Net of underwriters' commissions and other issuance costs, the REIT received cash proceeds of \$80,510.

On December 16, 2022, the REIT sold a retail property located in Charlottetown, Prince Edward Island for a selling price of \$955.

2023

On March 1, 2023, the REIT entered into the Unsecured Facilities. The Unsecured Facilities are comprised of a \$190,000 revolving credit facility, a \$175,000 term loan facility and a \$10,000 swingline facility. The Unsecured Facilities replaced the REIT's Credit Facility 3.

On March 7, 2023, the REIT acquired a newly constructed 532,000 square foot distribution centre located in Casselman, Ontario for a purchase price of \$116,800.

On April 21, 2023, the REIT acquired an industrial property in London, Ontario with a GLA of 265,000 feet for a contractual purchase price of \$36,000.

On April 26, 2023, the REIT sold a retail property located in Victoriaville, Québec for a selling price of \$41,635.

On June 1, 2023, the REIT acquired an industrial property in Laval, Québec with a GLA of 192,000 square feet for a contractual purchase price of \$64,700.

On June 5, 2023, the REIT sold an industrial property located in Kamloops, British Columbia for a selling price of \$4,200.

On June 5, 2023, the REIT acquired a parcel of land in St. Thomas, Ontario for a contractual purchase price of \$4,500.

On June 15, 2023, the REIT acquired an industrial property located in London, Ontario with a GLA of 304,000 square feet from the London Vendor for a contractual purchase price of \$56,358. As partial purchase price consideration, 2,359,978 Class B LP Units of a subsidiary limited partnership of the REIT were issued to the London Vendor at a deemed price of \$10.30 per unit, which are convertible to Units on a one-to-one basis, with the balance, net of closing adjustments, satisfied in cash.

On July 4, 2023, the REIT acquired an industrial property in Burlington, Ontario with a GLA of 142,000 square feet for a contractual purchase price of \$48,400.

On September 12, 2023, the REIT upsized its existing Unsecured Facilities from \$375,000 to \$525,000. The Unsecured Facilities mature on March 1, 2026 (see update to the Unsecured Facilities in Q1 2024 below in the '2024 to Date' section). Including other

secured credit facilities, the REIT had \$595,500 of total credit facilities as at December 31, 2023.

In August and September 2023, the REIT entered into two interest rate swap agreements totalling \$150,000 and maturing in August and September 2028 subject to counterparties' one-time optional early termination. In aggregate, including swaps previously in place, the REIT has swap agreements in place to swap variable rate borrowings under its credit facilities for fixed rates which total approximately \$440,000 at a fixed weighted average interest rate of 5.22% based on current applicable borrowing spreads.

In October 2023, the REIT entered into a series of 5-year interest rate swap agreements which are effective October 31, 2023 to swap a total of \$150,000 of variable rate debt drawn on its credit facilities in the form of bankers' acceptances for a weighted average fixed interest rate of 4.13%, excluding the applicable spread on borrowings. The counterparties to these swaps have the right to offset through a swaption written by Nexus in the counterparty's favour with an expiration date of November 1, 2024.

On November 1, 2023, the REIT completed the acquisition of an industrial property in London, Ontario with GLA of 336,000 square feet from the London Vendor for a contractual purchase price of \$55,794. As partial purchase price consideration, 2,394,774 Class B LP Units of a subsidiary partnership of the REIT were issued to the London Vendor at a deemed price of \$11.30 per unit, which are convertible to Units on a one-to-one basis, with the balance, net of closing adjustments, satisfied in cash.

2024

On January 3, 2024, the REIT acquired a 82,500 square foot industrial property located in Rocky View, Alberta for a purchase price of \$35,060.

Effective January 8, 2024, Mike Rawle was appointed Chief Financial Officer of the REIT.

On February 7, 2024, the REIT exercised its purchase option to acquire a parcel of land previously subject to a land lease located in Dorval, Québec for a contractual purchase price of \$1,463. The parcel acquired is located at a property owned by the REIT.

On March 11, 2024, the REIT increased the Unsecured Facilities by \$100,000, from \$525,000 to \$625,000, increasing the revolving credit facility from \$340,000 to \$440,000. The REIT also amended the maturity date of the Unsecured Facilities by extending it for an additional year from March 1, 2026, to March 1, 2027.

On May 15, 2024, the REIT acquired a 135,676 square foot industrial property located in Kelowna, British Columbia for a purchase price of \$34,950.

Effective June 1, 2024, the REIT entered into a series of 5-year interest rate swap agreements, to swap a total of \$100,000 of variable rate debt drawn on its Credit Facilities in the form of CORRA for a weighted average fixed interest rate of 3.44%, excluding the applicable spread on borrowings.

On June 21, 2024, the REIT sold an office property located at 955 Michele-Bohec Blainville, Québec for a selling price of \$5,057.

Effective June 30, 2024, the REIT transitioned its mortgages, Credit Facilities, and their respective interest rate hedging derivatives from CDOR to CORRA.

On July 2, 2024, the REIT acquired an industrial property located in Sherbrooke, Québec for a purchase price of \$16,567. As partial purchase price consideration, 456,700 Class B

LP Units of a subsidiary limited partnership of the REIT were issued to the London Vendor at a deemed price of \$10 per unit, which are convertible to Units on a one-to-one basis, with the balance, net of closing adjustments, satisfied in cash.

On September 11, 2024, the REIT completed the sale of six office properties in which it held a 50% ownership interest. These properties were located in Montreal, Quebec and sold for a price of \$34,500 (\$17,250 at the REIT's 50% ownership interest).

On September 15, 2024, and in connection with the Secured Credit Facility 1, the REIT entered into interest rate swap agreements totalling \$60,000 to swap CORRA rates for a fixed rate of 2.73%, such that the interest rate on the fixed-term facility, including the 150-basis point credit spread and the one-month 29.547 basis point CORRA spread adjustment was fixed at 4.53%.

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.

On October 8, 2024 the REIT sold its 50% ownership interest in two properties located in Montreal, Québec for a selling 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 that matures on April 8, 2025 at an interest rate of prime plus 3% and the remaining \$4,000 was paid in cash.

On December 3, 2024, the REIT sold an office property located in Saint John, New Brunswick for a selling price of \$2,800.

On December 13, 2024, the REIT sold an office property located in Dorval, Quebec for a selling price of \$10,900.

On December 20, 2024, the REIT sold four properties located in Saskatchewan for a total selling price of \$27,780.

2025 to date

On February 21, 2025, the REIT sold an office property located in Laval, Quebec for a selling price of \$3,900.

BUSINESS OF NEXUS INDUSTRIAL REIT

Overview and Strategy

The REIT executes on its strategy to be a Canada-focused pure-play industrial REIT providing stable and growing cash distributions to its Unitholders and to maximizing long-term Unit value through active management and acquisitions of Canadian industrial real estate assets located in primary and secondary markets where opportunities exist to purchase assets on terms such that the acquisitions are expected to be accretive, on a per unit basis, to the AFFO of the REIT, or where there are opportunities to purchase high quality, well-located assets that will enhance the overall quality of the REIT's portfolio of properties. The REIT seeks to identify potential acquisitions using investment criteria that focus on the security of cash flow, potential for capital appreciation, and potential for increasing value through efficient management of the assets being acquired or development opportunities. Management believes that an investment in an industrial-focused real estate platform has the potential to deliver attractive risk-adjusted returns.

Employees

As at December 31, 2024, the REIT and its wholly-owned subsidiaries employed 21 people. The REIT is not party to any collective bargaining agreements with any of its employees.

Competition

In each jurisdiction in which the REIT expects to do business, there will be a significant number of other real estate investment trusts, real estate companies, pension funds, insurance companies, foreign entities, private individuals and corporations and similar institutions and investors which are presently seeking or which may seek in the future real property investments. In particular, the REIT competes with larger and similar-sized publicly traded real estate investment trusts for acquisition opportunities in the real estate asset classes the REIT invests in. Furthermore, new real estate investment trusts entering the marketplace may be potential sources of new competition for the REIT.

Commercial real estate is an attractive investment for investors who are seeking stable cash flow. The supply of commercial properties available for sale in each jurisdiction is, however, relatively limited. To the extent the REIT has a competitive advantage in a marketplace, that advantage arises from the network of real estate brokers, owners and operators maintained by the REIT's principals and strategic partners. The REIT's experience is that this network, and the REIT's willingness to acquire portfolios of properties in vendor-leaseback transactions or other vendor-favourable structures, has contributed to investment opportunities being presented to the REIT.

NEXUS INDUSTRIAL REIT PROPERTIES

Overview

As at December 31, 2024, the Properties comprise an aggregate of approximately 12.5 million square feet of GLA at the REIT's interest and are located across Canada. The Properties are located in both primary and secondary markets, well-located within their respective markets and provide an attractive platform from which to grow given their stable characteristics. In addition, the geographic diversification within the portfolio of Properties mitigates concentration risk and supports the stability of the REIT's cash flows.

Property Address	GLA (Square Feet)	GLA (Square Feet) at REIT Ownership Interest	In-place Occupancy
INDUSTRIAL			
<i>British Columbia</i>			
1 988 Great St, Prince George	53,126	53,126	100%
2 9929 Swanson St, Fort St. John	26,477	26,477	0%
3 1751-1771 Savage Rd, Richmond ⁽²⁾	162,005	162,005	100%
4 555 Adams Road, Kelowna	135,676	135,676	100%
	377,284	377,284	93%
<i>Alberta</i>			
5 4700 – 102 Ave, SE, Calgary	28,499	28,499	100%
6 4750 – 102 Ave, SE, Calgary ⁽⁷⁾	—	—	—%
7 3780 & 4020 – 76th Ave, SE, Calgary	58,937	58,937	100%
8 41 Royal Vista Dr, NW, Calgary	35,338	35,338	100%
9 8001 – 99 St, Clairmont	26,638	26,638	100%
10 12104 & 12110 – 17th St, NE, Edmonton	116,582	116,582	100%
11 14801 – 97th St, Grande Prairie	42,120	42,120	100%
12 3501 Giffen Rd North & 3711 – 36 St North, Lethbridge	229,000	229,000	100%
13 5406 – 59th Ave, Lloydminster	12,425	12,425	100%
14 4301 – 45 Ave, Rycroft	22,110	22,110	100%
15 2301 – 8 St, Nisku	21,506	21,506	100%
16 2303A – 8 St, Nisku	39,649	39,649	100%
17 1010 Brier Park Dr, Medicine Hat	11,920	11,920	100%
18 27323 – 144 Township Rd 394, Blackfalds	25,000	25,000	100%
19 261177-261185 Wagon Wheel Way, Balzac	95,180	95,180	100%
20 9110 – 23 Ave NW, Edmonton	72,356	72,356	100%
21 11510 – 168 St NW, Edmonton	35,800	35,800	0%
22 6777 Edgar Industrial Dr, Red Deer	153,052	153,052	100%
23 10774 – 42 St E, Calgary	165,418	165,418	100%
24 12745 – 149 St NW, Edmonton	104,727	104,727	100%
25 14504-14598 – 121A Ave NW, Edmonton	214,144	214,144	96%
26 7740 – 40 Ave, Red Deer	189,625	189,625	100%
27 502-25 Ave, Nisku	141,930	141,930	100%

	Property Address	GLA (Square Feet)	GLA (Square Feet) at REIT Ownership Interest	In-place Occupancy
28	2039 Airport Perimeter Road, Edmonton	210,249	210,249	100%
29	18403 – 18439 104 Ave NW, Edmonton	72,420	72,420	100%
30	14711 - 128 Ave, Edmonton	54,510	54,510	100%
31	11250 - 189 Street NW, Edmonton	501,279	501,279	100%
32	135 High Plains Drive, Rocky View	82,500	82,500	100%
		2,762,914	2,762,914	98%
	<u>Northwest Territories</u>			
33	348 - 352 Old Airport Rd, Yellowknife	53,212	53,212	100%
	<u>Saskatchewan</u>			
34	110 – 71st St, Saskatoon	74,796	74,796	100%
35	15 Peters Ave, Saskatoon	38,160	38,160	100%
36	850 Manitoba St E & 15 – 9th Ave, NE, Moose Jaw	18,800	18,800	100%
37	4271 – 5 Ave E, Prince Albert	24,600	24,600	100%
38	101 Jahn St, Estevan	11,846	11,846	100%
39	2101 Fleming Rd, Regina	1,029,675	1,029,675	100%
40	855 Park St, Regina	179,291	179,291	42%
41	905 Park St, Regina	313,899	313,899	65%
		1,691,067	1,691,067	87%
	<u>Manitoba</u>			
42	97 Nicola Dr, Headingley	40,050	40,050	100%
	<u>Ontario</u>			
43	455 Welham Rd, Barrie	109,366	109,366	100%
44	200 Sheldon Dr, Cambridge	150,000	150,000	100%
45	241-377 Fairall St, 332-360 Frankcom St & 97-121 McMaster Ave, Ajax ⁽¹⁾	483,359	241,680	100%
46	1000 Clarke Rd, London	223,190	223,190	100%
47	1020 Adelaide St S, London	266,164	266,164	97%
48	1036 Green Valley Rd, London	136,596	136,596	100%
49	1285 Hubrey Rd, London	297,901	297,901	100%
50	375 Exeter Rd, London	220,935	220,935	100%
51	5 Cuddy Blvd, London	146,945	146,945	100%
52	70 Dennis Rd, St. Thomas	130,500	130,500	100%
53	446 Jutras Dr S, Windsor	120,000	120,000	100%
54	490 Richard Ruston Dr, Windsor	101,073	101,073	100%
55	1040 Wilton Grove Rd, London	383,309	383,309	97%
56	1950 Oxford St E, London	99,367	99,367	100%
57	650 Riverview Dr, Chatham	293,146	293,146	98%
58	980 Green Valley Rd, London	38,000	38,000	100%
59	1005 Adelaide St. South, London	18,380	18,380	100%
60	1540 South Service Road, Hamilton ⁽³⁾	—	—	0%

			GLA (Square Feet) at REIT Ownership Interest	In-place Occupancy
	Property Address	GLA (Square Feet)		
61	190 Glover Road, Hamilton ⁽³⁾	115,733	92,586	0%
62	605 Boundary Road, Hamilton	34,800	34,800	100%
63	5250 Outer Dr, Windsor	132,976	132,976	100%
64	5245 Burke St, Windsor	125,701	125,701	100%
65	418 Silvercreek Industrial Dr, Windsor	97,185	97,185	100%
66	24 Industrial Park Rd, Tilbury	79,846	79,846	100%
67	626 Principale St, Casselman	532,415	532,415	100%
68	15745 Robin's Hill Road, London	264,600	264,600	100%
69	2290 Scanlan Street, London	304,323	304,323	100%
70	3430 Harvester Road, Burlington	141,534	141,534	100%
71	1005 Wilton Grove Rd, London	336,448	336,448	100%
		5,383,792	5,118,966	98%
	<u>Québec</u>			
72	935-965 rue Reverchon, Saint-Laurent	113,892	113,892	100%
73	1901 rue Dickson / 5780 rue Ontario Est, Montréal	91,068	91,068	100%
74	6810 boul. Des Grandes Prairies, Montréal	60,786	60,786	100%
75	3330 2e rue, Saint-Hubert	60,741	60,741	100%
76	3550 1ère rue, Saint-Hubert	22,428	22,428	100%
77	3600 1ère rue, Saint-Hubert	38,742	38,742	100%
78	3490-3504 rue Griffith, Saint-Laurent	40,665	40,665	41%
79	2400 Trans-Canada Highway, Pointe-Claire	309,000	154,500	100%
80	1251 rue Louis-Bleriot, Mascouche	101,315	101,315	100%
81	50 rue de Lisbonne, St-Augustin-de- Desmaures	94,000	94,000	100%
82	21800 Clark-Graham, Baie-D'Urfe	74,681	74,681	100%
83	3701 Gaumont Road (Yokohama)	191,878	191,878	100%
84	4590 Portland Blvd, Sherbrooke	62,000	62,000	100%
		1,261,196	1,106,696	98%
	<u>New Brunswick</u>			
85	675 St-George Blvd, Moncton	93,443	93,443	100%
86	10 Deware Dr, Moncton	226,135	226,135	100%
87	775 Frenette, Ave, Moncton	124,655	124,655	100%
		444,233	444,233	100%
	Total Industrial	12,013,748	11,594,422	96%

Property Address	GLA (Square Feet)	GLA (Square Feet) at REIT Ownership Interest	In-place Occupancy	
RETAIL				
<u>Québec</u>				
88	1094-1100 boul. Des Chutes, Beauport ⁽¹⁾	32,406	16,203	94%
89	1700 rue Sherbrooke, Magog ⁽¹⁾	133,832	66,916	82%
90	1971 rue Bilodeau, Plessisville ⁽¹⁾	99,696	49,848	91%
91	14000 boul. Henri-Bourassa, Québec City ⁽¹⁾	44,619	22,310	100%
92	6700 rue St-Georges, Lévis ⁽¹⁾	43,018	21,509	81%
93	10516 boul. Sainte-Anne, Ste-Anne-de-Beaupré ⁽¹⁾	88,951	44,476	81%
94	9550 boul. L'Ormière, Québec ⁽¹⁾	115,197	57,598	96%
95	333 Côte Joyeuse, St-Raymond ⁽¹⁾	64,511	32,256	87%
96	161 Route 230 Ouest, La Pocatière ⁽¹⁾	204,950	102,475	66%
97	25 Route 138, Forestville ⁽¹⁾	56,314	28,157	94%
98	2000 boul. Louis-Fréchette, Nicolet ⁽¹⁾	88,383	44,192	93%
99	3856 boul. Taschereau, Greenfield Park ⁽¹⁾	213,982	106,991	96%
100	250 boul. Fiset, Sorel ⁽¹⁾	116,348	58,174	100%
101	8245 boul. Taschereau, Brossard ⁽¹⁾	43,234	21,617	100%
102	340 rue Belvédère Sud, Sherbrooke ⁽¹⁾	172,984	86,492	83%
103	7500 boul. Les Galeries d'Anjou, Anjou ⁽¹⁾	105,813	52,907	88%
Total Retail		1,624,238	812,121	88%
OFFICE				
<u>Québec</u>				
104	2045 rue Stanley, Montréal ^{(1) (4)}	112,500	56,250	96%
105	72 rue Laval, Gatineau ⁽¹⁾	70,134	35,067	76%
106	1600 rue Montgolfier, Laval ⁽⁶⁾	27,097	27,097	100%
Total Office		209,731	118,414	91%
Total Portfolio ⁽⁵⁾		13,847,717	12,524,957	96%

Notes:

- (1) The REIT owns a 50% interest in these properties.
- (2) As at December 31, 2024, this property, consisting of two industrial buildings was fully leased.
- (3) As at December 31, 2024, 1540 South Service Road is held for development and 190 Glover Road was transferred to Income producing properties upon completion. The REIT owns an 80% interest in these properties.
- (4) Property is accounted for as an equity investment in joint venture.
- (5) The REIT also holds a 22% interest in a limited partnership that owns a development property (844 Glancaster Rd, Hamilton). The interest in the limited partnership is accounted for as an investment in a financial asset.
- (6) This property was sold subsequent to year end on February 21st, 2025. See subsequent event section for further details.
- (7) As at December 31, 2024, 4750-102 Ave SE, Calgary was under development, with construction actively in progress.

TOP TEN TENANTS

Tenant	% of Annualized Base Rent
1 Loblaws	11.4 %
2 Westcan Bulk Transport	4.9 %
3 Ford Motor Company of Canada	3.8 %
4 Sobeys	3.3 %
5 MTE Logistix	3.2 %
6 Canusa	2.7 %
7 Drexel 3PL Inc	2.7 %
8 Yokohama Tire Canada	2.5 %
9 Valard Construction	2.3 %
10 AP Plasman	2.3 %
	<hr/>
	39.1 %
	<hr/>

Lease Expires

Industrial	2025	2026	2027	2028	2029	2030+	Total
Alberta							
Occupied GLA	46,207	224,629	136,840	37,853	515,361	1,736,734	2,697,624
Net rent - \$ per square foot	13.62	16.81	8.12	9.67	10.63	10.70	10.95
% of GLA	2%	8%	5%	1%	19%	65%	100%
Saskatchewan							
Occupied GLA	61,099	—	50,419	—	—	1,365,930	1,477,448
Net rent - \$ per square foot	13.12	—	8.65	—	—	10.72	10.75
% of GLA	4%	—%	3%	—%	—%	93%	100%
Ontario							
Occupied GLA	704,043	607,675	39,098	470,672	68,465	3,112,034	5,001,987
Net rent - \$ per square foot	6.60	7.69	10.44	6.62	10.00	9.10	8.37
% of GLA	14%	12%	1%	9%	1%	63%	100%
Quebec							
Occupied GLA	109,689	8,354	129,848	32,071	26,022	776,755	1,082,739
Net rent - \$ per square foot	8.23	7.44	12.84	7.57	14.82	15.46	14.10
% of GLA	10%	1%	12%	3%	2%	72%	100%
Other							
Occupied GLA	66,738	40,050	—	144,221	141,600	495,693	888,302
Net rent - \$ per square foot	13.21	21.00	—	27.78	20.93	7.96	14.23
% of GLA	8%	5%	—%	16%	16%	55%	100%
Total Industrial							
Occupied GLA	987,776	880,708	356,205	684,817	751,448	7,487,146	11,148,100
Net rent - \$ per square foot	7.96	10.62	10.17	11.29	12.66	10.30	10.33
% of GLA	9%	8%	3%	6%	7%	67%	100%
WALT - 7.0 years							
Total Retail							
Occupied GLA	137,602	134,019	109,609	78,003	83,533	169,031	711,797
% of GLA	19%	19%	15%	11%	12%	24%	100%
WALT - 3.3 years							
Total Office							
Occupied GLA	17,573	2,089	20,582	12,679	—	54,702	107,625
% of GLA	16%	2%	19%	12%	—%	51%	100%
WALT - 6.3 years							
Total Portfolio							
Occupied GLA	1,142,951	1,016,816	486,396	775,499	834,981	7,710,879	11,967,522
% of GLA	10%	8%	4%	6%	7%	65%	100%
WALT - 6.8 years							

Expiring Annual Base Rent		
Year	\$ millions	% of total
2025	9.2	7.4%
2026	10.7	8.6%
2027	5.2	4.2%
2028	8.8	7.1%
2029	10.5	8.4%
2030 and after	79.9	64.3%
Total	124.3	100.0%

NEXUS INDUSTRIAL REIT INDEBTEDNESS

General

The Declaration of Trust provides that the REIT may not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the REIT would be more than 65% of its Gross Book Value. As at December 31, 2024, the total indebtedness of the REIT was equal to 49.1% of its Gross Book Value. The REIT currently intends to maintain its overall indebtedness in a range of 40% to 50% of Gross Book Value, depending upon the REIT's future acquisitions, its financing opportunities and market conditions. Interest rates and debt maturities will be reviewed regularly by the Trustees to ensure the appropriate debt management strategies are implemented.

As at December 31, 2024, the aggregate indebtedness of the REIT was \$1,291,070. the REIT's outstanding indebtedness as at December 31, 2024, is comprised of:

- i. \$590,292 of secured mortgage financing with a weighted average interest rate, calculated including the effect of interest rate swap agreements which the REIT is party to, of 3.43% and a weighted average remaining term to maturity of approximately 5.50 years and \$40,227 of secured mortgage financing associated with assets held for sale;
- ii. \$578,380 drawn on the Unsecured Facilities before deducting deferred financing costs, or \$576,725 net of deferred financing costs of \$1,650, with a maturity date of March 1, 2027 (as a result of an amendment executed on March 11, 2024), comprised of (interest rates calculated including the effect of interest rate swap agreements which the REIT is party to):
 - a. \$403,174 (US\$280,196) in the form of revolving borrowings that bears interest at a weighted average rate of 5.24%;
 - b. \$175,206 (US\$121,760) in the form of fixed term borrowings that bears interest at a weighted average rate of 5.24%;

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 December 31, 2024, these balances were drawn in US dollars and hedged to Canadian dollars, with a fixed notional amount of \$615,000.

- iii. \$65,000 drawn on Secured Credit Facility 1 before deducting deferred financing fees, or \$64,871 net of deferred financing costs of \$129 with a maturity date of September 15, 2025, and a weighted average interest rate of 4.00%;

- iv. \$10,715 of lease liabilities with respect to right-of-use assets; and
- v. \$8,663 of deferred purchase consideration related to the acquisition of an investment property.
- vi. The REIT's proportionate share of indebtedness of its equity accounted joint venture is \$6,318.
- vii. The REIT guarantees up to \$9,405 of debt relating to a co-ownership for a property held for development in Hamilton, Ontario ("190 Glover Road").
- viii. The REIT guarantees up to \$23,200 of debt relating to a limited partnership which holds land for development in Hamilton, Ontario ("1540 South Service Road").

Credit Facilities

On September 13, 2019, the REIT refinanced a facility to a fixed-term facility of \$65,000 and a revolving facility of \$5,000 (collectively, "**Credit Facility 1**"). Credit Facility 1 matured on September 13, 2024.

As part of the REIT's acquisition of Nobel Real Estate Investment Trust on February 14, 2017, the REIT acquired a \$500 revolving line of credit ("**Credit Facility 2**"). Credit Facility 1 and Credit Facility 2 were replaced with the Secured Credit Facility 1 on September 15, 2024.

On September 15, 2024, the REIT refinanced its existing Credit Facility 1 and Credit Facility 2 to a revolving facility of \$70,000. Secured Credit Facility 1 matures on September 15, 2025, and is secured against 12 of the REIT's investment properties. The REIT expects to extend the facility at maturity. The Secured Credit Facility 1 bears interest based on CORRA + 1.50% + standard ISDA one-month credit spread adjustment. Concurrently with the refinancing, the REIT entered into interest swap agreements totalling \$60,000 to swap CORRA rates for a fixed rate of 2.73%, such that the interest rate on the fixed-term facility, including the 150-basis point credit spread and the one-month 29.547 basis point CORRA spread adjustment is fixed at 4.53%. As at December 31, 2024, \$65,000 was drawn on this facility (December 31, 2023 – \$65,000).

On August 31, 2022, the REIT amended a revolving credit facility to increase the amount available under the facility from \$40,000 to \$140,000 ("**Credit Facility 3**"). Credit Facility 3 was replaced by the Unsecured Facilities on March 1, 2023.

On March 1, 2023, the REIT entered into the "**Unsecured Facilities**", consisting of a \$190,000 revolving credit facility, a \$175,000 term loan, and a \$10,000 swingline facility. On September 12, 2023, the REIT increased the Unsecured Facilities by \$150,000, and following a further amendment executed on March 11, 2024, the Unsecured Facilities are comprised of a \$440,000 revolving credit facility, a \$175,000 term loan facility and a \$10,000 swingline facility. The Unsecured Facilities replaced the REIT's Credit Facility 3. At closing, and for so long as the REIT's debt to total assets is less than 50%, borrowing under the Unsecured Facilities will be priced at the banker's acceptance rate plus 170 basis points or bank prime plus 70 basis points. If, and when, the REIT obtains a credit rating, pricing will instead be based upon that credit rating.

The REIT has a \$18,800 secured credit facility ("**Secured Credit Facility 2**", formerly known as "**Secured Credit Facility 3**") for its 190 Glover Road development property. The REIT's 80% share of the facility is \$15,048. The facility is secured against the 190 Glover Road property and is also subject to a guarantee from the REIT of up to \$9,405. As at December 31, 2024, the REIT's share of drawings on the facility was \$8,236 (December 31, 2023 – undrawn).

Debt Maturities

The following table sets out, as of December 31, 2024, the principal instalments and maturity balances on the REIT's mortgages and credit facilities to be paid over each of the five calendar years noted below and thereafter (assuming such debt is not renewed at maturity and excluding any mark-to-market adjustments).

Year Ending December 31	Scheduled repayments	Principal maturities	Total Debt Repayments	% of Total
	\$	\$	\$	\$
2025	17,323	33,318	50,641	8.0 %
2026	15,586	89,123	104,709	16.6 %
2027	13,444	48,731	62,175	9.8 %
2028	12,709	18,577	31,286	5.0 %
2029	10,754	64,691	75,445	11.9 %
Thereafter	71,386	236,315	307,701	48.7 %
Total	141,202	490,755	631,957	100.0 %

Note:

- (1) Excludes lease liabilities with respect to right-of-use assets, deferred purchase consideration and debt relating to 2045 rue Stanley, owned in a joint venture and accounted for on the equity basis.

GOVERNANCE OF NEXUS INDUSTRIAL REIT

Governance

The Declaration of Trust provides that, subject to certain conditions, the Trustees have full, absolute and exclusive power, control and authority over the REIT's assets, affairs and operations, to the same extent as if the Trustees were the sole and absolute legal and beneficial owners of the REIT's assets. The governance practices, investment guidelines and operating policies of the REIT are overseen by a Board consisting of a minimum of three and a maximum of ten Trustees, a majority of whom must be Canadian residents.

The mandate of the Board, which it discharges directly or through one of its committees of the Board, is one of stewardship and oversight of the REIT and its business, and includes responsibility for strategic planning, review of operations, disclosure and communication policies, oversight of financial and other internal controls, corporate governance, Trustee orientation and education, senior management compensation and oversight, and Trustee compensation and assessment.

The standard of care and duties of the Trustees provided in the Declaration of Trust are similar to those imposed on directors of a corporation governed by the OBCA. Accordingly, each Trustee is required to exercise the powers and discharge the duties of his or her office honestly, in good faith and in the best interests of the REIT and the Unitholders and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Declaration of Trust provides that each Trustee is entitled to indemnification from the REIT in respect of the exercise of the Trustee's powers and the discharge of the Trustee's duties, provided that the Trustee acted honestly and in good faith with a view to the best interests of the Unitholders or, in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, where the Trustee had reasonable grounds for believing that his or her conduct was lawful.

Trustees will be elected at each annual meeting of Unitholders to hold office for a term expiring at the close of the next annual meeting, or until a successor is appointed, and will be eligible for re-election.

Nominees will be recommended to the Board by the GC&N Committee for election as Trustees in accordance with the provisions of the Declaration of Trust and will be included in the proxy-related materials to be sent to Unitholders prior to each annual meeting of Unitholders. The Trustees have also adopted a “majority voting” policy for circumstances involving an “uncontested” election of Trustees.

The Unitholders or the Trustees will be entitled to change the number of Trustees comprising the Board. A quorum of the Trustees, being the majority of the Trustees then holding office (provided a majority of the Trustees comprising such quorum are residents of Canada), will be permitted to fill a vacancy in the Trustees, except a vacancy resulting from a failure of the Unitholders to elect the required number of Trustees. In the absence of a quorum of Trustees, or if the vacancy has arisen from a failure of the Unitholders to elect the minimum required number of Trustees, the Trustees will promptly call a special meeting of the Unitholders to fill the vacancy. If the Trustees fail to call that meeting or if there is no Trustee then in office, any Unitholder will be entitled to call such meeting. Except as otherwise provided in the Declaration of Trust, the Trustees may, between annual meetings of Unitholders, appoint one or more additional Trustees to serve until the next annual meeting of Unitholders, provided that the number of additional Trustees so appointed will not at any time exceed one-third of the number of Trustees who held such office at the conclusion of the immediately preceding annual meeting of Unitholders. Any Trustee may resign upon no less than 30 days’ written notice to the REIT, provided that if such resignation would cause the number of remaining Trustees to be less than a quorum, such resignation will not be effective until a successor is appointed. Any Trustee may be removed by an ordinary resolution passed by a majority of the votes cast at a meeting of Unitholders called for that purpose.

Trustees and Officers of Nexus Industrial REIT

The following table provides, as of the date hereof, the name, province or state and country of residence; the current position, board committee membership (where applicable) and office held with the REIT; and the principal occupation (if not with the REIT) of each of the REIT’s current Trustees and officers, as well as the date since which each such individual has served on the Board, or was appointed as an officer, of the REIT:

Name and Municipality of Residence	Position Held	Principal Occupation	Trustee or Officer Since
Ben Rodney ⁽¹⁾ ⁽²⁾ ⁽³⁾ Toronto, Ontario	Chair of the Board	Managing Partner, RFA Capital Partners Inc.	April 2017
Floriana Cipollone ⁽¹⁾ ⁽³⁾ Mississauga, Ontario	Trustee	Chief Financial Officer of Delmanor Communities	May 2020
Bradley Cutsey ⁽¹⁾ ⁽³⁾ Mississauga, Ontario	Trustee	President and CEO, InterRent Real Estate Investment Trust	August 2016
Justine Delisle ⁽¹⁾ ⁽²⁾ ⁽³⁾ Montréal, Québec	Trustee	Partner, Richter LLP	October 2021
Mary Vitug ⁽²⁾ ⁽³⁾ Toronto, Ontario	Trustee	Corporate Director	October 2024
Kelly C. Hanczyk Oakville, Ontario	Chief Executive Officer and Trustee	CEO, Nexus Industrial REIT	May 2013
Michael Rawle Toronto, Ontario	Chief Financial Officer and Secretary	CFO, Nexus Industrial REIT	January 2024

Notes:

- (1) Member of Audit Committee of Nexus Industrial REIT. Ms. Cipollone is currently the chair of the Audit Committee.
- (2) Member of the GC&N Committee. Ms. Vitug is currently the chair of the GC&N Committee.
- (3) Independent Trustee.

Each of the Trustees and executive officers of the REIT has been engaged in the principal occupation described above during the last five years, except that:

- Michael Rawle was, prior to January 2024, Vice President, Finance and Treasurer of Maple Leaf Foods Inc. In addition, from July 2020 to September 2023, he led the Investor Relations Department of Maple Leaf Foods Inc. as Vice President, Investor Relations and Treasury; and
- Mary Vitug was, prior to November 2021, Managing Director in Investment Banking and Equity Capital Markets at Scotiabank.

As at the date hereof, the Trustees and officers of the REIT, as a group, owned or beneficially owned, directly or indirectly, or exercised control or direction over, an aggregate of 820,594 Units, representing approximately 0.87% of the outstanding Units and Class B LP Units on that date.

Corporate Cease Trade Orders or Bankruptcies

No Trustee or executive officer of the REIT is or has been, within the preceding ten years, a director, trustee, chief executive officer or chief financial officer of any company or trust (including a personal holding company of any such persons) that:

- (a) was subject to a cease trade order (or similar order that denied the company access to any exemption under securities legislation) that was issued while the Trustee or executive officer was acting in the capacity as director, trustee, chief executive officer or chief financial officer, or
- (b) was subject to a cease trade order (or similar order that denied the company access to any exemption under securities legislation) that was issued after the Trustee or executive officer ceased to be a director, trustee, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, trustee, chief executive officer or chief financial officer.

Penalties or Sanctions

None of the Trustees or officers of the REIT, or a Unitholder holding sufficient securities of the REIT to affect materially the control of the REIT, or a personal holding company of any such person has:

- (a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by any securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body or self-regulatory authority that would be likely to be considered important to a reasonable investor making an investment decision.

For the purposes of this section, a self-regulatory authority means a professional self-regulatory body that governs the activities of professional persons.

Personal Bankruptcies

None of the Trustees or officers of the REIT, or a Unitholder holding sufficient securities of the REIT to affect materially the control of the REIT, or a personal holding company of any such persons has, within the 10 years before the date of this Annual Information Form, as applicable, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold their assets.

Trustee Independence, Attendance and Affiliations

Based on consideration of information provided by the Trustees, the Board has determined that five of the seven Trustees and Officers are Independent Trustees. Mr. Hanczyk and Mr Rawle are not Independent Trustees as they are the Chief Executive Officer and Chief Financial Officer of the REIT, respectively.

The mandate of the Board provides that the Independent Trustees shall hold regularly scheduled meetings, or portions of regularly scheduled meetings, at which non-Independent Trustees and members of management are not present. Furthermore, as set out in the Declaration of Trust, certain matters must be specifically approved by the Independent Trustees, which assists in facilitating the functioning of the Trustees independently of management. For the financial year ended December 31, 2024, the Independent Trustees met four times, *in camera* without the non-Independent Trustees and members of management in attendance, as part of scheduled Audit Committee and Board meetings.

Conflicts of Interest

The Declaration of Trust contains “conflict of interest” provisions to protect Unitholders without creating undue limitations on the REIT. As the Trustees are engaged in a wide range of real estate and other activities, the Declaration of Trust contains provisions, similar to those contained in the OBCA, that require each Trustee to disclose to the REIT any interest in a material contract or transaction or proposed material contract or transaction with the REIT (including a contract or transaction involving the making or disposition of any investment in real property or a joint venture agreement) or the fact that such person is a director or officer of, or otherwise has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the REIT. Such disclosure is required to be made at the first meeting at which a proposed contract or transaction is considered. In any case, a Trustee who has made disclosure to the foregoing effect is not entitled to vote on any resolution to approve the contract or transaction unless the contract or transaction is one relating to (i) his direct remuneration as a Trustee, officer, employee or agent of the REIT, or (ii) indemnity of himself as a Trustee or the purchase or maintenance of liability insurance.

Further, each of the following matters require the approval of a majority of the Independent Trustees:

- (a) an acquisition of a property or an investment in a property, whether by co-investment or otherwise, in which any Related Party (as such term is defined in the Declaration of Trust) of the REIT has any direct or indirect interest, whether as owner, operator or manager;
- (b) a material change to any agreement with a Related Party of the REIT or any renewal, extension or termination thereof or any increase in any fees (including any transaction fees) or distributions payable thereunder;
- (c) the entering into of, or the waiver, exercise or enforcement of any rights or remedies under, any agreement entered into by the REIT or any of its Subsidiaries, or the making, directly or indirectly, of any co-investment, in each case with (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity;
- (d) the refinancing, increase or renewal of any indebtedness owed by or to (i) any Trustee, (ii) any entity directly or indirectly controlled by any Trustee or in which any Trustee holds a significant interest, or (iii) any entity for which any Trustee acts as a director or other similar capacity; or
- (e) decisions relating to any claims by or against one or more parties to any agreement with any Related Party of the REIT.

In addition, the REIT cannot purchase or sell real property from or to a Related Party, or otherwise effect a related party transaction, unless such transaction is determined to be on commercially reasonable terms and is approved by a majority of the Trustees who are not parties to such transaction, or who are not

directors, officers or employees of, or who do not have a material interest in, any person who is a party to such transaction.

AUDIT COMMITTEE

As of the date hereof, the Audit Committee consists of Floriana Cipollone (Chair), Bradley Cutsey, Justine Delisle, and Ben Rodney, each of whom is “independent” and “financially literate” within the meaning of National Instrument 52-110 – *Audit Committees*. Each of the Audit Committee members has an understanding of the accounting principles used to prepare the REIT’s financial statements, experience preparing, auditing, analyzing or evaluating comparable financial statements and experience as to the general application of relevant accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For the education and experience of each member of the Audit Committee relevant to the performance of his or her duties as a member of the Audit Committee, see “Trustees and Officers of the REIT” above.

The Board has adopted a written charter for the Audit Committee, which sets out the Audit Committee’s responsibility in reviewing the financial statements of the REIT and public disclosure documents containing financial information and reporting on such review to the Board, ensuring that adequate procedures are in place for the review of the REIT’s public disclosure documents that contain financial information, overseeing the work and review the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. The charter of the Audit Committee of the REIT is attached as Appendix A to this Annual Information Form.

In accordance with the independence standards for auditors, the REIT is restricted from engaging its external auditors to provide certain non-audit services to the REIT, including bookkeeping or other services related to the accounting records or financial statements, financial information systems design and implementation, valuation services, actuarial services, internal audit services, corporate finance services, management functions, human resources functions, legal services and expert services unrelated to the audit.

the REIT does engage its external auditors from time to time, to provide certain non-audit services other than the restricted services. The Audit Committee must approve in advance any retainer of the auditors to perform any non-audit service to the REIT that it deems advisable in accordance with applicable requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

Composition of the Audit Committee

Floriana Cipollone – Trustee (Age 58) – Ms. Cipollone is a corporate director and C-Suite executive. She is currently Chief Financial Officer of Delmanor Communities. Her diverse experience with the Canadian real estate market includes not only traditional financial management experience, but also mergers and acquisitions, capital markets, strategic activities, asset acquisitions/dispositions, lending and structured deals, joint ventures and syndications and corporate governance and risk. Ms. Cipollone has over 30 years of experience in corporate financial management, over 20 of which have been in the real estate or real estate finance industry in senior finance roles and C-Suite positions. Ms. Cipollone currently serves on the board of Minto Holdings Inc. and is Chair of its Audit Committee. Ms. Cipollone is a Chartered Professional Accountant (CPA) and a graduate of the Bachelor of Commerce program at the University of Toronto.

Bradley Cutsey – Trustee (Age 52) – Mr. Cutsey is currently the President and CEO of InterRent REIT. Mr. Cutsey has over 20 years of experience in real estate and capital markets, including roles as Group Head of Real Estate Investment Banking, and as a top-ranked Equity Research Analyst. Throughout his

career, Mr. Cutsey has advised on several billions of dollars worth of real estate transactions and equity and debt financings and has played a key role in the formation of a number of publicly listed REITs. Mr. Cutsey is a Chartered Financial Analyst (CFA) and a graduate of the Bachelor of Business Administration (Finance concentration and Economics Major) program at Bishop's University.

Justine Delisle – Trustee (Age 37) – Ms. Delisle serves as a Partner with Richter, one of the largest business advisory and family office firms in Canada. She has been with Richter since 2010, where she began her career in the business advisor specializing in real estate, non-profit organizations, and philanthropy. In 2016, she assisted in the development and implementation of some key areas of the firm's family office platform, allowing Richter to become an industry leader. Ms. Delisle now leads a fast-growing team of dedicated specialists, assisting established enterprise families and high net worth individuals in their financial matters acting as their personal Chief Financial Officers, covering everything from tax, accounting and wealth management to financial management and strategy, estate and next generation planning, philanthropy and governance. Ms. Delisle is a Chartered Professional Accountant, and Financial Planning designation holder. Ms. Delisle earned a Bachelor of Business Administration degree from HEC Montreal.

Ben Rodney – Trustee (Age 49) – Mr. Rodney has been with RFA Capital Partners, Inc., a private real estate investment and asset management company since 1997 and most recently his duties have focused on the growth of RFA Capital Partners Inc., where he is the President. During his time with RFA Capital Partners Inc., Mr. Rodney has structured, priced and performed due diligence on over \$15 billion of Canadian commercial mortgages and real estate. Mr. Rodney holds a Masters of Business Administration (MBA) from the Richard Ivey School of Business at the University of Western Ontario and a Bachelor of Arts (BA) from the University of Victoria.

External Auditor Fees

The following table sets forth the fees billed to the REIT by its external auditor, PricewaterhouseCoopers LLP and its affiliates for professional services rendered for the fiscal years ended December 31, 2024, and 2023.

External Auditor Fees		
Fees	2024	2023
Audit Fees ⁽¹⁾	152,000	293,600
Tax Fees ⁽²⁾	249,000	103,600
Other Fees ⁽³⁾	27,000	5,600
Total	428,000	402,800

Notes:

- (1) Audit Fees include the aggregate professional fees paid for the audit of the annual consolidated financial statements, review of quarterly financial statements and aggregate fees paid for the provision of assistance with regulatory filings and public offerings of securities, including compliance with legislative and regulatory initiative and other services.
- (2) Tax Fees are the aggregate fees billed for professional services rendered by PricewaterhouseCoopers LLP for tax compliance, tax advice and tax planning.
- (3) Other Fees are the aggregate fees billed for products and services provided by PricewaterhouseCoopers LLP, other than reported under the foregoing categories.

DECLARATION OF TRUST AND DESCRIPTION OF CAPITAL STRUCTURE

General

The REIT is an unincorporated, “open-ended” real estate investment trust established pursuant to the Declaration of Trust under, and governed by, the laws of the Province of Ontario. Although the REIT qualifies as a “mutual fund trust” as defined in the Tax Act, the REIT will not be a “mutual fund” as defined by applicable securities legislation. Furthermore, the REIT is not a trust company and accordingly is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company. The Units represent a fractional interest in the REIT and do not represent a direct investment in the REIT’s assets and should not be viewed by investors as direct securities of the REIT’s assets. A holder of a Unit of the REIT does not hold a share of a body corporate. As Unitholders of the REIT, the holders will not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions. The rights of Unitholders are based primarily on the Declaration of Trust. There is no statute governing the affairs of the REIT equivalent to the CBCA which sets out the rights and entitlements of shareholders of corporations in various circumstances. As well, the REIT may not be a recognized entity under certain existing insolvency legislation such as the *Bankruptcy and Insolvency Act* (Canada) and the *Companies Creditors’ Arrangement Act* (Canada) and thus the treatment of Unitholders upon an insolvency is uncertain.

Units and Special Voting Units

The REIT is authorized to issue an unlimited number of Units and an unlimited number of Special Voting Units (collectively, “**Voting Units**”). Issued and outstanding Voting Units may be subdivided or consolidated from time to time by the Trustees without the approval of the holders thereof.

Units

The REIT is authorized to issue an unlimited number of Units. Issued and outstanding Units may be subdivided or consolidated from time to time by the Trustees without notice to or the approval of the Unitholders. The Units are not “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of such Act or any other legislation. The Units are not shares in the REIT and Unitholders do not have statutory rights of shareholders of a corporation incorporated under either the OBCA or the CBCA including, for example, the right to bring “oppression” or “derivative” actions.

No Unit will have any preference or priority over another, subject to the rights of Unitholders who participate in the DRIP to receive bonus distributions automatically reinvested in Units in accordance therewith. Each Unit will represent a Unitholder’s proportionate undivided beneficial ownership interest in the REIT and will confer the right to one vote at any meeting of Unitholders and to participate *pro rata* in any distributions by the REIT, whether of net income, net realized capital gains or other amounts 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. Units will be fully paid and non-assessable when issued and are transferable. The Units are redeemable at the holder’s option, as described below under “Redemption Right”. Fractional Units may be issued as a result of an act of the Trustees, but fractional Units will not entitle the holders thereof to vote, except to the extent that such fractional Units may represent in the aggregate one or more whole Units.

Special Voting Units

The Special Voting Units are non-participating special voting units of the REIT that have no economic entitlement in the REIT or in distributions or assets of the REIT but entitle the holders thereof to one vote per unit at meetings of the Unitholders. Special Voting Units may only be issued in connection with or in relation to securities exchangeable into Units, including Class B LP Units, for the purpose of providing such voting rights with respect to the REIT to the holders of such securities. The Special Voting Units are

evidenced only by the certificates representing the Class B LP Units to which they relate. Special Voting Units will not be transferable separately from the exchangeable securities to which they are attached and will be automatically transferred upon the transfer of such exchangeable securities. Upon the exchange or surrender of a Class B LP Unit for a Unit, the Special Voting Unit attached to such Class B LP Unit will automatically be redeemed and cancelled for no consideration without any further action of the Trustees, and the former holder of such Special Voting Unit will cease to have any rights with respect thereto.

Class B LP Units to which Special Voting Units relate are intended to be, to the greatest extent practicable, the economic equivalent of Units. Holders of Class B LP Units are entitled to receive distributions paid by the applicable subsidiary limited partnership, which distributions or advances will be equal on a per unit as-exchanged basis, to the greatest extent practicable, to the amount of distributions paid by the REIT to Unitholders. In the case of a distribution declared on the Units in property (other than (i) cash, or (ii) a distribution of Units and immediate consolidation thereafter such that the number of outstanding Units both immediately prior to and following such transaction remains the same), holders of Class B LP Units will generally be entitled to receive, subject to applicable law, distributions in such type and amount of property as is the same as, or economically equivalent to (as determined by the board of directors of the general partner of the applicable subsidiary limited partnership, in good faith and in its sole discretion), the type and amount of property declared as a distribution on each Unit. Each Class B LP Unit is exchangeable for one Unit, subject to the customary anti-dilution adjustments set out in the applicable exchange agreement. See "Declaration of Trust and Description of Capital Structure – Take-Over Bids". Class B LP Units may not be transferred except in connection with an exchange for Units or those certain limited exceptions set out in the applicable limited partnership agreement governing the Class B LP Units. The Class B LP Units will not be listed on the TSX or on any other stock exchange or quotation system. **Although Class B LP Units are intended, to the greatest extent practicable, to be economically equivalent to Units, the tax consequences of holding Class B LP Units may be different from the tax consequences of holding Units and such holders should consult with their tax advisors.**

Issuance of Units

The REIT may issue new Units from time to time, in such manner, for such consideration and to such person or persons as the Trustees shall determine. Except for the rights of a holder of Class B LP Units pursuant to the applicable exchange agreement to exchange Class B LP Units for Units at the option of the holder, Unitholders will not have any pre-emptive rights whereby additional Voting Units proposed to be issued would be first offered to existing Unitholders. If the Trustees determine that the REIT does not have cash in an amount sufficient to make payment of the full amount of any distribution, the payment may include the issuance of additional Units having a value equal to the difference between the amount of such distribution and the amount of cash which has been determined by the Trustees to be available for the payment of such distribution. the REIT may create and issue rights, warrants or options or other instruments or securities to subscribe for fully paid Units which rights, warrants, options, instruments or securities may be exercisable at such subscription price or prices and at such time or times as the Trustees may determine.

The REIT may also issue new Units (i) as consideration for the acquisition of new properties or assets by it, at a price or for the consideration determined by the Trustees, (ii) pursuant to any incentive or option plan established by the REIT from time to time, or (iii) pursuant to the DRIP.

The Declaration of Trust provides that immediately after any *pro rata* distribution of Units to all Unitholders in satisfaction of any non-cash distribution, the number of outstanding Units will be consolidated so that each Unitholder will hold, after the consolidation, the same number of Units as the Unitholder held before the non-cash distribution. In this case, each certificate representing a number of Units prior to the non-cash distribution is deemed to represent the same number of Units after the non-cash distribution and the consolidation. Non-Resident holders will generally be subject to withholding tax on distributions from the REIT, in which case such a consolidation will not result in such Non-Resident Unitholders holding the same number of Units unless the amount of such tax has been paid by the relevant Non-Resident Unitholder in accordance with the Declaration of Trust.

In such cases, Non-Resident Unitholders will be required to surrender the certificates (if any) representing their original Units in exchange for a certificate representing post-consolidation Units.

Meetings of Unitholders

The Declaration of Trust provides that meetings of Unitholders and Special Voting Unitholders will be required to be called and held in various circumstances, including (i) for the election or removal of Trustees, (ii) the appointment or removal of the auditors of the REIT, (iii) the approval of amendments to the Declaration of Trust (except as described below under “Amendments to Declaration of Trust”), (iv) the sale or transfer of the assets of the REIT as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees), (v) the termination of the REIT, and (vi) for the transaction of any other business as the Trustees may determine or as may be properly brought before the meeting. Meetings of Unitholders will be called and held annually for the election of the Trustees and the appointment of the auditors of the REIT. All meetings of Unitholders must be held in Canada or by means of a telephonic, electronic or other communication facility.

A meeting of Unitholders may be convened at any time and for any purpose by the Trustees and must be convened, except in certain circumstances, if requisitioned in writing by the holders of not less than 5% of the Voting Units then outstanding. A requisition must state in reasonable detail the business proposed to be transacted at the meeting. Unitholders have the right to obtain a list of Unitholders to the same extent and upon the same conditions as those that apply to shareholders of a corporation governed by the CBCA.

Unitholders may attend and vote at all meetings of Unitholders either in person or by proxy. Holders of Units will have an equal right to be notified of, attend and participate in meetings of Unitholders.

Two persons present in person or represented by proxy, and such persons holding or representing by proxy not less in aggregate than 10% of the total number of outstanding Voting Units on the record date for the meeting, will constitute a quorum for the transaction of business at all such meetings. Any meeting at which a quorum is not present within one-half hour after the time fixed for the holding of such meeting, if convened upon the request of the Unitholders, will be terminated, but in any other case, the meeting will stand adjourned to a day not less than 14 days later and to a place and time as chosen by the chair of the meeting, and if at such adjourned meeting a quorum is not present, the Unitholders present either in person or by proxy will be deemed to constitute a quorum.

Special Voting Unitholders will have an equal right to be notified of, attend and participate in meetings of Unitholders.

Pursuant to the Declaration of Trust, a resolution in writing executed by Unitholders holding a proportion of the outstanding Voting Units (or a class thereof) equal to the proportion required to vote in favour thereof at a meeting of Unitholders to approve that resolution will be valid as if it had been passed at a meeting of Unitholders.

Advance Notice Provision

The Declaration of Trust includes certain advance notice provisions (the “**Advance Notice Provision**”), which will: (i) facilitate orderly and efficient annual general or, where the need arises, special, meetings; (ii) ensure that all Unitholders receive adequate notice of the Trustee nominations and sufficient information with respect to all nominees; and (iii) allow Unitholders to register an informed vote. Except as otherwise provided in the Declaration of Trust, only persons who are nominated by Unitholders in accordance with the Advance Notice Provision will be eligible for election as Trustees. Nominations of persons for election to the Board may be made for any annual meeting of Unitholders, or for any special meeting of Unitholders if one of the purposes for which the special meeting was called was the election of Trustees: (a) by or at the direction of the Trustees, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more Unitholders pursuant to a requisition of the Unitholders made in accordance with the Declaration of Trust; or (c) by any person (a “**Nominating Unitholder**”): (A) who, at the close of business on the date of the giving of the notice provided for below and on the record date for notice of such meeting, is entered in the REIT’s register as a holder of one or more Units carrying the right to vote at such meeting or who beneficially owns Units that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Provision.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Unitholder, the Nominating Unitholder must have given timely notice thereof in proper written form to the Trustees. To be timely, a Nominating Unitholder’s notice to the Trustees must be made: (a) in the case of an annual meeting of Unitholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of Unitholders; provided, however, that in the event that the annual meeting of Unitholders is to be held on a date that is less than 50 days after the date (the “**Notice Date**”) that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Unitholder may be made not later than the close of business on the tenth day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of Unitholders called for the purpose of electing Trustees (whether or not called for other purposes), not later than the close of business on the 15th day following the day that is the earlier of the date that a notice of meeting is filed for such meeting or the date on which the first public announcement of the date of the special meeting of Unitholders was made. In no event shall any adjournment or postponement of a meeting of Unitholders or the announcement thereof commence a new time period for the giving of a Nominating Unitholder’s notice as described above.

To be in proper written form, a Nominating Unitholder’s notice to the Trustees must set forth: (a) as to each person whom the Nominating Unitholder proposes to nominate for election as a Trustee: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of Units which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Unitholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable Securities Laws (as defined in the Declaration of Trust); and (b) as to the Nominating Unitholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Unitholder has a right to vote any Units and any other information relating to such Nominating Unitholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of Trustees pursuant to applicable Securities Laws. The REIT may require any proposed nominee to furnish such other information as may reasonably be required by the REIT to determine the eligibility of such proposed nominee to serve as an Independent Trustee or that could be material to a reasonable Unitholder’s understanding of the independence, or lack thereof, of such proposed nominee.

The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed

nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding the foregoing, the Trustees may, in their sole discretion, waive any requirement in the Advance Notice Provision.

Redemption Right

Units are redeemable at any time on demand by the holders thereof upon delivery to the REIT of a duly completed and properly executed notice requesting redemption in a form reasonably acceptable to the Trustees, together with written instructions as to the number of Units to be redeemed. A Unitholder not otherwise holding a fully registered Unit certificate who wishes to exercise the redemption right is required to obtain a redemption notice form from the Unitholder's investment dealer who will be required to deliver the completed redemption notice form to the REIT and to CDS. Upon receipt of the redemption notice, all rights to and under the Units tendered for redemption shall be surrendered and the holder thereof will be entitled to receive a price per Unit (the "**Redemption Price**") equal to the lesser of:

- (i) 90% of the "Market Price" of a Unit calculated as of the date on which the Units were surrendered for redemption (the "**Redemption Date**"); and
- (ii) 100% of the "Closing Market Price" on the Redemption Date.

For purposes of this calculation, the "**Market Price**" of a Unit as at a specified date will be:

- (i) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of ten consecutive trading days ending on such date;
- (ii) an amount equal to the weighted average of the closing market prices of a Unit on the principal exchange or market on which the Units are listed or quoted for trading during the period of ten consecutive trading days ending on such date, if the applicable exchange or market does not provide information necessary to compute a weighted average trading price; or
- (iii) if there was trading on the applicable exchange or market for fewer than five of the ten trading days, an amount equal to the simple average of the following prices established for each of the ten consecutive trading days ending on such date: the simple average of the last bid and last asking price of the Units for each day on which there was no trading; the closing price of the Units for each day that there was trading if the exchange or market provides a closing price; and the simple average of the highest and lowest prices of the Units for each day that there was trading, if the market provides only the highest and lowest prices of Units traded on a particular day.

The "**Closing Market Price**" of a Unit for the purpose of the foregoing calculations, as at any date will be:

- (i) an amount equal to the weighted average trading price of a Unit on the principal exchange or market on which the Units are listed or quoted for trading on the specified date if the principal exchange or market provides information necessary to compute a weighted average trading price of the Units on such date;
- (ii) an amount equal to the closing price of a Unit on the principal market or exchange on the specified date if there was a trade on the specified date and the principal exchange or market provides only a closing price of the Units on such date;

- (iii) an amount equal to the simple average of the highest and lowest prices of the Units on the principal market or exchange on the specified date, if there was trading on the specified date and the principal exchange or market provides only the highest and lowest trading prices of the Units on such date; or
- (iv) the simple average of the last bid and last asking prices of the Units on the principal market or exchange on the specified date, if there was no trading on such date.

If the Units are not listed or quoted for trading on a public market, the Redemption Price will be the fair market value of the Units, which will be determined by the Trustees in their sole discretion.

The aggregate Redemption Price payable by the REIT in respect of any Units surrendered for redemption during any calendar month will be paid by cheque, drawn on a Canadian chartered bank or trust company in Canadian dollars within 30 days after the end of the calendar month in which the Units were tendered for redemption, provided that the entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by the REIT in respect of such Units and all other Units tendered for redemption in the same calendar month must not exceed \$50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) on the date such Units are tendered for redemption, the outstanding Units must be listed for trading on the TSX or traded or quoted on any other stock exchange or market that, in the sole discretion of the Trustees, provides representative fair market value prices for the Units; (iii) the normal trading of the Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, in any market where the Units are quoted for trading) on the Redemption Date or for more than five trading days during the 10-day trading period commencing immediately before the Redemption Date; and (iv) the redemption of the Units must not result in the delisting of the Units from the principal stock exchange on which the Units are listed.

Cash payable on redemptions will be paid *pro rata* to all Unitholders tendering Units for redemption in any month. To the extent a Unitholder is not entitled to receive cash upon the redemption of Units as a result of any of the limitations above, then the balance of the Redemption Price for such Units will, subject to any applicable regulatory approvals, be paid and satisfied by way of a distribution *in specie* to such Unitholder of Subsidiary Notes. In the event of distributions of Subsidiary Notes, each Subsidiary Note so distributed to the redeeming Unitholder shall be in the principal amount of \$100 or such other amount as may be determined by the Trustees. No fractional Subsidiary Notes shall be distributed and where the number of Subsidiary Notes to be received upon redemption by a holder of Units would otherwise include a fraction, that number shall be rounded down to the next lowest whole number. Where the REIT makes a distribution *in specie* on the redemption of Units of a Unitholder, the REIT currently intends to allocate to that Unitholder any capital gain or income realized by the REIT on or in connection with such distribution.

It is anticipated that the redemption right described above will not be the primary mechanism for Unitholders to dispose of their Units.

Purchases of Units by Nexus Industrial REIT

The REIT may from time to time purchase Units for cancellation in accordance with applicable securities legislation and the rules prescribed under applicable stock exchange and regulatory policies. Any such purchase will constitute an “issuer bid” under Canadian provincial securities legislation and must be conducted in accordance with the applicable requirements thereof.

Take-Over Bids

The Declaration of Trust contains provisions to the effect that if a take-over bid is made for Units within the meaning of the *Securities Act* (Ontario) and not less than 90% of the Units (other than Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken up and paid for by the offeror, the offeror will be entitled to acquire the Units held by Unitholders who do

not accept the offer either, at the election of each Unitholder, on the terms offered by the offeror or at the fair value of such Unitholder's Units determined in accordance with the procedures set out in the Declaration of Trust.

The Declaration of Trust and the applicable exchange agreement provide that if a non-exempt take-over bid from a person acting at arm's length to holders of Class B LP Units (or any associate or affiliate thereof) is made for the Units and such take-over bid is not structured such that holders of Class B LP Units can exchange into Units conditional on take-up, then, provided that not less than 25% of the Units (other than Units held at the date of the take-over bid by or on behalf of the offeror or associates or affiliates of the offeror) are taken-up and paid for pursuant to the non-exempt bid, from and after the date of first take-up of Units under the said take-over bid in excess of the foregoing threshold the Class B LP Units held by persons other than the REIT will be exchangeable at an exchange ratio equal to 110% of the exchange ratio previously in effect, such that, based on the current one-to-one exchange ratio, on exchange the holder of Class B LP Units will receive 1.1 Units for each Unit that the holder would otherwise have received. Notwithstanding any adjustment on completion of an exclusionary offer as described above, the distribution rights attaching to the Class B LP Units will not be adjusted until the exchange right is actually exercised.

Non-Certificated Inventory System

Generally speaking, registration of interests in and transfers of Units held through CDS, or its nominee, will be made electronically through the NCI system of CDS. Units held in CDS must be purchased, transferred and surrendered for redemption through a CDS participant, which includes securities brokers and dealers, banks and trust companies. All rights of Unitholders who hold Units in CDS must be exercised through, and all payments or other property to which such Unitholders are entitled will be made or delivered by CDS or the CDS participant through which the Unitholder holds such Units. A holder of a Unit participating in the NCI system will not be entitled to a certificate or other instrument from the REIT or the REIT's Transfer Agent evidencing that person's interest in or ownership of Units, nor, to the extent applicable, will such Unitholder be shown on the records maintained by CDS, except through an agent who is a CDS participant.

The ability of a beneficial owner of Units to pledge such Units or otherwise take action with respect to such Unitholder's interest in such Units (other than through a CDS participant) may be limited due to the lack of a physical certificate. No Special Voting Unitholder is entitled to a certificate or other instrument evidencing the holder's ownership of such units.

Limitation on Non-Resident Ownership

In order for the REIT to maintain its status as a "mutual fund trust" under the Tax Act, the REIT must not be established or maintained primarily for the benefit of Non-Residents. Accordingly, at no time may Non-Residents be the beneficial owners of more than 49% of the Units (determined on a basic or fully-diluted basis) and the Trustees have informed the Transfer Agent and registrar of this restriction. The Trustees may require declarations as to the jurisdictions in which beneficial owners of Units are resident. If the Trustees become aware, as a result of requiring such declarations as to beneficial ownership or otherwise, that the beneficial owners of 49% of the Units (determined on a basic or fully-diluted basis) then outstanding are, or may be, Non-Residents or that such a situation is imminent, the Trustees may make a public announcement thereof and the Transfer Agent will not accept a subscription for Units from or issue Units to a person unless the person provides a declaration that the person is not a Non-Resident. If, notwithstanding the foregoing, the Trustees determine that more than 49% of the Units (determined on a basic or fully-diluted basis) are held by Non-Residents, the Trustees may send a notice to Non-Residents holding Units, chosen in inverse order to the order of acquisition or registration or in such manner as the Trustees may consider equitable and practicable, requiring them to sell their Units or a portion thereof within a specified period of not less than 60 days. If the Unitholders receiving such notice have not sold the specified number of Units or provided the Trustees with satisfactory evidence that they are not Non-Residents within such period, the Trustees may, on behalf of such Unitholders sell such Units

and, in the interim, must suspend the voting and distribution rights attached to such Units. Upon such sale the affected holders will cease to be holders of Units and their rights will be limited to receiving the net proceeds of sale, subject to the right to receive payment of any distribution declared by the Trustees which is unpaid and owing to such Unitholders. The Trustees will have no liability for the amount received provided that they act in good faith. the REIT may direct its Transfer Agent to assist the Trustees with respect to any of the foregoing.

Information and Reports

The REIT will furnish to Unitholders such financial statements (including quarterly and annual financial statements) and other reports as are from time to time required by the Declaration of Trust and by applicable law. Prior to each meeting of Unitholders, the Trustees will provide the Unitholders (along with notice of such meeting) information as required by applicable tax and securities laws.

Amendments to Declaration of Trust

The Declaration of Trust may be amended or altered from time to time. Certain amendments require approval by at least two-thirds of the votes cast by Voting Unitholders at a meeting called for such purpose. Other amendments to the Declaration of Trust require approval by a majority of the votes cast by Voting Unitholders at a meeting called for such purpose.

The following actions and/or amendments, among others, require the approval of two-thirds of the votes cast by Voting Unitholders at a meeting called for such purpose:

- (a) an exchange, reclassification or cancellation of all or a portion of the Voting Units;
- (b) the addition, change or removal of the rights, privileges, restrictions or conditions attached to the Voting Units, except for such changes made by the Trustees in accordance with the terms of the Declaration of Trust;
- (c) any constraints on the issue, transfer or ownership of the Voting Units or change or removal of such constraint;
- (d) the sale or transfer of the assets of the REIT as an entirety or substantially as an entirety (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees);
- (e) the termination of the REIT (other than as part of an internal reorganization of the assets of the REIT approved by the Trustees);
- (f) the combination, amalgamation or arrangement of any of the REIT or its Subsidiaries with any other entity that is not the REIT or its Subsidiary (other than as part of an internal reorganization approved by the Trustees); and
- (g) the amendment of the investment guidelines of the REIT and certain of the operating policies of the REIT.

Notwithstanding the foregoing, the Trustees may (upon the approval of a majority of the Trustees present in person or by phone at a meeting of the Board), without the approval of the Unitholders, make certain amendments to the Declaration of Trust, including amendments:

- (a) aimed at ensuring continuing compliance with applicable laws, regulations, requirements or policies of any governmental authority having jurisdiction over: (i) the Trustees or the REIT; (ii) the status of the REIT as a “mutual fund trust”, “unit trust” or “real estate investment trust” under the Tax Act; or (iii) the distribution of Units;

- (b) which, in the opinion of the Trustees, provide additional protection for the Voting Unitholders;
- (c) to remove any conflicts or inconsistencies in the Declaration of Trust or to make minor corrections which are, in the opinion of the Trustees, necessary or desirable and not prejudicial to the Voting Unitholders;
- (d) which, in the opinion of the Trustees, are necessary or desirable to remove conflicts or inconsistencies between the disclosure in the management information circular of Edgefront Realty Corp. dated December 5, 2013 and the Declaration of Trust;
- (e) of a minor or clerical nature or to correct typographical mistakes, ambiguities or manifest omissions or errors, which amendments, in the opinion of the Trustees, are necessary or desirable and not prejudicial to the Voting Unitholders;
- (f) which, in the opinion of the Trustees, are necessary or desirable: (i) to ensure continuing compliance with IFRS; or (ii) to ensure the Units qualify as equity for purposes of IFRS;
- (g) which, in the opinion of the Trustees, are necessary or desirable to enable the REIT to implement a Unit purchase plan or issue Units for which the purchase price is payable in instalments;
- (h) which, in the opinion of the Trustees, are necessary or desirable for the REIT to qualify for a particular status under, or as a result of changes in, taxation or other laws, or the interpretation of such laws, including to qualify as a “real estate investment trust” for purposes of the Tax Act or to otherwise prevent the REIT or any of its Subsidiaries from becoming subject to tax under paragraph 122(1)(b) or subsection 197(2) of the Tax Act (the “**SIFT Rules**”);
- (i) to create one or more additional classes of units solely to provide voting rights to holders of securities that are exchangeable for Units entitling the holder thereof to a number of votes not exceeding the number of Units into which the exchangeable securities are exchangeable but that do not otherwise entitle the holder thereof to any rights with respect to the REIT’s Property or income; and
- (j) for any purpose (except one in respect of which a Unitholder vote is specifically otherwise required) which, in the opinion of the Trustees, is not prejudicial to Voting Unitholders and is necessary or desirable.

Any amendment to the Declaration of Trust which directly or indirectly adds, changes, or removes any of the rights, privileges, restrictions or conditions in respect of the Special Voting Units shall require the approval of a majority of the votes cast by Special Voting Unitholders at a meeting of Unitholders (or by written resolution in lieu thereof).

INVESTMENT GUIDELINES AND OPERATING POLICIES

Investment Guidelines

The Declaration of Trust provides certain guidelines on investments that may be made directly or indirectly by the REIT. The assets of the REIT may be invested only in accordance with the following restrictions:

- (a) the REIT may only invest, directly or indirectly, in interests (including fee ownership and leasehold interests) in income-producing commercial real estate located in Canada or the United States and assets ancillary thereto necessary for the operation of such real estate and such other activities as are consistent with the other investment guidelines of the REIT;
- (b) notwithstanding anything else contained in the Declaration of Trust, the REIT shall not directly or indirectly make any investment, take any action or omit to take any action where such investment, action or omission would result in Units not being units of a “unit trust” or a “mutual fund trust” within the meaning of the Tax Act or that would result in the Units not being qualified investments for trusts governed by registered retirement savings plans, registered retirement income funds, registered education savings plans, deferred profit sharing plans, registered disability savings plans and tax-free saving accounts, each as defined in the Tax Act, or that would cause the REIT or a Subsidiary of the REIT to be subject to tax under Part XII.2 of the Tax Act;
- (c) notwithstanding anything else in the Declaration of Trust, the REIT shall not directly or indirectly make any investment, take any action or omit to take any action where such investment, action or omission would result in the REIT or any of its Subsidiaries being subject to the special tax applicable to a “SIFT trust” within the meaning of subsection 122.1(1) of the Tax Act or a “SIFT partnership” within the meaning of subsection 197(1) of the Tax Act (unless in the best interests of the Voting Unitholders as determined by the Trustees acting reasonably);
- (d) the REIT shall not invest in any interest in a single real property if, after giving effect to the proposed investment, the cost to the REIT of such investment (net of the amount of debt incurred or assumed in connection with such investment) will exceed the greater of \$20,000 or 20% of GBV at the time the investment is made;
- (e) the REIT may, directly or indirectly, invest in a joint venture arrangement for the purposes of owning interests or investments otherwise permitted to be held by the REIT, provided that such joint venture arrangement contains terms and conditions which, in the opinion of the Independent Trustees, are commercially reasonable, including without limitation such terms and conditions relating to restrictions on the transfer, acquisition and sale of the REIT’s and any joint venturer’s interest in the joint venture arrangement, provisions to provide liquidity to the REIT, provisions to limit the liability of the REIT and its Unitholders to third parties, and provisions to provide for the participation of the REIT in the management of the joint venture arrangement. For purposes hereof, a “joint venture arrangement” is an arrangement between the REIT and one or more other persons pursuant to which the REIT, directly or indirectly, conducts an undertaking for one or more of the purposes set out in the investment guidelines of the REIT and in respect of which the REIT may hold its interest jointly or in common or in another manner with others either directly or through the ownership of securities of a corporation or other entity;
- (f) except for temporary investments held in cash, deposits with a Canadian chartered bank or trust company registered under the laws of a province of Canada, deposits with a savings institution, trust company, credit union or similar financial institution that is

organized or chartered under the laws of a state or of the United States short-term government debt securities or money market instruments maturing prior to one year from the date of issue and except as permitted pursuant to the investment guidelines and operating policies of the REIT, the REIT may not hold securities of a person other than to the extent such securities would constitute an investment in real property (as determined by the Trustees) and provided further that, notwithstanding anything contained in the Declaration of Trust to the contrary, but in all events subject to paragraph (b) above, the REIT may hold securities of a person: (i) acquired in connection with the carrying on, directly or indirectly, of the REIT's activities or the holding of its assets; or (ii) which focuses its activities primarily on the activities described in paragraph (a) above, provided in the case of any proposed investment or acquisition which would result in the beneficial ownership of more than 10% of the outstanding securities of an issuer (the "**Acquired Issuer**"), the investment is made for the purpose of subsequently effecting the merger or combination of the business and assets of the REIT and the Acquired Issuer or for otherwise ensuring that the REIT will control the business and operations of the Acquired Issuer;

- (g) the REIT shall not invest in rights to or interests in mineral or other natural resources, including oil or gas, except as incidental to an investment in real property;
- (h) the REIT shall not invest, directly or indirectly, in operating businesses unless such investment is an indirect investment and is incidental to a transaction:
 - (i) where revenue will be derived, directly or indirectly, principally from real property that is capital property for purposes of the Tax Act; or
 - (ii) which principally involves the ownership, maintenance, development, improvement, leasing or management, directly or indirectly, of real property that is capital property for purposes of the Tax Act (in each case as determined by the Trustees);
- (i) the REIT shall not invest in raw land for development, except (i) for existing properties with additional development or properties adjacent to existing properties of the REIT for the purpose of the renovation or expansion of existing properties, or (ii) the development of new properties which will be capital property of the REIT, provided that the aggregate value of the investments of the REIT in raw land, excluding raw land under development, after giving effect to the proposed investment, will not exceed 5% of GBV;
- (j) the REIT may invest in mortgages and mortgage bonds (including participating or convertible mortgages) and similar instruments where:
 - (i) the real property which is security therefor is income producing real property which otherwise meets the other investment guidelines of the REIT; and
 - (ii) the aggregate book value of the investments of the REIT in mortgages, after giving effect to the proposed investment, will not exceed 15% of GBV; and
- (k) the REIT may invest an amount (which, in the case of an amount invested to acquire real property, is the purchase price less the amount of any debt incurred or assumed in connection with such investment) up to 15% of the GBV of the REIT in investments which do not comply with one or more of paragraphs (a), (e), (f), (h) and (i).

Operating Policies

The Declaration of Trust provides that operations and affairs of the REIT are to be conducted in accordance with the following policies:

- (a) the REIT shall not purchase, sell, market or trade in currency or interest rate futures contracts otherwise than for hedging purposes where, for the purposes hereof, the term “hedging” has the meaning ascribed thereto by National Instrument 81-102 — *Mutual Funds* adopted by the Canadian Securities Administrators, as replaced or amended from time to time;
- (b) (i) any written instrument creating an obligation which is or includes the granting by the REIT of a mortgage; and (ii) to the extent the Trustees determine to be practicable and consistent with their fiduciary duties to act in the best interest of the Unitholders, any written instrument which is, in the judgment of the Trustees, a material obligation, shall contain a provision, or be subject to an acknowledgement to the effect, that the obligation being created is not personally binding upon, and that resort must not be had to, nor will recourse or satisfaction be sought from, by lawsuit or otherwise the private property of any of the Trustees, Unitholders, annuitants or beneficiaries under a plan of which a Unitholder acts as a trustee or carrier, or officers, employees or agents of the REIT, but that only property of the REIT or a specific portion thereof is bound; the REIT, however, is not required, but must use all reasonable efforts, to comply with this requirement in respect of obligations assumed by the REIT upon the acquisition of real property;
- (c) the REIT may engage in construction or development of real property: (i) to maintain its real properties in good repair or to improve the income producing potential of properties in which the REIT has an interest; and (ii) to develop new properties that will be capital properties of the REIT on completion, provided that the aggregate value of the investments of the REIT in properties under development after giving effect to the proposed investment in the construction or development, will not exceed 15% of GBV;
- (d) title to each real property shall be held by and registered in the name of the REIT, the Trustees or a corporation or other entity wholly-owned, directly or indirectly, by the REIT or jointly-owned, directly or indirectly, by the REIT, with joint venturers; provided that, where land tenure will not provide fee simple title, the REIT, the Trustees or a corporation or other entity wholly-owned, directly or indirectly, by the REIT or jointly owned, directly or indirectly, by the REIT shall hold a land lease as appropriate under the land tenure system in the relevant jurisdiction;
- (e) at no time shall the REIT incur Indebtedness aggregating more than 15% of GBV (excluding debt with an original maturity of one year or more falling due in the next 12 months or variable rate debt for which the REIT has entered into interest rate swap agreements to fix the interest rate for a one-year period or more) at floating interest rates or having maturities of less than one year;
- (f) the REIT shall not incur or assume any Indebtedness if, after giving effect to the incurrence or assumption of such Indebtedness, the total Indebtedness of the REIT would be more than 65% of GBV;
- (g) the REIT shall not directly or indirectly guarantee any Indebtedness or liabilities of any kind of a third party, except Indebtedness or liabilities assumed or incurred by an entity in which the REIT holds an interest, directly or indirectly, or by an entity jointly owned by the REIT with joint venturers and operated solely for the purpose of holding a particular property or properties, where such Indebtedness, if granted by the REIT directly, would cause the REIT to contravene its investment guidelines or operating policies. the REIT is

not required but shall use its reasonable best efforts to comply with this requirement (i) in respect of obligations assumed by the REIT pursuant to the acquisition of real property; or (ii) if doing so is necessary or desirable in order to further the initiatives of the REIT permitted under the Declaration of Trust, provided for the avoidance of doubt that the REIT shall not directly or indirectly guarantee any Indebtedness or liability of any person if such guarantee would result in the REIT failing to qualify as a “mutual fund trust” for purposes of the Tax Act, or would otherwise violate the requirements of paragraph (b) of the investment guidelines described above;

- (h) the REIT shall directly or indirectly obtain and maintain at all times property insurance coverage in respect of potential liabilities of the REIT and the accidental loss of value of the assets of the REIT from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practice of owners of comparable properties;
- (i) the REIT shall have obtained an appraisal of each real property that it intends to acquire and an engineering survey with respect to the physical condition thereof, in each case, by an independent and experienced consultant, unless the requirement for such an appraisal or engineering survey is waived by the Independent Trustees; and
- (j) the REIT shall obtain a Phase I environmental site assessment of each real property to be acquired by it and, if the Phase I environmental site assessment report recommends that a further environmental site assessment be conducted, the REIT shall have conducted such further environmental site assessments as the Trustees determine, in each case by an independent and experienced environmental consultant; as a condition to any acquisition such assessments shall be satisfactory to the Trustees.

For the purpose of the foregoing investment guidelines and operating policies, the assets, liabilities and transactions of a corporation or other entity wholly or partially owned by the REIT will be deemed to be those of the REIT on a proportionate consolidation basis, except in the case of paragraphs (b) and (c) of the investment guidelines to the extent such consolidation would be inconsistent with the applicable requirements under the Tax Act. In addition, any references in the foregoing investment guidelines and operating policies to investment in real property will be deemed to include an investment in a joint venture arrangement that invests in real property.

Amendments to Investment Guidelines and Operating Policies

Pursuant to the Declaration of Trust, all of the investment guidelines set out under the subheading “Investment Guidelines” and the operating policies contained in paragraphs (a), (f), (g), (h) and (j) set out under the subheading “Operating Policies” may be amended only with the approval of two-thirds of the votes cast by Voting Unitholders of the REIT at a meeting called for such purpose. The remaining operating policies may be amended with the approval of a majority of the votes cast by Voting Unitholders at a meeting called for such purpose.

Notwithstanding the foregoing paragraph, if at any time a government or regulatory authority having jurisdiction over the REIT or any property of the REIT shall enact any law, regulation or requirement which is in conflict with any investment guideline or operating policy of the REIT then in force (other than subparagraph (b) or (c) at “Investment Guidelines and Operating Policies — Investment Guidelines”), such investment guideline or operating policy in conflict shall, if the Trustees on the advice of legal counsel to the REIT so resolve, be deemed to have been amended to the extent necessary to resolve any such conflict and, notwithstanding anything to the contrary, any such resolution of the Trustees shall not require the prior approval of Unitholders.

DISTRIBUTION POLICY

The REIT currently makes monthly cash distribution of \$0.05333 per Unit, representing \$0.64 per unit on an annualized basis. Although the REIT intends to make distributions of available cash to holders of Units in accordance with its distribution policy, these cash distributions are not guaranteed and may be reduced or suspended. Pursuant to the Declaration of Trust, the Trustees will have full discretion respecting the timing and amounts of distributions, subject to the requirement to distribute taxable income each year as described below. Subsidiary limited partnerships of the REIT which have outstanding Class B LP Units will make corresponding monthly cash distributions to holders of Class B LP Units equal to the distributions that the holders of Class B LP Units would have received if they were holding Units instead of Class B LP Units. Notwithstanding the foregoing, the Declaration of Trust provides that the amount necessary to ensure that the REIT will not be liable to pay income tax under Part I of the Tax Act for any year (determined without reference to any bonus distribution automatically reinvested in Units paid in accordance with the REIT's DRIP) shall be deemed to be declared as a distribution by the Trustees on the earlier of the last Distribution Date in respect of the year and December 31 of the year, to persons who are Unitholders of record on that date. Such year-end distributions shall be payable in cash, subject to the Trustees' discretion to determine that any such amount shall be payable in Units. Any increase or reduction in the amount to be distributed to Unitholders results in a corresponding increase or reduction in distributions on Class B LP Units. Unitholders of record as at the close of business on the last business day of the month preceding a Distribution Date will have an entitlement on and after that day to receive distributions in respect of that month on such Distribution Date. Under the Declaration of Trust and pursuant to the above-noted distribution policy of the REIT, where the REIT's cash is not sufficient to make payment of the full amount of a distribution, such payment will, to the extent necessary and as determined at the discretion of the Trustees, be distributed in the form of additional Units.

The REIT paid cash distributions in the amount of approximately \$0.05333 per Unit per month for the period from January 1, 2022 to December 31, 2022, January 1, 2023 to December 31, 2023, and January 1, 2024 to December 31, 2024.

DRIP

The REIT adopted a DRIP on February 20, 2014, pursuant to which resident Canadian holders were 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.

MARKET FOR SECURITIES

Trading Price and Volume

The following table sets forth, for the periods indicated, the reported monthly range of high and low prices per Unit and total monthly volumes traded on the TSX.

Trading Price and Volume			
2024	High (\$)	Low (\$)	Total Volume
January	8.6	8.03	4,143,583
February	8.27	7.5	3,001,355
March	7.95	7.37	2,555,694
April	7.69	6.9	2,706,955
May	7.56	6.93	4,102,189
June	7.28	6.47	3,333,307
July	7.98	6.7	3,003,632
August	8.61	7.2	3,555,032
September	9.15	8.22	2,636,313
October	8.92	8.22	2,450,723
November	8.55	7.77	2,889,375
December	8.05	7.4	2,388,682

Source: TSX Market Data.

Prior Sales

During the 12-month period prior to the date hereof a total of 456,700 Class B LP Units exchangeable into 456,700 Units were issued as consideration to third parties in connection with the purchase of properties:

Date	Number of Class B LP Units Issued	Issue Price
July 2, 2024	456,700	\$10.00

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTION ON TRANSFER

The following table sets forth the number and percentage of Units and Class B LP Units held subject to contractual restrictions on transfer as of December 31, 2024:

Designation of Class	Number of securities that are subject to a contractual restriction on transfer	Percentage of Class
Class B LP Units	3,648,453 ⁽¹⁾	16%

Note:

(1) A total of 152,233 Class B LP Units will release on March 3, 2025, 598,693 Class B LP Units will release on May 2, 2025, 152,233 Class B LP Units will release on July 3, 2025, 598,694 Class B Units will release on December 2, 2025, and 2,146,601 Class B LP Units will be released on April 1, 2026. The Class B LP Units were issued in connection with the acquisition of certain properties from various vendors.

RISK FACTORS

The following are certain factors relating to the business of the REIT, which factors investors should carefully consider when making an investment decision concerning Units. The following information is a summary only of certain risk factors and is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere. These risks and uncertainties are not the only ones that the REIT will face. Additional risks and uncertainties not presently known to the REIT, or that the REIT currently deems immaterial, may also impair the operations of the REIT. If any such risks actually occur, the financial condition, liquidity and results of operations of the REIT could be materially adversely affected and the ability of the REIT to implement its growth plans could be adversely affected.

In this “Risk Factors” section of this Annual Information Form, unless the context otherwise requires, references to “the REIT” are to the REIT and its Subsidiaries, on a consolidated basis.

Risks Relating to Real Property Ownership

Real Property Ownership and Tenant Risks

All real property investments are subject to elements of risk. The value of real property and any improvements thereto depend on the credit and financial stability of tenants and upon the vacancy rates of the properties. The Properties generate revenue through rental payments made by the tenants thereof. The ability to rent vacant properties will be affected by many factors, including changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations, changing demographics, competition from other available properties, and various other factors. Cash available for distribution will be adversely affected if a significant number of tenants are unable to meet their obligations under their leases or if a significant amount of available space in the buildings located on the Properties becomes vacant and cannot be leased on economically favourable lease terms. If properties do not generate revenues sufficient to meet operating expenses, including debt service and capital expenditures, the REIT’s results from operations and ability to make distributions to Unitholders will be adversely affected.

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

Historical occupancy rates and revenues are not necessarily an accurate prediction of the future occupancy rates for the Properties or revenues to be derived therefrom. Reported estimated market rents can be seasonal and the significance of any variations from quarter to quarter would materially affect the REIT’s annualized estimated gain-to-lease amount. There can be no assurance that upon the expiry or termination of existing leases, the average occupancy rates and revenues will be higher than historical occupancy rates and revenues and it may take a significant amount of time for market rents to be recognized by the REIT due to internal and external limitations on its ability to charge these new market-based rents in the short term.

Government Regulation and Environmental Matters

The REIT is subject to federal, provincial and local environmental regulations that apply generally to the ownership of real property and the operation of commercial properties. If it fails to comply with those laws, the REIT could be subject to significant fines or other governmental sanctions. Under various federal, provincial and local laws, ordinances and regulations, an owner or operator of real estate may be required

to investigate and clean up hazardous or toxic substances or petroleum product releases at a facility and may be held liable to a governmental entity or to third parties for property damage and for investigation and clean-up costs incurred by such parties in connection with contamination. Such liability may be imposed whether or not the owner or operator knew of, or was responsible for, the presence of these hazardous or toxic substances. The cost of investigation, remediation or removal of such substances may be substantial, and the presence of such substances, or the failure to properly remediate such substances, may adversely affect the REIT's ability to sell or rent such facility or to borrow using such facility as collateral. To assess the potential for liabilities arising from the environmental condition at the REIT's properties, the REIT may obtain or examine environmental assessments prepared by environmental consulting firms.

In order to assess the potential for liabilities arising from the environmental condition at the Properties, the REIT may obtain or examine environmental assessments prepared by environmental consulting firms. The environmental assessments received in respect of the Properties have not revealed, nor is the REIT aware of, any environmental liability that the REIT believes will have a material adverse effect on it. However, the REIT cannot assure Unitholders that any environmental assessments performed have identified or will identify all material environmental conditions, that any prior owner of any facility did not create a material environmental condition not known to the REIT or that a material environmental condition does not or will not otherwise exist with respect to the Properties.

The REIT is subject to laws and regulations governing the ownership and leasing of real property, employment standards, environmental and energy efficiency matters, taxes and other matters. It is possible that future changes in applicable federal, state, local or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting the REIT (including with retroactive effect). Any changes in the laws to which the REIT is subject in the jurisdictions in which the REIT operates could materially affect the rights and title to the Properties. It is not possible to predict whether there will be any further changes in the regulatory regime(s) to which the REIT is subject or the effect of any such change on the REIT's investments.

Current Economic Environment

The REIT is subject to risks involving the economy in general, including recessions, inflation, deflation or stagflation, unemployment and geopolitical issues such as the conflicts in Ukraine and the Middle East, sanctions, tariffs, trade disputes, trade tensions, conflicts, the imposition of exchange controls or other cross-border trade barriers and a local, regional, national or international outbreak of a contagious disease. Global inflation, exacerbated by supply chain issues and other macroeconomic conditions and geopolitical uncertainties, may keep central banks aggressive in their attempts to mitigate pricing pressures.

In particular, the impact or effect of recent announcements by the U.S. regarding potential tariffs imposed on Canadian exports, and any retaliatory tariffs imposed on the U.S. by Canada, remain unknown and could have significant effects on the economy, which in turn could impact the REIT or the REIT's financial condition and operations.

Poor economic conditions could adversely affect the REIT's ability to generate revenues, thereby reducing its operating income and earnings. It could also have an adverse impact on the ability of the REIT to maintain occupancy rates which could harm the REIT's financial condition. In weak economic environments, the REIT's tenants may be unable to meet their rental payments and other obligations due to the REIT, which could have a material and adverse effect on the REIT. In addition, fluctuation in interest rates or other financial market uncertainty or volatility may adversely affect the REIT's ability to refinance existing indebtedness on its maturity or on terms that are as favourable as the terms of existing indebtedness, which may impact negatively on the REIT's performance, may restrict the availability of financing for future prospective purchasers of the REIT's investments and could potentially reduce the value of such investments, or may adversely affect the ability of the REIT to complete acquisitions on financially desirable terms. Increasing interest rates may put competitive pressure on the levels of

distributable income paid by the REIT to Unitholders, increasing the level of competition for capital faced by the REIT, which could have a material adverse effect on the trading price of the Units.

A significant component of the REIT's ability to successfully operate relates to certain external factors that are beyond the REIT's control, particularly interest rates and capital markets conditions. As interest rates fluctuate in the lending market, generally so do capitalization rates which affect the underlying value of real estate. As such, when interest rates rise, generally capitalization rates should be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of these capitalization rates.

Inflation Risk

The rate of inflation impacts the general economic and business environment in which the REIT operates. Inflationary pressures either domestically or globally, tight labour markets and strong demand for goods and resources, together with the imposition by governments of higher interest rates or wage and price controls as a means of curbing inflationary increases, may put pressure on the REIT's development, financing, operation and labour costs as well as tenants' ability to pay rent in full or on a timely basis or demand for real property. Although central banks have recently cut interest rates, there is no assurance that such interest rate cuts continue, or that central banks would not reverse such decisions if inflation were to increase. In addition, tariffs or other trade measures could result in further increased inflation, which may result in further efforts by central banks and governments to address such inflation. If inflation at elevated levels persists, an economic contraction could be possible. There can be no assurances regarding the impact of a significant economic contraction on the business, operations, and financial performance of the REIT and its tenants. If the REIT's operating costs were to become subject to significant inflationary pressures, it may negatively influence its operations and the REIT may not be able to offset these higher operating costs by increasing rent from its tenants. This may have a material adverse effect on the REIT's business, cash flows, financial condition, results of operations, and ability to make distributions to Unitholders.

Competition

The real estate business is competitive. Numerous developers, managers and owners of properties compete with the REIT in seeking tenants. The existence of competing developers, managers and owners and competition for the REIT's tenants could have an impact on the REIT's ability to lease its properties and on the rents charged. This in turn may have an adverse effect on the REIT's business, financial condition and results of operations and distributions. The REIT is subject to competition for suitable real property investments with individuals, corporations and institutions (both Canadian and foreign) and other real estate investment trusts which are presently seeking, or which may seek in the future, real property investments similar to those targeted by the REIT. A number of these investors may have greater financial resources than those of the REIT, or operate without the investment or operating restrictions of the REIT or according to more flexible conditions. An increase in the availability of the investment funds, and an increase in interest in real property investments, may tend to increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them. The REIT will seek to locate and complete property purchases that are accretive to AFFO per Unit. There is a risk that continuing increased competition for real property acquisitions may increase purchase prices to levels that are not accretive.

Liquidity

Real estate investments are relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity may limit the REIT's ability to vary its portfolio promptly in response to changing economic or investment conditions. If the REIT were to need to liquidate a property, the proceeds to the REIT might be significantly less than the aggregate carrying value of such property.

Uninsured Losses

The Declaration of Trust requires that the REIT obtain and maintain at all times insurance coverage in respect of its potential liabilities and the accidental loss of value of its assets from risks, in amounts, with such insurers, and on such terms as the Trustees consider appropriate, taking into account all relevant factors including the practices of owners of comparable properties. There are, however, certain types of risks, generally of a catastrophic nature, such as wars or environmental contamination, which are either uninsurable or not insurable on an economically viable basis. Should an uninsured or under-insured loss occur, the REIT could lose its investment in, and anticipated profits and cash flows from, the affected property, but the REIT would continue to be obliged to repay any recourse mortgage indebtedness on such properties. The REIT carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with customary policy specifications, limits and deductibles. There can be no assurance that a claim in excess of the insurance coverage or claims not covered by insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against the REIT not covered by, or in excess of, the insurance coverage could have a material adverse effect on the REIT's business, financial condition or results of operations and distributions.

Insurance Renewals

There is a possibility that the REIT may not be able to renew its current insurance policies or obtain new insurance policies in the future for its properties once they expire. The current terms and levels of coverage may not be available to the REIT for property and casualty insurance, as well as insurance against natural disasters. In addition, the premiums that insurance companies may charge in the future may be significantly greater than they are currently. If the REIT is unable to obtain adequate insurance for its properties, the REIT could be in default under certain contractual commitments that it has made. The REIT may also be subject to a greater risk of not being covered should damages to its properties occur, therefore affecting the REIT's business, cash flows, financial condition, results of operations and ability to make distributions to its Unitholders.

Risk of Catastrophic Events

While the REIT has insurance coverage for all of its Properties, the insurance coverage may have deductible amounts and may not cover all damage which may occur to the Properties. Floods, hurricanes, storms, earthquakes, terrorism, or other events may significantly affect the REIT's operations and Properties, and may cause the REIT to experience reduced rental revenue, incur clean-up costs or otherwise incur costs in connection with these events. These events may have a material adverse effect on the REIT's business, cash flows, financial condition and results of operations and ability to make cash distributions to its Unitholders.

Fixed Costs and Increased Expenses

The REIT incurs a number of fixed costs which must be made through its ownership of real property, regardless of whether its Properties are producing income. Fixed costs such as utilities, property taxes, maintenance costs, mortgage payments, insurance costs, and related costs, may have a material adverse effect on the REIT's business, cash flows, financial condition, and results of operations if the REIT cannot maintain or increase its average monthly rental rates and occupancy levels. It is possible that a mortgagee would exercise its rights of foreclosure or sale should the REIT be unable to meet its mortgage payments on its Properties.

The timing and amount of fixed costs incurred by the REIT may limit its cash flows in any particular period. As a result, cash distributions to Unitholders may be postponed, reduced, or even eliminated, in times where the REIT requires cash to make significant capital or other expenditures.

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 December 31, 2024, there was a total of \$807,187 (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 December 31, 2024, the REIT has interest rate swap agreements totaling \$780,709 (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 2032.

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 \$17,454 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 \$25,754.

In an attempt to combat inflation, the Bank of Canada increased its overnight lending rate in 2023. Although the Bank of Canada has since cut this rate, ongoing economic uncertainty may result in a slower pace of interest rate cuts or a slower pace of changes in interest rates available in the market. Higher interest rates may lead to the REIT's fixed-rate debt being refinanced at higher rates than when initially obtained, thereby reducing net income and cash flows which could ultimately affect the level of distributions.

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 December 31, 2024, the REIT is able to draw its Unsecured Facilities in US dollars or Canadian dollars and bears interest payable monthly based on CORRA and prime rates for Canadian dollar loans and based on SOFR for US dollar loans. As at December 31, 2024, debt of US\$401,956 (C\$578,375 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.

Development Risks

It is likely that, subject to compliance with the Declaration of Trust, the REIT will be involved in various development projects. The REIT's obligations in respect of properties under construction, or which are to be constructed, are subject to risks which include (i) the potential insolvency of a third party developer (where the REIT is not the developer); (ii) a third party developer's failure to use advanced funds in payment of construction costs; (iii) construction or other unforeseeable delays, including as a result of a disease outbreak; (iv) cost overruns; (v) the failure of tenants to occupy and pay rent in accordance with existing lease agreements, some of which are conditional; (vi) the incurring of construction costs before ensuring rental revenues will be earned from the project; and (vii) increases in interest rates during the period of the development. Management strives to mitigate these risks where possible by entering into fixed price construction contracts with general contractors (and to the extent possible, on a bonded basis) and by attempting to obtain long-term financing as early as possible during construction.

Climate Change

Climate change continues to attract the focus of governments and the general public as an important threat, given that the emission of greenhouse gases and other activities continue to negatively impact the planet. The REIT faces the risk that its properties or tenants may be subject to government initiatives aimed at countering climate change, such as a mandatory reduction of greenhouse gas emissions, which could impose constraints on our operational flexibility or cause the REIT or its tenants to incur financial costs to comply with various reforms. Any failure to adhere and adapt to climate change reform could result in fines or adversely affect the REIT's reputation, operations or financial performance.

In addition, natural disasters, earthquakes and severe weather such as hurricanes, tornadoes, floods, ice storms, blizzards, rising temperatures and other adverse weather and climate conditions may result in damage to the REIT's investment and development properties, decreased property values and reduced rental revenue (including from increased vacancy). The extent of the REIT's casualty losses and loss in net operating income in connection with such events is a function of the severity of the event and the total amount of exposure in the affected area. The REIT is also exposed to risks associated with inclement winter weather, including increased need for maintenance and repair of the REIT's buildings. In addition, climate change, to the extent it causes changes in weather patterns, could have effects on the REIT's business by increasing the cost to recover and repair the REIT's investment and development properties, by increasing property insurance costs to insure an investment property against natural disasters and severe weather events and/or by increasing energy costs at the REIT's investment properties. As a result, the consequences of natural disasters, severe weather and climate change could increase the REIT's costs and reduce the REIT's cash flow.

Cyber Security Risk

Cyber security has become an increasingly problematic issue for issuers and businesses in Canada and around the world, including the REIT. Cyber attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use or disrupting business operations. A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of the REIT's information resources. More specifically, a cyber-incident is an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data or steal confidential information. As the REIT's reliance on technology has increased, so have the risks posed to its systems. The REIT's primary risks that could directly result from the occurrence of a cyber-incident include operational interruption, damage to its reputation, damage to the REIT's business relationships with its tenants, disclosure of confidential information regarding its tenants, employees and third parties with whom the REIT interacts, and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny and litigation. The REIT has implemented processes, procedures and controls to help mitigate these risks, but these measures, as well as its increased awareness of a risk of a cyber-incident, do not guarantee that its financial results will not be negatively impacted by such an incident.

Public Health Crises and Disease Outbreaks

Public health crises relating to a virus, flu, epidemic, pandemic, or any other similar disease or illness (each a "Health Crisis") could materially adversely impact the REIT's and its tenants' businesses, and thereby the ability of tenants to meet their payment obligations, by disrupting supply chains and transactional activities and negatively impacting local, national or global economies. A Health Crisis could further result in: a general or acute decline in economic activity in the regions in which the REIT holds assets, increased unemployment, staff shortages, reduced tenant traffic, mobility restrictions and other quarantine measures, supply shortages, increased government regulation, and the quarantine or contamination of one or more of the Properties. Contagion in a property or market in which the REIT operates could negatively impact its occupancy, reputation or attractiveness. All of these occurrences may have a material adverse effect on the REIT's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units. Furthermore, increased government

regulation relating to a Health Crisis could result in legislation or regulations that may restrict the REIT's ability to enforce material provisions under its leases, including in respect of the collection of rent or other payment obligations or the ability of the REIT to raise rent or the ability of the REIT to evict tenants for non-payment of rent, among other potential adverse impacts, that could have a material adverse effect on the REIT's business, cash flows, financial condition and results of operations and ability to make distributions to holders of Units.

Risks Relating to the Business of Nexus Industrial REIT and its Affiliates.

Dependence on the Partnerships

The REIT is an unincorporated open-ended real estate investment trust which is entirely dependent on the operations and assets of its subsidiaries. Cash distributions to Unitholders are dependent on, among other things, the ability of Partnerships to make cash distributions in respect of outstanding limited partnership units. The ability of Partnerships to make cash distributions or other payments or advances will depend on the Partnerships' results of operations and may be restricted by, among other things, applicable corporate, tax and other laws and regulations and contractual restrictions contained in the instruments governing any indebtedness of Partnerships.

Reliance on Key Personnel

The management and governance of the REIT depends on the services of certain key personnel, certain executive officers and the Trustees. The loss of the services of any key personnel could have an adverse effect on the REIT and adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution.

Acquisitions

The REIT's strategy includes growth through identifying suitable acquisition opportunities, pursuing such opportunities, consummating acquisitions and effectively operating and leasing such properties. If the REIT is unable to manage its growth effectively, it could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution. There can be no assurance as to the pace of growth through property acquisitions or that the REIT will be able to acquire assets on an accretive basis, and as such there can be no assurance that distributions to Unitholders will increase in the future.

The REIT's external growth prospects depend in large part on identifying suitable acquisition opportunities, pursuing such opportunities and consummating acquisitions. The REIT intends to make acquisitions and dispositions of properties in accordance with its external growth strategy. Achieving the benefits of acquisitions depends in part on successfully consolidating functions and integrating operations and procedures in a timely and efficient manner, as well as the REIT's ability to realize its anticipated growth opportunities and synergies from its newly acquired properties.

Joint Ventures/Co-Investment Risks

The REIT may invest in, or be a participant in, directly or indirectly, joint ventures and partnerships with third parties in respect of its properties. A joint venture or partnership involves certain additional risks, including:

- the possible misalignment of business interests or goals with respect to the properties;
- the risk that such partners could experience financial difficulties which could result in additional financial demands on the REIT to maintain and operate such properties or repay the partners' share of property debt guaranteed by the REIT;
- the risk that such partners may, through their activities on behalf of or in the name of the ventures or partnerships, expose or subject the REIT to liability; and
- the risk of not obtaining the partners' consents with respect to certain major decisions, including the decision to distribute cash generated from such properties or to refinance or sell a property.

In addition, the sale or transfer of interests the joint ventures may be subject to certain requirements, such as rights of first refusal, rights of first offer, or drag-along rights, and provide for buy-sell or similar arrangements. Such rights may inhibit the REIT's ability to sell an interest in a property or a joint venture in a timely fashion. Additionally, drag-along rights may be triggered at a time when the REIT may not wish to sell its interest in a property.

Appraisals

The REIT is provided with independent estimates of the fair market value range in respect of the Properties. Caution should be exercised in the evaluation and use of appraisal results, which are estimates of market value at a specific point in time. In general, appraisals represent only the analysis and opinion of qualified experts as of the effective date of such appraisals and are not guarantees of present or future value. There is no assurance that the assumptions employed in determining the appraised values of the Properties are correct as of the date of any future date or that such valuations actually reflect an amount that would be realized upon a current or future sale of any of the Properties or that any projections included in the appraisals will be attainable. As prices in the real estate market fluctuate over time in response to numerous factors, the fair market value of the Properties shown on the appraisals may be an unreliable indication of their current market value.

A publicly traded real estate investment trust will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Units may trade at a premium or a discount to values implied by the appraisals.

Insurance Renewals

There is a possibility that the REIT may not be able to renew its current insurance policies or obtain new insurance policies in the future for its Properties once they expire. The current terms and levels of coverage may not be available to the REIT for property and casualty insurance, as well as insurance against natural disasters. In addition, the premiums that insurance companies may charge in the future may be significantly greater than they are currently. If the REIT is unable to obtain adequate insurance for its Properties, the REIT could be in default under certain contractual commitments that it has made. The REIT may also be subject to a greater risk of not being covered should damages to its Properties occur, therefore affecting the REIT's business, cash flows, financial condition, results of operations and ability to make distributions to its Unitholders.

Access to Capital and Reliance on External Sources of Capital

The real estate industry is highly capital intensive. The REIT will require access to capital to maintain its properties, as well as to fund its growth strategy and significant capital expenditures from time to time. In addition, because the REIT expects to make regular cash distributions as a real estate investment trust, it likely will not be able to fund all of its future capital needs, including capital for acquisitions and development, with income from operations. The REIT therefore will have to rely on third-party sources of

capital, and there can be no assurance that the REIT will have access to sufficient capital or access to capital on terms favourable to the REIT for future property acquisitions, financing or refinancing of properties, funding operating expenses or other purposes. Further, the REIT may not be able to borrow funds due to the limitations set forth in the Declaration of Trust.

The REIT's access to third-party sources of capital depends on a number of things, including the market's perception of its growth potential and its current and potential future earnings. If the REIT is unable to obtain third-party sources of capital, it may not be able to acquire or develop when strategic opportunities exist, satisfy its debt obligations or make regular distributions to Unitholders. In addition, the REIT may need to obtain additional capital through capital markets and the REIT's ability to access the capital markets through equity issues and forms of secured or unsecured debt financing may affect the operations of the REIT as such financing may be available only on disadvantageous terms, if at all.

It is possible that financing which the REIT may require in order to grow and expand its operations, upon the expiry of the term of financing, on refinancing any particular property owned by the REIT or otherwise, may not be available or, if it is available, may not be available on favourable terms to the REIT. Failure to access required capital could adversely impact the REIT's financial condition and results of operations and decrease the amount of cash available for distribution. As well, future financing may not be available at current levels of leverage.

Derivatives Risks

The REIT may invest in and use derivative instruments, including futures, forwards, options and swaps, to manage risks in its business including utility, interest rate, and foreign exchange risks inherent in its business. There can be no assurance that the REIT's hedging activities will be effective. Further, these activities, although intended to mitigate price volatility, expose the REIT to other risks. The REIT is subject to the credit risk that its counterparty (whether a clearing corporation in the case of exchange traded instruments or another third party in the case of over-the-counter instruments) may be unable to meet its obligations. In addition, there is a risk of loss by the REIT of margin deposits in the event of the bankruptcy of the dealer with whom the REIT has an open position in an option or futures or forward contract. In the absence of actively quoted market prices and pricing information from external sources, the valuation of these contracts involves judgment and use of estimates. As a result, changes in the underlying assumptions or use of alternative valuation methods could affect the reported fair value of these contracts. The ability of the REIT to close out its positions may also be affected by exchange imposed daily trading limits on options and futures contracts. If the REIT is unable to close out a position, it will be unable to realize its profit or limit its losses until such time as the option becomes exercisable or expires or the futures or forward contract terminates, as the case may be. The inability to close out options, futures and forward positions could also have an adverse impact on the REIT's ability to use derivative instruments to effectively hedge its utility and interest rate risks.

Potential Conflicts of Interest With Trustees

The Trustees will, from time to time, in their individual capacities, deal with parties with whom the REIT may be dealing, or may be seeking investments similar to those desired by the REIT. The interests of these persons could conflict with those of the REIT. The Declaration of Trust contains conflict of interest provisions requiring the Trustees to disclose their interests in certain contracts and transactions and to refrain from voting on those matters. In addition, certain decisions regarding matters that may give rise to a conflict of interest must be made by a majority of Independent Trustees only.

Internal Controls

Effective internal controls are necessary for the REIT to provide reliable financial reports and to help prevent fraud. Although the REIT has undertaken a number of procedures and safeguards in order to help ensure the reliability of the REIT's financial reports, including those imposed on the REIT under Canadian securities law, the REIT cannot be certain that such measures will ensure that the REIT will maintain

adequate control over financial processes and reporting. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm the REIT's results of operations or cause it to fail to meet its reporting obligations. If the REIT or its auditors discover a material weakness, the disclosure of that fact, even if quickly remedied, could reduce the market's confidence in the REIT's consolidated financial statements and harm the trading price of the Units.

Litigation Risks

In the normal course of the REIT's operations, it may become involved in, named as a party to or the subject of, various legal proceedings, including regulatory proceedings, tax proceedings and legal actions relating to personal injuries, property damage, property taxes, land rights, the environment and contract disputes. The outcome with respect to outstanding, pending or future proceedings cannot be predicted with certainty and may be determined adversely to the REIT and as a result, could have a material adverse effect on the REIT's assets, liabilities, business, financial condition and results of operations. Even if the REIT prevails in any such legal proceeding, the proceedings could be costly and time-consuming and would divert the attention of management and key personnel from the REIT's business operations, which could adversely affect its financial condition.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a loss to another party by failing to settle its obligations. The REIT is subject to credit risk with respect to its cash deposited with financial institutions and tenant and other receivables. As at December 31, 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%.

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 and cash equivalents 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. The REIT historically has operated with a working capital deficit. It is not unusual for the REIT to have a working capital deficit, as the REIT does not maintain a significant balance of cash on hand but has access to the undrawn borrowing capacity on credit facilities to fund cash requirements. The REIT anticipates that it will be able to refinance mortgages on their maturity.

Risks Related to the Structure of Nexus Industrial REIT

Restrictions on Redemptions

It is anticipated that the redemption right will not be the primary mechanism for Unitholders to liquidate their investments. Subsidiary Notes which may be distributed in specie to Unitholders in connection with a redemption will not be listed on any stock exchange and no established market is expected to develop for such securities, and such securities may be subject to an indefinite "hold period" or other resale restrictions under applicable securities laws. Subsidiary Notes so distributed may not be qualified investments for Plans, depending upon the circumstances at the time. Regulatory approvals will be required in connection with the distribution of Subsidiary Notes in specie to Unitholders in connection with a redemption.

The entitlement of Unitholders to receive cash upon the redemption of their Units is subject to the following limitations: (i) the total amount payable by the REIT in respect of such units and all other units

tendered for redemption in the same calendar month must not exceed \$50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) at the time such Units are tendered for redemption, the outstanding Units must be listed for trading on a stock exchange or traded or quoted on another market which the Trustees consider, in their sole discretion, provides fair market value prices for the Units; (iii) the trading of Units is not suspended or halted on any stock exchange on which the Units are listed (or, if not listed on a stock exchange, on any market on which the Units are quoted for trading) on the Redemption Date for more than five trading days during the 10 day trading period commencing immediately after the Redemption Date; and (iv) redemptions must not result in the delisting of Units from the principal exchange on which the Units are listed.

Structural Subordination of Units

In the event of a bankruptcy, liquidation or reorganization of the REIT or any of its subsidiaries, holders of certain of their indebtedness and certain trade creditors will generally be entitled to payment of their claims from the assets of the REIT and those subsidiaries before any assets are made available for distribution to the Unitholders. The Units are effectively subordinated to most of the indebtedness and other liabilities of the REIT and its subsidiaries. The REIT shall not incur or assume any indebtedness if, after giving effect to the incurrence or assumption of such indebtedness, the total indebtedness of the REIT would be more than 65% of the Gross Book Value.

Unitholder Liability

The Declaration of Trust provides that no Unitholder will be subject to any liability whatsoever to any person in connection with the holding of a Unit. In addition, legislation has been enacted in the Province of Ontario and certain other provinces and territories that is intended to provide Unitholders in those provinces and territories with limited liability. However, there remains a risk, which is considered by the REIT to be remote in the circumstances, that a holder of Units could be held personally liable for the obligations of the REIT to the extent that claims are not satisfied out of the assets of the REIT. It is intended that the affairs of the REIT will be conducted to seek to minimize such risk wherever possible.

Class B LP Units – Limited Liability

Holders of Class B LP Units may lose their limited liability in certain circumstances, including by taking part in the control or management of the business of the applicable limited partnership. The principles of law in the various jurisdictions of Canada recognizing the limited liability of the limited partners of limited partnerships subsisting under the laws of one province but carrying on business in another province have not been authoritatively established. If limited liability is lost, there is a risk that holders of Class B LP Units may be liable beyond their contribution of capital and share of undistributed net income of the applicable limited partnership in the event of judgment on a claim in an amount exceeding the sum of the net assets of the applicable general partner and the net assets of the applicable limited partnership. Holders of Class B LP Units remain liable to return to the applicable limited partnership such part of any amount distributed to them as may be necessary to restore the capital of the applicable limited partnership to the amount existing before such distribution if, as a result of any such distribution, the capital of the applicable limited partnership is reduced and the applicable limited partnership is unable to pay its debts as they become due.

Nature of Investment

A holder of a Unit or a Class B LP Unit does not hold a share of a body corporate. Unitholders or holders of Class B LP Units do not have statutory rights normally associated with ownership of shares of a corporation including, for example, the right to bring “oppression” or “derivative” actions. The rights of holders of Units and Class B LP Units are based primarily on the Declaration of Trust and the applicable limited partnership agreement, respectively. There is no statute governing the affairs of the REIT or any

subsidiary limited partnership equivalent to the CBCA which sets out the rights and entitlements of shareholders of corporations in various circumstances.

Neither the Units nor the Class B LP Units are or will be “deposits” within the meaning of the *Canada Deposit Insurance Corporation Act*, nor will they be insured under the provisions of that Act or any other legislation. Furthermore, the REIT is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

Tax-Related Risks

If the SIFT Rules were to apply to the REIT or any Partnership then such rules could impact the level of cash distributions that would otherwise be made by the REIT and the taxation of such distributions to Unitholders. However, the SIFT Rules will not apply to the REIT provided that it qualifies as a “real estate investment trust” (as defined in the Tax Act) (the “**REIT Exception**”) or to any Partnership qualifies as an “excluded subsidiary entity” (as defined in the Tax Act). Although, as of the date hereof, management of the REIT believes that the REIT will be able to meet the requirements of the REIT Exception throughout 2025 and subsequent taxation years, and that each Partnership will qualify as an “excluded subsidiary entity” at all relevant times, there can be no assurance that the REIT and the Partnerships will be able to qualify for the REIT Exception or as “excluded subsidiary entities”, as applicable.

In the event the SIFT Rules were to apply to the REIT or a Partnership, the impact to a Unitholder would depend, among other factors, on the particular circumstances of the holder, on the amount of the “non-portfolio earnings” (as defined in the Tax Act) of the REIT or such Partnership, as applicable, and, in the case of the REIT, on the amount of income distributed which would not be deductible in computing the REIT’s income in the relevant year and what portions of the REIT’s distributions constitute “non-portfolio earnings” (as defined in the Tax Act), other income and returns of capital.

If the SIFT Rules were to apply to the REIT or a Partnership, the SIFT Rules may have an adverse impact on the REIT and the Unitholders, on the value of the Units, and on the ability of the REIT to undertake financings and acquisitions; and the REIT’s distributable cash may be materially reduced. The effect of the SIFT Rules on the market for the Units is uncertain.

The REIT intends to comply with the requirements under the Tax Act at all relevant times such that it will qualify at all times as a “unit trust” and a “mutual fund trust” for purposes of the Tax Act. Under current law, a trust may lose its status under the Tax Act as a mutual fund trust if it can reasonably be considered that the trust was established or is maintained primarily for the benefit of Non-Residents of Canada for purposes of the Tax Act, except in limited circumstances. There is no way of rectifying such a loss of mutual fund trust status such that if the REIT were to lose mutual fund trust status in this manner, it would permanently cease to be a mutual fund trust. Accordingly, the Declaration of Trust includes restrictions on the ownership of Units intended to limit the number of Units held by Non-Residents, such that Non-Residents, partnerships that are not “Canadian partnerships” (as defined in the Tax Act) or any combination of the foregoing may not own Units representing more than 49% of the fair market value of all Units. Should the REIT cease to qualify as a mutual fund trust under the Tax Act, there would be material adverse consequences for the REIT and/or its Unitholders.

There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects the REIT and its security holders. Management of the REIT will attempt to ensure that the Units continue to be qualified investments for Plans. Units will cease to be qualified investments for Plans if the REIT is no longer qualified as a mutual fund trust and the Units cease to be listed on a designated stock exchange. Adverse tax consequences may apply to a Plan, or an annuitant or holder thereof, if the Plan acquires or holds property that is not a qualified investment for the Plan.

In certain circumstances, the deductibility of interest on money borrowed to invest in an income trust may be reduced on a *pro rata* basis in respect of distributions from the income trust that are a return of capital and that are not reinvested for an income earning purpose. Accordingly, part of the interest payable by a Unitholder on borrowed money previously used to invest in Units could be non-deductible where such returns of capital have occurred.

There can be no assurance that Canadian federal income tax laws, the judicial interpretation thereof, or the administrative policies and assessing practices of the CRA will not be changed in a manner that adversely affects the REIT or Unitholders. Any such change could increase the amount of tax payable by the REIT or its affiliates or could otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of distributions.

Recent amendments to the Tax Act (the "EIFEL Rules") generally limit the deductibility of interest and other financing-related expenses by an entity to the extent that such expenses, net of interest and other financing-related income, exceed a fixed ratio of the entity's tax EBITDA. Management of the REIT does not expect the EIFEL rules to have an adverse impact on the REIT or its Unitholders. However, the EIFEL Rules and their application are highly complex, and there can be no assurances that the EIFEL Rules will not have adverse consequences to the REIT or its Unitholders. In particular, if these rules were to apply to restrict deductions otherwise available to the REIT or otherwise increase the REIT's income for purposes of the Tax Act, the taxable component of distributions paid by the REIT to Unitholders may be increased, which could reduce the after-tax return associated with an investment in Units.

Pursuant to further recent amendments to the Tax Act (the "Equity Repurchase Rules") a trust, the equity of which is listed on a "designated stock exchange" (which currently includes the TSX) that is a "real estate investment trust" for purposes of the Tax Act, is subject to a 2% tax on the value of the trust's net equity repurchases (which would include purchases of Units by the REIT under a normal course issuer bid) in a taxation year, as calculated in accordance with such rules, subject to a de minimis exception where the trust's gross equity repurchases in the year do not exceed \$1,000,000. If the REIT is required to pay tax under the Equity Repurchase Rules, the amount of cash available for distribution to investors would be reduced.

The Tax Act may impose additional withholding or other taxes on distributions made by the REIT to, or on dispositions of Units by, Unitholders who are Non-Residents. Such taxes and any reduction thereof under a tax treaty between Canada and another country may change from time to time. Unitholders who are Non-Residents should consult their own tax advisors.

If the REIT experiences a "loss restriction event", as defined in the Tax Act (i) it will be deemed to have a year-end for tax purposes (which would result in an unscheduled distribution of undistributed net income and net realized capital gains, if any, at such time to Unitholders to the extent necessary so that the REIT is not liable for non-refundable tax on such amounts under Part I of the Tax Act), and (ii) it will become subject to the loss restriction rules generally applicable to a corporation that experiences an acquisition of control, including a deemed realization of any unrealized capital losses and restrictions on its ability to carry forward losses. Generally, the REIT will be subject to a loss restriction event if a person becomes a "majority-interest beneficiary", or a group of persons becomes a "majority-interest group of beneficiaries", of the REIT, each as defined in the affiliated persons rules contained in the Tax Act, with certain modifications. Generally, a majority-interest beneficiary of a trust is a beneficiary of the trust whose beneficial interests in the income or capital of the trust, as the case may be, together with the beneficial interests in the income or capital of the trust, as the case may be, of persons and partnerships with whom such beneficiary is affiliated for the purposes of the Tax Act, represent greater than 50% of the fair market value of all the interests in the income or capital of the trust, as the case may be.

The tax treatment of gains and losses realized by the REIT will depend on whether such gains or losses are treated as being on income or capital account, as described in this paragraph. The REIT generally will treat gains (or losses) on the disposition of its properties as capital gains (or capital losses). Designations with respect to the REIT's income and capital gains will be made and reported to Unitholders on the

foregoing basis. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital gains or income and no advance income tax ruling has been requested or obtained. If any transactions of the REIT are determined not to be on capital account, the net income of the REIT for tax purposes and the taxable component of distributions to its Unitholders could increase. Any such determination by the CRA may result in the REIT being liable for unremitted withholding taxes on prior distributions made to its Unitholders who were not resident in Canada for purposes of the Tax Act at the time of the distribution.

Class B LP Units

No opinion has been obtained by the REIT as to the tax consequences of acquiring or holding Class B LP Units and the REIT has provided no representation as to the tax consequences of acquiring or holding Class B LP Units. Holders of Class B LP Units should consult their own legal and tax advisors with respect to the tax consequences associated with the holding of Class B LP Units. Moreover, Class B LP Units are subject to additional restrictions and limitations including: (i) restrictions on transferability; and (ii) restrictions on the exercise of the right to exchange Class B LP Units into Units. The Class B LP Units are not listed on the TSX or any other stock exchange or quotation system.

Availability of Cash Flow

Distributions made to holders of Units and holders of Class B LP Units may exceed actual cash available to the REIT from time to time because of items such as principal repayments, capital expenditures, seasonal fluctuations in operating results and redemption of Units, if any. The REIT may be required to borrow funds or reduce distributions in order to accommodate such items. The REIT may temporarily fund such items, if necessary, through an operating credit facility, to the extent that it is available.

Restrictions on Ownership of Units

The Declaration of Trust imposes various restrictions on Unitholders. Non-Resident Unitholders are prohibited from beneficially owning more than 49% of the Units (on a non-diluted and a fully-diluted basis). These restrictions may limit (or inhibit the exercise of) the rights of certain Unitholders, including certain United States persons and other Non-Residents to acquire Units, to exercise their rights as Unitholders and to initiate and complete take-over bids in respect of the Units. As a result, these restrictions may limit the demand for Units from certain Unitholders and thereby adversely affect the liquidity and market value of the Units.

Risks Related to the Units

Volatile Market Price for the Units

The market price for the Units may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the REIT's control, including the following: (i) actual or anticipated fluctuations in the REIT's quarterly results of operations; (ii) recommendations by securities research analysts; (iii) changes in the economic performance or market valuations of other issuers that investors deem comparable to the REIT; (iv) addition or departure of the REIT's executive officers and other key personnel; (v) release or expiration of lockup or other transfer restrictions on outstanding Units; (vi) sales or perceived sales of additional Units; (vii) significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the REIT or its competitors; and (viii) news reports relating to trends, concerns, technological or competitive developments, regulatory changes and other related issues in the REIT's industry or target markets.

Financial markets have, in recent months, experienced significant price and volume fluctuations that have particularly affected the market prices of equity securities of issuers and that have, in many cases, been unrelated to the operating performance, underlying asset values or prospects of such issuers. Accordingly, the market price of the REIT's securities may decline even if the REIT's operating results,

underlying asset values, or prospects have not changed. Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the REIT's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in a limited or no investment in the REIT's securities by those institutions, which could adversely affect the trading price of the REIT's securities. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility and market turmoil exist for a protracted period of time, the REIT's operations could be adversely impacted and the trading price of the REIT's securities may be adversely affected.

Return on Investment Not Guaranteed

The Units are equity securities of the REIT and are not traditional fixed income securities. A fundamental characteristic that distinguishes the Units from traditional fixed income securities is that the REIT does not have a fixed obligation to make payments to holders of Units and does not promise to return the initial purchase price of a Unit on a certain date in the future. The REIT has the ability to reduce or suspend distributions if circumstances warrant. The ability of the REIT to make cash distributions, and the actual amount distributed, is entirely dependent on the operations and assets of the REIT and its subsidiaries, and is subject to various factors including financial performance, obligations under applicable credit facilities, fluctuations in working capital and capital expenditure requirements. There can be no assurance regarding the amount of income to be generated by the REIT's Properties. The market value of the Units will deteriorate if the REIT is unable to meet its distribution targets in the future, and that deterioration may be significant. In addition, unlike interest payments or an interest-bearing debt security, the REIT's cash distributions are composed of different types of payments (portions of which may be fully or partially taxable or may constitute non-taxable returns of capital). The composition for tax purposes of those distributions may change over time, thus affecting the after-tax returns to holders of Units. Therefore, the rate of return over a defined period for a holder of Units may not be comparable to the rate of return on a fixed income security that provides a "return on capital" over the same period.

Dilution

The number of Units the REIT is authorized to issue is unlimited. The REIT may, in its sole discretion, issue additional Units from time to time subject to the rules of any applicable stock exchange on which the Units are then listed. The issuance of any additional Units may have a dilutive effect on the interests of holders of Units.

Additional Risks Related to Nexus Industrial REIT and its Business

Financing Risk

The REIT is subject to the risks associated with debt financing, including the risk that the REIT's cash flows will be insufficient to meet required payments of principal and interest, that the mortgages and banking facilities secured by the REIT's Properties will not be able to be refinanced or that the terms of such refinancing will not be as favourable as the terms of existing indebtedness, which may reduce AFFO per Unit, force the disposition of one or more properties on disadvantageous terms or result in foreclosure on one or more properties.

In addition, certain loan documents relating to secured debt of the REIT contain restrictions concerning and covenants and events of default relating to the REIT, the Partnerships and the Properties subject to such secured debt. Failure to comply with any such restriction or covenant, or the occurrence of any such events, could result in an event of default under the applicable loan document. Upon the occurrence of an event of default, the secured debt could be accelerated, which in turn could adversely impact the REIT's business operations, financial condition and results of operations and may decrease the amount of cash available for distribution.

Corporate Entity Property Ownership

The REIT may from time to time own properties through corporate entities, which will generally be subject to entity-level taxation under the Tax Act. The application of entity-level tax to the income generated by such properties could impact the REIT's ability to distribute the cash flow generated thereby to Unitholders in the future. The REIT does not currently expect any material amount of entity-level income tax to be payable by corporate entities, but no assurances can be given in this regard.

Assumption of Liabilities

The REIT may indirectly assume liabilities arising out of or related to the REIT's business, operations or assets, and may from time to time indemnify those persons who sell properties to the REIT for, among other matters, such liabilities. Further, the REIT may assume unknown liabilities that could be significant.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the REIT, except as otherwise disclosed elsewhere in this Annual Information Form, no Trustee or executive officer of the REIT, no person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10% of the outstanding Units or Special Voting Units, and no associate or affiliate of any of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any proposed transaction or any transactions completed within the last three fiscal years, that has materially affected or is reasonably expected to materially affect the REIT.

Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions (“**MI 61-101**”) provides a number of circumstances in which a transaction between an issuer and a related party may be subject to valuation and minority approval requirements. An exemption from such requirements is available when the fair market value of the transaction does not exceed 25% of the market capitalization of the issuer. The REIT has been granted exemptive relief from the requirements of MI 61-101 that, subject to certain conditions, permits it to be exempt from the minority approval and valuation requirements for transactions that would have a value of less than 25% of the REIT's market capitalization, if the Class B LP Units of certain of the REIT's subsidiary limited partnerships are included in the calculation of the REIT's market capitalization. As a result, the 25% threshold, above which the minority approval and valuation requirements would apply, is increased to include the approximately 25% indirect exchangeable interest in the REIT held by the holders of Class B LP Units of the REIT's various subsidiary limited partnerships as at February 28, 2025.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

The REIT is not, and during its most recently completed financial year was not, a party to any material legal proceedings, and none of the Properties are, and during its most recently completed financial year were, the subject of any material legal proceedings. Further, the REIT is not aware of any such proceedings being contemplated.

Regulatory Actions

The REIT is not, and at any time within the three most recently completed financial years was not, subject to any penalties or sanctions imposed by a court or regulatory body, and no settlement agreement was entered into by the REIT at any time within the three most recently completed financial years.

MATERIAL CONTRACTS

The following are the only material contracts relating to the REIT and its Subsidiaries as at the date hereof:

1. the Declaration of Trust;
2. the Nobel LP Agreement; and
3. the Nobel Exchange Agreement.

EXPERTS

The REIT's auditors are PricewaterhouseCoopers LLP, a partnership of Chartered Professional Accountants, located at 1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Québec. PricewaterhouseCoopers LLP has confirmed that they are independent with respect to the REIT within the meaning of the *Code of ethics of chartered professional accountants* (Québec).

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and registrar for the Units and the Class B LP Units is TSX Trust Company at its principal office in Toronto, Ontario.

ADDITIONAL INFORMATION

Additional information relating to the REIT may be found on SEDAR+ at www.sedarplus.com. Additional information, including with respect to Trustees' and officers' remuneration and indebtedness, principal holders of Units of the REIT and securities authorized for issuance under equity compensation plans, as applicable, is contained in the REIT's management information circular dated March 26, 2025, prepared in connection with the REIT's annual general meeting of Unitholders.

Additional financial information is provided in the REIT's audited consolidated financial statements and management's discussion and analysis of the financial condition of the REIT for the year ended December 31, 2024. A copy of such documents can be found on SEDAR+ at www.sedarplus.com.

APPENDIX A

NEXUS INDUSTRIAL REIT AUDIT COMMITTEE CHARTER

1. Introduction

The Audit Committee (the “**Committee**” or the “**Audit Committee**”) of Nexus Industrial REIT (“**Nexus**” or the “**REIT**”) is a committee of the Board of Trustees (the “**Board**”). The Committee shall oversee the accounting and financial reporting practices of the REIT and the audits of the REIT’s financial statements and exercise the responsibilities and duties set out in this Mandate.

2. Membership

Number of Members

The Committee shall be composed of three or more members of the Board, or such lesser number as may be permitted by Canadian securities laws.

Independence of Members

Each member of the Committee must be independent. “Independent” shall have the meaning, as the context requires, given to it in National Instrument 52-110 – *Audit Committees*, as may be amended from time to time.

Chair

At the time of the annual appointment of the members of the Audit Committee, the Board shall appoint a Chair of the Audit Committee. The Chair shall be a member of the Audit Committee, preside over all Audit Committee meetings, coordinate the Audit Committee’s compliance with this Mandate, work with management to develop the Audit Committee’s annual work-plan and provide reports of the Audit Committee to the Board.

Financial Literacy of Members

At the time of his or her appointment to the Committee, each member of the Committee (unless a lesser number is permitted by Canadian securities laws) shall have, or shall acquire within a reasonable time following appointment to the Committee, the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the REIT’s financial statements.

Term of Members

The members of the Committee shall be appointed by the Board. Each member of the Committee shall serve at the pleasure of the Board until the member resigns, is removed, or ceases to be a member of the Board. Unless a Chair is elected by the Board, the members of the Committee may designate a Chair by majority vote of the full Committee membership.

3. Meetings

Number of Meetings

The Committee may meet as many times per year as necessary to carry out its responsibilities.

Quorum

No business may be transacted by the Committee at a meeting unless a quorum of the Committee is present. A majority of members of the Committee shall constitute a quorum.

Calling of Meetings

The Chair, any member of the Audit Committee, the external auditors, the Chairman of the Board, or the Chief Executive Officer or the Chief Financial Officer may call a meeting of the Audit Committee by notifying the REIT's Corporate Secretary who will notify the members of the Audit Committee. The Chair shall chair all Audit Committee meetings that he or she attends, and in the absence of the Chair, the members of the Audit Committee present may appoint a chair from their number for a meeting.

Minutes; Reporting to the Board

The Committee shall maintain minutes or other records of meetings and activities of the Committee in sufficient detail to convey the substance of all discussions held. Upon approval of the minutes by the Committee, the minutes shall be circulated to the members of the Board. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board.

Attendance of Non-Members

The external auditors are entitled to attend and be heard at each Audit Committee meeting. In addition, the Committee may invite to a meeting any officers or employees of the REIT, legal counsel, advisors and other persons whose attendance it considers necessary or desirable in order to carry out its responsibilities. At least once per year, the Committee shall meet with the internal auditor and management in separate sessions to discuss any matters that the Committee or such individuals consider appropriate.

Meetings without Management

The Committee shall hold unscheduled or regularly scheduled meetings, or portions of meetings, at which management is not present.

Procedure

The procedures for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those applicable to meetings of the Board.

Access to Management

The Committee shall have unrestricted access to the REIT's management and employees and the books and records of the REIT.

4. Duties and Responsibilities

The Committee shall have the functions and responsibilities set out below as well as any other functions that are specifically delegated to the Committee by the Board and that the Board is authorized to delegate by applicable laws and regulations. In addition to these functions and responsibilities, the Committee shall perform the duties required of an audit committee by any exchange upon which securities of the REIT are traded, or any governmental or regulatory body exercising authority over the REIT, as are in effect from time to time (collectively, the "**Applicable Requirements**").

Financial Reports

(a) General

The Audit Committee is responsible for overseeing the REIT's financial statements and financial disclosures. Management is responsible for the preparation, presentation and integrity of the REIT's financial statements and financial disclosures and for the appropriateness of the accounting principles and the reporting policies used by the REIT. The auditors are responsible for auditing the REIT's annual consolidated financial statements and for reviewing the REIT's unaudited interim financial statements.

(b) Review of Annual Financial Reports

The Audit Committee shall review the annual consolidated audited financial statements of the REIT, the auditors' report thereon and the related management's discussion and analysis of the REIT's financial condition and results of operation ("**MD&A**"). After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the annual financial statements and the related MD&A.

(c) Review of Interim Financial Reports

The Audit Committee shall review the interim consolidated financial statements of the REIT, the auditors' review report thereon and the related MD&A. After completing its review, if advisable, the Audit Committee shall approve and recommend for Board approval the interim financial statements and the related MD&A.

(d) Review Considerations

In conducting its review of the annual financial statements or the interim financial statements, the Audit Committee shall:

- (i) meet with management and the auditors to discuss the financial statements and MD&A;
- (ii) review the disclosures in the financial statements;
- (iii) review the audit report or review report prepared by the auditors;
- (iv) discuss with management, the auditors and legal counsel, as requested, any litigation claim or other contingency that could have a material effect on the financial statements;
- (v) review the accounting policies followed and critical accounting and other significant estimates and judgements underlying the financial statements as presented by management;
- (vi) review any material effects of regulatory accounting initiatives or off-balance sheet structures on the financial statements as presented by management, including requirements relating to complex or unusual transactions, significant changes to accounting principles and alternative treatments under IFRS;
- (vii) review any material changes in accounting policies and any significant changes in accounting practices and their impact on the financial statements as presented by management;
- (viii) review management's report on the effectiveness of internal controls over financial reporting;
- (ix) review the factors identified by management as factors that may affect future financial results; and
- (x) review any other matters, related to the financial statements, that are brought forward by the auditors, management or which are required to be communicated to the Audit Committee under accounting policies, auditing standards or Applicable Requirements.

(e) Approval of Other Financial Disclosures

The Audit Committee shall review and, if advisable, approve and recommend for Board approval financial disclosure in a prospectus or other securities offering document of the REIT, press releases disclosing, or based upon, financial results of the REIT and any other material financial disclosure, including financial guidance provided to analysts, rating agencies or otherwise publicly disseminated.

Auditors

(a) General

The Audit Committee shall be responsible for oversight of the work of the auditors, including the auditors' work in preparing or issuing an audit report, performing other audit, review or attest services or any other related work.

(b) Nomination and Compensation

The Audit Committee shall review and, if advisable, select and recommend for Board approval the external auditors to be nominated and the compensation of such external auditor. The Audit Committee shall have

(c) Resolution of Disagreements

The Audit Committee shall resolve any disagreements between management and the auditors as to financial reporting matters brought to its attention.

(d) Discussions with Auditors

At least annually, the Audit Committee shall discuss with the auditors such matters as are required by applicable auditing standards to be discussed by the auditors with the Audit Committee.

(e) Audit Plan

At least annually, the Audit Committee shall review a summary of the auditors' annual audit plan. The Audit Committee shall consider and review with the auditors any material changes to the scope of the plan.

(f) Quarterly Review Report

The Audit Committee shall review a report prepared by the auditors in respect of each of the interim financial statements of the REIT.

(g) Independence of Auditors

At least annually, and before the auditors issue their report on the annual financial statements, the Audit Committee shall obtain from the auditors a formal written statement describing all relationships between the auditors and the REIT; discuss with the auditors any disclosed relationships or services that may affect the objectivity and independence of the auditors; and obtain written confirmation from the auditors that they are objective and independent within the meaning of the applicable Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of chartered accountants to which the auditors belong and other Applicable Requirements. The Audit Committee shall take appropriate action to oversee the independence of the auditors.

(h) Evaluation and Rotation of Lead Partner

At least annually, the Audit Committee shall review the qualifications and performance of the lead partner(s) of the auditors and determine whether it is appropriate to adopt or continue a policy of rotating lead partners of the external auditors.

(i) Requirement for Pre-Approval of Non-Audit Services

The Audit Committee shall approve in advance any retainer of the auditors to perform any non-audit service to the REIT that it deems advisable in accordance with Applicable Requirements and Board approved policies and procedures. The Audit Committee may delegate pre-approval authority to a member of the Audit Committee. The decisions of any member of the Audit Committee to whom this authority has been delegated must be presented to the full Audit Committee at its next scheduled Audit Committee meeting.

(j) Approval of Hiring Policies

The Audit Committee shall review and approve the REIT's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the REIT.

(k) Communication with Internal Auditor

If an internal auditor has been appointed by the REIT, the internal auditor shall report regularly to the Committee. The Committee shall review with the internal auditor any problem or difficulty the internal auditor may have encountered including, without limitation, any restrictions on the scope of activities or access to required information, and any significant reports to management prepared by the internal auditing department and management's responses thereto.

The Committee shall periodically review and approve the mandate, plan, budget and staffing of the internal audit department. The Committee shall direct management to make changes it deems advisable in respect of the internal audit function.

The Committee shall review the appointment, performance and replacement of the senior internal auditing executive and the activities, organization structure and qualifications of the persons responsible for the internal audit function, as applicable.

(l) Financial Executives

The Committee shall review and discuss with management the appointment of key financial executives and recommend qualified candidates to the Board, as appropriate.

Internal Controls

(a) General

The Audit Committee shall review the REIT's system of internal controls.

(b) Establishment, Review and Approval

The Audit Committee shall require management to implement and maintain appropriate systems of internal controls in accordance with Applicable Requirements, including internal controls over financial reporting and disclosure and to review, evaluate and approve these procedures. At least annually, the Audit Committee shall consider and review with management and the auditors:

- (i) the effectiveness of, or weaknesses or deficiencies in: the design or operation of the REIT's internal controls (including computerized information system controls and security); the overall control environment for managing business risks; and

accounting, financial and disclosure controls (including, without limitation, controls over financial reporting), non-financial controls, and legal and regulatory controls and the impact of any identified weaknesses in internal controls on management's conclusions;

- (ii) any significant changes in internal controls over financial reporting that are disclosed, or considered for disclosure, including those in the REIT's periodic regulatory filings;
- (iii) any material issues raised by any inquiry or investigation by the REIT's regulators;
- (iv) the REIT's fraud prevention and detection program, including deficiencies in internal controls that may impact the integrity of financial information, or may expose the REIT to other significant internal or external fraud losses and the extent of those losses and any disciplinary action in respect of fraud taken against management or other employees who have a significant role in financial reporting; and
- (v) any related significant issues and recommendations of the auditors together with management's responses thereto, including the timetable for implementation of recommendations to correct weaknesses in internal controls over financial reporting and disclosure controls.

Compliance with Legal and Regulatory Requirements

The Audit Committee shall review reports from the REIT's Corporate Secretary and other management members on: legal or compliance matters that may have a material impact on the REIT; the effectiveness of the REIT's compliance policies; and any material communications received from regulators. The Audit Committee shall review management's evaluation of and representations relating to compliance with specific applicable law and guidance, and management's plans to remediate any deficiencies identified.

Audit Committee Hotline Whistleblower Procedures

The Audit Committee shall establish procedures for (a) the receipt, retention, and treatment of complaints received by the REIT regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the REIT of concerns regarding questionable accounting or auditing matters. Any such complaints or concerns that are received shall be reviewed by the Audit Committee and, if the Audit Committee determines that the matter requires further investigation, it will direct the Chair of the Audit Committee to engage outside advisors, as necessary or appropriate, to investigate the matter and will work with management and the general counsel to reach a satisfactory conclusion.

Audit Committee Disclosure

The Audit Committee shall prepare, review and approve any audit committee disclosures required by Applicable Requirements in the REIT's disclosure documents.

Delegation

The Audit Committee may, to the extent permissible by Applicable Requirements, designate a sub-committee to review any matter within this mandate as the Audit Committee deems appropriate.

5. No Rights Created

This Mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Audit Committee functions. While it should be interpreted in the context of all applicable laws, regulations and listing requirements, as well as in the context of the REIT's Declaration of Trust, it is not intended to establish any legally binding obligations.

6. Mandate Review

The Committee shall review this Mandate annually and present it to the Board for approval.

Approved by the Trustees on May 14, 2018.