Condensed Consolidated Interim Financial Statements
(In U.S. dollars)

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

For the three and six months ended June 30, 2018 and 2017

(Unaudited)

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Condensed Consolidated Interim Statements of Financial Position
(In thousands of U.S. dollars)
(Unaudited)

	June 30, 2018	December 31, 2017
Assets		
Non-current assets:		
Investment properties (note 4)	$ 1,046,966	$ 1,009,582
Other non-current assets	663	138
	1,047,629	1,009,720
Current assets:		
Amounts receivable (note 5)	2,016	1,816
Prepaid expenses	470	1,106
Restricted cash	920	664
Cash and cash equivalents	7,439	6,637
	10,845	10,223
Total assets	$ 1,058,474	$ 1,019,943
Liabilities and Unitholders' Equity		
Non-current liabilities:		
Mortgages payable (note 8)	284,446	314,616
Bank Indebtedness (note 8)	106,218	76,892
Class B Units (note 9)	50,168	45,942
Security deposits	1,497	1,501
	442,329	438,951
Current liabilities:		
Mortgages payable (note 8)	62,177	33,864
Amounts payable and accrued liabilities (note 6)	20,977	17,631
Distributions payable (note 10)	2,820	2,820
	85,974	54,315
Total liabilities	528,304	493,266
Total unitholders' equity	530,171	526,677
Commitments and contingencies (note 16)		
Subsequent events (note 21)		
Total liabilities and unitholders' equity	$ 1,058,474	$ 1,019,943

See accompanying notes to condensed consolidated interim financial statements.

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Condensed Consolidated Interim Statements of Net Income and Comprehensive Income
(In thousands of U.S. dollars)

	Three months ended June 30,		Six months ended June 30,	
(Unaudited)	2018	2017	2018	2017
Investment properties revenue (note 12)	$ 22,344	$ 19,174	$ 44,882	$ 38,668
Expenses (income):				
Investment properties operating expenses	2,224	2,148	18,995	16,627
Fair value adjustment to investment properties	(7,235)	(12,160)	(6,165)	(30,170)
Fair value adjustment to investment properties – IFRIC 21	3,529	3,107	(7,106)	(6,175)
General and administrative	2,765	1,929	4,785	4,241
Fair value adjustment to Class B Units (note 13)	3,359	1,143	4,226	7,731
Finance costs (note 13)	5,048	4,468	9,735	8,940
Net income and comprehensive income	$ 12,654	$ 18,539	$ 20,412	$ 37,474

See accompanying notes to condensed consolidated interim financial statements.

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Condensed Consolidated Interim Statements of Changes in Unitholders' Equity
(In thousands of U.S. dollars, except REIT Units)

(Unaudited)	REIT Units	Trust Equity	Distributions	Accumulated Income	Unitholders' Equity
Balance, December 31, 2016 (note 10)	34,652,426	$ 346,990	$ (51,370)	$ 85,422	$ 381,042
DTUs redeemed for REIT Units	31,374	417			417
REIT Units issued due to exercise of stock options	15,584	210			210
Net income and comprehensive income	-	-	-	37,474	37,474
Distributions declared (note 10)	-	-	(13,167)	-	(13,167)
Balance, June 30, 2017	34,699,384	$ 347,617	$ (64,537)	$ 122,896	$ 405,976
Balance, December 31, 2017 (note 10)	44,545,772	$ 470,204	$ (81,455)	$ 137,928	$ 526,677
Net income and comprehensive income	-	-	-	20,412	20,412
Distributions declared (note 10)	-	-	(16,918)	-	(16,918)
Balance, June 30, 2018 (note 10)	44,545,772	$ 470,204	$ (98,373)	$ 158,340	$ 530,171

See accompanying notes to condensed consolidated interim financial statements.

WPT INDUSTRIAL REAL ESTATE INVESTMENT TRUST

Condensed Consolidated Interim Statements of Cash Flows
(In thousands of U.S. dollars)

(Unaudited)	Six months ended June 30, 2018	2017
Cash flows from operating activities:		
Net income	$ 20,412	$ 37,474
Finance costs (note 13)	13,961	16,671
Non-cash items:		
Amortization of straight-line rent	(480)	(542)
Property tax liability under IFRIC 21	7,106	6,175
Fair value adjustment to investment properties – IFRIC 21	(7,106)	(6,175)
Fair value adjustment to investment properties	(6,165)	(30,170)
Deferred compensation expense	1,156	1,247
Fair value adjustment on deferred compensation	1,451	1,127
Amortization of lease incentives	771	547
Change in non-cash working capital (note 20)	1,193	891
Cash flows provided by operating activities	32,299	27,245
Cash flows from financing activities:		
Repayment of mortgages payable	(1,767)	(1,217)
Repayment of Secured Revolving Facility	(86,000)	-
Proceeds from construction loan	-	1,766
Proceeds from Secured Revolving Facility	8,500	3,000
Proceeds from Term Loan I	75,000	-
Proceeds from Unsecured Revolving Facility	33,000	-
Financing costs incurred	(1,686)	(11)
Distributions paid	(16,918)	(13,164)
Interest paid	(9,523)	(8,897)
Cash flows provided by (used in) financing activities	606	(18,523)
Cash flows from investing activities:		
Acquisitions of investment properties	(28,868)	-
Additions to investment properties, including lease incentives	(3,235)	(6,331)
Additions to investment properties under development	-	(3,300)
Change in capital escrows	-	(2,867)
Cash flows used in investing activities	(32,103)	(12,498)
Increase (decrease) in cash and cash equivalents	802	(3,776)
Cash and cash equivalents, beginning of period	6,637	9,007
Cash and cash equivalents, end of period	$ 7,439	$ 5,231

See accompanying notes to condensed consolidated interim financial statements.

WPT Industrial Real Estate Investment Trust (the "REIT") is an unincorporated, open-ended real estate investment trust established pursuant to a Declaration of Trust dated March 4, 2013, under the laws of the Province of Ontario as amended and restated on April 26, 2013.

The REIT was formed for the purpose of acquiring, developing, and owning primarily industrial investment properties, located in the United States, with a particular focus on warehouse and distribution investment properties.

The REIT's Units are listed and publicly traded in Canada on the Toronto Stock Exchange ("TSX"), in U.S. dollars, under the symbol "WIR.U", and in the U.S. on the OTCQX marketplace under the symbol "WPTIF". The registered office of the REIT is at 199 Bay Street, Suite 4000, Toronto, Ontario.

As at June 30, 2018, the REIT owned a portfolio of investment properties comprised of 54 industrial investment properties and one office investment property, located in 15 states in the U.S.

1. Basis of presentation:

(a) Statement of compliance:

The condensed consolidated interim financial statements of the REIT have been prepared by management in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements were approved by the board of trustees of the REIT (the "Board of Trustees") on August 8, 2018.

The condensed consolidated interim financial statements do not include all information required for full annual financial statements and should be read in conjunction with the REIT's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2017 and the REIT's audited consolidated financial statements for the year ended December 31, 2017, which have been prepared in accordance with International Financial Reporting Standards ("IFRS").

(b) Basis of measurement:

The condensed consolidated interim financial statements have been prepared on a historical cost basis except for investment properties, amounts payable under deferred compensation plans, and Class B Units ("Class B Units") which have been measured at fair value. The condensed consolidated interim financial statements are presented in U.S. dollars, which is the REIT's functional currency, and all amounts have been rounded to the nearest thousands, except per unit amounts and when otherwise indicated.

(c) Basis of consolidation:

The condensed consolidated interim financial statements comprise the financial statements of the REIT and its subsidiaries including the REIT's 100% interest in WPT Industrial, Inc. and WPT Industrial, LP (the "Partnership"). Subsidiaries are entities controlled by the REIT. The financial statements of the subsidiaries are prepared for the same reporting periods as the REIT using consistent accounting policies. All intercompany balances, transactions and unrealized gains and losses arising from intercompany transactions are eliminated on consolidation.

2. Significant accounting policies:

The condensed consolidated interim financial statements follow the same accounting policies as the audited consolidated financial statements as at and for the year ended December 31, 2017 with the exception of the accounting standards implemented 2018. Please refer to note 2 of the REIT's audited consolidated financial statements for the year ended December 31, 2017 for a summary of significant accounting policies. Changes to significant accounting policies are described below.

The REIT adopted the following standards and amendments to existing standards issued by the IASB:

(i) IFRS 9, *Financial Instruments*

The REIT adopted the new requirements for classification and measurement, impairment and general hedging for IFRS 9 Financial Instruments by applying the requirements for classification and measurement, including impairment, retrospectively with no restatement of comparative periods. The REIT also applied related amendments to IFRS 7, "Financial Instruments: Disclosures" ("IFRS 7") in its condensed consolidated interim financial statements for the annual period beginning on January 1, 2018.

IFRS 9 contains a new classification and measurement approach for financial assets to be classified and measured based on the business model in which they are held and the characteristics of their contractual cash flows. IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI") and FVTPL, and eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

For impairment of financial assets, IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' model. The new impairment model will apply to financial assets measured at amortized cost or FVOCI, except for investments in equity instruments, and to contract assets.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, under IAS 39 all fair value changes of liabilities designated as FVTPL are recognized in profit or loss, whereas under IFRS 9 the amount of change in fair value attributable to changes in the credit risk of the liability is presented in OCI, and the remaining amount of change in fair value is presented in profit or loss.

The following table summarizes the REIT's classification impacts upon adoption of IFRS 9. The adoption of the new classification requirements under IFRS did not result in significant changes in measurement or the carrying amount of financial assets and financial liabilities:

Financial assets and liabilities	Classification	Measurement
Cash and cash equivalents	Loans and receivables	Amortized cost
Amounts receivable (rent and other receivables)	Loans and receivables	Amortized cost
Restricted cash	Loans and receivables	Amortized cost
Mortgages payable and construction loan	Other liabilities	Amortized cost
Class B Units	Fair value through profit and loss ("FVTPL")	Fair value
Revolving Facility	Other liabilities	Amortized cost
Security deposits	Other liabilities	Amortized cost
Amounts payables and accrued liabilities	Other liabilities	Amortized cost

IFRS 9 also includes a new general hedge accounting standard which aligns hedge accounting more closely with risk management. The REIT does not currently apply hedge accounting.

The REIT implemented this amendment in the first quarter of 2018, with no material impact on the financial statements.

(ii) IFRS 15, *Revenue from Contracts with Customers*

The REIT adopted IFRS 15 Revenue from Contracts with Customers, which replaced IAS 11 Construction Contracts, IAS 18 Revenue and IFRIC 15 Agreements for the Construction of Real Estate, in its condensed consolidated interim financial statement. The REIT adopted the standard on January 1, 2018 and applied the requirements of the standard retrospectively.

The amendment applies a single, control-based model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much, and when revenue is recognized. The amendment also includes additional disclosure requirements for revenue accounted for under the standard. The implementation of IFRS 15 did not have a significant impact on the REIT's revenue streams.

A substantial portion of the REIT's revenue consists of rental revenues from leasing arrangements, such as base rent, which is specifically excluded from the revenue guidance. Non-lease components, such as recoveries of operating expenses from tenants and common area maintenance are subject to additional disclosures in note 12.

(iii) IFRS 2, *Share-Based Payment*

The REIT adopted the amendments to IFRS 2 *Share-based Payment*, ("IFRS 2") clarifying how to account for certain types of share-based payment transactions, in its condensed consolidated interim financial statement for the period beginning on January 1, 2018 with no material impact on the financial statements.

(In thousands of U.S. dollars, except per unit amounts)

3. Asset acquisitions:

St. Paul Property

On June 20, 2018, the REIT indirectly acquired from a third party, an investment property located in St. Paul, MN (the “St. Paul Property”) for a purchase price of $8,300 (exclusive of closing and transaction costs). The purchase price was satisfied with funds from the Secured Revolving Facility (as defined in Note 8).

Rogers Property

On June 29, 2018, the REIT indirectly acquired from a third party, an investment property located in Rogers, MN (the “Rogers Property”) for a purchase price of $20,425 (exclusive of closing and transaction costs). The purchase price was satisfied with funds from the Unsecured Revolving Facility (as defined in Note 8).

The assets acquired and liabilities assumed in these transactions were allocated as follows:

	St. Paul Property	Rogers Property	Total
Investment properties[1]	$ 8,545	$ 20,664	$ 29,209
Amounts receivable	10	-	10
Amounts payable and accrued liabilities	(30)	(4)	(34)
Prepaid rent	-	(317)	(317)
Net assets acquired	$ 8,525	$ 20,343	$ 28,868
Consideration given by the REIT consists of the following:			
Cash	8,525	20,343	28,868
Total consideration	$ 8,525	$ 20,343	$ 28,868

[1] Includes total closing and transaction costs of $484 and an IFRIC 21 liability of $298 assumed on acquisition that is offset by an equal adjustment to investment property.

(In thousands of U.S. dollars, except per unit amounts)

4. Investment properties:

The reconciliation of the carrying amount of investment properties for the following periods are set out below:

	Six months ended June 30, 2018	Year ended December 31, 2017
Balance, beginning of period	$ 1,009,582	$ 800,142
Investment property acquisitions	29,209	179,756
Investment property disposition	-	(14,469)
Additions to investment properties, including lease incentives	2,301	10,607
Amortization of straight-line rent	480	1,291
Amortization of lease incentives	(771)	(1,207)
Fair value adjustment to investment properties	6,165	21,762
Transfer from investment properties under development (1)	-	11,700
	$ 1,046,966	$ 1,009,582
Property tax liability under IFRIC 21	7,106	(479)
Fair value adjustment to investment properties – IFRIC 21	(7,106)	479
	$ 1,046,966	$ 1,009,582

(1) During the year ended December 31, 2017, the REIT completed the Indianapolis Development.

Investment properties under development activity is as follows:

	Six months ended June 30, 2018	Year ended December 31, 2017
Balance, beginning of period	$ -	$ 6,289
Additions to investment properties under development	-	3,092
Fair value adjustment to investment properties under development	-	2,319
Transfer to investment properties	-	(11,700)
	$ -	$ -

Straight-line rent includes the cumulative difference between rental revenue as recorded on a straight-line basis and rents received from the tenants in accordance with their respective lease terms.

The fair value hierarchy of investment properties measured at fair value in the consolidated statements of financial position is as follows:

	Level 1	Level 2	Level 3
Investment properties – June 30, 2018	$ -	$ -	$ 1,046,966
Investment properties and properties under development – December 31, 2017	$ -	$ -	$ 1,009,582

Investment properties include the current fair value of the land, building, improvements to the investment property, all direct leasing costs incurred in obtaining and retaining property tenants and investment properties under development. Management reviews the fair value of the investment properties regularly using independent property valuations and market conditions existing at the reporting date, which are generally accepted market practices. Judgment is also applied in determining the extent and frequency of independent third party appraisals. The REIT determines the fair value of an investment property at the end of each reporting period using a combination of the following methods: (i) an internal valuation using the discounted cash flow model, which discounts the expected future cash flows, including a terminal value, based on the application of a terminal capitalization rate to the assumed final year's estimated cash flows, and reviewing the key assumptions from previous and current appraisals and updating the value for changes in the property cash flow, physical condition and changes in market conditions, and (ii) appraisals by an independent third party, according to professional appraisal standards and IFRS.

Management obtains an independent third party appraisal for each investment property contained within the portfolio at the time of acquisition, except for those investment properties in respect of which the requirement to obtain an appraisal was waived by the Board of Trustees. Additionally, the REIT obtains independent third party appraisals for existing investment properties on a three-year rotation, such that approximately one-third of the portfolio is appraised annually.

(In thousands of U.S. dollars, except per unit amounts)

The key valuation metrics for investment properties are set out below:

	June 30, 2018	December 31, 2017
Weighted average terminal capitalization rate	6.58%	6.62%
Range of terminal capitalization rates	5.50%-9.00%	5.50%-9.00%
Weighted average discount rate	7.21%	7.08%
Range of discount rates	6.21%-9.00%	6.07%-8.95%

The fair value of investment properties is most sensitive to changes in the discount and terminal capitalization rates. Changes in the terminal capitalization rates and discount rates would result in a change to the fair value of the REIT's investment properties as set out below as at June 30, 2018:

Weighted average terminal capitalization rate:		
25-basis point increase	$	(21,803)
25-basis point decrease	$	23,576
Weighted average discount rate:		
25-basis point increase	$	(19,781)
25-basis point decrease	$	20,282

5. Amounts receivable:

Receivables are recorded at their estimated net realizable value and are periodically evaluated for collectability based on the recovery experience of the REIT and the creditworthiness of the tenants.

Amounts receivable are as follows:

	June 30, 2018		December 31, 2017	
Tenant receivables	$	1,782	$	1,716
Other receivables		234		100
	$	2,016	$	1,816

The carrying value of amounts receivable approximates fair value.

(In thousands of U.S. dollars, except per unit amounts)

6. Amounts payable and accrued liabilities:

Amounts payable and accrued liabilities consist of the following:

	June 30, 2018	December 31, 2017
Deferred compensation	$ 10,020	$ 7,347
Accrued real estate taxes	4,148	3,584
Rent received in advance	2,425	2,083
Accrued liabilities and other payables	2,367	2,529
Accrued interest	1,152	1,362
Unearned revenue	443	113
Trade payables	422	613
	$ 20,977	$ 17,631

7. Operating leases:

The REIT leases investment properties to tenants under non-cancellable operating leases. The leases have various terms, escalation clauses and renewal rights as well as early termination fees.

There were no tenants that accounted for more than 10% of the REIT's total rental revenue for the three or six months ended June 30, 2018 or 2017.

As at June 30, 2018, the total future contractual minimum base rent lease payments expected to be received under non-cancellable leases are as follows:

One year or less	$ 67,451
2 – 5 years	172,950
Greater than 5 years	67,493
	$ 307,894

(In thousands of U.S. dollars, except per unit amounts)

8. Debt:

Debt consists of the following:

	June 30, 2018	December 31, 2017
Mortgages payable	$ 346,623	$ 348,480
Bank indebtedness		
Term Loan I	74,249	-
Unsecured Revolving Facility	31,969	-
Secured Revolving Facility	-	76,892
Total debt	$ 452,841	$ 425,372

(a) Mortgages payable:

Mortgages payable consist of the following:

	June 30, 2018	December 31, 2017
Mortgages payable	$ 346,182	$ 347,949
Mark-to-market adjustments	1,345	1,608
Financing costs, net	(904)	(1,077)
Carrying value	346,623	348,480
Less current portion	(62,177)	(33,864)
Long-term portion	$ 284,446	$ 314,616

Mortgages payable that are due and payable within 12 months after the date of the consolidated statements of financial position presented, including scheduled principal payments on mortgages payable, are classified as current liabilities. Mortgages payable are collateralized by investment properties with a fair value of $738,100 and $729,250 as at June 30, 2018 and December 31, 2017, respectively. As at June 30, 2018 and December 31, 2017, mortgages payable bore interest at various rates ranging from 2.87% to 5.80%, and have a weighted average effective interest rate of 3.77%. Maturity dates range from 2018 – 2024 as at June 30, 2018. As at June 30, 2018 and December 31, 2017, all mortgages payable are at fixed interest rates. The weighted average term to maturity on mortgages payable was 3.1 years and 3.6 years as at June 30, 2018 and December 31, 2017, respectively.

(In thousands of U.S. dollars, except per unit amounts)

Future contractual cash flows of mortgages payable principal and interest are as follows as at June 30, 2018:

	Principal Payments	Interest Payments	Total Payments
2018 (remainder)	$ 32,098	$ 6,080	$ 38,178
2019	32,072	10,881	42,953
2020	87,723	8,838	96,561
2021	73,676	6,940	80,616
2022	26,426	3,950	30,376
2023 and thereafter	94,187	2,930	97,117
	$ 346,182	$ 39,619	$ 385,801

Covenant compliance requirements:

The REIT's mortgages payable contain customary representations, warranties, and events of default, which require the REIT to comply with affirmative and negative covenants. These covenants include (a) net worth thresholds, (b) senior debt service coverage ratios, (c) total indebtedness to gross book value ratios, and (d) liquid asset thresholds. As at June 30, 2018 and December 31, 2017, the REIT was in compliance with all covenants of its mortgages payable.

(b) Bank Indebtedness:

Bank indebtedness consists of the following:

	June 30, 2018	December 31, 2017
Term Loan I	$ 75,000	$ -
Unsecured Revolving Facility	33,000	-
Secured Revolving Facility	-	77,500
Financing costs, net	(1,782)	(608)
Carrying value	$ 106,218	$ 76,892

On June 26, 2018, the REIT entered into a $300,000 unsecured credit facility (the “Credit Facility”), comprised of the unsecured revolving credit facility (the “Unsecured Revolving Facility”) and an unsecured delayed draw term loan (the “Delayed Draw Term Loan”) with availability to borrow up to $175,000 and $125,000, respectively (subject to requisite unsecured collateral). The Unsecured Revolving Facility matures on June 26, 2022, with the option for two six-month extensions. The Delayed Draw Term Loan has a draw availability period of one year and a maturity date of June 26, 2023. The Credit Facility also contains an accordion feature which increases the REIT's availability to $600,000 (subject to requisite unsecured collateral and lender approval). At time of closing, the REIT drew $75,000 on the Delayed Draw Term Loan (the "Term Loan I") and $13,000 on the Unsecured Revolving Facility, using the proceeds to pay closing costs and repay the existing senior secured revolving credit facility ("Secured Revolving Facility") balance of $86,000 in full.

The Unsecured Revolving Facility and Delayed Draw Term Loan's interest rates are based on either LIBOR or base rate, plus an applicable margin based on leverage. The base rate is equal to the greater of: (a) the "prime rate" plus 1.0%, (b) 0.5% above the federal funds effective rate, or (c) 30-day LIBOR plus the applicable margin. As at June 30, 2018 the interest rates on the Unsecured Revolving Facility and the Delayed Draw Term Loan were 3.50% and 3.45%, respectively. The Interest rate on the Secured Revolving Facility as at December 31, 2017 was 3.14%. The Credit Facility is subject to certain guarantees by the REIT and its related subsidiaries.

Financing costs related to the Credit Facility of $1,786 are being amortized using the effective interest rate method over the respective terms ending on June 26, 2022 and June 26, 2023.

Availability on the Credit Facility was $183,819 as at June 30, 2018, of which the REIT had drawn $108,000, leaving remaining availability of $75,819.

9. Class B Units:

Class B Units are valued at the REIT Units' closing price per the TSX as at June 30, 2018 and December 31, 2017, which was $13.89 and $12.72, respectively.

(In thousands of U.S. dollars, except per unit amounts)

The following table shows the change in the carrying value and number of Class B Units outstanding for the periods presented:

	Units	Value
As at December 31, 2016	6,722,695	$ 79,798
Redemption of Class B Units for REIT Units, July 17, 2017	(3,110,888)	(39,975)
Fair value adjustment to Class B Units	-	6,119
As at December 31, 2017	3,611,807	$ 45,942
Fair value adjustment to Class B Units	-	4,226
As at June 30, 2018	3,611,807	$ 50,168

Included in finance costs for the three and six months ended June 30, 2018 are $686 and $1,372, respectively, of distributions declared on Class B Units. Included in finance costs for the three and six months ended June 30, 2017 are $1,277 and $2,554, respectively, of distributions declared on Class B Units. Total distributions payable on Class B Units as at June 30, 2018 and December 31, 2017 were $229.

10. Unitholders' equity:

The REIT's Declaration of Trust authorizes the issuances of an unlimited number of REIT units ("REIT Unit"). REIT Units are ordinary units of the REIT, each of which represents a unitholders' proportionate undivided beneficial interest and voting rights in the REIT.

On July 17, 2017, Welsh Property Trust, LLC ("Welsh") redeemed 3,110,888 Class B Units in exchange for ownership and control over 3,110,888 REIT Units.

On July 18, 2017, the REIT issued 6,735,500 REIT Units (including REIT Units issued pursuant to the exercise in full of the over-allotment option granted by the REIT to the underwriters of the offering) at a price of $12.85 per REIT Unit to a syndicate of underwriters on a bought deal basis for net cash proceeds to the REIT of approximately $82,612 (the "July 2017 Offering") (inclusive of underwriters' fees and issuance costs of $3,940).

(In thousands of U.S. dollars, except per unit amounts)

The following table shows the change in value and number of REIT Units outstanding for the periods presented:

	Units	Value
As at December 31, 2016	34,652,426	$ 346,990
DTUs redeemed for REIT Units	31,374	417
REIT Units issued due to exercise of stock options	15,584	210
Redemption of Class B Units for REIT Units, July 17, 2017	3,110,888	39,975
REIT Units issued on completion of the July 2017 Offering, (including REIT Units issued through underwriters' over-allotment, and net of issue costs)	6,735,500	82,612
As at June 30, 2018 and December 31, 2017	44,545,772	$ 470,204

(a) Distributions:

The REIT declared distributions to unitholders of record in the amount of $8,459 ($0.19 per Unit) and $16,918 ($0.38 per Unit) for the three and six months ended June 30, 2018, respectively. The REIT declared distributions to unitholders of record in the amount of $6,586 ($0.19 per Unit) and $13,167 ($0.38 per Unit) for the three and six months ended June 30, 2017, respectively. Total distributions payable as at June 30, 2018 and December 31, 2017 were $2,820.

(b) Deferred Unit Incentive Plan ("DUIP"):

On April 26, 2013, the REIT authorized a DUIP, as amended and restated on May 13, 2016, that provides for the granting of Deferred Trust Units ("DTUs") to trustees, officers, employees of the external manager, consultants and service providers, as well as employees of such service providers. DTUs are defined as notional units with a fair value based on the REIT Units' closing price per the TSX. The maximum number of REIT Units reserved for issuance under the DUIP is 5% of the total number of REIT Units issued and outstanding from time to time. Vested DTUs may be redeemed in whole or in part for units of the REIT issued from treasury or cash. All DTUs granted to officers and employees vest as to one-fifth on the first anniversary of the grant date, and one-fifth on each of the four following anniversaries. Whenever cash distributions are paid to REIT unitholders, additional DTUs are credited to the participant's outstanding DTU balance based on the 5-day volume-weighted average price on the grant date. These additional units vest on the same schedule as their corresponding DTUs.

(In thousands of U.S. dollars, except per unit amounts)

Officer and Employee Grants

All DTUs granted to officers and employees of the external manager vest as to one-fifth on the first anniversary of the grant date, and one-fifth on each of the four following anniversaries. A summary of DTUs granted to officers of the REIT and employees of the external manager of the REIT under the DUIP is set forth below:

	DTUs Granted
Total as at December 31, 2016	401,709
March 24, 2017 grant	140,214
August 18, 2017 grant	19,443
DTUs granted through distributions	30,078
DTUs redeemed for cash	(7,350)
DTUs redeemed for REIT Units	(7,256)
Total as at December 31, 2017	576,838
DTUs granted through distributions	16,708
Total as at June 30, 2018	593,546

Additional DTUs of $2,125 had been earned and recorded as a deferred compensation liability as at June 30, 2018, but are not yet granted.

The total fair value of DTUs inclusive of vested and unvested DTUs, as at June 30, 2018 and December 31, 2017 was $8,244 and $7,353, respectively. As at June 30, 2018 and December 31, 2017, a total of 282,878 and 158,283 DTUs granted to officers and employees of the external manager had vested, respectively.

Trustee and Other Grants

All members of the Board of Trustees have elected to receive their annual retainers and meetings fees for the current fiscal year and since inception in the form of DTUs. Annually, the REIT matches 50% of all annual trustee compensation received in DTUs, which vest as to one-third on the first anniversary date of the grant and one-third on each of the second and third anniversaries. Distributions on DTUs accrue to the holder in additional DTUs on each distribution date.

(In thousands of U.S. dollars, except per unit amounts)

A summary of DTUs granted to trustees under the DUIP is set forth below:

	DTUs Granted
Total as at December 31, 2016	129,551
DTUs granted for services rendered in 2016	8,015
DTUs granted for services rendered in 2017	28,757
DTUs granted through distributions and 50% match	26,552
DTUs redeemed for cash	(10,218)
DTUs redeemed for REIT Units	(24,118)
Total as at December 31, 2017	158,539
DTUs granted through distributions	4,592
Total as at June 30, 2018	163,131

Additional DTUs of $253 had been earned and recorded as a deferred compensation liability as at June 30, 2018, but are not yet granted.

The total fair value of DTUs granted to trustees, inclusive of vested and unvested DTUs, as at June 30, 2018 and December 31, 2017 was $2,266 and $2,021, respectively. As at June 30, 2018 and December 31, 2017, a total of 159,343 and 130,711 DTUs granted to trustees had vested, respectively.

The movement in the DUIP balance was as follows:

As at December 31, 2016	$	4,151
Deferred compensation expense		2,516
Fair value adjustment		537
DTUs redeemed for cash and REIT Units		(653)
Total as at December 31, 2017		6,551
Deferred compensation expense		1,156
Fair value adjustment		1,024
Total as at June 30, 2018		8,731

Total compensation expense recognized for the three and six months ended June 30, 2018 and was $1,382 and $2,180, respectively. Total compensation expense recognized for the three and six months ended June 30, 2017 was $870 and $1,815, respectively. These amounts include adjustments based on the fair value of the REIT Units and are reported within general and administrative expenses as at June 30, 2018 and 2017.

(In thousands of U.S. dollars, except per unit amounts)

(c) Unit option plan:

On April 26, 2013, the REIT authorized the Plan, as amended and restated on May 13, 2016, under the terms of which options to purchase REIT Units may from time to time, be granted to trustees, officers, employees of the external manager and consultants, exercisable for a maximum period of 10 years from the date of grant. The maximum number of REIT Units reserved for issuance under the Plan is 5% of the total number of REIT Units issued and outstanding from time to time. These options vest as to one-third on the first anniversary of the grant date, and one-third on each of the second and third anniversaries.

A summary of options granted under the Plan is set forth below:

	Number of options	Weighted average exercise price
Outstanding, December 31, 2016	530,000	$ 10.02
Exercised in 2017	(110,000)	9.99
Outstanding and Exercisable, June 30, 2018 and December 31, 2017	420,000	$ 10.02

The total fair value of options granted as at June 30, 2018 and December 31, 2017 and as at the grant date was $1,223, $796 and $327, respectively. The aggregate intrinsic value of exercisable options as at June 30, 2018 and December 31, 2017 was $1,628 and $1,144, respectively. The weighted average remaining contractual life for outstanding options and for exercisable options as at June 30, 2018 was 5.3 years.

(In thousands of U.S. dollars, except per unit amounts)

The movement in the liability balance related to the Plan was as follows:

As at December 31, 2016	$	633
Deferred compensation expense		2
Fair value adjustment		545
Stock options exercised for REIT Units		(384)
Total as at December 31, 2017	$	796
Fair value adjustment		427
Total as at June 30, 2018	$	1,223

Total compensation expense recognized for the three and six months ended June 30, 2018 and was $320 and $427, respectively. Total compensation expense recognized for the three and six months ended June 30, 2017 was $216 and $559, respectively. These amounts include adjustments based on the fair value of the options and are reported within general and administrative expenses as at June 30, 2018 and 2017.

As at June 30, 2018, fair value adjustments were determined using the Black-Scholes option pricing model with the following assumptions:

Average expected option term	2.8 years
Risk-free interest rate	2.63%
Expected volatility	15.58%
Dividend yield	5.5%

(In thousands of U.S. dollars, except per unit amounts)

11. Related party transactions:

Related party transactions with Welsh and WPT Capital Advisors, LLC ("WPT Capital"), the asset and property manager, are set forth below:

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Fees earned under asset management agreement (1)				
Acquisition fees	$ 287	$ -	$ 287	$ -
Asset management fees	591	485	1,179	964
Construction management fees	59	142	80	293
Out-of-pocket fees	70	61	148	146
Fees earned under property management agreement (2)	573	484	1,147	994
Other				
Class B Unit distributions paid to Welsh (3)	448	1,277	1,134	2,554
REIT Unit distributions paid to Welsh (3)	-	1	-	1

(1) On April 26, 2013, the REIT entered into an asset management agreement with Welsh, under which Welsh provided certain asset management services to the REIT and its subsidiaries. On January 20, 2016, WPT Capital, under the first amendment to the asset management agreement, agreed to perform all of the duties and obligations as the asset manager of the REIT. On May 10, 2017, the independent trustees of the REIT approved a renewal of the REIT's asset management agreement with WPT Capital for an additional five-year term. Subsequent to quarter end, on July 31, 2018, the REIT internalized the asset management agreement, see Note 21 for additional disclosures.

The asset management agreement provides for the following fees:

- Asset management fees at 0.25% of gross book value, as defined in the asset management agreement. On January 20, 2016, the asset management agreement was amended to waive asset management fees in connection with any investments by the REIT in (i) any private investment funds managed and/or controlled by WPT Capital (each a "Fund") and (ii) any investment properties owned by the REIT or one or more of its affiliates as a co-investment with any Fund; excluding any investment property in which such Fund, directly or indirectly, holds less than 50% of the aggregate ownership interests ("Fund Co-Investment Properties"), for such time as such investment properties are

Fund-Co-Investment Properties. Asset management fees are reported within general and administrative expenses. Asset management fees payable as at June 30, 2018 and December 31, 2017 were $1 and $33, respectively.

- Acquisition fee. An acquisition fee equal to: (i) 1.0% of the purchase price paid for the first $100,000 of investment properties acquired by the REIT or any of its affiliates in each fiscal year; (ii) 0.75% of the purchase price paid for the next $100,000 of investment properties acquired by the REIT or any of its affiliates in each fiscal year; and (iii) 0.50% of the purchase price paid in excess of $200,000 for investment properties acquired by the REIT or any of its affiliates in each fiscal year. On January 20, 2016, the asset management agreement was amended to waive acquisition fees in connection with any investment properties acquired by the REIT from any Fund, and any Fund Co-Investment Properties. There were no acquisition fees payable as at June 30, 2018 and December 31, 2017.

- Construction management fee. With respect to any capital project with costs in excess of $100 undertaken by the REIT or any of its affiliates, a construction management fee equal to 5.0% of aggregate tenant improvements, capital expenditures and construction costs incurred in respect of such capital project. Construction management fees payable as at June 30, 2018 and December 31, 2017 were $10 and $0, respectively.

(2) On April 26, 2013, the Partnership and the REIT entered into a property management agreement with Welsh. Under the property management agreement, Welsh was the property manager of the investment properties owned by the REIT and administered the day-to-day operations of the REIT's portfolio of investment properties. On January 20, 2016, WPT Capital, under an assignment agreement, became responsible for providing property and facility management services in respect of the REIT’s investment properties pursuant to the property management agreement. On May 10, 2017, the independent trustees of the REIT approved a renewal of the REIT’s property management agreement with WPT Capital for an additional five-year term. Subsequent to quarter end, on July 31, 2018, the REIT internalized the property management agreement, see Note 21 for additional disclosures.

Property management fees are described below for all investment properties owned by the REIT.

- 2% of the gross property revenue for all single-tenant industrial investment properties;

(In thousands of U.S. dollars, except per unit amounts)

- 3% of the gross property revenue for all multi-tenant industrial investment properties; and
- 4% of the gross property revenue for all office investment properties.

There were no property management fees payable as at June 30, 2018 and December 31, 2017.

(3) On July 17, 2017, Welsh redeemed 3,110,888 Class B Units in exchange for ownership and control over 3,110,888 REIT Units. On April 6, 2018 Welsh distributed 1,250,135 Class B Units to certain direct investors.

Distributions payable to Welsh on Class B Units as at June 30, 2018 and December 31, 2017 were $149 and $229, respectively.

Out-of-pocket costs and expenses
The REIT reimburses the asset manager for all reasonable actual out-of-pocket costs and expenses incurred in connection with the performance of the services described in the asset management agreement or such other services that the REIT and WPT Capital agree in writing are to be provided from time to time by the asset manager. As at June 30, 2018 and December 31, 2017, the net payable due was $52 and $56, respectively, related to these reimbursements.

12. Revenues:

The REIT enters into long-term lease contracts with tenants for space in its properties. Leases generally provide for the tenant to pay the REIT base rent, with provisions for contractual increases in base rent over the term of the lease, plus operating costs, property tax and insurance recoveries. Revenues earned are recorded as follows:

	Three months ended June 30,		Six months ended June 30,	
	2018	2017	2018	2017
Base rent	$ 16,966	$ 14,636	$ 33,920	$ 29,186
Recovery of property taxes and insurance	3,470	2,943	7,053	5,981
Recovery of property operating expenses	1,908	1,595	3,909	3,501
	$ 22,344	$ 19,174	$ 44,882	$ 38,668

(In thousands of U.S. dollars, except per unit amounts)

13. Finance costs:

Finance costs incurred and charged to net income and comprehensive income are recorded as follows:

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Interest on mortgages payable	$ 3,255	$ 3,005	$ 6,528	$ 6,024
Interest on bank indebtedness	756	164	1,412	317
Amortization of financing costs	482	151	685	303
Amortization of mark-to-market adjustments on fixed interest rate mortgages payable	(131)	(129)	(262)	(258)
Distributions on Class B Units	686	1,277	1,372	2,554
	$ 5,048	$ 4,468	$ 9,735	$ 8,940
Fair value adjustment to Class B Units	3,359	1,143	4,226	7,731
	$ 8,407	$ 5,611	$ 13,961	$ 16,671

(In thousands of U.S. dollars, except per unit amounts)

14. Reconciliation of liabilities arising from financing activities:

The table below is a reconciliation of the liabilities arising from financing activities:

	Mortgages Payable	Construction Loan	Secured Revolving Facility	Term Loan I	Unsecured Revolving Facility	Total
As at December 31, 2016	$ 317,983	$ -	$ 19,286	$ -	$ -	$ 337,269
Proceeds from financing	33,600	4,165	115,500	-	-	153,265
Repayments	-	(4,165)	(58,000)	-	-	(62,165)
Scheduled principal payments	(2,462)	-	-	-	-	(2,462)
Financing costs paid	(425)	-	(263)	-	-	(688)
Other adjustments, non-cash[1]	(216)	-	369	-	-	153
As at December 31, 2017	$ 348,480	$ -	$ 76,892	$ -	$ -	$ 425,372
Scheduled principal payments	(1,767)	-		-	-	(1,767)
Proceeds from financing	-	-	8,500	75,000	33,000	116,500
Repayments	-	-	(86,000)	-	-	(86,000)
Financing costs paid	-	-	(13)	(706)	(967)	(1,686)
Other adjustments, non-cash[1 2]	(90)	-	508	2	2	422
Transferred financing costs[3]	-	-	113	(47)	(66)	-
As at June 30, 2018	$ 346,623	$ -	$ -	$ 74,249	$ 31,969	$ 452,841

(1) Represents other adjustments including amortization of financing costs and mark-to-market adjustments using the effective interest rate method.
(2) Includes the write-off of the remaining balance of financing costs from the Secured Revolving Facility of $274.
(3) Includes initial financing costs from the Secured Revolving Facility of $113 that were applied to the new Credit Facility.

15. Segment reporting:

The REIT owns, manages, operates and develops primarily industrial investment properties located throughout the U.S. Management, when measuring the investment properties performance, does not distinguish or group its operations on a geographical or any other basis. Accordingly, the REIT has a single reportable segment for disclosure purposes in accordance with IFRS.

(In thousands of U.S. dollars, except per unit amounts)

16. Commitment and contingencies:

(a) In connection with the IPO, the REIT has agreed to indemnify the underwriters against certain liabilities, including liabilities under applicable securities legislation, or to contribute to payments the underwriters may be required to make in respect of those liabilities. The REIT has agreed to indemnify, in certain circumstances, the trustees and the officers of the REIT in respect of any taxes, penalties or interest imposed upon the trustee or officer in consequence of his/her performance of his/her duties as a trustee or officer.

(b) The REIT has a contingent obligation to expand the gross leasable area at one of its investment properties at the option of the tenant. Management estimates the cost associated with this expansion, should it occur, to be approximately $1,000. The expansion is conditional on mutual agreement between the tenant and the REIT with regard to the base rental rates to be charged for occupying such expansion space. This contingent obligation will terminate at expiration of the underlying lease, inclusive of lease renewal options, on November 30, 2032.

(c) The REIT has entered into a non-cancellable ground lease for land related to one of its investment properties. Annual payments under the lease are approximately $100 through May 31, 2023. Annual payments thereafter are adjusted based on changes in the consumer price index until expiration in 2093.

17. Fair value measurement:

(a) Fair value of financial instruments:

In addition to those financial instruments carried at fair values, the fair values of the REIT's financial assets and financial liabilities, together with the contractual carrying amounts shown in the consolidated statements of financial position, are as follows:

	Carrying amount	Fair value
Mortgages payable – As at June 30, 2018	$ 346,182	$ 345,540
Mortgages payable – As at December 31, 2017	$ 347,949	$ 349,044

The following summarizes the significant methods and assumptions used in estimating fair values of the REIT's financial instruments, excluding financial instruments carried at amortized cost where carrying value approximates fair value:

(i) Mortgages payable:

The REIT estimates the fair value of mortgages payable using a discounted cash flow analysis and a yield rate that was estimated based on the borrowing rates currently available to the REIT for mortgages payable with similar terms and maturities, which is a Level 2 input.

(ii) Deferred compensation:

The fair value of unit options granted is estimated using the Black-Scholes option pricing model (Level 2).

The fair value of DTUs granted is estimated based on the market trading prices of the REIT Units (Level 1).

(iii) Class B Units:

The fair value of Class B Units is estimated based on the market trading prices of the REIT Units (Level 1).

(iv) Other financial assets and liabilities:

Amounts receivable, cash and cash equivalents, other non-current assets, restricted cash, distributions payable, the Secured Revolving Facility, the Term Loan I, the Unsecured Revolving Facility, amounts payable and accrued liabilities are carried at amortized cost, which, due to their short-term nature, approximates fair value.

18. Capital management:

The primary objective of the REIT's capital management policy is to ensure sufficient liquidity to pursue its growth through acquisitions, to fund leasing costs and capital expenditure requirements, to maintain a flexible capital structure that optimizes the cost of capital at acceptable risk and preserves the ability to meet financial obligations, to ensure adequate funds are available to maintain consistent and sustainable unitholders' distributions, and to remain within its quantitative banking covenants.

The REIT's capital structure consists of cash, debt (including mortgages payable, the Credit Facility and Class B Units), and unitholders' equity. In managing its capital structure, the REIT monitors performance and makes adjustments to its capital structure based on its investment strategies and changes to economic conditions. In order to maintain or adjust its capital structure, the REIT may issue equity or new debt, issue new debt to replace existing debt (with different characteristics), or reduce the amount of existing debt.

Part of the REIT's objectives in securing mortgages for its investment properties and managing its long-term debt is to stagger the maturities in order to mitigate short-term volatilities in the debt markets. The REIT's declaration of trust stipulates that the REIT shall not incur indebtedness greater than 60% of gross book value. As at June 30, 2018 and December 31, 2017, the REIT's debt-to-gross book value ratio was 43.4% and 42.1% (total outstanding principal balance of debt of $452,841 and $425,449 as at June 30, 2018 and December 31, 2017, respectively, divided by gross book value of $1,046,966 and $1,009,582 as at June 30, 2018 and December 31, 2017, respectively). The REIT has no convertible debentures outstanding and has never issued any.

The REIT is required under the terms of its Credit Facility to meet certain financial covenants, including:

(a) minimum unencumbered pool value shall not be less than $175,000 and shall contain at least 12 properties;

(b) The aggregate occupancy rate shall not be less than 80%

(c) consolidated total indebtedness shall not exceed 60%;

(d) consolidated total secured indebtedness shall not exceed 40%;

(e) consolidated secured recourse indebtedness shall not exceed 10%

(f) the outstanding principal balance of the Credit Facility shall not be greater than 60% the unencumbered pool value;

(g) unsecured interest coverage ratio shall not be less than 2.50 to 1.00

(h) the ratio of adjusted consolidated earnings before interest, taxes, depreciation and amortization to consolidated fixed charges for the most recently ended four quarters shall not be less than 1.50 to 1.00;

(i) consolidated tangible net worth shall not be less than the sum of (i) $410,365 plus (ii) 70% of the sum of any additional net offering proceeds subsequent to April 21, 2016, plus (iii) 70% of the value of interests in the REIT issued upon the contribution of assets to the REIT or its subsidiaries subsequent to June 26, 2018;

The REIT was required under the terms of its Secured Revolving Facility to meet certain financial covenants, including:

(a) consolidated total indebtedness shall not exceed 60%;

(b) the outstanding principal balance of the Revolving Facility and any letters of credit shall not be greater than the borrowing base availability (60% of the gross asset value of the borrowing base assets);

(c) the ratio of adjusted consolidated earnings before interest, taxes, depreciation and amortization to consolidated fixed charges for the most recently ended four quarters shall not be less than 1.75 to 1.00;

(d) consolidated tangible net worth shall not be less than the sum of (i) $274,248 plus (ii) 70% of the sum of any additional net offering proceeds subsequent to April 21, 2016, plus (iii) 70% of the value of interests in the REIT issued upon the contribution of assets to the REIT or its subsidiaries subsequent to April 21, 2016;

(e) aggregate occupancy for the borrowing base assets shall not be less than 80%; and

(f) the borrowing base debt service coverage ratio shall not be less than 1.50 to 1.00.

The REIT is also required to meet certain diversification covenants under the Credit Facility. In addition, certain mortgages payable require the REIT to meet financial covenant ratios (note 8).

The REIT complied with all financial covenants as at June 30, 2018 and December 31, 2017.

19. Financial risk management:

Risk Management:

The REIT's activities expose it to market risk, credit risk and liquidity risk. Risk management is carried out by management of the REIT.

(a) Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of interest rate risk, currency risk and other market price risk. There is interest rate risk associated with the REIT's fixed interest rate mortgages payable due to the expected requirement to refinance such mortgages payable in the year of maturity. In order to manage exposure to interest rate risk, the REIT endeavors to manage maturities of fixed interest rate mortgages payable, and match the nature of the mortgages payable with the cash flow characteristics of the underlying asset. This risk is also minimized through the REIT having all of its mortgages payable in fixed term arrangements.

There is also interest rate risk associated with the variable rate debt. The balances bear interest at a variable rate based on the lender’s LIBOR plus an applicable margin. Based on the outstanding balance at June 30, 2018, the impact of a 1.0% change in the lender’s LIBOR rate will increase or decrease the REIT’s interest expense or earnings by $1,080 on an annualized basis.

The REIT has no material exposure to currency risk.

(b) Credit risk arises from the possibility that tenants in investment properties may not fulfill their lease or contractual obligations. The REIT mitigates its credit risks by attracting tenants of sound financial standing and by diversifying its mix of tenants. It also monitors tenant payment patterns and discusses potential tenant issues with property managers on a regular basis. Cash carries minimal credit risk as all funds are maintained with highly reputable financial institutions. The carrying amount of financial assets represents the maximum credit exposure.

(c) Liquidity risk is the risk that the REIT will encounter difficulty in meeting obligations associated with the maturity of financial obligations. The REIT manages maturities of the fixed interest rate mortgages payable, and monitors the repayment dates to ensure sufficient capital will be available to cover obligations.

(In thousands of U.S. dollars, except per unit amounts)

20. Supplementary cash flow information:

Change in non-cash working capital comprises the following:

	Three months ended June 30, 2018	Three months ended June 30, 2017	Six months ended June 30, 2018	Six months ended June 30, 2017
Amounts receivable	$ 133	$ 392	$ (190)	$ 181
Prepaid expenses	311	128	636	194
Restricted cash	652	464	(256)	(182)
Amounts payable and accrued liabilities	(98)	(1,472)	74	2,474
Amounts payable and accrued liabilities related to additions to investment properties	46	361	933	(1,791)
Security deposits	(1)	7	(4)	15
	$ 1,043	$ (120)	$ 1,193	$ 891

21. Subsequent events:

Internalization of Management

On July 31, 2018, the REIT (through its wholly owned subsidiaries) internalized management (the “Internalization”) and acquired 100% of the membership interests of WPT Capital, a related party, through the issuance of separate share purchase agreements with Alberta Investment Management Corporation and affiliates (“AIMCo”) and the principals of WPT Capital (the “Acquisition”) (collectively, the (“Transaction”)). The Acquisition will be accounted as a business combination, in accordance with IFRS 3, Business Combinations. The REIT acquired WPT Capital and completed internalization for $26,811 (exclusive of closing and transaction costs). The purchase price was satisfied with $10,000 in Class B Units and $16,811 in funds from the Unsecured Revolving Facility. The components of the purchase price were made up of $20,000 related to private capital business of WPT Capital and $6,811 related to the internalization of management, which was based on internalization provisions in the asset management and property management agreements (see Note 11) (the “Management Agreements”) and equaled the fees paid to WPT Capital over the preceding twelve months. The principals of WPT Capital received all of the Class B Units, (with lock-up provisions providing for a release of 1/3 of the units annually beginning on the third anniversary of the Acquisition), and AIMCo received all of its consideration in cash. The REIT will record two acquired assets: (i) management contracts related to investment properties held by AIMCo and principals of WPT Capital’s (the “non-Venture Management Contacts”) and (ii) management contracts related to a private capital venture (the

"Venture") formed by WPT Capital with Canada Pension Plan Investment Board ("CPPIB"), AIMCo and the REIT as investors/limited partners ("the "Venture Management Contracts"). Each asset is identified as an intangible asset and management is currently finalizing the fair value allocation of the purchase price. It is expected that costs incurred in conjunction with the Acquisition and the internalization of the management contracts will be expensed as part of the Transaction in the third quarter. Post-closing the REIT also expects to fund net working capital from WPT Capital to the sellers.

The non-Venture Management Contracts recognized revenue of $562 for the period from January 1, 2018 through the Acquisition date related to investment properties currently under contract. It is impracticable to determine net income for the contracts as WPT Capital provides a number of services and did not allocate costs to each revenue stream. Management noted that the Venture Management Contracts commenced in conjunction with the Transaction date and there is no reportable revenue or net income for the period from January 1, 2018 through the date of acquisition.

In conjunction with Internalization, the REIT awarded $9,800 of deferred equity compensation to certain employees. The awards will vest 50% on each of the fourth and fifth anniversaries of the award and will be subject to an additional lock-up period of three years after vesting. The awards will be granted following the lifting of the REITs reporting blackout period.

The Venture
As part of the Acquisition, the REIT will serve as the general partner of the Venture. Investment properties acquired through the Venture are expected to be held for two distinct periods: a value-add period and a stabilized (long-term hold) period. The initial value-add period will typically be two to three years under a 45% (CPPIB), 45% (AIMCo) and 10% (REIT) joint venture. After stabilization, Venture property ownerships may be rebalanced for a long-term hold, with the REIT having a right of first opportunity to acquire additional interests at that time, subject to receipt of Board of Trustee. As the general partner, the REIT will receive management and incentive fees for Venture assets under management.