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SMARTCENTRES REAL ESTATE INVESTMENT TRUST RELEASES THIRD QUARTER RESULTS FOR 2022

Operational

- **Shopping centre leasing activity continues to improve with occupancy levels, inclusive of committed deals, increasing to 98.1% in Q3 2022, representing a 50 basis point increase from Q2 2022**
- **Same Properties NOI inclusive of ECL[1] increased by $3.9 million or 3.1% in Q3 2022 as compared to the same period in 2021. Same Properties NOI excluding ECL[1] increased by $3.0 million or 2.3% in Q3 2022 as compared to the same period in 2021**
- **Net rental income and other increased by $3.6 million or 2.9% for the three months ended September 30, 2022 as compared to the same period in 2021**

Mixed-use Development

- **In excess of three million square feet of construction activity is currently underway, principally on high rise residential projects in Toronto, Montreal, and Ottawa**
- **Construction progressing on time and on budget on 241,000 square feet of industrial space for the 16-acre Phase 1 development in Pickering, of which 53% has already been pre-leased to a leading Canadian furniture retailer**
- **Construction of Transit City 4 & 5 condominium towers is in the final stages of completion with closings scheduled to commence in Q1 2023. All 1,026 units have been pre-sold**
- **Construction of the Millway, a 454-unit purpose-built rental apartment building, is also in the final stages of completion, with initial tenants expected to begin occupancy in Q1 2023**

Financial

- **FFO with adjustments and excluding impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition[1] was $93.8 million for the three months ended September 30, 2022, which remained virtually unchanged as compared to $93.9 million for the same period in 2021**
- **Net income and comprehensive income was $3.5 million for the three months ended September 30, 2022, as compared to $178.1 million for the same period in 2021, representing a decrease of $174.6 million, which was primarily attributed to a $177.7 million decrease in fair value adjustments on revaluation of investment properties**

TORONTO, ONTARIO - (November 11, 2022) SmartCentres Real Estate Investment Trust ("SmartCentres", the "Trust" or the "REIT") (TSX: SRU.UN) is pleased to report its financial and operating results for the quarter ended September 30, 2022.

"Customer traffic to our Walmart-anchored shopping centre portfolio continues to gain post-pandemic momentum which, in turn, is generating steadily increasing levels of leasing activity that began earlier in 2022," said Mitchell Goldhar, Executive Chairman and CEO of SmartCentres.

"We anticipate that this trend will continue into 2023 and will have a positive impact on both our occupancy and earnings levels. We are pleased with the noticeable increase in leasing activity in the third quarter and the associated improvement in cash collections.

Our development business is progressing well, with over 735,000 square feet (approximate) of municipal approvals received for residential and mixed-uses in this quarter alone. This brings 6,000,000 square feet of potential on-site growth so far this year. Current projects under construction include over 400,000 square feet of self-storage space across three properties, more than 1,000 condominium units and a further 174 townhomes, over 900 residential rental suites in three separate projects, and a further 413 seniors housing units. Construction has also commenced on a 241,000 square foot industrial project. We expect each of these projects to begin contributing to FFO(1) during 2023 or 2024.

In the immediate term, the next two 45-storey and 50-storey condominium towers at Transit City are sold out and construction is progressing on time and on budget. Closings are expected to commence early in 2023. In addition, The Millway, a 454-unit, 36-storey rental tower, is also proceeding on time and on budget with initial occupancy and rent commencement expected to begin early in 2023. Also, the first phase of our Artwalk condominium project is sold out and construction is expected to commence by spring 2023.

We are also pleased to confirm that we expect to publish our inaugural ESG report in the coming weeks. With respect to the changing economic conditions, we plan on applying discipline when assessing new opportunities for growth. Our focus remains on the long term, including the development of mixed-use projects on our strategically located shopping centre sites which will extract deeply embedded value wherever possible for many years to come," added Mr. Goldhar.

(1) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.

Key Business Development, Financial and Operational Highlights for the Three Months Ended September 30, 2022

Mixed-Use Development and New Growth at SmartVMC

- Park Place condo pre-development is underway on the 53.0 acre SmartVMC West lands strategically acquired in December 2021. Pre-sales for this development have commenced. The Trust's acquisition in December 2021 of a two-thirds interest in the SmartVMC West lands more than doubled the Trust's holdings in the 105 acre SmartVMC city centre development.

- Construction continues on budget on the 100% pre-sold Transit City 4 (45 storeys) and 5 (50 storeys) 1,026-suite condo towers. Concrete and formwork have been completed for both towers, with building envelope and interior finishes ongoing. Closings are expected to commence in early 2023.

- Construction of the purpose-built rental project, the Millway (36 storeys), continues at SmartVMC. Both formwork and concrete have been completed. Building envelope is ongoing with interior finishes underway. Initial occupancy and rent commencement are expected in spring 2023.

- ArtWalk condominium sales of 320 released units in Phase 1 are sold out (construction expected to begin early in 2023).

Other Business Development

- The Trust completed the purchase of approximately 38 acres of industrial lands in Pickering, adjacent to Hwy 407, on which the Trust received approval to build 241,000 square feet of industrial space for the 16 acre Phase 1 development, of which 53% has already been pre-leased to a leading Canadian furniture retailer, with completion currently scheduled for 2023.

- Leasing continues on the completed first phase of the two-phase, purpose-built residential rental project in Laval, Quebec, with more than 99% of the 171 units rented. Construction continues on the next phase that commenced in October 2021, with a target completion date of Q2 2023.

- Initial occupancy and rent commencement in the two purpose-built residential rental towers (238 units) in Mascouche, Quebec began in July 2022. More than 130 units have been leased and current lease-up activity is in line with initial expectations.

- All of the five developed and operating self-storage facilities (Toronto (Leaside), Vaughan NW, Brampton, Oshawa South and Scarborough East) have been well-received by their local communities; current occupancy levels are ahead of expectations.

- Three self-storage facilities in Markham, Brampton (Kingspoint) and Aurora are currently under construction and on budget, with the latter two facilities expected to be completed in late 2022. Additional self-storage facilities have been approved by the Board of Trustees and the Trust is in the process of obtaining municipal approvals in Whitby, Stoney Creek and two locations in Toronto (Gilbert Ave. and Jane St.). In addition, the municipal approval process is underway in New Westminster and on a newly acquired property in Burnaby, British Columbia.

- Construction continues on a new retirement residence and a seniors' apartment project, totalling 402 units, at the Trust's Laurentian Place in Ottawa, with completion expected in Q1 2024.

- The Trust intends to commence the redevelopment of a portion of its 73 acre Cambridge retail property (which is subject to a leasehold interest with Penguin) which is now zoned for 12.0 million square feet of residential and commercial uses. Over the coming years, this high profile property will transform into a vibrant urban city center away from the GTA, but strategically within its orbit.

- The Trust, together with its partner, Penguin, have also commenced preliminary siteworks for the 215,000 square feet retail project on Laird Drive in Toronto, that is expected to feature a flagship 190,000 square foot Canadian Tire store together with 25,000 square feet of additional retail space. Canadian Tire is expected to take possession in 2024.

Financial

- Net income and comprehensive income[1] was $3.5 million as compared to $178.1 million for the same period in 2021, representing a decrease of $174.6 million. This decrease was primarily attributed to: i) $177.7 million decrease in fair value adjustment on revaluation of investment properties; ii) $4.3 million increase in interest expense; iii) $2.3 million decrease in net operating income; iv) $2.2 million increase in general and administrative expenses (net); v) $0.6 million net income decrease relating to other items; and was partially offset by vi) $9.9 million increase in fair value adjustments on financial instruments; and vii) $2.7 million increase in interest income.

- The Trust increased its unsecured/secured debt ratio[2][3] to 77%/23% (December 31, 2021 – 71%/29%).

- The Trust continues to add to its unencumbered pool of high-quality assets. As at September 30, 2022, this unencumbered portfolio consisted of investment properties valued at $8.4 billion (September 30, 2021 – $6.0 billion).

- The Trust's fixed rate/variable rate debt ratio[2][3] was 83%/17% as at September 30, 2022 (December 31, 2021 – 89%/11%).

- FFO with adjustments excluding impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition[2] was $93.8 million as compared to $93.9 million in the same period last year.

- During the quarter, 941,990 additional notional Units were added at a weighted average price of $27.42 per Unit to the Total Return Swap.

- Net income and comprehensive income per Unit[1] decreased by $1.01 or 98% to $0.02 as compared to the same period in 2021, primarily resulting from fair value adjustments on revaluation of investment properties in amount of $177.7 million or $0.99 per Unit.

- FFO with adjustments excluding impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition per Unit[2] was $0.54, which remained the same as compared to the same period in 2021.

- Cash flows provided by operating activities[1] increased by $0.7 million or 0.7% to $97.0 million as compared to the same period in 2021. Surplus of cash flows provided by operating activities[1] over distributions declared amounted to $14.6 million (three months ended September 30, 2021 – surplus of $16.6 million).

- The Payout Ratio relating to cash flows provided by operating activities for the rolling 12 months ended September 30, 2022 was 86.6%, as compared to 96.8% for the same period ended September 30, 2021. The Payout Ratio relating to cash flows provided by operating activities for the rolling 24 months ended September 30, 2022 was 91.3%, as compared to 95.8% for the same period ended September 30, 2021.

- For the three months ended September 30, 2022, ACFO[2] decreased by $9.3 million or 10.3% to $81.1 million as compared to the same period in 2021.

- For the three months ended September 30, 2022, there was a shortfall of ACFO[2] over distributions declared of $1.3 million (three months ended September 30, 2021 – surplus of $10.7 million).

- The Payout Ratio to ACFO[2] for the rolling 12 months ended September 30, 2022 was 98.9%, as compared to 90.1% for the same period ended September 30, 2021. Excluding SmartVMC West LP Class D distributions, the Payout Ratio to ACFO[2] for the rolling 12 months ended September 30, 2022 was 96.7%, as compared to 90.1% for the same period ended September 30, 2021.

- The Payout Ratio to ACFO[2] for the rolling 24 months ended September 30, 2022 was 94.4%, as compared to 91.0% for the same period ended September 30, 2021. Excluding SmartVMC West LP Class D distributions, the Payout Ratio to ACFO[2] for the rolling 24 months ended September 30, 2022 was 93.3%, as compared to 91.0% for the same period ended September 30, 2021.

Operational

- Rentals from investment properties and other[(1)] was $196.7 million, as compared to $195.2 million for the same period in 2021, representing an increase of $1.5 million or 0.8%, primarily due to the acquisition of an additional interest in investment properties in Q1 2022, higher rental income from Premium Outlets locations in both Toronto and Montreal, additional self-storage facility and parking rental revenue, and higher miscellaneous revenue.

- In-place and committed occupancy rates were 97.6% and 98.1%, respectively, as at September 30, 2022 (June 30, 2022 – 97.2% and 97.6%, respectively).

- Same Properties NOI inclusive of ECL[(2)] increased by $3.9 million or 3.1% as compared to the same period in 2021. Same Properties NOI excluding ECL[(2)] increased by $3.0 million or 2.3% as compared to the same period in 2021.

Subsequent Event

- Subsequent to September 30, 2022, certain mortgages receivable with Penguin in the amount of $101.4 million were repaid in cash and the proceeds were primarily used to repay a portion of the balance outstanding on the Trust's revolving operating facility.

(1) Represents a GAAP measure
(2) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.
(3) Net of cash-on-hand of $150.0 million as at September 30, 2022 for the purposes of calculating the applicable ratios.

Selected Consolidated Operational, Mixed-Use Development and Financial Information

Key consolidated operational, mixed-use development and financial information shown in the table below includes the Trust's proportionate share of equity accounted investments:

(in thousands of dollars, except per Unit and other non-financial data)	**September 30, 2022**	December 31, 2021	September 30, 2021
Portfolio Information			
Number of retail properties	**155**	155	156
Number of office properties	**4**	4	4
Number of self-storage properties	**6**	6	5
Number of residential properties	**1**	1	1
Number of properties under development	**19**	17	15
Total number of properties with an ownership interest	**185**	183	181
Leasing and Operational Information(1)			
Gross leasable retail and office area (in thousands of sq. ft.)	**34,685**	34,119	34,225
Occupied retail and office area (in thousands of sq. ft.)	**33,843**	33,219	33,312
Vacant retail and office area (in thousands of sq. ft.)	**842**	900	913
In-place occupancy rate (%)	**97.6**	97.4	97.3
Committed occupancy rate (%)	**98.1**	97.6	97.6
Average lease term to maturity (in years)	**4.3**	4.4	4.5
Net annualized retail rental rate (per occupied sq. ft.) ($)	**15.52**	15.44	15.40
Net annualized retail rental rate excluding Anchors (per occupied sq. ft.) ($)	**22.40**	22.07	21.91
Mixed-Use Development Information			
Trust's share of future development area (in thousands of sq. ft.)	**39,500**	40,600	32,200
Trust's share of estimated costs of future projects currently under construction, or for which construction is expected to commence within the next five years (in millions of dollars)	**9,800**	9,800	7,700
Total number of residential rental projects	**107**	104	97
Total number of seniors' housing projects	**25**	27	39
Total number of self-storage projects	**35**	36	46
Total number of office building projects	**8**	8	7
Total number of hotel projects	**3**	3	4
Total number of condominium developments	**89**	95	73
Total number of townhome developments	**8**	10	15
Total number of estimated future projects currently in development planning stage	**275**	283	281

(in thousands of dollars, except per Unit and other non-financial data)	**September 30, 2022**	December 31, 2021	September 30, 2021
Financial Information			
Total assets – GAAP(2)	**11,862,633**	11,293,248	10,191,592
Total assets – non-GAAP(3)(4)	**12,219,429**	11,494,377	10,382,086
Investment properties – GAAP(2)	**10,211,384**	9,847,078	8,892,656
Investment properties – non-GAAP(3)(4)	**11,135,415**	10,684,529	9,623,548
Total unencumbered assets(3)	**8,383,900**	6,640,600	6,002,800
Debt – GAAP(2)	**5,159,860**	4,854,527	4,539,594
Debt – non-GAAP(3)(4)	**5,410,319**	4,983,078	4,647,648
Debt to Aggregate Assets (%)(3)(4)(5)	**43.7**	42.9	44.5
Debt to Gross Book Value (%)(3)(4)(5)	**52.1**	50.8	50.4
Unsecured to Secured Debt Ratio(3)(4)(5)	**77%/23%**	71%/29%	70%/30%
Unencumbered assets to unsecured debt(3)(4)(5)	**2.1X**	1.9X	1.9X
Weighted average interest rate (%)(3)(4)	**3.67**	3.11	3.25
Weighted average term of debt (in years)	**4.2**	4.8	5.0
Interest coverage ratio(3)(4)(5)	**3.3X**	3.4X	3.3X
Adjusted Debt to Adjusted EBITDA (net of cash)(3)(4)(5)	**10.0X**	9.2X	8.5X
Adjusted Debt to Adjusted EBITDA (net of cash and TRS)(3)(4)(5)	**9.8X**	9.1X	8.5X
Fixed Rate to Variable Rate Debt Ratio(3)(4)(5)	**83%/17%**	89%/11%	94%/6%
Equity (book value)(2)	**6,141,317**	5,841,315	5,268,176
Weighted average number of units outstanding – diluted	**179,644,083**	173,748,819	173,535,843

(1) Excluding residential and self-storage area.
(2) Represents a GAAP measure.
(3) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.
(4) Includes the Trust's proportionate share of equity accounted investments.
(5) As at September 30, 2022, cash-on-hand of $150.0 million was excluded for the purposes of calculating the applicable ratios (December 31, 2021 – $80.0 million, September 30, 2021 – $50.0 million).

Quarterly Comparison to Prior Year

The following table presents key financial, per Unit, and payout ratio information for the three months ended September 30, 2022 and September 30, 2021:

(in thousands of dollars, except per Unit information)	**September 30, 2022**	September 30, 2021	Variance
	(A)	(B)	(A–B)
Financial Information			
Rentals from investment properties and other[1]	**196,678**	195,171	1,507
Net base rent[1]	**127,576**	125,125	2,451
Total recoveries[1]	**59,391**	60,565	(1,174)
Miscellaneous revenue[1]	**4,683**	4,573	110
Service and other revenues[1]	**5,028**	4,908	120
Net income and comprehensive income[1]	**3,548**	178,051	(174,503)
Net income and comprehensive income excluding fair value adjustments[2][3]	**83,927**	90,691	(6,764)
Cash flows provided by operating activities[1]	**97,011**	96,298	713
Net rental income and other[1]	**127,197**	123,617	3,580
NOI from condominium and townhome closings and other adjustments[2]	**(244)**	6,444	(6,688)
NOI[2]	**130,986**	133,333	(2,347)
Change in net rental income and other[2]	**2.9 %**	9.2 %	(6.3)%
Change in SPNOI[2]	**3.1 %**	6.6 %	(3.5)%
Change in SPNOI excluding ECL[2]	**2.3 %**	(1.0)%	3.3 %
FFO[2][3][4][5]	**88,403**	97,887	(9,484)
Other adjustments	**669**	1,706	(1,037)
FFO with adjustments[2][3][4]	**89,072**	99,593	(10,521)
Adjusted for:			
ECL	**(271)**	670	(941)
Loss (gain) on derivative – TRS	**4,900**	(392)	5,292
FFO sourced from condominium and townhome closings	**216**	(5,922)	6,138
FFO sourced from SmartVMC West acquisition	**(154)**	—	(154)
FFO with adjustments excluding impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition[2][3][4]	**93,763**	93,949	(186)
ACFO[2][3][4][5]	**81,060**	90,342	(9,282)
Other adjustments	**669**	1,706	(1,037)
ACFO with adjustments[2][3][4]	**81,729**	92,048	(10,319)
Adjusted for:			
Loss (gain) on derivative – TRS	**4,900**	(392)	5,292
ACFO sourced from condominium and townhome closings	**244**	(6,444)	6,688
ACFO sourced from SmartVMC West acquisition	**(154)**	—	(154)
ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition[2][3][4]	**86,719**	85,212	1,507
Distributions declared	**82,382**	79,683	2,699
Surplus of cash provided by operating activities over distributions declared[2]	**14,629**	16,615	(1,986)
(Shortfall) surplus of ACFO over distributions declared[2]	**(1,322)**	10,659	(11,981)
Surplus of ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition over distributions declared[2]	**4,337**	5,529	(1,192)
Units outstanding[6]	**178,126,285**	172,287,950	5,838,335
Weighted average – basic	**178,123,918**	172,285,503	5,838,415
Weighted average – diluted[7]	**179,678,009**	173,644,091	6,033,918

(in thousands of dollars, except per Unit information)	**September 30, 2022**	September 30, 2021	Variance
	(A)	(B)	(A–B)
Per Unit Information (Basic/Diluted)			
Net income and comprehensive income(1)	**$0.02/$0.02**	$1.03/$1.03	$-1.01/$-1.01
Net income and comprehensive income excluding fair value adjustments(2)(3)	**$0.47/$0.47**	$0.53/$0.52	$-0.06/$-0.05
FFO(2)(3)(4)(5)	**$0.50/$0.49**	$0.57/$0.56	$-0.07/$-0.07
Other adjustments	**$0.00/$0.01**	$0.01/$0.01	$-0.01/$0.00
FFO with adjustments(2)(3)(4)	**$0.50/$0.50**	$0.58/$0.57	$-0.08/$-0.07
Adjusted for:			
ECL(8)	**$0.00/$0.00**	$0.00/$0.00	$0.00/$0.00
Loss (gain) on derivative – TRS	**$0.03/$0.03**	$0.00/$0.00	$0.03/$0.03
FFO sourced from condominium and townhome closings	**$0.00/$0.00**	$-0.03/$-0.03	$0.03/$0.03
FFO units impact from SmartVMC West LP Class D Units	**$0.01/$0.01**	$0.00/$0.00	$0.01/$0.01
FFO with adjustments excluding impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition(2)(3)(4)	**$0.54/$0.54**	$0.55/$0.54	$-0.01/$0.00
Distributions declared	**$0.463**	$0.463	$—
Payout Ratio Information			
Payout Ratio to cash flows provided by operating activities	**84.9 %**	82.7 %	2.2 %
Payout Ratio to ACFO(2)(3)(4)(5)	**101.6 %**	88.2 %	13.4 %
Payout Ratio to ACFO with adjustments(2)(3)(4)	**100.8 %**	86.6 %	14.2 %
Payout Ratio to ACFO with adjustments excluding impact of TRS, condominium and townhome sales, and SmartVMC West acquisition(2)(3)(4)	**91.9 %**	93.5 %	(1.6)%

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.
(3) Includes the Trust's proportionate share of equity accounted investments.
(4) See "Non-GAAP Measures" in this Press Release for a reconciliation of these measures to the nearest consolidated financial statement measure.
(5) The calculation of the Trust's FFO and ACFO and related payout ratios, including comparative amounts, are financial metrics that were determined based on the REALpac White Paper on FFO issued in January 2022 and REALpac White Paper on ACFO issued in February 2019, respectively. Comparison with other reporting issuers may not be appropriate. The payout ratio to FFO and the payout ratio to ACFO are calculated as declared distributions divided by FFO and ACFO, respectively.
(6) Total Units outstanding include Trust Units and LP Units, including Units classified as liabilities. LP Units classified as equity in the consolidated financial statements are presented as non-controlling interests.
(7) The diluted weighted average includes the vested portion of the deferred units issued pursuant to the deferred unit plan.
(8) The impact of ECL on FFO per Unit is less than $0.01 and therefore it is shown as $0.00 in the table above for the three months ended September 30, 2022.

Year-to-Date Comparison to Prior Year

The following table presents key financial, per Unit, and payout ratio information for the nine months ended September 30, 2022 and September 30, 2021:

(in thousands of dollars, except per Unit information)	**September 30, 2022**	September 30, 2021	Variance
	(A)	(B)	(A–B)
Financial Information			
Rentals from investment properties and other[1]	**597,497**	587,946	9,551
Net base rent[1]	**380,082**	369,955	10,127
Total recoveries[1]	**196,896**	196,342	554
Miscellaneous revenue[1]	**10,414**	10,412	2
Service and other revenues[1]	**10,105**	11,237	(1,132)
Net income and comprehensive income[1]	**535,655**	335,595	200,060
Net income and comprehensive income excluding fair value adjustments[2][3]	**253,910**	260,400	(6,490)
Cash flows provided by operating activities[1]	**243,800**	237,950	5,850
Net rental income and other[1]	**372,575**	358,886	13,689
NOI from condominium and townhome closings and other adjustments[2]	**496**	20,538	(20,042)
NOI[2]	**384,888**	388,405	(3,517)
Change in net rental income and other[2]	**3.8 %**	4.7 %	(0.9)%
Change in SPNOI[2]	**3.3 %**	3.4 %	(0.1)%
Change in SPNOI excluding ECL[2]	**5.5 %**	(2.1)%	7.6 %
FFO[2][3][4][5]	**269,102**	282,620	(13,518)
Other adjustments	**2,566**	2,566	—
FFO with adjustments[2][3][4]	**271,668**	285,186	(13,518)
Adjusted for:			
ECL	**(2,547)**	5,251	(7,798)
Loss (gain) on derivative – TRS	**11,138**	(1,462)	12,600
FFO sourced from condominium and townhome closings	**(860)**	(18,813)	17,953
FFO sourced from SmartVMC West acquisition	**(613)**	—	(613)
FFO with adjustments excluding impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition[2][3][4]	**278,786**	270,162	8,624
FFO with adjustments and Transactional FFO[2][3][4]	**271,668**	286,773	(15,105)
ACFO[2][3][4][5]	**247,085**	269,743	(22,658)
Other adjustments	**2,566**	2,566	—
ACFO with adjustments[2][3][4]	**249,651**	272,309	(22,658)
Adjusted for:			
Loss (gain) on derivative – TRS	**11,138**	(1,462)	12,600
ACFO sourced from condominium and townhome closings	**(496)**	(20,538)	20,042
ACFO sourced from SmartVMC West acquisition	**(613)**	—	(613)
ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition[2][3][4]	**259,680**	250,309	9,371
Distributions declared	**247,145**	239,028	8,117
Shortfall of cash flows provided by operating activities over distributions declared[2]	**(3,345)**	(1,078)	(2,267)
(Shortfall) surplus of ACFO over distributions declared[2]	**(60)**	30,715	(30,775)
Surplus of ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition over distributions declared[2]	**12,535**	11,281	1,254
Units outstanding[6]	**178,126,285**	172,287,950	5,838,335
Weighted average – basic	**178,118,504**	172,266,602	5,851,902
Weighted average – diluted[7]	**179,644,083**	173,535,843	6,108,240

(in thousands of dollars, except per Unit information)	**September 30, 2022**	September 30, 2021	Variance
	(A)	(B)	(A–B)
Per Unit Information (Basic/Diluted)			
Net income and comprehensive income(1)	**$3.01/$2.98**	$1.95/$1.93	$1.06/$1.05
Net income and comprehensive income excluding fair value adjustments(2)(3)	**$1.43/$1.41**	$1.51/$1.50	$-0.08/$-0.09
FFO(2)(3)(4)(5)	**$1.51/$1.50**	$1.64/$1.63	$-0.13/$-0.13
Other adjustments	**$0.02/$0.01**	$0.02/$0.01	$0.00/$0.00
FFO with adjustments(2)(3)(4)	**$1.53/$1.51**	$1.66/$1.64	$-0.13/$-0.13
Adjusted for:			
ECL	**$-0.01/$-0.01**	$0.03/$0.03	$-0.04/$-0.04
Loss (gain) on derivative – TRS	**$0.06/$0.06**	$-0.01/$-0.01	$0.07/$0.07
FFO sourced from condominium and townhome closings	**$0.00/$0.00**	$-0.11/$-0.10	$0.11/$0.10
FFO units impact from SmartVMC West LP Class D Units	**$0.04/$0.04**	$0.00/$0.00	$0.04/$0.04
FFO with adjustments excluding impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition(2)(3)(4)	**$1.62/$1.60**	$1.57/$1.56	$0.05/$0.04
FFO with adjustments and Transactional FFO(2)(3)(4)	**$1.53/$1.51**	$1.66/$1.65	$-0.13/$-0.14
Distributions declared	**$1.388**	$1.388	$—
Payout Ratio Information			
Payout Ratio to cash flows provided by operating activities	**101.4 %**	100.5 %	0.9 %
Payout Ratio to ACFO(2)(3)(4)(5)	**100.0 %**	88.6 %	11.4 %
Payout Ratio to ACFO with adjustments(2)(3)(4)	**99.0 %**	87.8 %	11.2 %
Payout Ratio to ACFO with adjustments excluding impact of TRS, condominium and townhome sales, and SmartVMC West acquisition(2)(3)(4)	**92.1 %**	95.5 %	(3.4)%

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.
(3) Includes the Trust's proportionate share of equity accounted investments.
(4) See "Non-GAAP Measures" in this Press Release for a reconciliation of these measures to the nearest consolidated financial statement measure.
(5) The calculation of the Trust's FFO and ACFO and related payout ratios, including comparative amounts, are financial metrics that were determined based on the REALpac White Paper on FFO issued in January 2022 and REALpac White Paper on ACFO issued in February 2019, respectively. Comparison with other reporting issuers may not be appropriate. The payout ratio to FFO and the payout ratio to ACFO are calculated as declared distributions divided by FFO and ACFO, respectively.
(6) Total Units outstanding include Trust Units and LP Units, including Units classified as liabilities. LP Units classified as equity in the consolidated financial statements are presented as non-controlling interests.
(7) The diluted weighted average includes the vested portion of the deferred units issued pursuant to the deferred unit plan.

Operational Highlights

For the three months ended September 30, 2022, net income and comprehensive income decreased by $174.5 million as compared to the same period in 2021. This decrease was primarily attributed to the following:

- $177.7 million decrease in fair value adjustments on revaluation of investment properties (see details in the “Investment Property” section in the Trust’s MD&A);
- $4.3 million increase in interest expense (see further details in the “Interest Income and Interest Expense” subsection in the Trust’s MD&A);
- $2.3 million decrease in NOI (see further details in the “Net Operating Income” subsection in the Trust’s MD&A);
- $2.2 million increase in general and administrative expenses (net) (see further details in the “General and Administrative Expense” section in the Trust’s MD&A);
- $0.5 million higher loss on sale of investment properties; and
- $0.1 million increase in supplemental costs;

Partially offset by the following:

- $9.9 million increase in fair value adjustment on financial instruments primarily due to: i) $12.8 million higher fair value gains on those Units classified as liabilities due to fluctuation in the Trust’s Unit price, ii) $3.9 million higher fair value gains relating to unit-based incentive programs due to fluctuation in the Trust’s Unit price, and partially offset by: iii) $5.3 million higher fair value loss of TRS due to fluctuation in the Trust’s Unit price, and iv) $1.5 million decrease in fair value adjustments of interest rate swap agreements (see further details in the “Debt” subsection in the Trust’s MD&A); and
- $2.7 million increase in interest income mainly due to higher interest rates.

For the nine months ended September 30, 2022, net income and comprehensive income increased by $200.1 million as compared to the same period in 2021. This increase was primarily attributed to the following:

- $114.6 million increase in fair value adjustment on financial instruments primarily due to: i) $63.1 million higher fair value gains on those Units classified as liabilities due to fluctuation in the Trust’s Unit price, ii) $40.6 million increase in fair value adjustments pertaining to interest rate swap agreements (see further details in the “Debt” subsection in the Trust’s MD&A), iii) $23.5 million higher fair value gains relating to unit-based incentive programs also due to fluctuation in the Trust’s Unit price, and partially offset by: iv) $12.6 million higher fair value loss on the TRS due to fluctuation in the Trust’s Unit price;
- $92.0 million increase in fair value adjustments on revaluation of investment properties, of which: i) $237.7 million increase relates to the fair value adjustment associated with certain properties under development, ii) $251.2 million decrease relates to cap rate changes, iii) $14.2 million increase relates to gain from acquisition, and iv) $91.3 million increase relates to the revaluation of investment properties, principally driven by leasing and assumption updates (see details in the “Investment Property” section in the Trust’s MD&A);
- $1.9 million increase in interest income mainly due to higher interest rates; and
- $0.7 million decrease in interest expense (see further details in the “Interest Income and Interest Expense” section in the Trust’s MD&A);

Partially offset by the following:

- $3.5 million decrease in NOI (see further details in the “Net Operating Income” subsection in the Trust’s MD&A);
- $2.4 million increase in supplemental costs;
- $2.3 million increase in general and administrative expenses (net) (see further details in the “General and Administrative Expense” section in the Trust’s MD&A);
- $0.5 million higher loss on sale of investment properties; and
- $0.3 million increase in acquisition-related costs.

Development and Intensification Summary

The following table summarizes the 275 identified mixed-use, recurring rental income and development income initiatives, which are included in the Trust's large development pipeline:

Description	Underway (Construction underway or expected to commence within next 2 years)	Active (Construction expected to commence within next 3–5 years)	Future (Construction expected to commence after 5 years)	Total
Number of projects in which the Trust has an ownership interest				
Residential Rental	29	20	58	107
Seniors' Housing	4	8	13	25
Self-storage	12	7	16	35
Office Buildings	—	1	7	8
Hotels	—	—	3	3
Subtotal – Recurring rental income initiatives	45	36	97	178
Condominium developments	23	20	46	89
Townhome developments	2	1	5	8
Subtotal – Development income initiatives	25	21	51	97
Total	**70**	**57**	**148**	**275**
Trust's share of project area (in thousands of sq. ft.)				
Recurring rental income initiatives	5,600	3,900	11,900	21,400
Development income initiatives	5,100	3,500	9,500	18,100
Total Trust's share of project area (in thousands of sq. ft.)	**10,700**	**7,400**	**21,400**	**39,500**
Trust's share of such estimated costs (in millions of dollars)	**5,750**	**4,050**	– (1)	**9,800**

(1) The Trust has not fully determined the costs attributable to future projects expected to commence after five years and as such they are not included in this table.

The Trust is currently working on initiatives for the development of many properties for which final municipal approvals have been obtained or are being actively pursued. Completion, milestone or occupancy dates of each of the projects described below may be delayed or adversely impacted as a result of, among other things, restrictions or delays related to the COVID-19 pandemic.

i. the development of up to 5.3 million square feet of predominately residential space, in various forms, at Highway 400 & Highway 7, in Vaughan, Ontario, with a rezoning application submitted in December 2019 and a site plan application for the first four residential buildings totalling 1,742 units submitted in October 2020. Currently working with the City of Vaughan on advancement of Weston & Highway 7 Secondary Plan;

ii. the development of up to 5.0 million square feet of predominately residential space, in various forms over the long term, in Pickering, Ontario, with the zoning for five towers with a gross floor area of approximately 1,400,000 square feet and site plan application for a three-tower mixed-use phase, approximating 700,000 square feet, approved by Council in June 2022;

iii. the development of up to 5.5 million square feet of predominately residential space, in various forms, at Oakville North in Oakville, Ontario, with the official plan and zoning amendment applications for an initial two-tower 587-unit residential phase submitted in April 2021;

iv. the development of up to 2.6 million square feet of predominately residential space, in various forms, at the Westside Mall in Toronto, Ontario, with a zoning application for the first 35-storey mixed-use tower submitted in Q1 2021, and targeting site plan application by the end of the year;

v. the development of up to 1.5 million square feet of residential space in various forms on the Trust's undeveloped lands at the Vaughan NW property in Vaughan, Ontario. Approximately 60% of the 174 draft plan approved townhomes have been pre-sold and construction is soon expected to commence. Rezoning application for a seniors' apartment building and separate retirement residence, both of which are to be developed in partnership with Revera, along with three other residential buildings, was approved by Council in June 2022;

vi. the development of up to 1.5 million square feet of residential space, in various forms, in Pointe-Claire, Quebec, with the first phase, a two-tower rental project, being actively pursued, but subject to the urban planning revision process by the city of Pointe-Claire;

vii. the development of up to 200,000 square feet of residential townhomes at Oakville South in Oakville, Ontario;

viii. the intensification of the Toronto StudioCentre ("StudioCentre") in Toronto, Ontario (zoning allows for up to 1.2 million square feet);

ix. the development of four high-rise purpose-built residential rental buildings comprising approximately 1,700 units with Greenwin, in Barrie, Ontario, for which a zoning application was approved by Barrie City Council in January 2021 with the site plan approved for Phase 1 by Barrie City Council in June 2021. An application for a building permit was submitted in July 2021. Environmental Risk Assessment was approved for the entire site in September 2021 and the application of Certificate of Property Use was submitted in February 2022 and approved in September 2022;

x. the development of a 35-storey high-rise purpose-built residential rental tower containing 437 units, on Balliol Street in midtown Toronto, Ontario, with zoning and site plan applications submitted in September 2020. A second submission of these applications was made in July 2021. A third submission of these applications was made in March 2022. Zoning approval was received in July 2022 and site plan approval is expected in Q4 2022;

xi. the development of up to 1,600 residential units, in various forms, in Mascouche, Quebec, with the first phase consisting of 238 units in two 10-storey rental towers approved by municipal council in August 2020. Construction began in April 2021, and the first four floors opened in July 2022 and another five floors have since opened, with the last floor scheduled to open in November 2022. Construction of a second phase is expected to commence in Q2 2023;

xii. the development of residential density at the Trust's shopping centre at 1900 Eglinton Avenue East in Scarborough, Ontario, with rezoning applications for the first two residential towers (46 and 48 storeys) submitted in January 2021. Site plan application for both buildings was submitted in December 2021;

xiii. the development of the first phase, 46-unit rental building, which is part of a multi-phase master plan in Alliston, Ontario, with a rezoning application approved by Council in December 2020 and a site plan application submitted in May 2020. The site plan application was resubmitted in March 2021 and again in July 2021 and approved in July 2022. The building permit application was submitted in October 2021 and a partial permit was received in September 2022;

xiv. besides the eight self-storage projects completed or under construction, there are six additional self-storage facilities in Ontario and British Columbia with the Trust's partner, SmartStop, in Stoney Creek, Toronto (2), Whitby, New Westminster and Burnaby with zoning and/or site plan approval obtained or applications well underway. Project agreements for another three locations are being finalized;

xv. the Q4 2020 acquisition of an additional 33.33% interest (new ownership structure of 66.66% held by the Trust and 33.33% held by Penguin) in 50 acres of adjacent land to the Trust's Premium Outlets Montreal in Mirabel, Quebec, for the ultimate development of residential density of up to 4,500 units. Site plan applications for the first phase rental building with 168 units expected to be submitted in Q4 2022. Master plan of development for the site is subject to approval;

xvi. the development of a new residential block consisting of a 155-unit building in Phase 1 and approximately 345 rental units in Phases 2 and 3 at Laval Centre in Quebec. The application for architecture approval for Phase 1 and Phase 2 (155 units) was submitted in Q4 2021 and approved in Q3 2022;

xvii. the Trust has commenced the redevelopment of a portion of its 73-acre Cambridge retail property (subject to a leasehold interest with Penguin) which now allows various forms of residential, retail, office, institutional and commercial uses providing for the creation of a vibrant urban community with the potential for over 12.0 million square feet of development on the overall property once completed;

xviii. the development of a retirement living residence at the Trust's shopping centre at Bayview and Major Mackenzie in Richmond Hill, Ontario, with a rezoning application for a nine-storey retirement residences building submitted in Q1 2021 and a site plan application submitted in Q4 2021, to be developed in partnership with the existing partner and Revera;

xix. the development of 1.5 million square feet of residential density adjacent to the new South Keys light rail train station at the Trust's Ottawa South Keys Centre, consistent with current zoning permissions. Site plan application for the first phase rental complex with 446 units was submitted and deemed complete in Q4 2021 and work is ongoing on a second submission to respond to agency comments on the application;

xx. the development of up to 900,000 square feet of predominately residential space on Yonge St. in Aurora, Ontario, with rezoning applications for the entire site and site plan submitted for Phase 1 in July 2021 and resubmitted in April 2022;

xxi. the Q4 2020 acquisition of a 50% interest in a property in downtown Markham for the development of a 243,000 square foot retirement residence with Revera. The rezoning application was submitted in December 2020, and an appeal was filed in July 2022 for the initial Official Plan Amendment & Zoning By-law Amendment submission;

xxii. the development of approximately 900,000 square feet of residential density on the Trust's Parkway Plaza Centre in Stoney Creek, Ontario, with an application for a Phase 1 development for a two-tower (20 and 15 storeys), 400,000 square foot, 520-unit condo project submitted in Q4 2021; and

xxiii. during the second quarter of 2022, the Trust completed the purchase of approximately 38 acres of industrial lands in Pickering, adjacent to Hwy 407, on which the Trust received approval to build 241,000 square feet of space for the 16-acre Phase 1 development, of which 53% has already been pre-leased, and completion is currently scheduled for 2023.

Proportionately Consolidated Balance Sheets (including the Trust's interests in equity accounted investments)

The following table presents the proportionately consolidated balance sheets, which includes a reconciliation of the Trust's proportionate share of equity accounted investments:

(in thousands of dollars)	September 30, 2022			December 31, 2021		
	GAAP Basis	Proportionate Share Reconciliation	Total Proportionate Share(1)	GAAP Basis	Proportionate Share Reconciliation	Total Proportionate Share(1)
Assets						
Non-current assets						
Investment properties	**10,211,384**	**924,031**	**11,135,415**	9,847,078	837,451	10,684,529
Equity accounted investments	**646,393**	**(646,393)**	**—**	654,442	(654,442)	—
Mortgages, loans and notes receivable	**281,128**	**(79,910)**	**201,218**	345,089	(69,576)	275,513
Other financial assets	**289,477**	**—**	**289,477**	97,148	—	97,148
Other assets	**82,495**	**7,600**	**90,095**	80,940	7,465	88,405
Intangible assets	**44,140**	**—**	**44,140**	45,139	—	45,139
	11,555,017	**205,328**	**11,760,345**	11,069,836	120,898	11,190,734
Current assets						
Residential development inventory	**31,891**	**105,544**	**137,435**	27,399	67,828	95,227
Current portion of mortgages, loans and notes receivable	**144,490**	**—**	**144,490**	71,947	—	71,947
Amounts receivable and other	**61,573**	**(9,064)**	**52,509**	49,542	(8,637)	40,905
Prepaid expenses, deposits and deferred financing costs	**50,187**	**19,141**	**69,328**	12,289	13,118	25,407
Cash and cash equivalents	**19,475**	**35,847**	**55,322**	62,235	7,922	70,157
	307,616	**151,468**	**459,084**	223,412	80,231	303,643
Total assets	**11,862,633**	**356,796**	**12,219,429**	11,293,248	201,129	11,494,377
Liabilities						
Non-current liabilities						
Debt	**4,746,915**	**193,003**	**4,939,918**	4,176,121	93,465	4,269,586
Other financial liabilities	**265,462**	**—**	**265,462**	326,085	—	326,085
Other payables	**17,283**	**46**	**17,329**	18,243	—	18,243
	5,029,660	**193,049**	**5,222,709**	4,520,449	93,465	4,613,914
Current liabilities						
Current portion of debt	**412,945**	**57,456**	**470,401**	678,406	35,086	713,492
Accounts payable and current portion of other payables	**278,711**	**106,291**	**385,002**	253,078	72,578	325,656
	691,656	**163,747**	**855,403**	931,484	107,664	1,039,148
Total liabilities	**5,721,316**	**356,796**	**6,078,112**	5,451,933	201,129	5,653,062
Equity						
Trust Unit equity	**5,111,730**	**—**	**5,111,730**	4,877,961	—	4,877,961
Non-controlling interests	**1,029,587**	**—**	**1,029,587**	963,354	—	963,354
	6,141,317	**—**	**6,141,317**	5,841,315	—	5,841,315
Total liabilities and equity	**11,862,633**	**356,796**	**12,219,429**	11,293,248	201,129	11,494,377

(1) This column contains non-GAAP measures because it includes figures that are recorded in equity accounted investments. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.

Proportionately Consolidated Statements of Income and Comprehensive Income (including the Trust's Interests in Equity Accounted Investments)

The following tables present the proportionately consolidated statements of income and comprehensive income, which include a reconciliation of the Trust's proportionate share of equity accounted investments:

Quarterly Comparison to Prior Year

(in thousands of dollars)	**Three Months Ended September 30, 2022**			Three Months Ended September 30, 2021			
	GAAP Basis	**Proportionate Share Reconciliation**	**Total Proportionate Share**(1)	GAAP Basis	Proportionate Share Reconciliation	Total Proportionate Share(1)	Variance of Total Proportionate Share(1)
Net rental income and other							
Rentals from investment properties and other	**196,678**	**7,570**	**204,248**	195,171	5,486	200,657	3,591
Property operating costs and other	**(69,451)**	**(3,567)**	**(73,018)**	(71,554)	(2,214)	(73,768)	750
	127,227	**4,003**	**131,230**	123,617	3,272	126,889	4,341
Condo and townhome closings revenue and other(2)	**—**	**7**	**7**	—	23,904	23,904	(23,897)
Condo and townhome cost of sales and other	**(30)**	**(221)**	**(251)**	—	(17,460)	(17,460)	17,209
	(30)	**(214)**	**(244)**	—	6,444	6,444	(6,688)
NOI	**127,197**	**3,789**	**130,986**	123,617	9,716	133,333	(2,347)
Other income and expenses							
General and administrative expense, net	**(10,696)**	**(3)**	**(10,699)**	(8,435)	(71)	(8,506)	(2,193)
Earnings from equity accounted investments	**1,101**	**(1,101)**	**—**	14,302	(14,302)	—	—
Earnings from other(3)	**284**	**(284)**	**—**	—	—	—	—
Fair value adjustment on revaluation of investment properties	**(92,557)**	**411**	**(92,146)**	79,015	6,509	85,524	(177,670)
Loss (gain) on sale of investment properties	**(112)**	**(241)**	**(353)**	149	—	149	(502)
Interest expense	**(39,175)**	**(1,553)**	**(40,728)**	(35,032)	(1,348)	(36,380)	(4,348)
Interest income	**5,714**	**(375)**	**5,339**	2,599	22	2,621	2,718
Supplemental costs	**—**	**(643)**	**(643)**	—	(526)	(526)	(117)
Fair value adjustment on financial instruments	**11,767**	**—**	**11,767**	1,836	—	1,836	9,931
Acquisition-related costs	**25**	**—**	**25**	—	—	—	25
Net income and comprehensive income	**3,548**	**—**	**3,548**	178,051	—	178,051	(174,503)

(1) This column contains non-GAAP measures because it includes figures that are recorded in equity accounted investments. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.

(2) Includes additional partnership profit and other revenues.

(3) Represents SmartVMC West's operating results.

Year-to-Date Comparison to Prior Year

(in thousands of dollars)	**Nine Months Ended September 30, 2022**			Nine Months Ended September 30, 2021			
	GAAP Basis	**Proportionate Share Reconciliation**	**Total Proportionate Share[(1)]**	GAAP Basis	Proportionate Share Reconciliation	Total Proportionate Share[(1)]	Variance of Total Proportionate Share[(1)]
Net rental income and other							
Rentals from investment properties and other	**597,497**	**21,080**	**618,577**	587,946	15,556	603,502	15,075
Property operating costs and other	**(224,497)**	**(9,688)**	**(234,185)**	(229,060)	(6,575)	(235,635)	1,450
	373,000	**11,392**	**384,392**	358,886	8,981	367,867	16,525
Condo and townhome closings revenue and other[(2)]	**—**	**4,524**	**4,524**	—	76,837	76,837	(72,313)
Condo and townhome cost of sales and other	**(425)**	**(3,603)**	**(4,028)**	—	(56,299)	(56,299)	52,271
	(425)	**921**	**496**	—	20,538	20,538	(20,042)
NOI	**372,575**	**12,313**	**384,888**	358,886	29,519	388,405	(3,517)
Other income and expenses							
General and administrative expense, net	**(25,479)**	**(107)**	**(25,586)**	(23,219)	(76)	(23,295)	(2,291)
Earnings from equity accounted investments	**4,312**	**(4,312)**	**—**	51,371	(51,371)	—	—
Earnings from other[(3)]	**878**	**(878)**	**—**	—	—	—	—
Fair value adjustment on revaluation of investment properties	**188,457**	**2,042**	**190,499**	71,110	27,439	98,549	91,950
Loss on sale of investment properties	**(216)**	**(241)**	**(457)**	91	—	91	(548)
Interest expense	**(108,360)**	**(3,952)**	**(112,312)**	(108,886)	(4,082)	(112,968)	656
Interest income	**12,540**	**(955)**	**11,585**	9,596	64	9,660	1,925
Supplemental costs	**—**	**(3,910)**	**(3,910)**	—	(1,493)	(1,493)	(2,417)
Fair value adjustment on financial instruments	**91,246**	**—**	**91,246**	(23,354)	—	(23,354)	114,600
Acquisition-related costs	**(298)**	**—**	**(298)**	—	—	—	(298)
Net income and comprehensive income	**535,655**	**—**	**535,655**	335,595	—	335,595	200,060

(1) This column contains non-GAAP measures because it includes figures that are recorded in equity accounted investments. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.
(2) Includes additional partnership profit and other revenues.
(3) Represents SmartVMC West's operating results.

FFO, FFO with adjustments, and FFO with adjustments and Transactional FFO

The following tables reconciles net income and comprehensive income to FFO, FFO with adjustments, and FFO with adjustments and Transactional FFO:

Quarterly Comparison to Prior Year

(in thousands of dollars, except per Unit amounts)	**Three Months Ended September 30, 2022**	Three Months Ended September 30, 2021	Variance ($)	Variance (%)
Net income and comprehensive income	**3,548**	178,051	(174,503)	(98.0)
Add (deduct):				
Fair value adjustment on revaluation of investment properties[1]	**92,557**	(79,015)	171,572	N/R[7]
Fair value adjustment on financial instruments[2]	**(11,767)**	(1,836)	(9,931)	N/R[7]
(Loss) gain on derivative – TRS	**(4,900)**	392	(5,292)	N/R[7]
Loss (gain) on sale of investment properties	**112**	(149)	261	N/R[7]
Amortization of intangible assets	**333**	333	—	—
Amortization of tenant improvement allowance and other	**1,961**	1,662	299	18.0
Distributions on Units classified as liabilities recorded as interest expense	**1,083**	969	114	11.8
Distributions on vested deferred units recorded as interest expense	**718**	433	285	65.8
Salaries and related costs attributed to leasing activities[3]	**2,216**	1,431	785	54.9
Acquisition-related costs	**(25)**	—	(25)	N/R[7]
Adjustments relating to equity accounted investments:				
Rental revenue adjustment – tenant improvement amortization	**98**	98	—	—
Indirect interest with respect to the development portion[4]	**1,996**	1,706	290	17.0
Adjustment to capitalized interest with respect to Transit City condo closings[4]	**—**	(205)	205	N/R[7]
Fair value adjustment on revaluation of investment properties	**(411)**	(6,509)	6,098	(93.7)
Loss on sale of investment properties	**241**	—	241	N/R[7]
Adjustment for supplemental costs	**643**	526	117	22.2
FFO[5]	**88,403**	97,887	(9,484)	(9.7)
Adjustments:				
Other adjustments[6]	**669**	1,706	(1,037)	(60.8)
FFO with adjustments[5]	**89,072**	99,593	(10,521)	(10.6)

(1) Fair value adjustment on revaluation of investment properties is described in "Investment Properties" in the Trust's MD&A.
(2) Fair value adjustment on financial instruments comprises the following financial instruments: units classified as liabilities, Earnout options, deferred unit plan ("DUP"), equity incentive plan ("EIP"), long term incentive plan ("LTIP"), TRS, interest rate swap agreement(s), and loans receivable and Earnout options recorded in the same period in 2021. The significant assumptions made in determining the fair value and fair value adjustments for these financial instruments are more thoroughly described in the Trust's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2022. For details please see discussion in "Results of Operations" in the Trust's MD&A.
(3) Salaries and related costs attributed to leasing activities of $2.2 million were incurred in the three months ended September 30, 2022 (three months ended September 30, 2021 – $1.4 million) and were eligible to be added back to FFO based on the definition of FFO, in the REALpac White Paper published in January 2022, which provided for an adjustment to incremental leasing expenses for the cost of salaried staff. This adjustment to FFO results in more comparability between Canadian publicly traded real estate entities that expensed their internal leasing departments and those that capitalized external leasing expenses.
(4) Indirect interest is not capitalized to properties under development and residential development inventory of equity accounted investments under IFRS but is a permitted adjustment under REALpac's definition of FFO. The amount is based on the total cost incurred with respect to the development portion of equity accounted investments multiplied by the Trust's weighted average cost of debt.
(5) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.
(6) Represents adjustments relating to $0.7 million of costs associated with COVID-19 vaccination centres (three months ended September 30, 2021 – $0.9 million of compensation costs relating to previous CEO and $0.8 million of non-recurring costs associated with COVID-19 vaccination centres).
(7) N/R – Not representative.

Year-to-Date Comparison to Prior Year

(in thousands of dollars, except per Unit amounts)	**Nine Months Ended September 30, 2022**	Nine Months Ended September 30, 2021	Variance ($)	Variance (%)
Net income and comprehensive income	**535,655**	335,595	200,060	59.6
Add (deduct):				
Fair value adjustment on revaluation of investment properties(1)	**(188,457)**	(71,110)	(117,347)	N/R(7)
Fair value adjustment on financial instruments(2)	**(91,246)**	23,354	(114,600)	N/R(7)
(Loss) gain on derivative – TRS	**(11,138)**	1,462	(12,600)	N/R(7)
Loss (gain) on sale of investment properties	**216**	(335)	551	N/R(7)
Amortization of intangible assets	**999**	999	—	—
Amortization of tenant improvement allowance and other	**5,198**	5,430	(232)	(4.3)
Distributions on Units classified as liabilities recorded as interest expense	**3,210**	2,910	300	10.3
Distributions on vested deferred units recorded as interest expense	**2,123**	1,381	742	53.7
Adjustment on debt modification	**(1,960)**	—	(1,960)	N/R(7)
Salaries and related costs attributed to leasing activities(3)	**5,994**	4,133	1,861	45.0
Acquisition-related costs	**298**	—	298	N/R(7)
Adjustments relating to equity accounted investments:				
Rental revenue adjustment – tenant improvement amortization	**289**	298	(9)	(3.0)
Indirect interest with respect to the development portion(4)	**5,812**	5,124	688	13.4
Adjustment to capitalized interest with respect to Transit City condo closings(4)	**—**	(675)	675	N/R(7)
Fair value adjustment on revaluation of investment properties	**(2,042)**	(27,439)	25,397	(92.6)
Loss on sale of investment properties	**241**	—	241	N/R(7)
Adjustment for supplemental costs	**3,910**	1,493	2,417	N/R(7)
FFO(5)	**269,102**	282,620	(13,518)	(4.8)
Adjustments:				
Other adjustments(6)	**2,566**	2,566	—	—
FFO with adjustments(5)	**271,668**	285,186	(13,518)	(4.7)
Transactional FFO – gain on sale of land to co-owners	**—**	1,587	(1,587)	N/R(7)
FFO with adjustments and Transactional FFO(5)	**271,668**	286,773	(15,105)	(5.3)

(1) Fair value adjustment on revaluation of investment properties is described in "Investment Properties" in the Trust's MD&A.
(2) Fair value adjustment on financial instruments comprises the following financial instruments: units classified as liabilities, Earnout options, DUP, EIP, LTIP, TRS, interest rate swap agreement(s), and loans receivable and Earnout options recorded in the same period in 2021. The significant assumptions made in determining the fair value and fair value adjustments for these financial instruments are more thoroughly described in the Trust's unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2022. For details please see discussion in "Results of Operations" in the Trust's MD&A.
(3) Salaries and related costs attributed to leasing activities of $6.0 million were incurred in the nine months ended September 30, 2022 (nine months ended September 30, 2021 – $4.1 million) and were eligible to be added back to FFO based on the definition of FFO, in the REALpac White Paper published in January 2022, which provided for an adjustment to incremental leasing expenses for the cost of salaried staff. This adjustment to FFO results in more comparability between Canadian publicly traded real estate entities that expensed their internal leasing departments and those that capitalized external leasing expenses.
(4) Indirect interest is not capitalized to properties under development and residential development inventory of equity accounted investments under IFRS but is a permitted adjustment under REALpac's definition of FFO. The amount is based on the total cost incurred with respect to the development portion of equity accounted investments multiplied by the Trust's weighted average cost of debt.
(5) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.
(6) Represents adjustments relating to $2.6 million of costs associated with COVID-19 vaccination centres (nine months ended September 30, 2021 – $0.9 million of compensation costs relating to previous CEO and $1.7 million of non-recurring costs associated with COVID-19 vaccination centres).
(7) N/R – Not representative.

The following table presents FFO excluding anomalous transactions for the three and nine months ended September 30, 2022:

	Three Months Ended September 30			**Nine Months Ended September 30**		
(in thousands of dollars)	**2022**	2021	Variance ($)	**2022**	2021	Variance ($)
FFO with adjustments(1)	**89,072**	99,593	(10,521)	**271,668**	285,186	(13,518)
Adjusted for:						
ECL	**(271)**	670	(941)	**(2,547)**	5,251	(7,798)
Loss (gain) on derivative – TRS	**4,900**	(392)	5,292	**11,138**	(1,462)	12,600
FFO sourced from condominium and townhome closings	**216**	(5,922)	6,138	**(860)**	(18,813)	17,953
FFO sourced from SmartVMC West acquisition	**(154)**	—	(154)	**(613)**	—	(613)
FFO with adjustments excluding impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition(1)	**93,763**	93,949	(186)	**278,786**	270,162	8,624

(1) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.

ACFO and ACFO with adjustments

The following table reconciles cash flows provided by operating activities to ACFO and ACFO with adjustments:

Quarterly Comparison to Prior Year

(in thousands of dollars)	**Three Months Ended September 30, 2022**	Three Months Ended September 30, 2021	Variance ($)/ (%)
Cash flows provided by operating activities	**97,011**	96,298	713
Adjustments to working capital items that are not indicative of sustainable cash available for distribution[1]	**12,287**	421	11,866
Distributions on Units classified as liabilities recorded as interest expense	**1,083**	969	114
Distributions on vested deferred units recorded as interest expense	**718**	433	285
Expenditures on direct leasing costs and tenant incentives	**2,391**	1,233	1,158
Expenditures on tenant incentives for properties under development	**267**	—	267
Actual sustaining capital expenditures	**(2,655)**	(4,078)	1,423
Actual sustaining leasing commissions	**(660)**	(474)	(186)
Actual sustaining tenant improvements	**(1,755)**	(439)	(1,316)
Non-cash interest expense, net of other financing costs	**(18,147)**	(13,623)	(4,524)
Non-cash interest income	**2,755**	2,042	713
Acquisition-related costs, net	**(25)**	—	(25)
Distributions from equity accounted investments	**(15,231)**	(1,770)	(13,461)
Adjustments relating to equity accounted investments:			
Cash flows from operating activities including working capital adjustments	**1,208**	7,851	(6,643)
Notional interest capitalization[2]	**1,996**	1,706	290
Adjustment to capitalized interest with respect to Transit City condo closings[3]	**—**	(205)	205
Actual sustaining capital and leasing expenditures	**(58)**	(16)	(42)
Non-cash interest expense	**(125)**	(6)	(119)
ACFO[3]	**81,060**	90,342	(9,282)
Other adjustments[4]	**669**	1,706	(1,037)
ACFO with adjustments[3]	**81,729**	92,048	(10,319)
ACFO[3]	**81,060**	90,342	(9,282)
Distributions declared	**82,382**	79,683	2,699
(Shortfall) surplus of ACFO over distributions declared	**(1,322)**	10,659	(11,981)
Payout Ratio Information:			
Payout Ratio to ACFO[3]	**101.6 %**	88.2 %	13.4 %
Payout Ratio to ACFO with adjustments[3]	**100.8 %**	86.6 %	14.2 %
Payout Ratio to ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition[3][5]	**91.9 %**	93.5 %	(1.6)%

(1) Adjustments to working capital items include, but are not limited to, changes in prepaid expenses and deposits, accounts receivables, accounts payables and other working capital items that are not indicative of sustainable cash available for distribution.
(2) See the "Indirect interest with respect to the development portion" as presented in the "Funds From Operations" subsection in the Trust's MD&A.
(3) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.
(4) Represents adjustments relating to $0.7 million of costs associated with COVID-19 vaccination centres (three months ended September 30, 2021 – $0.9 million of compensation costs relating to previous CEO and $0.8 million of non-recurring costs associated with COVID-19 vaccination centres).
(5) For the three months ended September 30, 2022, excludes $2.7 million of distributions declared in connection with SmartVMC West LP Class D Units (three months ended September 30, 2021 – $nil).

Year-to-Date Comparison to Prior Year

(in thousands of dollars)	**Nine Months Ended September 30, 2022**	Nine Months Ended September 30, 2021	Variance ($)/ (%)
Cash flows provided by operating activities	**243,800**	237,950	5,850
Adjustments to working capital items that are not indicative of sustainable cash available for distribution(1)	**33,159**	7,882	25,277
Distributions on Units classified as liabilities recorded as interest expense	**3,210**	2,910	300
Distributions on vested deferred units recorded as interest expense	**2,123**	1,381	742
Expenditures on direct leasing costs and tenant incentives	**6,752**	3,877	2,875
Expenditures on tenant incentives for properties under development	**2,543**	730	1,813
Actual sustaining capital expenditures	**(7,677)**	(7,008)	(669)
Actual sustaining leasing commissions	**(1,589)**	(2,329)	740
Actual sustaining tenant improvements	**(5,209)**	(1,686)	(3,523)
Non-cash interest expense, net of other financing costs	**(27,100)**	(2,434)	(24,666)
Non-cash interest income	**3,488**	1,803	1,685
Acquisition-related costs, net	**298**	—	298
Gain on sale of land to co-owners	**—**	1,587	(1,587)
Distributions from equity accounted investments	**(17,190)**	(3,340)	(13,850)
Adjustments relating to equity accounted investments:			
Cash flows from operating activities including working capital adjustments	**5,004**	24,055	(19,051)
Notional interest capitalization(2)	**5,812**	5,124	688
Adjustment to capitalized interest with respect to Transit City condo closings(2)	**—**	(675)	675
Actual sustaining capital and leasing expenditures	**(330)**	(104)	(226)
Non-cash interest expense	**(9)**	20	(29)
ACFO(3)	**247,085**	269,743	(22,658)
Other adjustments(4)	**2,566**	2,566	—
ACFO with adjustments(3)	**249,651**	272,309	(22,658)
ACFO(3)	**247,085**	269,743	(22,658)
Distributions declared	**247,145**	239,028	8,117
(Shortfall) surplus of ACFO over distributions declared	**(60)**	30,715	(30,775)
Payout Ratio Information:			
Payout Ratio to ACFO(3)	**100.0 %**	88.6 %	11.4 %
Payout Ratio to ACFO with adjustments(3)	**99.0 %**	87.8 %	11.2 %
Payout Ratio to ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition(3)(5)	**92.1 %**	95.5 %	(3.4)%

(1) Adjustments to working capital items include, but are not limited to, changes in prepaid expenses and deposits, accounts receivables, accounts payables and other working capital items that are not indicative of sustainable cash available for distribution.
(2) See the "Indirect interest with respect to the development portion" as presented in the "Funds From Operations" subsection in the Trust's MD&A.
(3) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.
(4) Represents adjustments relating to $2.6 million of costs associated with COVID-19 vaccination centres (nine months ended September 30, 2021 – $0.9 million of compensation costs relating to previous CEO, and $1.7 million of non-recurring costs associated with COVID-19 vaccination centres).
(5) For the nine months ended September 30, 2022, excludes $8.0 million of distributions declared in connection with SmartVMC West LP Class D Units (nine months ended September 30, 2021 – $nil).

The following table presents ACFO excluding anomalous transactions for the three and nine months ended September 30, 2022:

	Three Months Ended September 30			**Nine Months Ended September 30**		
(in thousands of dollars)	**2022**	2021	Variance ($)	**2022**	2021	Variance ($)
ACFO with adjustments(1)	**81,729**	92,048	(10,319)	**249,651**	272,309	(22,658)
Adjusted for:						
Loss (gain) on derivative – TRS	**4,900**	(392)	5,292	**11,138**	(1,462)	12,600
ACFO sourced from condominium and townhome closings	**244**	(6,444)	6,688	**(496)**	(20,538)	20,042
ACFO sourced from SmartVMC West acquisition	**(154)**	—	(154)	**(613)**	—	(613)
ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition(1)	**86,719**	85,212	1,507	**259,680**	250,309	9,371

(1) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.

Net Operating Income

The following tables summarize NOI, related ratios and recovery ratios, provide additional information, and reflect the Trust's proportionate share of equity accounted investments, the sum of which represent a non-GAAP measure:

Quarterly Comparison to Prior Year

(in thousands of dollars)	**Three Months Ended September 30, 2022**			Three Months Ended September 30, 2021			
	Trust portion excluding EAI	**Equity Accounted Investments**	**Total Proportionate Share[1]**	Trust portion excluding EAI	Equity Accounted Investments	Total Proportionate Share[1]	Variance[1]
			(A)			(B)	(A–B)
Net base rent	**127,576**	**4,727**	**132,303**	125,125	3,362	128,487	3,816
Property tax and insurance recoveries	**39,191**	**718**	**39,909**	41,416	626	42,042	(2,133)
Property operating cost recoveries	**20,200**	**1,150**	**21,350**	19,149	826	19,975	1,375
Miscellaneous revenue	**4,683**	**975**	**5,658**	4,573	672	5,245	413
Rentals from investment properties	**191,650**	**7,570**	**199,220**	190,263	5,486	195,749	3,471
Service and other revenues	**5,028**	**—**	**5,028**	4,908	—	4,908	120
Rentals from investment properties and other[2]	**196,678**	**7,570**	**204,248**	195,171	5,486	200,657	3,591
Recoverable tax and insurance costs	**(39,910)**	**(729)**	**(40,639)**	(43,200)	(582)	(43,782)	3,143
Recoverable CAM costs	**(21,767)**	**(1,283)**	**(23,050)**	(20,179)	(824)	(21,003)	(2,047)
Property management fees and costs	**(1,258)**	**(237)**	**(1,495)**	(422)	(173)	(595)	(900)
Non-recoverable operating costs	**(1,792)**	**(1,283)**	**(3,075)**	(2,170)	(649)	(2,819)	(256)
ECL	**306**	**(35)**	**271**	(684)	14	(670)	941
Property operating costs	**(64,421)**	**(3,567)**	**(67,988)**	(66,655)	(2,214)	(68,869)	881
Other expenses	**(5,030)**	**—**	**(5,030)**	(4,899)	—	(4,899)	(131)
Property operating costs and other[2]	**(69,451)**	**(3,567)**	**(73,018)**	(71,554)	(2,214)	(73,768)	750
Net rental income and other	**127,227**	**4,003**	**131,230**	123,617	3,272	126,889	4,341
Condo and townhome closings revenue	**—**	**7**	**7**	—	23,904	23,904	(23,897)
Condo and townhome cost of sales	**—**	**(4)**	**(4)**	—	(17,298)	(17,298)	17,294
Marketing and selling costs	**(30)**	**(217)**	**(247)**	—	(162)	(162)	(85)
Net profit on condo and townhome closings	**(30)**	**(214)**	**(244)**	—	6,444	6,444	(6,688)
NOI[3]	**127,197**	**3,789**	**130,986**	123,617	9,716	133,333	(2,347)
Net rental income and other as a percentage of net base rent (%)	**99.7**	**84.7**	**99.2**	98.8	97.3	98.8	0.4
Net rental income and other as a percentage of rentals from investment properties (%)	**66.4**	**52.9**	**65.9**	65.0	59.6	64.8	1.1
Net rental income and other as a percentage of rentals from investment properties and other (%)	**64.7**	**52.9**	**64.3**	63.3	59.6	63.2	1.1
Recovery Ratio (including prior year adjustments) (%)	**96.3**	**92.8**	**96.2**	95.6	103.3	95.7	0.5
Recovery Ratio (excluding prior year adjustments) (%)	**93.3**	**92.9**	**93.3**	95.0	102.0	95.2	(1.9)

(1) This column contains non-GAAP measures because it includes figures that are recorded in equity accounted investments – that are not explicitly disclosed and/or presented in the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2022 and September 30, 2021. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.

(2) As reflected under the column "Trust portion excluding EAI" in the table above, this amount represents a GAAP measure.

(3) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.

Year-to-Date Comparison to Prior Year

(in thousands of dollars)	Nine Months Ended September 30, 2022			Nine Months Ended September 30, 2021			
	Trust portion excluding EAI	**Equity Accounted Investments**	**Total Proportionate Share(1)**	Trust portion excluding EAI	Equity Accounted Investments	Total Proportionate Share(1)	Variance of Total Proportionate Share(1)
			(A)			(B)	(A–B)
Net base rent	**380,082**	**13,118**	**393,200**	369,955	9,564	379,519	13,681
Property tax and insurance recoveries	**129,041**	**2,222**	**131,263**	134,160	1,847	136,007	(4,744)
Property operating cost recoveries	**67,855**	**3,107**	**70,962**	62,182	2,429	64,611	6,351
Miscellaneous revenue	**10,414**	**2,633**	**13,047**	10,412	1,716	12,128	919
Rentals from investment properties	**587,392**	**21,080**	**608,472**	576,709	15,556	592,265	16,207
Service and other revenues	**10,105**	**—**	**10,105**	11,237	—	11,237	(1,132)
Rentals from investment properties and other(2)	**597,497**	**21,080**	**618,577**	587,946	15,556	603,502	15,075
Recoverable tax and insurance costs	**(133,058)**	**(2,287)**	**(135,345)**	(140,224)	(1,813)	(142,037)	6,692
Recoverable CAM costs	**(74,059)**	**(3,224)**	**(77,283)**	(66,303)	(2,313)	(68,616)	(8,667)
Property management fees and costs	**(3,198)**	**(690)**	**(3,888)**	(883)	(473)	(1,356)	(2,532)
Non-recoverable operating costs	**(6,731)**	**(3,378)**	**(10,109)**	(5,152)	(1,980)	(7,132)	(2,977)
ECL	**2,656**	**(109)**	**2,547**	(5,255)	4	(5,251)	7,798
Property operating costs	**(214,390)**	**(9,688)**	**(224,078)**	(217,817)	(6,575)	(224,392)	314
Other expenses	**(10,107)**	**—**	**(10,107)**	(11,243)	—	(11,243)	1,136
Property operating costs and other(2)	**(224,497)**	**(9,688)**	**(234,185)**	(229,060)	(6,575)	(235,635)	1,450
Net rental income and other	**373,000**	**11,392**	**384,392**	358,886	8,981	367,867	16,525
Condo and townhome closings revenue	**—**	**4,524**	**4,524**	—	76,837	76,837	(72,313)
Condo and townhome cost of sales	**—**	**(3,114)**	**(3,114)**	—	(56,102)	(56,102)	52,988
Marketing and selling costs	**(425)**	**(489)**	**(914)**	—	(197)	(197)	(717)
Net profit on condo and townhome closings	**(425)**	**921**	**496**	—	20,538	20,538	(20,042)
NOI(3)	**372,575**	**12,313**	**384,888**	358,886	29,519	388,405	(3,517)
Net rental income and other as a percentage of net base rent (%)	**98.1**	**86.8**	**97.8**	97.0	93.9	96.9	0.9
Net rental income and other as a percentage of rentals from investment properties (%)	**63.5**	**54.0**	**63.2**	62.2	57.7	62.1	1.1
Net rental income and other as a percentage of rentals from investment properties and other (%)	**62.4**	**54.0**	**62.1**	61.0	57.7	61.0	1.1
Recovery Ratio (including prior year adjustments) (%)	**95.1**	**96.7**	**95.1**	95.1	103.6	95.2	(0.1)
Recovery Ratio (excluding prior year adjustments) (%)	**94.5**	**96.3**	**94.5**	95.2	106.4	95.4	(0.9)

(1) This column contains non-GAAP measures because it includes figures that are recorded in equity accounted investments – that are not explicitly disclosed and/or presented in the unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2022 and September 30, 2021. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.
(2) As reflected under the column "Trust portion excluding EAI" in the table above, this amount represents a GAAP measure.
(3) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.

Same Properties NOI

NOI (a non-GAAP financial measure) from continuing operations represents: i) rentals from investment properties and other revenues less property operating costs and other expenses, and ii) net profit from condominium sales. Disclosing the NOI contribution from each of same properties, acquisitions, dispositions, Earnouts and Development activities highlights the impact each component has on aggregate NOI. Straight-line rent, lease terminations and other adjustments, and amortization of tenant incentives have been excluded from Same Properties NOI, as have NOI from acquisitions, dispositions, Earnouts and Development activities, and ECL. This has been done in order to more directly highlight the impact of changes in occupancy, rent uplift and productivity.

Quarterly Comparison to Prior Year

(in thousands of dollars)	**Three Months Ended September 30, 2022**	Three Months Ended September 30, 2021	Variance ($)	Variance (%)
Net rental income	**127,199**	123,608	3,591	2.9
Service and other revenues	**5,028**	4,908	120	2.4
Other expenses	**(5,030)**	(4,899)	(131)	2.7
NOI(1)	**127,197**	123,617	3,580	2.9
NOI from equity accounted investments(1)	**3,789**	9,716	(5,927)	(61.0)
Total portfolio NOI before adjustments(1)	**130,986**	133,333	(2,347)	(1.8)
Adjustments:				
Royalties	**305**	266	39	14.7
Straight-line rent	**(22)**	(640)	618	(96.6)
Lease termination and other adjustments	**12**	(824)	836	N/R(2)
Net profit on condo and townhome closings(3)	**244**	(6,444)	6,688	N/R(2)
Amortization of tenant incentives	**2,090**	1,819	271	14.9
Total portfolio NOI after adjustments(1)	**133,615**	127,510	6,105	4.8
NOI sourced from:				
Acquisitions	**(2,000)**	(7)	(1,993)	N/R(2)
Dispositions	**1**	(427)	428	N/R(2)
Earnouts and Developments	**(787)**	(153)	(634)	N/R(2)
Same Properties NOI(1)	**130,829**	126,923	3,906	3.1
Add back: ECL	**(243)**	690	(933)	N/R(2)
Same Properties NOI excluding ECL(1)	**130,586**	127,613	2,973	2.3

(1) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.
(2) N/R – Not representative.
(3) Includes marketing costs.

Year-to-Date Comparison to Prior Year

(in thousands of dollars)	**Nine Months Ended September 30, 2022**	Nine Months Ended September 30, 2021	Variance ($)	Variance (%)
Net rental income	**372,577**	358,892	13,685	3.8
Service and other revenues	**10,105**	11,237	(1,132)	(10.1)
Other expenses	**(10,107)**	(11,243)	1,136	10.1
NOI[1]	**372,575**	358,886	13,689	3.8
NOI from equity accounted investments[1]	**12,313**	29,519	(17,206)	(58.3)
Total portfolio NOI before adjustments[1]	**384,888**	388,405	(3,517)	(0.9)
Adjustments:				
Royalties	**816**	675	141	20.9
Straight-line rent	**(403)**	(729)	326	(44.7)
Lease termination and other adjustments	**(133)**	(1,764)	1,631	(92.5)
Net profit on condo and townhome closings[3]	**(496)**	(20,538)	20,042	(97.6)
Amortization of tenant incentives	**5,625**	5,894	(269)	(4.6)
Total portfolio NOI after adjustments[1]	**390,297**	371,943	18,354	4.9
Less NOI sourced from:				
Acquisitions	**(5,125)**	104	(5,229)	N/R[2]
Dispositions	**(12)**	(1,465)	1,453	(99.2)
Earnouts and Developments	**(3,030)**	(544)	(2,486)	N/R[2]
Same Properties NOI[1]	382,130	370,038	12,092	3.3
Add back: ECL	**2,547**	(5,251)	7,798	N/R[2]
Same Properties NOI excluding ECL[1]	384,677	364,787	19,890	5.5

(1) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.
(2) N/R – Not representative.
(3) Includes marketing costs.

Adjusted EBITDA

The following table presents a reconciliation of net income and comprehensive income to Adjusted EBITDA:

	Rolling 12 Months Ended		
(in thousands of dollars)	**September 30, 2022**	September 30, 2021	Variance ($)
Net income and comprehensive income	**1,187,736**	383,975	803,761
Add (deduct) the following items:			
Interest expense	**152,339**	153,843	(1,504)
Interest income	**(15,285)**	(13,733)	(1,552)
Yield maintenance costs	**—**	11,954	(11,954)
Amortization of equipment and intangible assets	**3,676**	4,955	(1,279)
Amortization of tenant improvements	**7,231**	7,948	(717)
Fair value adjustments on revaluation of investment properties	**(771,207)**	(85,059)	(686,148)
Fair value adjustments on revaluation of financial instruments	**(69,234)**	41,331	(110,565)
Fair value adjustment on TRS	**(6,958)**	1,462	(8,420)
Adjustment for supplemental costs	**5,035**	2,084	2,951
Loss (gain) on sale of investment properties	**521**	(116)	637
Gain on sale of land to co-owners (Transactional FFO)	**336**	1,587	(1,251)
Acquisition-related costs	**3,089**	166	2,923
Adjusted EBITDA[1]	**497,279**	510,397	(13,118)
Less: Condo and townhome closings	**(394)**	(36,623)	36,229
Add: ECL	**(4,041)**	10,486	(14,527)
Adjusted EBITDA excluding condo and townhome closings and ECL[1]	**492,844**	484,260	8,584

(1) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For additional information, please see "Non-GAAP Measures" in this Press Release.

Non-GAAP Measures

The non-GAAP measures used in this Press Release, including but not limited to, FFO per Unit, Unencumbered Assets, NOI, Debt to Aggregate Assets, Interest Coverage Ratio, Adjusted Debt to Adjusted EBITDA, Unsecured/Secured Debt Ratio, FFO, FFO with adjustments, FFO with adjustments excluding impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition, FFO per Unit with adjustments, Fixed Rate to Variable Rate Debt Ratio, Transactional FFO, ACFO, ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition, Payout Ratio to ACFO, Same Properties NOI, Total assets – non-GAAP, Investment properties – non-GAAP, Debt – non-GAAP, Debt to Gross Book Value, Unencumbered Assets to Unsecured Debt, Weighted Average Interest Rate, and Total Proportionate Share, do not have any standardized meaning prescribed by International Financial Reporting Standards ("IFRS") and are therefore unlikely to be comparable to similar measures presented by other issuers. Additional information regarding these non-GAAP measures is available in the Management's Discussion and Analysis of the Trust for the three and nine months ended September 30, 2022, dated November 11, 2022 (the "MD&A), and is incorporated by reference. The information is found in the "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" sections of the MD&A, which is available on SEDAR at www.sedar.com. Reconciliations of non-GAAP financial measures to the most directly comparable IFRS measures are found in the following sections of this Press Release: "Proportionately Consolidated Balance Sheets (including the Trust's interests in equity accounted investments)", "Proportionately Consolidated Statements of Income and Comprehensive Income (including the Trust's Interests in Equity Accounted Investments)", "FFO, FFO with adjustments, and FFO with adjustments and Transactional FFO", "ACFO and ACFO with adjustments", "Net Operating Income", "Same Properties NOI", and "Adjusted EBITDA".

Full reports of the financial results of the Trust for the three and nine months ended September 30, 2022 are outlined in the unaudited interim condensed consolidated financial statements and the related MD&A of the Trust for the three and nine months ended September 30, 2022, which are available on SEDAR at www.sedar.com.

Conference Call

SmartCentres will hold a conference call on Monday, November 14, 2022 at 2:00 p.m. (ET). Participating on the call will be members of SmartCentres' senior management.

Investors are invited to access the call by dialing 1-855-353-9183 and then keying in the participant access code 86995#. You will be required to identify yourself and the organization on whose behalf you are participating.

A recording of this call will be made available Monday, November 14, 2022 beginning at 8:30 p.m. (ET) through to 8:30 p.m. (ET) on Monday, November 21, 2022. To access the recording, please call 1-855-201-2300, enter the conference access code 86995# and then key in the playback access code 0112654#.

About SmartCentres

SmartCentres Real Estate Investment Trust is one of Canada's largest fully integrated REITs, with a best-in-class portfolio featuring 185 strategically located properties in communities across the country. SmartCentres has approximately $11.9 billion in assets and owns 34.7 million square feet of income producing value-oriented retail and first-class office space with 98.1% occupancy, on 3,500 acres of owned land across Canada.

SmartCentres continues to focus on enhancing the lives of Canadians by planning and developing complete, connected, mixed-use communities on its existing retail properties. Project 512, a publicly announced $15.2 billion intensification program ($9.8 billion at SmartCentres' share) represents the REIT's current major development focus on which construction is expected to commence within the next five years. This intensification program consists of rental apartments, condos, seniors' residences and hotels, to be developed under the SmartLiving banner, and retail, office, and storage facilities, to be developed under the SmartCentres banner.

SmartCentres' intensification program is expected to produce an additional 57.0 million square feet (39.5 million square feet at SmartCentres' share) of space, 27.8 million square feet (18.1 million square feet at SmartCentres' share) of which has or will commence construction within the next five years. From shopping centres to city centres, SmartCentres is uniquely positioned to reshape the Canadian urban and urban-suburban landscape.

Included in this intensification program is the Trust's share of SmartVMC which, when completed, is expected to include approximately 20.0 million square feet of mixed-use space in Vaughan, Ontario. Construction of the first five sold-out phases of Transit City Condominiums that represent 2,789 residential units continues to progress. Final closings of the first three phases of Transit City Condominiums began ahead of budget and ahead of schedule in August 2020 and all 1,741 units, in addition to the 22 townhomes that complete these phases, have now closed. The fourth and fifth sold-out phases representing 1,026 units are currently under construction and are expected to close in 2023.

Certain statements in this Press Release are "forward-looking statements" that reflect management's expectations regarding the Trust's future growth, results of operations, performance and business prospects and opportunities. More specifically, certain statements including, but not limited to, statements related to SmartCentres' expectations relating to cash collections and occupancy levels, expectations relating to the SmartLiving platform, SmartCentres' expected or planned development plans and joint venture projects, including the described type, scope, costs and other financial metrics including expected yields and the expected timing of construction and condominium closings and statements that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "will", "may" and similar expressions and statements relating to matters that are not historical facts, constitute "forward-looking statements". These forward-looking statements are presented for the purpose of assisting the Trust's Unitholders and financial analysts in understanding the Trust's operating environment and may not be appropriate for other purposes. Such forward-looking statements reflect management's current beliefs and are based on information currently available to management.

However, such forward-looking statements involve 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 risks associated with potential acquisitions not being completed or not being completed on the contemplated terms, public health crises such as the COVID-19 pandemic, real property ownership and development, debt and equity financing for development, interest and financing costs, construction and development risks, and the ability to obtain commercial and municipal consents for development. These risks and others are more fully discussed under the heading "Risks and Uncertainties" and elsewhere in SmartCentres' most recent Management's Discussion and Analysis, as well as under the heading "Risk Factors" in SmartCentres' most recent annual information form. Although the forward-looking statements contained in this Press Release are based on what management believes to be reasonable assumptions, SmartCentres cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement. These forward-looking statements are made as at the date of this Press Release and SmartCentres assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation.

Material factors or 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: a stable retail environment; a continuing trend toward land use intensification, including residential development in urban markets and continued growth along transportation nodes; access to equity and debt capital markets to fund, at acceptable costs, future capital requirements and to enable our refinancing of debts as they mature; that requisite consents for development will be obtained in the ordinary course, and construction and permitting costs are consistent with the past year and recent inflation trends.

For more information, please visit www.smartcentres.com or contact:

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