Dream Summit Industrial LP

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the three months and year ended December 31, 2024

1 | OVERVIEW AND BACKGROUND

Dream Summit Industrial LP (the "Partnership") was formed and registered as a limited partnership on November 2, 2022 under the laws of the Province of Ontario. The Partnership's general partner is Dream Summit Industrial GP Inc. (the "General Partner"). The Partnership is governed by the terms of an amended and restated limited partnership agreement dated and effective January 18, 2023. The Partnership is focused on high-quality industrial properties located in key markets across Canada with an objective of achieving attractive total returns.

The operations of the Partnership commenced on February 17, 2023, when pursuant to a court-approved statutory plan of arrangement under section 192 of the Canada Business Corporations Act (the "Arrangement"), the Partnership acquired certain assets, including income-producing properties, properties held for development and investments in joint ventures, and assumed certain liabilities of Summit Industrial Income REIT ("Summit REIT"). Concurrent with the closing of the Arrangement, pursuant to the trust indenture and the indentures supplemental thereto governing Summit REIT's 2.15% series A debentures due September 17, 2025 ("Series A Debentures"), 1.82% series B debentures due April 1, 2026 ("Series B Debentures"), 2.25% series C debentures due January 12, 2027 ("Series C Debentures") and 2.44% series D debentures due July 14, 2028 ("Series D Debentures" and collectively with the Series A Debentures, Series B Debentures and Series C Debentures, the "Existing Debentures"), the Partnership assumed the Existing Debentures as successor entity to Summit REIT.

The head office of the Partnership is 1741 Lower Water Street, Suite 600, Halifax, Nova Scotia, B3J 0J2, and the registered office of the Partnership is 30 Adelaide Street East, Suite 301, Toronto, Ontario, M5C 3H1.

This Management's Discussion and Analysis ("MD&A") of the results of operations and financial condition of the Partnership relates to the three months and year ended December 31, 2024 and is dated as of, and was approved by the Board of Directors of the General Partner, upon the recommendation of its Audit Committee, on March 7, 2025. This MD&A should be read in conjunction with the audited consolidated financial statements of the Partnership and the accompanying notes for the year ended December 31, 2024 (the "Financial Statements"). This MD&A has been prepared with an effective date of March 7, 2025 and information is current to that date unless stated otherwise.

IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") is the Partnership's generally accepted accounting principles ("GAAP"), with the exception of certain non-GAAP financial measures, non-GAAP ratios and supplementary financial measures that are identified as such in this MD&A (see Section 8 "Non-GAAP and Other Financial Measures").

Certain comparative period results have been reclassified to conform to the presentation adopted in the current year's consolidated financial statements.

Except where otherwise noted, all amounts in this MD&A are reported in thousands of Canadian dollars. Where presented in a tabular format, gross leasable area ("GLA"), expressed in square feet ("sq. ft."), is reported in thousands of sq. ft. In this MD&A, references to the three months ended December 31, 2024 are referred to as "Q4 2024".

FORWARD-LOOKING INFORMATION

Certain information in this MD&A contains or incorporates statements that constitute "forward-looking information" within the meaning of applicable securities laws and include, but are not limited to, statements with respect to management's expectations regarding the Partnership's future growth, results of operations, performance and business prospects and opportunities including expectations for the current financial year; expectations regarding the use of cash on hand and drawings on the credit facility, including the accordion option, to fund ongoing development expenditures and future acquisitions; expectations that the Partnership will generate positive cash flows from operating activities in the future; expectations relating to the fair value adjustment fluctuations based on interest rate movements and market expectations; the Partnership's prospective acquisitions, development, redevelopment and intensification projects pipeline, including intensification projects at existing properties, greenfield developments, and the construction of new buildings, acreage, square footage, costs, timelines, and other asset characteristics; potential financing sources for development projects, including mezzanine financing arrangements; the Partnership's expectation that any liability that arises from a contingency under guarantees would not have a material adverse effect on the consolidated financial statements of the Partnership; the Partnership's ability to enter into partnerships and joint ventures with third parties, including for development purposes; and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Forward-looking statements can generally be identified by words such as "could", "should", "would", "can", "anticipate", "expect", "does not expect", "believe", "plan", "objective", "likely", "potential", "seek", "strategy", "outlook", "budget", "schedule", "estimate", "intend", "project", "will", "may", "might", "continue" and similar expressions or statements relating to matters that are not historical facts. Such forward-looking information is based on information currently available to management and is based on assumptions, estimates and analyses made by management in light of their respective experiences and perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate in the circumstances.

These statements are not guarantees of future events or performance and, by their nature, are based on management's current estimates and assumptions, which are subject to significant risks and uncertainties. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements including, but not limited to, risks associated with real estate ownership, the rollover of leases, tenant concentration, geographic concentration of properties, development projects, economic environment risks including inflation or stagflation, financing, interest rates, changes in law, competition in the Canadian real estate markets, joint arrangements, environmental and climate change-related matters, insurance, cyber security, adverse global market, economic and political conditions (including the risk that the imposition of or adverse amendments to duties, tariffs, and other trade protection measures (including any retaliation to such measures), may materially impact the ability of our tenants to meet their obligations under their leases with the Partnership), public health, reliance on the Asset Manager, the Partnership's credit rating and credit risk of the Debentures, and structural subordination of the Debentures. These risks, and others, are more fully discussed under Section 10 "Risks and Uncertainties" in this MD&A. Material factors and assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking information may include, but are not limited to: interest rates; imposition of duties, tariffs and other trade restructions; access to equity and debt capital markets to fund, at acceptable costs, the future growth of the Partnership and to enable it to refinance debts as they mature; the Partnership's ability to maintain occupancy and to lease or re-lease space at current or anticipated rents; and the availability of purchase opportunities for growth in Canada. Given the current geopolitical environment, there is inherently more uncertainty associated with any assumptions made. Management has attempted to identify important factors that could cause actual results, performance or achievements to be other than as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations, but there may be other factors not presently known or not presently believed to be material that could cause actual results or future events to differ materially from those expressed in such forward looking information. These factors are not intended to represent a complete list of the factors that could affect the Partnership. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Partnership cannot assure security-holders that actual results will be consistent with these forward-looking statements.

The forward-looking information contained herein is expressly qualified in its entirety by this cautionary statement and readers should not place undue reliance on such forward-looking information. This forward-looking information is made as at the date of this MD&A and the management of the Partnership assumes no obligation to update or revise such forward-looking information to reflect new events or circumstances unless otherwise required to do so by applicable securities legislation.

2 | SELECTED FINANCIAL INFORMATION

The following table contains a summary of selected operating and financial performance measures. The Partnership was formed on November 2, 2022 and the operations of the Partnership commenced on February 17, 2023. As a result, comparative financial information in respect of the Partnership for the year ended December 31, 2023 presented in this MD&A is not directly comparable to the financial results for the year ended December 31, 2024, as the prior year comparative period reflects the results of only a partial period of performance.

	Three months ended December 31,		Year ended December 31,	
	2024	2023	**2024**	2023
Operating Performance				
Net rental income	**$ 57,435**	$ 55,503	**$ 225,827**	$ 181,926
Net income (loss) and comprehensive income (loss)	**$ 114,777**	$ 37,796	**$ 188,210**	$ (29,996)

As at	**December 31, 2024**	December 31, 2023
Portfolio Performance		
Investment properties fair value	**$ 6,423,161**	$ 6,198,566
Total GLA[1]	**24,145**	23,342
Occupancy rate - in-place and committed (period end)	**95.1 %**	97.7 %
Average in-place and committed base rent per sq. ft. (period end)	**$ 10.13**	$ 9.52
Total number of assets[2]	**91**	88
Weighted average lease term (years)	**4.7**	5.0
Financing		
Credit rating - DBRS	**BBB (mid)**	BBB (mid)
Total assets	**$ 6,809,518**	$ 6,388,972
Cash and cash equivalents	**$ 152,603**	$ 15,407
Available liquidity[3]	**$ 551,412**	$ 572,150
Total unencumbered investment properties[4]	**$ 5,114,819**	$ 4,855,403
Non-current liabilities	**$ 1,721,068**	$ 1,536,767
Net total debt[3]	**$ 1,889,993**	$ 1,585,732
Weighted average stated interest rate	**3.56 %**	3.26 %
Net total debt-to-total-assets (net of cash and cash equivalents) ratio[5]	**28.4 %**	24.9 %
Net total debt-to-normalized adjusted EBITDAFV ratio (years)[5]	**8.7x**	7.8x
Interest coverage ratio (times)[5][6]	**3.6x**	5.0x
Debt service coverage ratio (times)[5][6]	**3.2x**	4.1x

(1) Includes the Partnership's share of GLA for co-owned investment properties and equity accounted investments.

(2) Number of assets refers to a building, or a cluster of buildings in close proximity to one another, attracting similar tenants. The number of assets in the Partnership's portfolio for the comparative period as at December 31, 2023 has been updated to reflect revised cluster definitions within the portfolio.

(3) Available liquidity and net total debt are non-GAAP financial measures. Refer to Section 8 "Non-GAAP and Other Financial Measures" for additional information.

(4) Total unencumbered investment properties is a supplementary financial measure. Refer to Section 8 "Non-GAAP and Other Financial Measures" for additional information.

(5) Net total debt-to-total-assets (net of cash and cash equivalents) ratio, net total debt-to-normalized adjusted EBITDAFV ratio (years), interest coverage ratio (times) and debt service coverage ratio (times) are non-GAAP ratios. Refer to Section 8 "Non-GAAP and Other Financial Measures" for additional information.

(6) Presented based on the years ended December 31, 2024, and December 31, 2023. The operations of the Partnership commenced on February 17, 2023, and as a result the information for the year ended December 31, 2023 reflects information from a partial period.

3 | RESULTS OF OPERATIONS

	Three months ended December 31,		Year ended December 31,	
	2024	2023	**2024**	2023
Investment properties revenue	**$ 82,929**	$ 75,691	**$ 323,900**	$ 247,876
Investment properties operating expenses	**25,494**	20,188	**98,073**	65,950
Net rental income	**57,435**	55,503	**225,827**	181,926
Other income				
Share of net income from equity accounted investments	**103**	—	**393**	—
Finance income	**4,603**	2,772	**16,176**	8,953
	4,706	2,772	**16,569**	8,953
Other expenses				
General and administrative	**4,838**	4,886	**18,701**	15,972
Finance costs	**22,884**	17,044	**88,266**	58,099
	27,722	21,930	**106,967**	74,071
Fair value adjustments and transaction costs and other				
Fair value adjustments to investment properties	**80,600**	4,703	**56,698**	(145,258)
Fair value adjustments to financial instruments	**515**	(3,252)	**(2,285)**	(1,546)
Transaction costs and other	**(757)**	—	**(1,632)**	—
	80,358	1,451	**52,781**	(146,804)
Net income (loss) and comprehensive income (loss)	**$ 114,777**	$ 37,796	**$ 188,210**	$ (29,996)

Investment Properties Revenue

Investment properties revenue includes base rent from investment properties, recovery of operating costs, property taxes and capital expenditures from tenants, the impact of straight-line rent adjustments, lease termination fees and other adjustments.

Investment properties revenue for the three months ended December 31, 2024 was $82.9 million, an increase compared to $75.7 million in the comparative prior year period. Investments properties revenue for the year ended December 31, 2024 was $323.9 million, an increase compared to $247.9 million in the prior year. The increase was driven by the impact of acquired properties in 2024 and 2023, increase in realty tax and operating cost recoveries, and increase in rental spreads on new and renewed leases, partially offset by decreased occupancy and the disposition of certain properties in 2024.

Investment properties revenue represents 366 days of revenue for the year ended December 31, 2024, including the impact of acquisitions and dispositions completed during the years ended December 31, 2024 and December 31, 2023, and 318 days of revenue for the year ended December 31, 2023.

Investment Properties Operating Expenses

Investment properties operating expenses comprise of operating costs, property taxes, property management fees, as well as certain expenses that are not recoverable from tenants. Operating expenses fluctuate with changes in occupancy levels, expenses that are seasonal in nature and the level of repairs and maintenance incurred during the period.

Investment properties operating expenses for the three months ended December 31, 2024 were $25.5 million, an increase compared to $20.2 million in the comparative prior year period. Investment properties operating expenses for the year ended December 31, 2024 was $98.1 million, an increase compared to $66.0 million in the prior year. The increase was driven by higher recoverable expenses, as well as the impact of acquisitions and dispositions completed during the years ended December 31, 2024 and December 31, 2023.

Investment properties operating expenses represents 366 days of expenses for the year ended December 31, 2024, including the impact of acquisitions and dispositions completed during the years ended December 31, 2024 and December 31, 2023, and 318 days of operating expenses for the year ended December 31, 2023.

Share of Net Income from Equity Accounted Investments

Share of net income from equity accounted investments represents the Partnership's share of net income related to its 50% interest in an income-producing joint venture asset.

Share of net income from equity accounted investments for the three months and year ended December 31, 2024 was $0.1 million and $0.4 million, respectively, compared to $nil for the comparative prior year periods, because the joint venture asset was under development in the prior year.

Finance Income

Finance income is mainly comprised of interest earned on loans receivable and cash in bank.

Finance income for the three months ended December 31, 2024 was $4.6 million, an increase compared to $2.8 million in the comparative prior year period. The increase was a result of higher interest earned on loans receivable as a result of advances made during the year ended December 31, 2024 and a higher weighted average cash and cash equivalents balance outstanding during the period compared to the comparative prior year period.

Finance income was $16.2 million for the year ended December 31, 2024, an increase compared to $9.0 million in the prior year. The increase is a result of the increased number of days in the current year period and the aforementioned higher interest income on loans receivable and cash and cash equivalents. Finance income represents 366 days of income for the year ended December 31, 2024, and 318 days of income for the year ended December 31, 2023.

General and Administrative ("G&A")

G&A is mainly comprised of asset management fees, professional fees and general corporate expenses.

G&A for the three months ended December 31, 2024 was $4.8 million, largely consistent with $4.9 million in the comparative prior year period. G&A was $18.7 million for the year ended December 31, 2024, an increase compared to $16.0 million in the prior year. G&A represents 366 days of expenses for the year ended December 31, 2024, and 318 days of expenses for the year ended December 31, 2023.

Finance Costs
Finance costs are primarily related to cash interest on debt and the amortization of discount on debt and deferred financing costs.

Finance costs for the three months ended December 31, 2024 were $22.9 million, an increase compared to $17.0 million in the comparative prior year period, as a result of an increase in debt outstanding from the Series E Debentures issued in February 2024, Series F Debentures issued in November 2024, and new mortgages related to acquired properties. Finance costs for the year ended December 31, 2024 were $88.3 million, an increase compared to $58.1 million in the prior year as a result of the year ended December 31, 2024 representing 366 days of costs, and the year ended December 31, 2023 representing 318 days of costs, the aforementioned increase in debt outstanding, and the issuance of the unsecured term loan in September 2023.

Fair Value Adjustments to Investment Properties
The Partnership recognized fair value gains on investment properties for the three months ended December 31, 2024 of $80.6 million compared to $4.7 million in the comparative prior year period, which was driven by capitalization rate compression. Appraisals are performed annually on the investment properties portfolio.

Fair value gains for the year ended December 31, 2024 were $56.7 million, an increase compared to fair value losses of $145.3 million in the prior year as a result of the write-off of capitalized transaction costs on the investment properties acquired pursuant to the Arrangement during the year ended December 31, 2023.

Fair Value Adjustments to Financial Instruments
Fair value adjustments to financial instruments relate to mark-to-market adjustments on interest rate swaps, which are calculated using external data provided by qualified professionals based on the present value of the estimated future cash flows determined using observable yield curves, and the adjustments may vary significantly year-over-year.

During the three months and year ended December 31, 2024, the Partnership recognized fair value gains on financial instruments of $0.5 million and fair value losses on financial instruments of $2.3 million, respectively. During the three months and year ended December 31, 2023, the Partnership recognized fair value losses on financial instruments of $3.3 million and $1.5 million, respectively. The Partnership expects these fair value adjustments to fluctuate from period to period based on interest rate movements and market expectations.

Transaction Costs and Other
Transaction costs and other represent costs related to transactions and other non-recurring costs.

Transaction costs and other for the three months and year ended December 31, 2024 were $0.8 million and $1.6 million, respectively, compared to $nil in each of the comparative prior year periods. The increase was mainly due to dispositions and other transaction costs in the current year period.

4 | LIQUIDITY AND CAPITAL

At December 31, 2024, the Partnership reported cash and cash equivalents of $152.6 million (December 31, 2023 - $15.4 million), total current assets of $198.8 million (December 31, 2023 - $62.4 million) and total current liabilities of $387.5 million (December 31, 2023 - $103.4 million), for a net working capital deficiency of $188.7 million (December 31, 2023 - $41.0 million). Net working capital included $61.8 million of mortgages and $250.0 million of Series A Debentures maturing within 12 months from December 31, 2024. The Partnership's net working capital deficiencies are currently funded using cash on hand, cash flows from operations, and from the Partnership's credit facility.

The Partnership's liquidity as at December 31, 2024 was $551.4 million (December 31, 2023 - $572.1 million), including cash and cash equivalents of $152.6 million (December 31, 2023 - $15.4 million) the undrawn portion of the unsecured revolving credit facility of $398.8 million, and an additional $200 million that could be exercised through the accordion option (December 31, 2023 - $368.5 million), which provides sufficient liquidity and capital resources to fulfill the Partnership's ongoing obligations, future development expenditures and future acquisitions. The Partnership also expects to continue generating positive cash flows from operating activities (see "Cash Flow Information" below) to fulfill the Partnership's ongoing obligations. A portion of the Partnership's total unencumbered investment properties[1] of $5,114.8 million as at December 31, 2024 (December 31, 2023 - $4,855.4 million) can provide an additional source of liquidity, as the value of the investment properties could be pledged as collateral for the financing of additional debt.

In addition, the Partnership maintained a strong and flexible balance sheet with secured and unsecured debt representing 6.6%[1] and 22.5%[1], respectively, of the Partnership's total assets as at December 31, 2024 (December 31, 2023 - 7.3% and 16.4%, respectively). The Partnership's net total debt-to-total assets (net of cash and cash equivalents) ratio[2] was 28.4% as at December 31, 2024 (December 31, 2023 - 24.9%).

In September 2024, DBRS Limited ("DBRS") confirmed the Partnership's Issuer Rating and the credit rating of its Debentures at BBB (mid) with Stable trends.

[1] Total unencumbered investment properties, secured debt as a % of total assets, and unsecured debt as a % of total assets are supplementary financial measures. Refer to Section 8 "Non-GAAP and Other Financial Measures" for additional information.
[2] Net total debt-to-total assets (net of cash and cash equivalents) ratio is a non-GAAP ratio. Refer to Section 8 "Non-GAAP and Other Financial Measures" for additional information.

Debt Metrics

The following table outlines the Partnership's debt metrics for the periods presented:

	As at	
	December 31, 2024	December 31, 2023
Credit rating - DBRS	**BBB (mid)**	BBB (mid)
Total assets	**$ 6,809,518**	$ 6,388,972
Total unencumbered investment properties[1]	**$ 5,114,819**	$ 4,855,403
Unencumbered investment properties as a % of investment properties[1]	**79.6 %**	78.3 %
Unencumbered investment properties-to-unsecured debt ratio[1]	**3.3x**	4.6x
Total debt	**$ 1,981,930**	$ 1,515,776
Unsecured debt[1]	**$ 1,529,414**	$ 1,048,143
Secured debt [1]	**$ 452,516**	$ 467,633
Unsecured debt as a % of total assets [1]	**22.5 %**	16.4 %
Secured debt as a % of total assets [1]	**6.6 %**	7.3 %
Floating rate debt as a % of total debt[1]	**— %**	2.7 %
Weighted average stated interest rate	**3.56 %**	3.26 %
Weighted average term to maturity (years)	**3.5**	3.9
Net total debt-to-total-assets (net of cash and cash equivalents) ratio[2]	**28.4 %**	24.9 %
Net total debt-to-normalized adjusted EBITDAFV ratio (years)[2]	**8.7x**	7.8x
Interest coverage ratio (times)[2][3]	**3.6x**	5.0x
Debt service coverage ratio (times)[2][3]	**3.2x**	4.1x
Cash and cash equivalents	**$ 152,603**	$ 15,407
Available liquidity[4]	**$ 551,412**	$ 572,150

[1] Total unencumbered investment properties, unencumbered investment properties as a % of investment properties, unencumbered investment properties-to-unsecured debt ratio, unsecured debt, secured debt, unsecured debt as a % of total assets, secured debt as a % of total assets and floating rate debt as a % of total debt are supplementary financial measures. Refer to Section 8 "Non-GAAP and Other Financial Measures" for additional information.

[2] Net total debt-to-total-assets (net of cash and cash equivalents) ratio, net total debt-to-normalized adjusted EBITDAFV ratio (years), interest coverage ratio (times), and debt service coverage ratio (times) are non-GAAP ratios. Refer to Section 8 "Non-GAAP and Other Financial Measures" for additional information.

[3] Presented based on the years ended December 31, 2024 and December 31, 2023. The operations of the Partnership commenced on February 17, 2023, and as a result the information for the year ended December 31, 2023 reflects the information from a partial period.

[4] Available liquidity is a non-GAAP financial measure. Refer to Section 8 "Non-GAAP and Other Financial Measures" for additional information.

DEBT PROFILE

Total Debt

Total debt outstanding as at the period end are as follows:

				As at
	December 31, 2024		December 31, 2023	
	($)	**(%)**	($)	(%)
Mortgages	**452,516**	**22.8**	467,633	30.9
Debentures:				
Series A Debentures	**245,088**	**12.5**	238,168	15.6
Series B Debentures	**192,435**	**9.7**	186,350	12.3
Series C Debentures ("Green Bonds")	**237,533**	**12.0**	231,378	15.3
Series D Debentures	**207,488**	**10.5**	202,518	13.4
Series E Debentures	**248,672**	**12.5**	—	—
Series F Debentures	**248,654**	**12.5**	—	—
Total Debentures	**1,379,870**	**69.7**	858,414	56.6
Unsecured revolving credit facility	**—**	**—**	31,500	2.1
Green unsecured development credit facility	**—**	**—**	8,800	0.6
Unsecured term loan	**149,544**	**7.5**	149,429	9.8
Total unsecured debt(1)	**1,529,414**	**77.2**	1,048,143	69.1
Total debt	**1,981,930**	**100.0**	1,515,776	100.0

(1) Unsecured debt is a supplementary financial measure. Refer to Section 8 "Non-GAAP and Other Financial Measures" for additional information.

Debentures and Credit Rating

At December 31, 2024, the following Debentures were outstanding, with interest payable semi-annually in arrears:

Series	Aggregate Principal Amount	Stated Annual Interest Rate	Maturity Date
	($)	(%)	
Series A Debentures	250,000	2.15	September 17, 2025
Series B Debentures	200,000	1.82	April 1, 2026
Series C Debentures	250,000	2.25	January 12, 2027
Series D Debentures	225,000	2.44	July 14, 2028
Series E Debentures	250,000	5.11	February 12, 2029
Series F Debentures	250,000	4.51	February 12, 2031
Total	**1,425,000**	**3.10**	

On February 12, 2024, the Partnership completed a private placement of senior unsecured debentures, consisting of $250 million aggregate principal amount of 5.11% Senior Unsecured Debentures, Series E, maturing on February 12, 2029 (the "Series E Debentures"). On November 14, 2024, the Partnership completed a private placement of senior unsecured debentures, consisting of $250 million aggregate principal amount of 4.51% Senior Unsecured Debentures, Series F, maturing on February 12, 2031 (the "Series F Debentures").

On March 4, 2025, the Partnership completed a private placement of senior unsecured debentures, consisting of $200 million aggregate principal amount of Floating Rate Series G Debentures, maturing on March 4, 2028 (the "Series G Debentures"). The Series G Debentures bear interest at a rate of CORRA plus spread. The floating rate of interest on the Series G Debentures has been swapped to a fixed interest rate of 3.67%.

In September 2024, DBRS confirmed the Partnership's Issuer Rating and the credit rating of its Debentures at BBB (mid) with Stable trends.

The Series C Debentures (or "Green Bonds") were issued under Summit REIT's Green Financing Framework (the "Framework"), which requires the proceeds to be allocated to Eligible Green Initiatives, as defined in the Framework, including green buildings, energy efficiency, sustainable water and wastewater management, biodiversity and conservation, and pollution prevention and control. The Partnership assumed the Framework at the closing of the Arrangement and continues to comply with the Framework. The Partnership has fully allocated the proceeds of the Green Bonds to Eligible Green Initiatives as required.

As at December 31, 2024, the Partnership was in compliance with all debt covenants.

FINANCING ACTIVITIES

Mortgages

As at December 31, 2024, total mortgages bore interest at a weighted average stated interest rate of 4.43% (December 31, 2023 - 4.39%). The mortgages are secured by first registered mortgages over specific properties and first general assignments of leases, insurance and registered chattel mortgages.

During the year ended December 31, 2024, the Partnership repaid $10.9 million (year ended December 31, 2023 - $27.0 million) of mortgages at maturity.

Subsequent to December 31, 2024, the Partnership repaid a mortgage of $7.7 million at maturity.

On February 17, 2023, the Partnership assumed $392.6 million of mortgages ($412.3 million at face value) from Summit REIT pursuant to the Arrangement.

Unsecured Revolving Credit Facility

On February 17, 2023, the Partnership entered into an unsecured revolving credit facility agreement with a total commitment of $400 million, and an additional $200 million that can be exercised through the accordion option, maturing on February 17, 2026. The unsecured revolving credit facility bears interest at the Canadian Overnight Repo Rate Average ("CORRA") (previously CDOR as noted below) plus spread or Canadian prime rate plus spread. The unsecured revolving credit facility is generally used for capital expenditures and general operating purposes. As at December 31, 2024, there were $1.2 million in letters of credit issued under the unsecured revolving credit facility related to ongoing development projects (December 31, 2023 - $nil). As at December 31, 2024, there was no principal amount outstanding on the unsecured revolving credit facility (December 31, 2023 - $31.5 million).

Subsequent to December 31, 2024, the Partnership drew $141.5 million on the unsecured revolving credit facility, which was repaid on March 7, 2025.

Green Unsecured Development Credit Facility

On February 17, 2023, the Partnership assumed a green unsecured development credit facility from Summit REIT as part of the Arrangement. This credit facility was terminated by the Partnership in August 2024 prior to maturity. The total credit facility availability was $200 million, including a $150 million green tranche and a $50 million conventional tranche. The green and conventional tranches bore variable interest at variable rates of bank prime plus a spread for prime rate loans. At the time of termination, there were no letters of credit issued against the facility (December 31, 2023 - $3.0 million), and there was no principal amount outstanding on the green unsecured development credit facility (December 31, 2023 - $8.8 million).

Unsecured Term Loan

On September 28, 2023, the Partnership entered into an unsecured term loan with a principal amount of $150.0 million maturing on September 28, 2026 with two one-year extensions at the Partnership's discretion. The unsecured term loan bears interest at CORRA (previously CDOR as noted below) plus spread or Canadian prime rate plus spread. The Partnership fully drew down on the principal amount on September 28, 2023. On December 15, 2023, the Partnership entered into an interest rate swap, fixing the full balance of the unsecured term loan at an interest rate of 5.27% per annum.

Replacement of CDOR with CORRA

The administrator of the Canadian Dollar Offered Rate ("CDOR") ceased publication of CDOR on June 28, 2024, and the Canadian financial benchmark was replaced by CORRA. The fallback provisions of the unsecured revolving credit facility have been appropriately updated to transition from CDOR to CORRA, effective June 28, 2024. The change had no economic impact on any debt pertaining to the Partnership.

Debt Maturity Schedule

The following table presents the future principal repayments, debt maturities and their respective weighted average stated interest rates as at December 31, 2024:

	Debt balance at maturity	Scheduled principal repayments on debt maturing in future periods	Total	Weighted average stated interest rate[1]
	($)	**($)**	**($)**	
2025	310,638	6,217	316,855	2.47 %
2026	200,000	6,729	206,729	1.82 %
2027	250,000	7,816	257,816	2.25 %
2028	538,547	7,407	545,954	4.03 %
2029	271,345	4,100	275,445	4.95 %
2030 and thereafter	431,975	7,822	439,797	4.40 %
	2,002,505	**40,091**	**2,042,596**	**3.56 %**
Unamortized discount on debt			(56,187)	
Unamortized financing costs			(4,479)	
Total debt			**1,981,930**	

[1] Weighted average stated interest rate on debt maturing in each of the respective years.

As at December 31, 2024, the weighted average effective interest rate on total debt was 4.92% (December 31, 2023 - 4.96%) with a weighted average term to maturity of 3.5 years (December 31, 2023 - 3.9 years).

EQUITY

Partners' equity as at December 31, 2024 was $4,700.9 million (December 31, 2023 - $4,748.8 million) and was comprised of equity attributable to Dream Summit Industrial Holdings LP and Dream Summit Industrial GP Inc.

	As at	
	December 31, 2024	**December 31, 2023**
Partners' equity	**$ 4,542,718**	$ 4,778,756
Retained earnings (deficit)	**158,214**	(29,996)
Total partners' equity	**$ 4,700,932**	$ 4,748,760

	Dream Summit Industrial Holdings LP	**Dream Summit Industrial GP Inc.**	**Total partners' equity**
Balance, January 1, 2024	**$ 4,743,982**	**$ 4,778**	**$ 4,748,760**
Capital contributions	**83,878**	**84**	**83,962**
Distributions	**(319,680)**	**(320)**	**(320,000)**
Net income and comprehensive income	**188,210**	**—**	**188,210**
Partners' equity, December 31, 2024	**$ 4,696,390**	**$ 4,542**	**$ 4,700,932**
Ownership as a percentage of total contributions, as of December 31, 2024	99.9%	0.1%	100.0%

Subsequent to December 31, 2024, the Partnership received capital contributions from the Partners of $181.7 million, and distributed $60.0 million to the Partners.

CASH FLOW INFORMATION

The following table represents the components of cash flow for the period presented:

	Year ended December 31,	
	2024	2023
Cash and cash equivalents, beginning of year	**$ 15,407**	$ —
Generated from (utilized in) operating activities	**184,230**	156,485
Generated from (utilized in) investing activities	**(189,373)**	(5,145,207)
Generated from (utilized in) financing activities	**142,339**	5,004,129
Cash and cash equivalents, end of year	**$ 152,603**	$ 15,407

Cash generated from operating activities for the year ended December 31, 2024 was $184.2 million, an increase compared to $156.5 million for the year ended December 31, 2023. Cash flows from operating activities increased as a result of an increase in net rental income, partially offset by changes in non-cash working capital and investments in lease incentives and initial direct leasing costs. Cash generated from operating activities represents 366 days of operations for the year ended December 31, 2024, and 318 days of operations for the year ended December 31, 2023.

Cash utilized in investing activities for the year ended December 31, 2024 was $189.4 million, a decrease compared to $5,145.2 million for the year ended December 31, 2023, as a result of the closing of the Arrangement in the prior year. Cash utilized in investing activities for the year ended December 31, 2024 primarily relates to the acquisition of investment properties of $185.8 million (year ended December 31, 2023 - $4,929.4 million), additions to investment properties of $22.6 million (year ended December 31, 2023 - $56.8 million) and advances to loans receivable of $45.3 million (year ended December 31, 2023 - $24.6 million), partially offset by proceeds received from the sale of investment properties of $65.9 million (year ended December 31, 2023 - $nil).

Cash generated from financing activities for the year ended December 31, 2024 was $142.3 million, a decrease compared to $5,004.1 million for the year ended December 31, 2023, as a result of the closing of the Arrangement in the prior year. Included in cash generated from financing activities for the year ended December 31, 2024 were proceeds from debt of $521.5 million (year ended December 31, 2023 - $428.8 million) and partners' contributions of $84.0 million (year ended December 31, 2023 - $4,928.8 million), partially offset by distributions to the partners of $320.0 million (year ended December 31, 2023 - $150.0 million), lump sum repayments of debt of $72.7 million (year ended December 31, 2023 - $158.5 million), and interest and finance fees paid of $62.9 million (year ended December 31, 2023 - $38.3 million).

COMMITMENTS AND CONTINGENCIES

The Partnership and its operating subsidiaries are contingently liable under guarantees that are issued in the normal course of business and with respect to litigation and claims that may arise from time to time. In the opinion of management, any liability that may arise from such contingencies would not have a material adverse effect on the consolidated financial statements of the Partnership.

As at December 31, 2024, the Partnership's contractual commitments related to construction and development projects amounted to $3.2 million (December 31, 2023 - $10.8 million).

5 | PROPERTY PORTFOLIO

INCOME-PRODUCING PROPERTIES

At December 31, 2024, the Partnership held an income-producing property portfolio with a fair value of $6,248.4 million (December 31, 2023 - $6,013.9 million), and a 50% interest in an income-producing joint venture asset classified within equity accounted investments. At December 31, 2024, the income-producing property portfolio included 91 income-producing properties comprised of 182 buildings, totalling 24.1 million sq. ft. The following table provides information regarding the Partnership's income-producing property portfolio by region at December 31, 2024:

Province	No. of Assets[1]	No. of Buildings	GLA[2]	% of Total GLA
Ontario	51	103	13,169	54.5%
Quebec	21	30	4,980	20.6%
Alberta	18	48	5,954	24.7%
Other province	1	1	42	0.2%
Total	**91**	**182**	**24,145**	**100.0%**

[1] Number of assets comprises a building, or a cluster of buildings in close proximity to one another, attracting similar tenants.

[2] Includes the Partnership's share of GLA for co-owned investment properties and equity accounted investments.

ACQUISITIONS

During the year ended December 31, 2024, the Partnership acquired eight income-producing properties located in the Greater Toronto Area ("GTA") totalling approximately 0.8 million sq. ft. for a total purchase price of $185.8 million, including transaction costs. During the year ended December 31, 2023, the Partnership acquired seven income-producing properties totalling approximately 1.0 million sq.ft and 19 acres of income-producing land for a total purchase price of $327.4 million, including transaction costs.

Subsequent to December 31, 2024, the Partnership acquired a 27.5-acre waterfront industrial site in Vancouver, British Columbia, for a total purchase price of $143.0 million.

In addition, the Partnership closed on a portfolio of seven income-producing properties totalling 998,000 square feet across the GTA for a total purchase price of $257.5 million subsequent to December 31, 2024.

To fund the acquisitions completed subsequent to December 31, 2024, the Partnership received capital contributions from the Partners of $181.7 million, drew on the unsecured revolving credit facility in the amount of $141.5 million, and used available cash on hand.

DISPOSITION

During the year ended December 31, 2024, the Partnership disposed of two income-producing properties in the GTA totalling 0.2 million sq.ft. for total gross proceeds of $65.9 million at an average price of over $360 per square foot (year ended December 31, 2023 - no dispositions).

6 | DEVELOPMENT AND INTENSIFICATION

The Partnership pursues development, redevelopment and intensification projects on a selective basis. Potential projects could include intensification projects at existing properties, greenfield developments on land owned or acquired by the Partnership, intensification projects to add density within the Partnership's existing industrial portfolio, and via mezzanine financing arrangements to external development partners to fund the construction of new buildings.

In addition to its wholly-owned development projects, the Partnership engages in joint venture development projects with third-parties, which it accounts for under the equity method. Under these joint venture arrangements, the Partnership has the right of first refusal to acquire at fair value the remaining 50% interest in any buildings being developed over time as they are completed and leased.

ONGOING DEVELOPMENT AND INTENSIFICATION PROJECTS

As at December 31, 2024, the Partnership had $174.7 million in properties held for development (December 31, 2023 - $184.7 million), and a 50% interest in three joint venture development projects classified as equity accounted investments. The Partnership has exposure to approximately 2.8 million sq. ft. of developments made up of greenfield projects, intensifications and redevelopments. This development pipeline is comprised of 1.5 million sq. ft. of projects underway as well as 1.3 million sq. ft. of projects in advanced stages of pre-construction, mainly located in the GTA and Greater Montreal Area. The Partnership intends to continue advancing these projects over time. The following table summarizes the Partnership's development pipeline at December 31, 2024:

	% of ownership	No. of buildings	Total planned GLA
Properties held for development	100%	7	1,075
Equity accounted investments[1]	50%	5	1,677
Total		**12**	**2,752**

[1] Total planned GLA represents 100% of the planned GLA as the Partnership has a first right of refusal to acquire at fair value the remaining 50% interest in the properties on completion.

During the year ended December 31, 2024, the Partnership completed one intensification project in the GTA and one intensification project in Quebec, and the properties were transferred from properties held for development to income-producing properties.

During the year ended December 31, 2024, one of the Partnership's joint venture projects that was previously under development achieved practical completion, adding 0.1 million sq. ft. to the Partnership's income-producing GLA, and the Partnership began recognizing its share of net income from equity accounted investments in the consolidated statement of income (loss) and comprehensive income (loss).

During the year ended December 31, 2023, the Partnership acquired a 26-acre site for a total purchase price of $37.7 million located in the GTA.

7 | RELATED PARTY TRANSACTIONS

ASSET MANAGEMENT AGREEMENT

Dream Summit Asset Management Inc. (the "Asset Manager"), a subsidiary of Dream Unlimited Corp., provides certain asset management services to the Partnership and the subsidiaries of the Partnership which own one or more investment properties (each, a "Property Owner") pursuant to an asset management agreement dated February 17, 2023. The Asset Manager is entitled to an asset management fee calculated based on normal commercial terms.

Certain Property Owners have retained the Asset Manager as development manager pursuant to development management agreements, each effective February 17, 2023. The development fees are based on normal commercial terms.

PROPERTY MANAGEMENT AGREEMENT

On February 17, 2023, the Property Owners entered into a property management agreement ("PMA") with DIR Dream Summit Management LP (the "Property Manager"), a subsidiary of Dream Industrial Real Estate Investment Trust. Pursuant to the PMA, the Property Manager provides the Property Owners with property management services based on normal commercial terms. The Property Manager provides leasing services for the negotiation and consummation of new leases, lease renewals or extensions, and expansion of premises, and earns leasing fees based on normal commercial terms. The Property Manager also provides construction management, construction co-ordination or project management services and earns capital expenditure oversight fees based on normal commercial terms.

FEES PAID UNDER MANAGEMENT AGREEMENTS

The fees payable and costs reimbursable to the Asset Manager and Property Manager for three months and year ended December 31, 2024 were $8.6 million and $32.4 million, respectively (three months ended December 31, 2023 and for the period from February 17, 2023 (the closing of the Arrangement) to December 31, 2023 - $7.6 million and $27.0 million, respectively). Included in trade and other accrued liabilities as at December 31, 2024 were amounts owing to the Asset Manager and Property Manager of $5.9 million (December 31, 2023 - $5.9 million).

8 | NON-GAAP AND OTHER FINANCIAL MEASURES

In this MD&A certain references are made to non-GAAP financial measures, non-GAAP ratios and supplementary financial measures, as defined in National Instrument 52-112 *Non-GAAP and Other Financial Measures Disclosure*, to measure and explain the operating results and financial performance of the Partnership. The non-GAAP financial measures, non-GAAP ratios and supplementary financial measures used in this MD&A include adjusted earnings before interest, taxes, depreciation and amortization and fair value adjustments ("EBITDAFV"), available liquidity, debt service coverage ratio (times), net total debt-to-normalized adjusted EBITDAFV ratio (years), floating rate debt as a % of total debt, interest coverage ratio (times), net total debt, net total debt-to-total-assets (net of cash and cash equivalents) ratio, normalized adjusted EBITDAFV, total assets (net of cash and cash equivalents), total unencumbered investment properties, unencumbered investment properties as a % of investment properties, unencumbered investment properties-to-unsecured debt ratio, unsecured debt, unsecured debt as a % of total assets, secured debt, and secured debt as a % of total assets. These non-GAAP financial measures, non-GAAP ratios and supplementary financial measures do not have any standardized meaning prescribed under IFRS Accounting Standards and, therefore, should not be construed as alternatives to net income or cash flow from operating activities calculated in accordance with IFRS Accounting Standards and the computation of these non-GAAP financial measures, non-GAAP ratios and other supplementary financial measures may not be comparable to similarly titled measures presented by other reporting issuers. These measures are provided as additional information to complement those IFRS Accounting Standards measures by providing further understanding of the Partnership's results of operations from management's perspective. Accordingly, these measures should not be considered in isolation nor as a substitute for analysis of the Partnership's financial information reported under IFRS Accounting Standards.

The Partnership reports the following non-GAAP and other financial measures:

Non-GAAP Measure	Type of Measure	Description
Adjusted EBITDAFV	Non-GAAP Financial Measure	Adjusted EBITDAFV is used by management as an input to the interest coverage ratio and the debt service coverage ratio. Adjusted EBITDAFV is an alternative to IFRS Accounting Standards net income as it excludes non-cash items (including depreciation and amortization expense, fair value adjustments to investment properties, fair value adjustments to financial instruments, finance costs, other items included in investment properties revenue (including amortization), where applicable, and other items management may consider either non-operating in nature or related to the capital cost of its investment properties). A reconciliation of adjusted EBITDAFV to IFRS Accounting Standards net income, which is adjusted EBITDAFV's most directly comparable IFRS financial measure, and the metrics that utilize Adjusted EBITDAFV are presented under the "Reconciliation of Non-GAAP Financial Measures and Non-GAAP Ratios" section below. The Partnership previously used the label "Adjusted EBITDA" to describe this measure but believes the current label of "Adjusted EBITDAFV" reflects the composition of the measure more appropriately.

Non-GAAP Measure	Type of Measure	Description
Available liquidity	Non-GAAP Financial Measure	Available liquidity is a non-GAAP financial measure defined as the sum of cash and cash equivalents, the undrawn unsecured revolving credit facility and the undrawn green unsecured development credit facility as at period-end, as applicable. Management believes that available liquidity is useful measure to investors in determining the Partnership's resources available as at period-end to meet all of its ongoing obligations and future commitments. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning, and may not be comparable with similar measures presented by other issuers.
Debt service coverage ratio (times)	Non-GAAP Ratio	Debt service coverage ratio (times) is calculated by dividing adjusted EBITDAFV (a non-GAAP financial measure) by the sum of cash interest on debt and scheduled mortgage principal payments (excluding lump-sum mortgage repayments) on a trailing 12-month basis. It measures the Partnership's ability to meet its debt service obligations and is calculated, and a reconciliation presented, under the "Reconciliation of Non-GAAP Financial Measures and Non-GAAP Ratios" section below.
Floating rate debt as a % of total debt	Supplementary Financial Measure	Floating rate debt as a percentage of total debt is a supplementary financial measure calculated as debt subject to a floating rate of interest and not fixed through interest rate swaps divided by total debt.
Interest coverage ratio (times)	Non-GAAP Ratio	Interest coverage ratio (times) is defined as adjusted EBITDAFV (a non-GAAP financial measure) divided by cash interest on debt on a trailing 12-month basis. It measures the Partnership's ability to meet interest cost obligations and is calculated and a reconciliation presented under the "Reconciliation of Non-GAAP Financial Measures and Non-GAAP Ratios" section below.
Net total debt	Non-GAAP Financial Measure	Net total debt is a non-GAAP financial measure calculated as the sum of current and non-current debt, unamortized financing costs and fair value adjustments, less cash and cash equivalents. Management believes this is a useful financial measure to monitor the principal amount of debt outstanding after factoring in liquid assets such as cash and cash equivalents and is used as a component to assess the Partnership's ability to take on additional debt. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.

Non-GAAP Measure	Type of Measure	Description
Net total debt-to-normalized adjusted EBITDAFV ratio (years)	Non-GAAP Ratio	Net total debt-to-normalized adjusted EBITDAFV ratio (years) is defined as net total debt (a non-GAAP financial measure) divided by normalized adjusted EBITDAFV - annualized (a non-GAAP financial measure) for the period presented. It measures the Partnership's time to repay its debt based on its operating performance and is calculated and a reconciliation presented under the "Reconciliation of Non-GAAP Financial Measures and Non-GAAP Ratios" section below.
Net total debt-to-total-assets (net of cash and cash equivalents) ratio	Non-GAAP Ratio	Net total debt-to-total-assets (net of cash and cash equivalents) ratio is calculated as net total debt (a non-GAAP financial measure) divided by total assets (net of cash and cash equivalents) (a non-GAAP financial measure). Management believes this ratio is an important non-GAAP ratio in the management of the Partnership's debt levels, and management uses it to assess the Partnership's ability to take on additional debt and manage overall balance sheet risk levels, and is calculated, and a reconciliation presented, under the "Reconciliation of Non-GAAP Financial Measures and Non-GAAP Ratios" section below. This non-GAAP ratio does not have a standard meaning and may not be comparable with similar measures presented by other issuers.
Normalized adjusted EBITDAFV	Non-GAAP Financial Measure	Normalized adjusted EBITDAFV is calculated as the quarterly adjusted EBITDAFV (a non-GAAP financial measure) plus normalized net rental income of properties acquired in the quarter less net rental income of properties disposed of in the quarter. Adjusted EBITDAFV (a non-GAAP financial measure) is defined above. Management believes that normalized adjusted EBITDAFV, a non-GAAP financial measure, provides users with additional relevant information based on the Partnership's normalized operating performance. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.
Secured debt	Supplementary Financial Measure	Secured debt is a supplementary financial measure representing total debt, excluding unsecured debt. This is a supplementary financial measure used by management in monitoring the secured debt levels.
Secured debt as a % of total assets	Supplementary Financial Measure	Secured debt as a percentage of total assets is a supplementary financial measure calculated as secured debt divided by total assets. This supplementary financial measure is used by management in monitoring the secured debt levels to ensure compliance with certain lender covenant requirements.

Non-GAAP Measure	Type of Measure	Description
Total assets (net of cash and cash equivalents)	Non-GAAP Financial Measure	Total assets (net of cash and cash equivalents) is a non-GAAP financial measure calculated as the sum of total assets less cash and cash equivalents. Management believes this is a useful financial measure to assess the Partnership's ability to take on additional debt. This non-GAAP financial measure is not defined by IFRS Accounting Standards, does not have a standard meaning and may not be comparable with similar measures presented by other issuers.
Total unencumbered investment properties	Supplementary Financial Measure	Total unencumbered investment properties represents the value of investment properties, including assets held for sale, that have not been pledged as collateral for the financing of the Partnership's debt. This supplementary financial measure is used by management in assessing the borrowing capacity available to the Partnership.
Unencumbered investment properties as a % of investment properties	Supplementary Financial Measure	Unencumbered investment properties as a percentage of investment properties is a supplementary financial measure calculated as total unencumbered investment properties divided by total investment properties. This supplementary financial measure is used by management in assessing the borrowing capacity available to the Partnership.
Unencumbered investment properties-to-unsecured debt ratio	Supplementary Financial Measure	Unencumbered investment properties-to-unsecured debt ratio is a supplementary financial measure calculated as total unencumbered investment properties divided by unsecured debt. This supplementary financial measure is used by management in assessing the borrowing capacity available to the Partnership.
Unsecured debt	Supplementary Financial Measure	Unsecured debt is a supplementary financial measure representing total debt, excluding secured debt. This supplementary financial measure is used by management in monitoring the unsecured debt levels.
Unsecured debt as a % of total assets	Supplementary Financial Measure	Unsecured debt as a percentage of total assets is a supplementary financial measure calculated as unsecured debt divided by total assets. This supplementary financial measure is used by management in monitoring the unsecured debt levels.

Reconciliation of Non-GAAP Financial Measures and Non-GAAP Ratios

The Partnership's calculation for adjusted EBITDAFV, interest coverage ratio (times), debt service coverage ratio (times), net total debt, total assets (net of cash and cash equivalents), net total debt-to-total-assets (net of cash and cash equivalents) ratio, normalized adjusted EBITDAFV, normalized adjusted EBITDAFV - annualized, net total debt-to-normalized adjusted EBITDAFV ratio (years), available liquidity and a reconciliation of adjusted EBITDAFV to net income (loss) are presented as follows:

	Year ended December 31,	
	2024	2023
Net income (loss)	**$ 188,210**	$ (29,996)
Adjustments:		
Other items included in investment properties revenue[1]	**(9,654)**	(10,981)
Fair value adjustments to investment properties	**(56,698)**	145,258
Fair value adjustments to financial instruments	**2,285**	1,546
Finance costs	**88,266**	58,099
Transaction costs and other	**1,632**	—
Adjusted EBITDAFV	**$ 214,041**	$ 163,926
Cash interest on debt	**$ 58,711**	$ 33,112
Mortgage principal repayments (excluding lump-sum mortgage repayments)	**7,361**	6,507
Principal and interest payments	**$ 66,072**	$ 39,619
Interest coverage ratio (times)	**3.6x**	5.0x
Debt service coverage ratio (times)	**3.2x**	4.1x

[1] Includes straight-line rent, lease termination fees and other items and amortization of lease incentives.

	As at	
	December 31, 2024	December 31, 2023
Non-current debt	**$ 1,670,027**	$ 1,488,792
Add (deduct)		
Current debt	**311,903**	26,984
Unamortized discount on debt	**56,187**	82,976
Unamortized financing costs	**4,479**	2,387
Cash and cash equivalents	**(152,603)**	(15,407)
Net total debt	**$ 1,889,993**	$ 1,585,732
Total assets	**$ 6,809,518**	$ 6,388,972
less: Cash and cash equivalents	**(152,603)**	(15,407)
Total assets (net of cash and cash equivalents)	**$ 6,656,915**	$ 6,373,565
Net total debt-to-total-assets (net of cash and cash equivalents) ratio	**28.4%**	24.9%

	For the three months ended	
	December 31, 2024	December 31, 2023
Net income	**$ 114,777**	$ 37,796
Adjustments:		
Other items included in investment properties revenue[1]	**(2,651)**	(3,503)
Fair value adjustments to investment properties	**(80,600)**	(4,703)
Fair value adjustments to financial instruments	**(515)**	3,252
Finance costs	**22,884**	17,044
Transaction costs and other	**757**	—
Adjusted EBITDAFV[2]	**$ 54,652**	$ 49,886
Adjustments:		
Normalized net rental income of acquisitions and dispositions in the quarter[3]	**(128)**	714
Normalized adjusted EBITDAFV	**$ 54,524**	$ 50,600
Normalized adjusted EBITDAFV - annualized	**$ 218,096**	$ 202,400
Net total debt-to-normalized adjusted EBITDAFV ratio (years)	**8.7x**	7.8x

[1] Includes straight-line rent, lease termination fees and other items and amortization of lease incentives.

[2] Adjusted EBITDAFV (a non-GAAP financial measure) for the three months ended December 31, 2024 and December 31, 2023, is reconciled to net income above.

[3] Represents the net rental income had the acquisitions and dispositions in the respective periods occurred for the full quarter.

	As at	
	December 31, 2024	December 31, 2023
Cash and cash equivalents	**$ 152,603**	$ 15,407
Undrawn unsecured revolving credit facility[1]	**398,809**	368,500
Undrawn green unsecured development credit facility[2]	**—**	188,243
Available liquidity	**$ 551,412**	$ 572,150

[1] Net of letters of credit totalling $1.2 million as at December 31, 2024 (as at December 31, 2023 - $nil).

[2] Net of letters of credit totalling $nil as at December 31, 2024 (as at December 31, 2023 - $3.0 million).

Reconciliation of Supplementary Financial Measures

The Partnership's calculation of total unencumbered investment properties, unencumbered investment properties as a % of investment properties, unsecured debt, unencumbered investment properties-to-unsecured debt ratio, floating rate debt as a % of total debt, secured debt, secured debt as a % of total assets, and unsecured debt as a % of total assets, are presented as follows:

				As at
		December 31, 2024		December 31, 2023
Total investment properties	**$**	**6,423,161**	$	6,198,566
Less: Pledged as collateral		**(1,308,342)**		(1,343,163)
Total unencumbered investment properties		**5,114,819**		4,855,403
Unencumbered investment properties as a % of investment properties		**79.6 %**		78.3 %
Unsecured debt				
Senior unsecured debentures	**$**	**1,379,870**	$	858,414
Unsecured revolving credit facility		**—**		31,500
Green unsecured development credit facility		**—**		8,800
Unsecured term loan		**149,544**		149,429
Unsecured debt		**1,529,414**		1,048,143
Unencumbered investment properties-to-unsecured debt ratio		**3.3x**		4.6x
Total debt	**$**	**1,981,930**	$	1,515,776
Floating rate debt				
Unsecured revolving credit facility	**$**	**—**	$	31,500
Green unsecured development credit facility		**—**		8,800
Total floating rate debt		**—**		40,300
Floating rate debt as a % of total debt		**— %**		2.7 %
Secured debt	**$**	**452,516**	$	467,633
Total assets	**$**	**6,809,518**	$	6,388,972
Secured debt as a % of total assets		**6.6 %**		7.3 %
Unsecured debt as a % of total assets		**22.5 %**		16.4 %

9 | SUMMARY OF QUARTERLY RESULTS

The following table shows quarterly information for the periods set out below, being the completed periods since the closing of the Arrangement.

	2024				2023			
	Q4	Q3[1]	Q2	Q1	Q4	Q3	Q2	Q1
Portfolio Performance								
Total GLA[3]	**24,145**	24,145	24,172	23,734	23,342	22,456	22,252	22,252
Occupancy rate - in-place and committed (period end)	**95.1%**	94.7%	97.7%	97.1%	97.7%	98.1%	99.5%	99.2%
Average in-place and committed base rent per sq. ft. (period end)	**$ 10.13**	$ 9.99	$ 9.92	$ 9.69	$ 9.52	$ 9.15	$ 8.93	$ 8.73
Total number of assets[2]	**91**	91	91	90	88	86	85	85
Operating Performance								
Investment properties revenue (in millions)[8]	**$ 82,929**	$ 80,396	$ 80,467	$ 80,108	$75,691	$70,235	$68,851	$ 33,099
Net rental income (in millions)	**$ 57,435**	$ 55,950	$ 57,601	$ 54,841	$55,503	$51,402	$50,826	$ 24,195
Net income (loss) and comprehensive income (loss) (in millions)	**$ 114,777**	$ 19,374	$ 23,661	$ 30,398	$37,796	$23,283	$27,532	$(118,607)
Financing								
Investment properties (in millions)	**$ 6,423**	$ 6,330	$ 6,373	$ 6,278	$ 6,199	$ 5,936	$ 5,830	$ 5,782
Total unencumbered investment properties (in millions)[4]	**$ 5,115**	$ 5,103	$ 5,098	$ 4,934	$ 4,855	$ 4,674	$ 4,520	$ 4,524
Non-current debt (in millions)	**$ 1,670**	$ 1,461	$ 1,691	$ 1,686	$ 1,489	$ 1,346	$ 1,187	$ 1,203
Net total debt (in millions)[5]	**$ 1,890**	$ 1,795	$ 1,740	$ 1,656	$ 1,586	$ 1,348	$ 1,278	$ 1,289
Secured debt as a % of total assets[4]	**6.6%**	6.9%	6.8%	7.0%	7.3%	5.8%	6.3%	6.4%
Unsecured debt as a % of total assets[4]	**22.5%**	19.4%	19.1%	19.0%	16.4%	16.1%	14.0%	14.2%
Weighted average stated interest rate	**3.56%**	3.44%	3.43%	3.43%	3.26%	3.12%	2.72%	2.75%
Weighted average term to maturity (years)	**3.5**	3.4	3.6	3.9	3.9	4.1	4.2	4.5
Net total debt-to-total-assets (net of cash and cash equivalents) ratio[6]	**28.4%**	27.2%	26.4%	25.5%	24.9%	22.1%	21.3%	21.7%
Net total debt-to-normalized adjusted EBITDAFV ratio (years)[6]	**8.7x**	8.4x	7.9x	8.0x	7.8x	7.3x	7.1x	7.1x
Interest coverage ratio (times)[6][7][8]	**3.6x**	3.9x	4.2x	4.5x	5.0x	4.9x	4.8x	4.8x
Debt service coverage ratio (times)[6][7][8]	**3.2x**	3.4x	3.6x	3.8x	4.1x	4.1x	4.0x	4.1x

(1) Assets held for sale are excluded from portfolio performance metrics.

(2) Number of assets comprises a building, or a cluster of buildings in close proximity to one another, attracting similar tenants. The number of assets in the Partnership's portfolio shown for each has been updated, in each case, to reflect revised cluster definitions within the portfolio.

(3) Includes the Partnership's share of GLA for co-owned investment properties and equity accounted investments.

(4) Total unencumbered investment properties, secured debt as a % of total assets, and unsecured debt as a % of total assets, are supplementary financial measures. Refer to Section 8 "Non-GAAP and Other Financial Measures" for additional information.

(5) Net total debt is a non-GAAP financial measure. Refer to Section 8 "Non-GAAP and Other Financial Measures" for additional information.

(6) Net total debt-to-total-assets (net of cash and cash equivalents), interest coverage ratio (times), debt service coverage ratio (times) and net total debt-to-normalized adjusted EBITDAFV ratio (years) are non-GAAP ratios. Refer to Section 8 "Non-GAAP and Other Financial Measures" for additional information.

(7) For the quarterly periods ended in 2023, the interest coverage ratio (times) and debt service coverage ratio (times) are calculated based on the financial results from February 17, 2023 to the respective quarter ends.

(8) Certain comparative period results have been restated to conform to presentation adopted in the current period.

The Partnership's results of operations may vary significantly from period to period as a result of fair value adjustments to investment properties, fair value adjustments to financial instruments, net gains or losses on transactions, and other activities. Furthermore, the growth in the Partnership's net rental income from period to period reflects the Partnership's growth through acquisitions and completion of development and expansion projects over time.

10 | RISKS AND UNCERTAINTIES

RISKS AND THE PARTNERSHIP'S STRATEGY TO MANAGE
The Partnership is exposed to various risks and uncertainties, many of which are beyond its control and could have an impact on its business, financial condition, operating results and prospects. Security-holders should consider these risks and uncertainties when assessing the Partnership's outlook in terms of investment potential.

Real estate ownership
Real estate ownership is generally subject to numerous factors and risks, including changes in general economic conditions (such as the availability, terms and cost of mortgage financings and other types of credit), local economic conditions (such as an oversupply of industrial properties or a reduction in demand for real estate in the area), the attractiveness of properties to potential tenants or purchasers, competition with other landlords with similar available space, and the ability of the owner to provide adequate maintenance at competitive costs.

An investment in real estate is relatively illiquid. Such illiquidity will tend to limit the Partnership's ability to vary its portfolio promptly in response to changing economic or investment conditions. In recessionary times or other market downturns, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable, and during an economic recession, or when the market is not otherwise conducive to such dispositions, the Partnership may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for the Partnership to dispose of properties at lower prices in order to generate sufficient cash from operations and to make distributions to partners and interest payments.

Certain significant expenditures (e.g., property taxes, maintenance costs, mortgage payments, insurance costs and related charges) must be made throughout the period of ownership of real property, regardless of whether the property is producing sufficient income to pay such expenses. In order to retain desirable rentable space and to generate adequate revenue over the long term, the Partnership must maintain or, in some cases, improve each property's condition to meet market demand. Maintaining a rental property in accordance with market standards can entail significant costs that the Partnership may not be able to pass on to its tenants. Numerous factors, including the age of the relevant building structure, the material and substances used at the time of construction, or currently unknown building code violations, could result in substantial unbudgeted costs for refurbishment or modernization. In the course of acquiring a property, undisclosed defects in design or construction or other risks might not have been recognized or correctly evaluated during the pre-acquisition due diligence process. These circumstances could lead to additional costs and could have an adverse effect on the Partnership's proceeds from sales and rental income of the relevant properties.

Rollover of leases
Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. Furthermore, the terms of any subsequent lease may be less favourable than those of the existing lease. The Partnership's cash flows and financial position would be adversely affected if its tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the Partnership's properties could not be leased on economically favourable lease terms. In the event of default by a tenant, the Partnership may experience delays or limitations in enforcing its rights as lessor 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 Partnership.

Tenant Concentration
The Partnership generated approximately 16% of its base rental revenue from its ten largest industrial tenants in 2024. Accordingly, revenue will be dependent on the ability of those tenants to meet rent payments. If some or all of the ten largest industrial tenants default on their rent obligations, the Partnership's financial condition and operations could be adversely affected.

Credit risk arises from the possibility that tenants may experience financial difficulty and be unable to fulfill their lease commitments. The Partnership attempts to mitigate this risk by conducting credit assessments on new lessees, diversifying its tenant mix, and by limiting its exposure to any one tenant.

Geographic Concentration
The properties within the Partnership's current industrial portfolio are located throughout Canada, but have a focus on Ontario. Approximately 55% of GLA is located in Ontario, while the remaining properties are spread across Alberta, Quebec and New Brunswick. The Partnership's performance and the market value of its properties are sensitive to changes in the economic condition and regulatory environment of Ontario, and any adverse changes in the economic condition or regulatory environment may negatively impact its operations.

Development
Delays and cost over-runs may occur in completing the construction of development projects, prospective projects and future projects that may be undertaken. A number of factors that could cause delays or cost over-runs include, but are not limited to, permitting delays, changing engineer and design requirements, the performance of contractors, labour and supply chain disruptions generally or due to the imposition of duties, tariffs or other trade protection measures, public health crises, adverse weather conditions and availability of financing.

Economic environment risks
Uncertainty over whether the economy will be adversely affected by inflation or stagflation, and the systemic impact of volatile energy costs, may contribute to increased market volatility. Such economic uncertainties and market challenges, which may result from a continued or exacerbated general economic slowdown, including as a result of the imposition of or adverse amendments to duties, tariffs and/or other trade protection measures (including any retaliation to such measures), and their effects could materially and adversely affect the Partnership's ability to generate revenues, thereby increasing operating costs and reducing its operating income and earnings. A difficult operating environment could also have a material adverse effect on the ability of the Partnership to maintain occupancy rates at its properties, which could harm the Partnership's financial condition. Under such economic conditions, the Partnership's tenants may be unable to meet their rental payments and other obligations due to the Partnership, which could have a material adverse effect on its operations and financial condition.

Further increases to inflation or prolonged inflation above central banks' targets could lead to further increases to interest rates by central banks, which would have a more pronounced negative impact on any variable rate debt the Partnership is subject to or incur in the future and on its results of operations. Similarly, during periods of high inflation, contractual annual rent increases may be less than the rate of inflation on a continual basis. Substantial inflationary pressures and increased costs may have an adverse impact on the Partnership's tenants if increases in their operating expenses exceed increases in revenue. This may adversely affect the tenants' ability to pay rent, and the Partnership's ability to increase rents on lease rollovers, which could negatively affect the Partnership's financial condition.

Increased inflation could lead to higher costs on future development projects, which could reduce the profitability of the planned development projects to the extent that higher rents cannot be obtained from prospective tenants.

In respect of the Partnership's real estate purchases, the Partnership is also subject to the risk that if the real estate market ceases to attract the same level of capital investment in the future that it attracts at the time of its purchases, or the number of investors seeking to acquire properties decreases, the value of the Partnership's investments may not appreciate or may depreciate. Accordingly, the Partnership's operations and financial condition could be materially and adversely affected to the extent that an economic slowdown or downturn occurs, is prolonged or becomes more severe.

Financing

The Partnership requires access to capital to maintain its properties as well as to fund its growth strategy and significant capital expenditures. There is no assurance that capital will be available when needed or on favourable terms. The Partnership's access to third-party financing will be subject to a number of factors, including general market conditions, government policies, the market's perception of the Partnership's growth potential, current and expected future earnings, cash flow and cash distributions to partners and cash interest payments. The Partnership's failure to access required capital and access such capital on favorable terms could materially adversely impact the Partnership's investments, cash flows, operating results or financial condition, the Partnership's ability to make distributions and the Partnership's ability to implement its growth strategy.

A significant portion of the Partnership's financing is debt. Accordingly, the Partnership is subject to the risks associated with debt financing, including the risk that cash flows may be insufficient to meet required payments of principal and interest, and that, on maturities of such debt, the Partnership may not be able to refinance the outstanding principal under such debt or that the terms of such refinancing will be more onerous than those of the existing debt. If the Partnership is unable to refinance debt at maturity on terms acceptable to it or at all, it may be forced to dispose of one or more of its properties on disadvantageous terms, which may result in losses and could alter its debt-to-equity ratio. Such losses could have a material adverse effect on the Partnership's financial position or cash flows. If the Partnership is unable to meet interest or principal payments as they become due, the Partnership could also be required to renegotiate such payments or obtain additional equity, debt or other financing. The failure of the Partnership to make or renegotiate interest or principal payments or obtain additional equity, debt or other financing on favorable terms, or at all, could adversely impact the Partnership's financial condition and results of operations and may decrease the amount of cash available for distribution.

The degree to which the Partnership is leveraged could have important consequences on its operations. A high level of debt will: reduce the amount of funds available for the payment of distributions to partners and interest payments on the Debentures; limit flexibility in planning for and reacting to changes in the economy and in the industry, and increase vulnerability to general adverse economic and industry conditions; limit the Partnership's ability to borrow additional funds, dispose of assets, encumber the assets and make potential investments; place the Partnership at a competitive disadvantage compared to other owners of similar real estate assets that are less leveraged and, therefore, may be able to take advantage of opportunities that the Partnership's indebtedness would prevent it from pursuing; make it more likely that a reduction in the borrowing base following a periodic valuation (or redetermination) could require the Partnership to repay a portion of then outstanding borrowings; and impair the ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions or other purposes.

Interest rates

When entering into financing agreements or extending such agreements, the Partnership depends on its ability to agree on terms for interest payments that will not impair its desired profit, and on amortization schedules that do not restrict its ability to pay distributions to partners and interest payments on its Debentures.

As at December 31, 2024, the Partnership had no variable rate debt outstanding excluding variable rate debt for which the Partnership has interest rate swaps in place. The Partnership structures its financing to stagger the debt maturities, thereby minimizing exposure to future interest rate fluctuations, as well as enters into interest rate swaps on variable rate debt, where possible, to reduce its exposure to future interest rate fluctuations. The Partnership may enter into future financing agreements with variable interest rates. There is a risk that interest rates may increase. Such increase in interest rates could result in a significant increase in the amount the Partnership pays to service debt (increasing the interest cost of the Partnership's debt), which could limit its ability to pay distributions to partners and could have an adverse effect on the Partnership's financial condition. Increases in interest rates generally cause a decrease in demand for properties. Higher interest rates and more stringent borrowing requirements, whether mandated by law or required by lenders, could also have a significant negative effect on the Partnership's ability to sell any of its properties.

Changes in law

The Partnership is subject to applicable federal, provincial or state, municipal, local and common laws and regulations governing the ownership and leasing of real property, employment standards, environmental matters, taxes and other matters. It is possible that future changes in such laws or regulations, or changes in their application, enforcement or regulatory interpretation, could result in changes in the legal requirements affecting the Partnership (including with retroactive effect). In addition, the political conditions in the jurisdictions in which the Partnership operates are also subject to change. Any changes in investment policies or shifts in political attitudes may adversely affect the Partnership's investments. Any changes in the laws to which the Partnership is subject in the jurisdictions in which it operates could materially affect its rights and title in and to the properties and the revenues the Partnership is able to generate from its investments.

Competition

The real estate markets in Canada are highly competitive and fragmented, and the Partnership competes for real property acquisitions with individuals, corporations, institutions and other entities that may seek real property investments similar to those the Partnership desires. An increase in the availability of investment funds or an increase in interest in real property investments may increase competition for real property investments, thereby increasing purchase prices and reducing the yield on them. If competing properties of a similar type are built in the area where one of the Partnership's properties is located or if similar properties located in the vicinity of one of the Partnership's properties are substantially refurbished, the net rental income derived from and the value of such property could be reduced.

Numerous other developers, managers and owners of properties compete with the Partnership in seeking tenants. To the extent that the Partnership's competitors own properties that are in better locations, of better quality or less leveraged than the properties owned by the Partnership, they may be in a better position to attract tenants who might otherwise lease space in the Partnership's properties. To the extent that the Partnership's competitors are better capitalized or financially stronger, they would be in a better position to withstand an economic downturn. The existence of competition for tenants could have an adverse effect on the Partnership's ability to lease space in its properties and on the rents charged or concessions granted, and could materially and adversely affect the Partnership's cash flows, operating results and financial condition.

Joint arrangements

The Partnership has entered into various joint arrangements with different entities that may involve risks and uncertainties not present absent third party involvement. A joint arrangement involves certain additional risks, including:

a the possibility that such third parties may at any time have economic or business interests or goals that will be inconsistent with the Partnership's, or take actions contrary to the Partnership's instructions or requests or to the Partnership's policies or objectives with respect to its real estate investments;

b the risk that such third parties could experience financial difficulties or seek the protection of bankruptcy, insolvency or other laws, which could result in additional financial demands on the Partnership to maintain and operate such properties or repay the third parties' share of property debt guaranteed by the Partnership or for which the Partnership will be liable, and/or result in the Partnership suffering or incurring delays, expenses and other problems associated with obtaining court approval of the joint arrangement;

c the risk that such third parties may, through their activities on behalf of or in the name of the joint arrangements, expose or subject the Partnership to liability; and

d the need to obtain third parties' 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 in certain of the joint arrangements may be subject to rights of first refusal or first offer, and certain of the joint venture and partnership agreements may provide for buy-sell or similar arrangements. Such rights may be triggered at a time when the Partnership may not desire to sell but may be forced to do so because it does not have the cash to purchase the other party's interests. Such rights may also inhibit the Partnership's ability to sell an interest in a property or a joint arrangement within the time frame or otherwise on the basis the Partnership desires.

Adverse global market, economic and political conditions

Adverse Canadian and global market, economic and political conditions, including dislocations and volatility in the credit markets and general global economic uncertainty, unexpected or ongoing geopolitical events, including disputes between nations, war, terrorism or other acts of violence, and international sanctions, could have a material adverse effect on the Partnership's business, results of operations and financial condition with the potential to impact, among others: (i) the value of the Partnership's properties; (ii) the availability or the terms of financing that the Partnership has or may anticipate utilizing; (iii) the Partnership's ability to make principal and interest payments on, or refinance, any outstanding debt when due; (iv) the occupancy rates in the Partnership's properties; and (v) the ability of the Partnership's tenants to enter into new leasing transactions or to satisfy rental payments under existing leases.

The imposition of duties, tariffs and other trade restrictions (including any retaliation to such measures) could result in increased costs of supplies, slow economic growth, negatively impact the economy and could materially impact the business of the Partnership's tenants and their ability to make lease payments and renew leases in addition to increasing costs of goods and maintenance and construction costs. A trade war could also increase the likelihood and intensity of other risks discussed in this Management's Discussion and Analysis. These risks could have a material adverse effect on the Partnership's business, results of operations and financial condition.

Environmental and climate change-related risk

As an owner of real property, the Partnership is subject to various federal, provincial, and municipal laws relating to environmental matters. Such laws provide a range of potential liability, including potentially significant penalties, and potential liability for the costs of removal or remediation of certain hazardous substances. The presence of such substances, if any, could adversely affect the Partnership's ability to sell or redevelop such real estate or to borrow using such real estate as collateral and, potentially, could also result in civil claims against the Partnership. In order to obtain financing for the purchase of a new property through traditional channels, the Partnership may be requested to arrange for an environmental audit to be conducted. Although such an audit provides the Partnership and its lenders with some assurance, the Partnership may become subject to liability for undetected pollution or other environmental hazards on its properties against which the Partnership cannot insure, or against which it may elect not to insure where premium costs are disproportionate to its perception of relative risk.

Climate change continues to attract the focus of governments, investors and the general public as an important threat, given that the emission of greenhouse gases ("GHGs") and other activities continue to negatively impact the planet. The Partnership faces the risk that its properties or tenants will be subject to government initiatives aimed at countering climate change, such as a reduction of GHG emissions, which could impose constraints on the Partnership's operational flexibility or cause it 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 Partnership's reputation, operations or financial performance. Furthermore, the Partnership's properties or tenants may be exposed to the impact of events caused by climate change, such as natural disasters and increasingly frequent and severe weather conditions. Such events could interrupt the Partnership's operations and activities, damage its properties, and potentially decrease its property values or require the Partnership to incur additional expenses, including an increase in insurance costs to insure its properties against natural disasters and severe weather.

Insurance

The business carried on by the Partnership entails an inherent risk of liability. The Partnership is sometimes the subject of complaints or litigation from tenants, employees or other third parties for various actions. The damages sought against the Partnership in these litigation claims can be substantial. If one or more valid and substantiated claims were to greatly exceed the Partnership's liability insurance coverage limits or if the Partnership's insurance policies do not cover such a claim, this could have a material adverse effect on the Partnership's business, financial condition, results of operations and cash flows. Claims against the Partnership, regardless of their merit or eventual outcome, also may have a material adverse effect on the Partnership's ability to attract tenants or expand its businesses, and will require management to devote time to matters unrelated to the operation of the business.

The Partnership carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with customary policy specifications, limits and deductibles. The Partnership has insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if it is economical to do so. There can be no assurance, however, that claims in excess of the insurance coverage or claims not covered by the insurance coverage will not arise or that the liability coverage will continue to be available on acceptable terms. A successful claim against the Partnership not covered by, or in excess of, the Partnership's insurance could have a material adverse effect on its business, operating results and financial condition.

The Partnership does not carry title insurance on all of its properties. If a loss occurs resulting from a title defect with respect to a property where there is no title insurance or the loss is in excess of insured limits, the Partnership could lose all or part of its investment in, and anticipated profits and cash flows from, such property.

Cyber security risks
As the Partnership continues to increase its dependence on information technologies to conduct its operations, the risks associated with cyber security also increase. The Partnership relies on management information systems and computer control systems. Business disruptions, utility outages and information technology system and network disruptions due to cyber-attacks could seriously harm the Partnership's operations and materially adversely affect its operating results. Cyber security risks include attacks on information technology and infrastructure by hackers, damage or loss of information due to viruses, the unintended disclosure of confidential information, the misuse or loss of control over computer control systems, and breaches due to employee error. The Partnership's exposure to cyber security risks includes exposure through third parties on whose systems the Partnership places significant reliance for the conduct of its business. The Partnership has implemented security procedures and measures in order to protect its systems and information from being vulnerable to cyber-attacks. However, the Partnership may not have the resources or technical sophistication to anticipate, prevent, or recover from rapidly evolving types of cyber-attacks. Compromises to the Partnership's information and control systems could have severe financial and other business implications.

Public health risk
Public health crises, pandemics and epidemics could adversely impact the Partnership and its customers' businesses, and thereby the Partnership and its customers' ability to meet payment obligations, by disrupting supply chains and transactional activities, causing reduced traffic at the Partnership's properties, leading to mobility restrictions and other quarantine measures, precipitating increased government regulation and negatively impacting local, national or global economies. Public health crises, pandemics and epidemics may also increase the volatility in financial markets and impact debt and equity markets, which could affect the Partnership's ability to access capital. All of these factors may have a material adverse effect on the Partnership's business, results of operations and the Partnership's ability to make cash distributions to partners.

The extent to which any public health crises, disease, epidemic or pandemic impacts business activity or financial results, and the duration of any such negative impact, will depend on future developments, which are highly uncertain.

Reliance on the Asset Manager for asset management services
The Partnership relies on the Asset Manager with respect to the asset management of its investment properties. Consequently, the Partnership's ability to achieve its investment objectives depend in large part on the Asset Manager and its ability to properly advise the Partnership. This means that the Partnership's investments are dependent upon the Asset Manager's business contacts, its ability to successfully hire, train, supervise and manage its personnel and its ability to maintain its operating systems. If the Partnership were to lose the services provided by the Asset Manager or its key personnel, its investments and growth prospects may significantly decline. The Partnership may be unable to duplicate the quality and depth of management available to it by becoming a self-managed company or by hiring another asset manager.

Credit rating and credit risk in respect of the Debentures
There can be no assurance that the credit rating assigned to the Partnership and the Debentures will remain in effect for any given period of time or that the rating will not be lowered, withdrawn or revised by DBRS at any time. Real or anticipated changes in the Partnership's credit rating and the Debentures may affect the market value of the Debentures. In addition, real or anticipated changes in such credit rating can affect the Partnership's access to capital markets and the cost of financing.

Structural subordination of the Debentures

The likelihood that holders of the Debentures will receive payments owing to them under the terms of the Debentures will depend on the financial health of the Partnership and its creditworthiness. In addition, the Debentures are unsecured obligations of the Partnership and, therefore, if the Partnership becomes bankrupt, liquidates its assets, reorganizes or enters into certain other transactions, the Partnership's assets will be available to pay its obligations with respect to the Debentures only after it has paid all of its secured indebtedness in full. There may be insufficient assets of the Partnership remaining following such payments to pay amounts due on any or all of the Debentures then outstanding. Liabilities of a parent entity with assets held by various subsidiaries may result in the structural subordination of the lenders of the parent entity. The parent entity is entitled only to the residual equity of its subsidiaries after all debt obligations of its subsidiaries are discharged. Absent the guarantee arrangements referenced below, in the event of a bankruptcy, liquidation or reorganization of the Partnership, holders of indebtedness of the Partnership may become subordinate to lenders to the subsidiaries of the Partnership. The guarantors of the Debentures each provide a guarantee pursuant to which Computershare Trust Company of Canada (the "Indenture Trustee") will, subject to the trust indenture and the indentures supplemental thereto, be entitled to seek redress from each such guarantor for the guaranteed indebtedness. These guarantees are intended to eliminate structural subordination which would otherwise arise as a consequence of the Partnership's assets being held in the subsidiaries of the Partnership. There can be no assurance, however, that the Indenture Trustee will, or will be able to, effectively enforce the guarantees.

11 | OTHER DISCLOSURES

DISCLOSURE AND INTERNAL CONTROLS

The certifying officers of the General Partner of the Partnership, along with the assistance of senior management, have established and maintain appropriate information systems, procedures and controls to provide reasonable assurance that material information relating to the Partnership is made known to the certifying officers, and have designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS Accounting Standards. Due to the inherent limitations in all controls systems, a control system can provide only reasonable, not absolute assurance, that the objective of the control system is met and may not prevent or detect misstatements or instances of fraud. Management's estimates may be incorrect, or assumptions about future events may be incorrect, resulting in varying results. Additionally, controls may be circumvented by the unauthorized acts of individuals, by collusion of two or more people or by management override.

As a venture issuer, the certifying officers of the General Partner are not required to certify the design and evaluation of the disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") in respect of the Partnership and as such, have not completed such an evaluation. Security-holders should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR for the Partnership may result in additional risks to the quality, reliability, transparency and timelines of interim and annual filings and other reports provided under securities legislation.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS IN APPLYING ACCOUNTING POLICIES

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. Management bases its judgments and estimates on factors it believes to be reasonable under the circumstances, which are inherently uncertain and unpredictable, the result of which forms the basis of the carrying amounts of assets and liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the affected asset or liability in the future.

Significant accounting judgments

The following are the significant accounting judgments used in applying the Partnership's accounting policies that have the most significant effect on the amounts in the consolidated financial statements:

Investment properties

The fair value of investment properties is determined by obtaining appraisals on an annual basis for all properties in the Partnership's portfolio.

The independent appraisers are experienced, nationally recognized and qualified in the professional valuation of investment properties in their respective geographic areas.

Significant assumptions used in estimating the fair value of investment properties include capitalization rates ("cap rates"), discount rates that reflect current market uncertainties, terminal cap rates and market rents. Other significant assumptions relating to the estimates of fair value of investment properties include components of stabilized NOI. The Partnership, with assistance of its third party appraisers, examines the significant assumptions at the end of each reporting period and updates these assumptions based on recent leasing activity and external market data available at that time. If there is any change in these assumptions or in regional, national or international economic conditions, the fair value of investment properties may change materially.

The Partnership makes judgments with respect to whether lease incentives provided in connection with a lease enhance the value of the leased space, which determines whether or not such amounts are treated as tenant improvements and added to investment properties. Lease incentives such as cash, rent-free periods and lessee- or lessor-owned improvements may be provided to lessees to enter into an operating lease. Lease incentives that do not provide benefits beyond the initial lease term are included in the carrying amount of investment properties and are amortized as a reduction of rental revenue on a straight-line basis over the term of the lease.

Judgment is applied in determining whether certain costs are additions to the carrying amount of the investment property. For properties under development, the Partnership exercises judgment in determining when development activities have commenced, when and how much borrowing costs are to be capitalized to the development project, and the point of practical completion.

Business combinations

When the Partnership makes an acquisition, it may elect to apply the optional concentration test in IFRS 3, "Business Combinations", to assess whether an acquisition must be accounted for as a business combination. When substantially all of the fair value of the gross assets acquired is concentrated in a single asset (or a group of similar assets), the transaction is accounted for as an asset acquisition. The consideration paid is allocated to the identifiable assets and liabilities acquired on the basis of their relative fair value at the acquisition date. Where an acquisition does not satisfy the concentration test and the acquired set of activities meets the definition of a business, the Partnership applies the acquisition method of accounting.

Under the acquisition method of accounting the consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition date fair value of the assets transferred and liabilities assumed, and any equity interests issued by the Partnership in exchange for control of the acquiree.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their acquisition date fair value irrespective of the extent of any minority interest. The excess of the cost of acquisition over the fair value of the Partnership's share of the identifiable net assets acquired is recorded as goodwill. If the cost of acquisition is less than the fair value of the Partnership's share of the net assets acquired, the difference is recognized directly in the consolidated statement of income (loss) and comprehensive income (loss) for the period as an acquisition gain. Any transaction costs incurred with respect to the business combination are expensed in the period incurred.

Impairment

The Partnership assesses the possibility and amount of any impairment loss or write-down as it relates to equity accounted investments, accounts receivable and loans receivable.

IAS 36, "Impairment of Assets", requires management to use judgment in determining the recoverable amount of assets and equity accounted investments that are tested for impairment. Judgment is also involved in estimating the value-in-use of the equity accounted investments, including estimates of future cash flows, discount rates and terminal cap rates. The values assigned to these significant assumptions reflect past experience and are consistent with external sources of information.

IFRS 9 requires management to use judgment in determining if the Partnership's financial assets are impaired. In making this judgment, the Partnership evaluates, among other factors, the credit risk of the counterparty and whether there are indicators that credit risk on a financial instrument has changed significantly since initial recognition or the most recent reassessment of credit risk. Where the credit risk of a financial asset has increased significantly since initial recognition, the Partnership records a loss allowance equal to the lifetime expected credit losses arising from that financial asset.

IAS 28, "Investments in Associates and Joint Ventures" ("IAS 28"), requires management to use judgment in determining the recoverable amount of equity accounted investments that are tested for impairment. Judgment is also involved in estimating the value-in-use of the equity accounted investment, including estimates of future cash flows, discount rates and terminal cap rates. The values assigned to these significant assumptions reflect past experience and are consistent with external sources of information.

CHANGES IN ACCOUNTING POLICY AND FUTURE ACCOUNTING POLICY CHANGES

Amendments to IAS 1, "Presentation of Financial Statements"
The IASB issued amendments to IAS 1, "Presentation of Financial Statements" ("IAS 1"), which became effective for annual reporting periods beginning on or after January 1, 2024. The amendments clarify the requirements on determining whether a liability is current or non-current and require new disclosures for non-current liabilities that are subject to future covenants. The adoption of these amendments did not have a material impact on the Partnership's consolidated financial statements.

IFRS 18, Presentation and Disclosures in Financial Statements
In April 2024, IFRS 18, "Presentation and Disclosure in Financial Statements" was issued to achieve comparability of the financial performance of similar companies. The accounting standard, which replaces IAS 1, "Presentation of Financial Statements", impacts the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires prospective application. The Partnership is currently assessing the impact of this new accounting standard.

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures
In May 2024, amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures" were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments related to the classification of financial assets. The Partnership is in the process of assessing the impact of these new standards.

ADDITIONAL INFORMATION

Additional information relating to the Partnership is available under the Partnership's profile on SEDAR+ at www.sedarplus.com.

AUDIT COMMITTEE INFORMATION

Audit Committee

The following sets forth the disclosure required under National Instrument 52-110 – Audit Committees ("NI 52-110"). The Partnership is a "venture issuer" for the purposes of NI 52-110. The Partnership is relying upon the exemption in Section 6.1 of NI 52-110 that exempts venture issuers from the application of Parts 3 and 5 of NI 52-110.

Audit Committee Charter

The audit committee charter of the audit committee (the "Audit Committee") of the Board of Directors of the General Partner (the "Board") is attached hereto as Schedule "A" (the "Audit Committee Charter").

Composition of the Audit Committee

As at December 31, 2024, the members of the Audit Committee were Lenis Quan (Chair), Karen Hon and Nilanjan Roy. Effective January 1, 2025, Joanne Leitch has replaced Nilanjan Roy as member of the Audit Committee. All of the members of the Audit Committee, with the exception of Lenis Quan, are considered independent within the meaning ascribed thereto in NI 52-110 and all of the members of the Audit Committee are considered "financially literate" within the meaning of NI 52-110.

Relevant Education and Expertise

The following is a brief description of the education and experience of each member of the Audit Committee that is relevant to the performance of his or her responsibilities as a member of the Audit Committee:

Ms. Lenis Quan is the Chief Financial Officer of Dream Industrial Real Estate Investment Trust ("Dream Industrial REIT") and the Chief Financial Officer of the General Partner. Prior to her appointment as Chief Financial Officer of Dream Industrial REIT on January 5, 2015, Lenis Quan was the Chief Financial Officer of Gazit America. Prior to being with Gazit America, Lenis worked at Brookfield Asset Management where she served in a number of progressive executive finance positions.

Ms. Karen Hon is the Vice President and Chief Accounting Officer of Dream Industrial REIT. Prior to her role at Dream Industrial REIT, Karen Hon was the Chief Financial Officer of Sienna Senior Living Inc. Karen has also held various senior finance roles at Yamana Gold Inc. and Barrick Gold Corporation. She is a Chartered Professional Accountant and a U.S. Certified Public Accountant (Illinois).

Joanne Leitch is the Vice President, Property & Operations Accounting of Dream Industrial REIT and Dream Office REIT. Previously, Joanne held various senior roles at Manulife Financial, including AVP & Managing Director – Finance and Accounting, Real Estate, where she managed finance and accounting functions for a multi-national portfolio.

Audit Committee Oversight

Since the commencement of the Partnership's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate the external auditor that has not been adopted by the Board.

Auditors' Fees

The aggregate fees billed to the Partnership by PricewaterhouseCoopers LLP, the external auditors for the Partnership, during the year ended December 31, 2024 for professional services are presented below:

Nature of Services	Year ended December 31, 2024[5]	Year ended December 31, 2023
Audit Fees[1]	$ 354,798	$ 171,150
Audit-Related Fees[2]	43,680	—
Tax Fees[3]	362,005	—
All Other Fees[4]	—	—
Total	**$ 760,483**	**$ 171,150**

(1) "Audit Fees" are aggregate fees billed by the Partnership's external auditor in 2024 and 2023 relating to the audit and review of the Partnership's consolidated financial statements. Included in the fees billed during the year ended December 31, 2024 are fees totalling $157,923 related to the audit and review of the of the Partnership's consolidated financial statements for the year ended December 31, 2023.

(2) "Audit-Related Fees" are aggregate fees billed by the Partnership's external auditor in 2024 for assurance and related services including ESG assurance fees and operating cost statement audits related to the year ended December 31, 2023.

(3) "Tax Fees" include aggregate fees billed by the Partnership's external auditor in 2024 for tax compliance, tax planning and advisory services. Included in the fees billed during the year ended December 31, 2024 are fees totalling $344,680 for tax compliance and $nil for tax advisory related to services for the year ended December 31, 2023.

(4) "All Other Fees" include all other non-audit services.

(5) Total fees billed for services related to the year ended December 31, 2024 were $214,200, and total fees billed for services related to the year ended December 31, 2023 were $546,283.

CORPORATE GOVERNANCE INFORMATION

The governance of the Partnership is the responsibility of the Board. The Board believes that adopting and maintaining sound corporate governance practices is essential to achieve the best long-term interests of the Partnership and to contribute to effective and efficient decision-making.

The following describes the General Partner and the Partnership's approach to governance and outlines the various procedures, policies and practices that the General Partner of the Partnership has implemented.

Board of Directors of the General Partner

The Board supervises the conduct of the affairs of the Partnership directly and through its committees. The Board facilitates its exercise of independent judgement in carrying out its responsibilities by carefully examining issues and consulting with outside counsel and other advisors in appropriate circumstances. In carrying out its responsibilities, the Board requires management to provide complete and accurate information with respect to the Partnership's activities and to provide relevant information concerning the industry in which the Partnership operates in order to identify and manage risks.

The Board is currently composed of four directors. Currently, the Board has two independent members within the meaning of National Instrument 58-101 – Disclosure of Corporate Governance Practices ("NI 58-101"), being Karen Hon and Joanne Leitch, and two directors who are not independent within the meaning of NI 58-101, being Lenis Quan and Robert Hughes. Joanne Leitch has replaced Nilanjan Roy as member of the Board effective January 1, 2025.

Pursuant to NI 58-101, an independent director is one who is not an employee or executive officer of the General Partner or the Partnership and who is free from any direct or indirect relationship which could, in the view of the Board, be reasonably expected to interfere with such director's independent judgment. Directors are considered to be independent if they have no direct or indirect material relationship with the General Partner or the Partnership. A "material relationship" is a relationship which could, in the view of the Board be reasonably expected to interfere with the exercise of a director's independent judgment. The Board has determined that Lenis Quan and Robert Hughes are not independent within the meaning of NI 58-101 as they serve as officers of the General Partner.

The Board's independent directors may meet in private sessions at the conclusion of any regularly scheduled Board meetings.

Directorships

None of the directors of the General Partner currently hold directorships with other reporting issuers.

Orientation and Continuing Education

Management of the General Partner takes steps to ensure that the Board and officers of the General Partner are provided information about the Partnership and its business and are continually updated as to the latest corporate and securities laws that may affect the directors, officers and committee members as a whole. The directors are in correspondence with the Partnership's legal counsel to remain up to date with developments in relevant corporate and securities law matters.

Each new director is provided an outline of the nature of the Partnership's business, its corporate strategy and current issues.

Ethical Business Conduct

It has always been the policy of the Partnership that all its activities be conducted with the highest standards of honesty and integrity and in compliance with all legal and regulatory requirements.

As the General Partner has no management or administrative staff dedicated solely to the General Partner, the Board has not adopted a formal code of conduct, but does promote ethical business conduct through the nomination of Board members it considers ethical, through avoiding or minimizing conflicts of interest, and by having at least two of its Board members be independent. The directors and officers of the General Partner are also subject to Dream Unlimited Corp.'s ("Dream") written Code of Conduct, that has been adopted by the board of directors of Dream. A copy of the Code of Conduct of Dream is available on the website of Dream.

Nomination of Directors

The Board does not have a nominating committee, and these functions are currently performed by the Board as a whole. As a result of the General Partner and the Partnership's size and the limited number of individuals on the Board, the Board considers a nominating committee to be inappropriate at this time.

The full Board has responsibility for identifying potential new director candidates. The Board assesses potential Board candidates for required skills, expertise, independence and other factors to fill perceived needs on the Board. Prior to standing for election, new nominees to the Board are reviewed by the directors and the sole shareholder of the General Partner.

Compensation
The Board does not have a compensation committee, and these functions are currently performed by the Board as a whole.

The individuals acting in the capacity of Chief Executive Officer and the Chief Financial Officer of the General Partner are employed by an affiliate of the Asset Manager. As the executive officers of the General Partner are employed by such affiliate, the Partnership is only obligated to pay a fixed amount to the Asset Manager pursuant to the asset management agreement dated February 17, 2023. Any variability in cash compensation paid by the Asset Manager to those executive officers of the General Partner who are also employed by the Asset Manager will not impact the Partnership's financial obligations.

Given the Partnership's current status, the directors of the General Partner do not receive any compensation or remuneration from the General Partner at this time.

Other Board Committees
The General Partner does not have any board committees other than the Audit Committee.

Assessments
The Board encourages discussion among the directors or the committee members, as the case may be, as to their evaluation of their own effectiveness over the course of the year. All directors and/or committee members are free to make suggestions for improvement of the practices of the Board and/or the Audit Committee at any time and are encouraged to do so. Further, the Board periodically monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and its committees.

Appendix A | **AUDIT COMMITTEE CHARTER**

DREAM SUMMIT INDUSTRIAL GP INC.
(the "Corporation")
AUDIT COMMITTEE CHARTER
(the "Charter")

PURPOSE

The Audit Committee (the "**Committee**") is a standing committee appointed by the board of directors of the Corporation (the "**Board**"). The Corporation is the general partner of Dream Summit Industrial LP (the "**Partnership**"). The Committee is established to fulfill applicable securities law obligations respecting audit committees and to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting, including to:

- oversee the integrity of the Partnership's financial statements and financial reporting process, including the audit process and the Partnership's internal accounting controls and procedures and compliance with related legal and regulatory requirements;
- oversee the qualifications and independence of the external auditors;
- oversee the work of the Partnership's financial management, internal controls function and external auditors in these areas; and
- provide an open avenue of communication between the external auditors, the internal controls function, the Board, the asset manager of the Partnership and management.

The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members (a) to plan or conduct audits, (b) to determine that the Partnership's financial statements are complete and accurate and are in accordance with International Financial Reporting Standards, or (c) to conduct other types of auditing or accounting reviews or similar procedures or investigations. The members of the Committee, including its chair, are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Partnership, and are specifically not accountable or responsible for the day to day operation or performance of such activities. In particular, the members of the Committee shall not be accountable for giving professional opinions on the internal or external audit of the Partnership's financial information.

Management is responsible for the preparation, presentation and integrity of the Partnership's financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. The external auditors are responsible for planning and carrying out an audit of the Partnership's annual financial statements in accordance with generally accepted auditing standards to provide reasonable assurance that, among other things, such financial statements are in accordance with International Financial Reporting Standards.

Procedures, Powers And Duties

The Committee shall have the following procedures, powers and duties:

General

(a) *Composition* - The Committee shall consist of at least three members, a majority of whom shall not be executive officers, employees or control persons of the Corporation, the Partnership or of an affiliate of the Corporation and the Partnership, and a majority of whom shall be resident Canadians. All members of the Committee must be or, within a reasonable period following appointment, become financially literate, meaning that each has 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 Partnership's financial statements.

(b) *Separate Executive Meetings* - The Committee shall meet periodically with the chief financial officer (if such chief financial officer is not a member of the Committee), the head of the internal controls function (if other than the chief financial officer) and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these groups believes should be discussed privately and such persons shall have access to the Committee to bring forward matters requiring its attention.

(c) *Professional Assistance* - The Committee may require the external auditors and the internal controls function to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain such special legal, accounting, financial or other consultants as the Committee may determine to be necessary to carry out the Committee's duties, at the Partnership's expense.

(d) *Reliance* - Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from which it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by management and the external auditors as to any information technology, internal audit, internal controls and other non-audit services provided by the external auditors to the Partnership and its subsidiaries.

(e) *Reporting to the Board* - The Committee will report through the chair of the Committee to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

(f) *Procedure* - The Committee meetings shall be conducted as follows: (i) questions arising at any meeting shall be decided by a majority of the votes cast; (ii) decisions may be taken by written consent signed by all members of the Committee; and (iii) meetings may be called by the external auditors of the Partnership or any member of the Committee upon not less than 48 hours notice, unless such notice requirement is waived by the Committee members. The Committee shall meet at least quarterly and more frequently as circumstances require to permit timely review of the quarterly and annual financial statements and reports of the Partnership. A majority of the members of the Committee shall constitute a quorum. The external auditors of the Partnership are entitled to receive notice of every meeting of the Committee and, at the expense of the Partnership, to attend and be heard thereat and, if so requested by a member of the Committee, shall attend any meeting of the Committee held during the term of office of the external auditors.

(g) *Access* - The Committee shall have unrestricted access to management and Partnership information.

Appointment and Replacement of Committee Members

1. Any member of the Committee may be removed or replaced at any time by the Board and shall automatically cease to be a member of the Committee upon ceasing to be a director. The Board shall fill any vacancy if the membership of the Committee is less than three directors. Whenever there is a vacancy on the Committee, the remaining members may exercise its powers as long as a quorum remains in office. Subject to the foregoing, the members of the Committee shall be appointed by the Board annually and each member of the Committee shall remain on the Committee until his or her successor shall be duly appointed and qualified or his or her earlier resignation or removal.

Committee Chair

2. Unless a chair of the Committee is designated by the full Board, the members of the Committee may designate a chair of the Committee by majority vote of the full Committee. The chair of the Committee shall be responsible for leadership of the Committee and reporting to the Board. If the chair of the Committee is not present at any meeting of the Committee, one of the other members of the Committee who is present shall be chosen by the Committee to preside at the meeting. The Committee will report through the chair of the Committee to the Board following meetings of the Committee on matters considered by the Committee, its activities and compliance with this Charter.

Conflicts of Interest

3. If a Committee member faces a potential or actual conflict of interest relating to a matter before the Committee, other than matters relating to the compensation of directors, that member shall be responsible for alerting the chair of the Committee. If the chair of the Committee faces a potential or actual conflict of interest, the chair of the Committee shall advise the chair of the Board. If the chair of the Committee, or the chair of the Board, as the case may be, concurs that a potential or actual conflict of interest exists, the member faced with such conflict shall disclose to the Committee the member's interest and shall not vote on the matter.

<u>Audit Responsibilities Of The Committee</u>

Selection and Oversight of the External Auditors

4. The external auditors are ultimately accountable to the Committee and the Board and shall report to the Committee and the Committee shall so instruct the external auditors. The Committee shall evaluate the performance of the external auditors and make recommendations to the Board on the reappointment or appointment of the external auditors of the Partnership and the compensation to be paid by the Partnership to the external auditors. If a change in external auditors is proposed, the Committee shall review the reasons for the change and any other significant issues related to the change, including the response of the incumbent auditors, and enquire on the qualifications of the proposed auditors before making its recommendation to the Board.

5. The Committee shall approve in advance the terms of engagement of the external auditors with respect to the conduct of the annual audit. The Committee may approve policies and procedures for the pre- approval of services to be rendered by the external auditors, including de minimis exceptions, which policies and procedures shall include reasonable detail with respect to the services covered. All non- audit services to be provided to the Corporation, the Partnership or any of its subsidiaries by the external auditors or any of their affiliates which are not covered by pre-approval policies and procedures approved by the Committee shall be subject to pre-approval by the Committee. The Committee will review disclosure respecting fees paid to the external auditors for audit and non-audit services. Any services under pre-approval will be reported at the following meeting.

6. The Committee shall review the independence of the external auditors and shall make recommendations to the Board on appropriate actions to be taken which the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee shall:

   (a) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;
   (b) require that the external auditors submit to it on a periodic basis, and at least annually, a formal written statement delineating all relationships between the Corporation and the Partnership and its subsidiaries, on the one hand, and the external auditors and their affiliates on the other hand;
   (c) consider the auditor independence standards promulgated by applicable auditing regulatory and professional bodies; and
   (d) ensure periodic rotation of the lead audit partner.

7. The Committee shall establish and monitor clear policies for the hiring by the Corporation of employees or former employees of the external auditors.

8. The Committee shall require the external auditors to provide to the Committee, and the Committee shall review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee or the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require.

9. The Committee is responsible for resolving disagreements between management and the external auditors or the internal controls function regarding financial reporting and the application of any accounting principles or practices. The Committee shall discuss with the external auditors any difficulties that arose with management or the internal controls function during the course of the audit and the adequacy of management's responses in correcting audit-related deficiencies.

Appointment and Oversight of Internal Controls Function

10. The appointment, terms of engagement, compensation, replacement or dismissal of the internal controls function shall be subject to prior review and approval by the Committee. When the internal controls function is performed by employees of the Corporation, the Committee may delegate responsibility for approving the employment, term of employment, compensation and termination of employees engaged in such function other than the head of the Corporation's or the Partnership's internal controls function.

11. The Committee shall, as it deems necessary, obtain from the internal controls function and shall review summaries of the significant reports to management prepared by the internal controls function, or the actual reports if requested by the Committee, and management's responses to such reports.

12. The Committee shall, as it deems necessary, communicate with the internal controls function with respect to their reports and recommendations, the extent to which prior recommendations have been implemented and any other matters that the internal controls function brings to the attention of the Committee. The head of the internal controls function shall have unrestricted access to the Committee.

13. The Committee shall, annually or more frequently as it deems necessary, evaluate the internal controls function including their activities, organizational structure and qualifications and effectiveness.

Oversight and Monitoring of Audits

14. The Committee shall review with the external auditors, the internal controls function and management, the audit function generally, the objectives, staffing, locations, co-ordination, reliance upon management and the internal controls function and general audit approach and scope of proposed audits of the financial statements of the Partnership and its subsidiaries, the overall audit plans, the responsibilities of management, the internal controls function and the external auditors, the audit procedures to be used and the timing and estimated budgets of the audits.

15. The Committee shall take such other reasonable steps as it may deem necessary to satisfy itself that the audit was conducted in a manner consistent with all applicable legal requirements and auditing standards of applicable professional or regulatory bodies.

Oversight and Review of Accounting Principles and Practices

16. The Committee shall, as it deems necessary, oversee, review and discuss with management, the external auditors and the internal controls function:

    (a) the quality, appropriateness and acceptability of the Partnership's accounting principles and practices used in its financial reporting, changes in the Partnership's accounting principles or practices and the application of particular accounting principles and disclosure practices by management to new transactions or events;
    (b) all significant financial reporting issues and judgements made in connection with the financial statements, including the effect of any alternative treatment within International Financial Reporting Standards;
    (c) any material change to the Partnership's auditing and accounting principles and practices as recommended by management, the external auditors or the internal controls function or which may result from proposed changes to applicable International Financial Reporting Standards;
    (d) the effect of regulatory or accounting limitations on the Partnership's financial reporting;
    (e) any reserves, accruals, provisions, estimates or Partnership programs and policies, including factors that affect asset and liability carrying values and the timing of revenue and expense recognition, that may have a material effect upon the financial statements of the Partnership;
    (f) any legal matter, claim or contingency that could have a significant impact on the financial statements and any material reports, inquiries or correspondence from regulators or governmental

authorities regarding compliance with applicable requirements and any analysis respecting disclosure with regard to any such legal matter, claim or contingency in the financial statements;

(g) the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Partnership's operations;

(h) the use of any "pro-forma" or "adjusted" information not in accordance with International Financial Reporting Standards; and

(i) management's determination of goodwill impairment, if any, as required by applicable accounting standards.

Oversight and Monitoring of Internal Controls

17. The Committee shall, as it deems necessary, exercise oversight of, review and discuss with management, the external auditors and the internal controls function:

    (a) the adequacy and effectiveness of the Partnership's internal accounting and financial controls and the recommendations of management, the external auditors and the internal controls function for the improvement of accounting practices and internal controls;

    (b) any material weaknesses in the internal control environment, including with respect to computerized information system controls and security; and

    (c) management's compliance with the Partnership's processes, procedures and internal controls.

18. The Committee may meet periodically with the internal controls function to discuss the progress of their activities and whether management has designed and implemented an effective system of internal controls over financial reporting.

19. The Committee shall review with management the results of internal controls by the external auditors.

Communications with Others

20. The Committee shall establish and monitor procedures for the receipt and treatment of complaints received by the Corporation or the Partnership regarding accounting, internal accounting controls or audit matters and to confidentially address the anonymous submission by employees of concerns regarding questionable accounting or auditing matters and review periodically with management and the internal controls function these procedures and any significant complaints received.

Oversight and Monitoring of the Partnership's Financial Disclosures

21. The Committee shall:

    (a) review with the external auditors and management and recommend to the Board for approval the audited annual financial statements and the notes and management's discussion and analysis accompanying such financial statements;

    (b) review with the external auditors and management each set of interim financial statements and the notes and management's discussion and analysis accompanying such financial statements (or any alternative disclosure permitted under applicable securities laws);

(c) review with management all annual and interim earnings and press releases before the Partnership releases such press releases to the public, if applicable; and
(d) if requested by the Board, review with the external auditors and management any financial statements included or to be included in a prospectus and any other disclosure documents or regulatory filings of the Partnership containing or accompanying financial information of the Partnership.

Such reviews shall be conducted prior to the release of any summary of the financial results or the filing of such reports with applicable regulators.

22. Prior to their distribution, the Committee shall discuss any financial information provided to analysts and ratings agencies, it being understood that such discussions may, in the discretion of the Committee, be done generally (i.e., by discussing the types of information to be disclosed and the type of presentation to be made).

23. The Committee shall review with management the assessment of the Partnership's disclosure controls and procedures and material changes in their design.

Oversight of Finance Matters

24. Appointments of the key financial executives involved in the financial reporting process of the Partnership, including the chief financial officer, shall require the prior review of the Committee.

25. The Committee shall, as it deems necessary, receive and review:

    (a) periodic reports on compliance with requirements regarding statutory deductions and remittances, the nature and extent of any non-compliance together with the reasons therefor and the management's plan and timetable to correct any deficiencies;
    (b) material policies and practices of the Partnership respecting cash management and material financing strategies or policies or proposed financing arrangements and objectives of the Partnership; and
    (c) material tax policies and tax planning initiatives, tax payments and reporting and any pending tax audits or assessments.

26. The Committee shall meet periodically with management to review and discuss the Partnership's major financial risk exposures and the policy steps management has taken to monitor and control such exposures, including the use of financial derivatives and hedging activities.

27. The Committee shall meet with management to review the process and systems in place for ensuring the reliability of public disclosure documents that contain audited and unaudited financial information and their effectiveness.

Additional Responsibilities

28. The Committee shall review any significant or material transactions outside the Partnership's ordinary activities.

29. If requested by the Board, the Committee shall review and make recommendations to the Board concerning the financial condition of the Partnership and its subsidiaries, including with respect to annual budgets, corporate borrowings, investments, capital expenditures, long term commitments and the issuance and/or repurchase of securities.

30. The Committee shall review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting.

Audit Committee Charter

31. The Committee shall review and reassess the adequacy of this Charter at least annually and otherwise as it deems appropriate and recommend changes to the Board. The performance of the Committee shall be evaluated with reference to this Charter annually.

32. The Committee shall ensure that this Charter or a summary of it which has been approved by the Committee is disclosed in accordance with all applicable securities laws or regulatory requirements.