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SMARTCENTRES REAL ESTATE INVESTMENT TRUST RELEASES FOURTH QUARTER AND FULL YEAR RESULTS FOR 2022

Operational

- **Shopping centre leasing activity remains strong, with industry-leading occupancy levels of 98% in Q4 2022, representing a 40 basis point increase as compared to the same period 2021**
- **Same Properties NOI[(1)] for the quarter increased by $5.1 million or 4.0% as compared to Q4 2021, and for the full year increased by $16.5 million or 3.3% as compared to 2021**
- **Net rental income and other for the quarter increased by $2.2 million or 1.7% as compared to Q4 2021, and for the full year increased by $16.8 million or 3.5% as compared to 2021**

Mixed-use Development

- **In excess of three million square feet of construction activity is currently underway, principally high rise residential on existing shopping centre sites in Toronto, Montreal, and Ottawa**
- **Construction of the Transit City 4 & 5 condominium towers is in the final stages of completion with closings scheduled to commence in March 2023. All 1,026 units have been pre-sold and construction costs are on budget**
- **Construction of the Millway, a 458-unit purpose-built rental apartment building, is also in the final stages of completion, with initial tenants taking occupancy and rent commencement later this month**

Financial

- **FFO[(1)] with adjustments excluding the impact of the TRS for the quarter increased by $1.0 million or 1.1% as compared to Q4 2021, and for the full year increased by $9.6 million or 2.7% as compared to 2021**
- **Payout Ratio to ACFO[(1)] with adjustments excluding the impact of the TRS and other for the year ended December 31, 2022 improved by 3.9% to 92.6% as compared to 2021 and for the quarter improved by 5.7% to 94.1% as compared to Q4 2021**
- **Payout Ratio to cash flows provided by operating activities for the year ended December 31, 2022 increased by 3.1% to 88.9% as compared to 2021 and for the quarter increased by 1.6% to 61.2% as compared to Q4 2021**
- **As a result of fair value adjustments to property valuations and condo and townhouse closings that occurred in 2021, net income and comprehensive income for the quarter decreased by $551.8 million or 84.6% as compared to Q4 2021, and for the year decreased by $351.7 million or 35.6% as compared to 2021**

TORONTO, ONTARIO - (February 8, 2023) 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 and year ended December 31, 2022.

“Walmart is a very strong anchor tenant in good times, and an even stronger one in tough times. Hence, customer traffic to our Walmart-anchored shopping centre portfolio continues to gain 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 this trend will continue into 2023 and that it will have a positive impact on both our occupancy and earnings levels. We are pleased with the noticeable increase in leasing activity in the fourth quarter and the associated improvement in cash collections.”

“We are particularly proud of our progress on the eleven mixed-used development initiatives that are currently under construction. These projects have expected completion dates in 2023 and 2024, upon which they are expected to begin contributing FFO(1). The development initiatives span multiple asset classes, including condos, rental apartments, seniors’ apartments, townhouses, self-storage, industrial, and retirement residences. As at December 31, 2022, the total cumulative amount of capital deployed on these projects was $755.2 million ($304.1 million at the Trust’s share), with approximately $487.8 million remaining until completion ($234.9 million at the Trust’s share),” noted Mr. Goldhar.

“Among these developments are significant projects at our flagship Vaughan Metropolitan Centre. These include two 45-storey and 50-storey condominium towers at Transit City nearing completion after 36 months. These units are sold out and the final stages of construction are rapidly nearing the finish line, on time and on budget. Closings are expected to commence in March 2023. In addition, The Millway, a 458-unit, 36-storey rental apartment tower, is also proceeding on time and on budget with initial occupancy and rent commencement expected to begin later this month. The first phase of our Artwalk condominium project is also sold out and construction is expected to commence in the second half of 2023.”

“We are also pleased to note that, as promised, we published our inaugural ESG report during the fourth quarter of 2022. Our business remains strong and well-positioned for growth in the coming years. Nevertheless, with changing economic conditions, we plan on applying prudent discipline when assessing development and other initiatives. Our focus remains on the long term, including the development of mixed-use projects on our strategically located real estate, which we are confident will extract deeply embedded value 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 Year Ended December 31, 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 nears completion on the 100% pre-sold Transit City 4 (45 storeys) and 5 (50 storeys) condo towers, representing 1,026 residential units. Concrete, formwork and building envelope have been completed for both towers, with interior finishes ongoing. First closings are expected to commence in March 2023.

- Construction of the purpose-built rental project, The Millway (36 storeys), nears completion at SmartVMC. Formwork, concrete and building envelope have been completed, with interior finishes underway. Initial occupancy is expected to commence in February 2023.

- ArtWalk condominium sales of 320 released units in Phase 1 are sold out with construction expected to begin in the second half of 2023.

Other Business Development

- Occupancy in the completed first phase of the two-phase, purpose-built residential rental project in Laval, Quebec, ended the year with 98% of the 171 units leased. Pre-leasing has commenced on the next phase and construction continues, with a target completion date of Q2 2023.

- Initial occupancy in the two purpose-built residential rental towers (238 units) in Mascouche, Quebec began in July 2022, with the final floor opened in November. More than 147 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 very well-received by their local communities, with current occupancy levels ahead of expectations. A sixth facility, Aurora, opened in December 2022.

- Three self-storage facilities in Whitby, Markham and Brampton (Kingspoint) are currently under construction, with Brampton (Kingspoint) expected to be completed in early 2023. Additional self-storage facilities have been approved by the Board of Trustees and the Trust is in the process of obtaining municipal approvals in Stoney Creek and two locations in Toronto (Gilbert Ave. and Jane St.). In addition, the municipal approval process is underway in New Westminster and 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.

- By way of a Minister's Zoning Order, the Trust has permissions that would allow for the redevelopment of the 73-acre Cambridge retail property (which is subject to a leasehold interest with Penguin) including 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 million square feet of development.

- The Trust, together with its partner, Penguin, has also commenced preliminary siteworks for the 215,000 square foot 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 $636.0 million in 2022 compared to $987.7 million in 2021, representing a decrease of $351.7 million. This decrease was primarily attributed to: i) $476.8 million decrease in fair value adjustment on revaluation of investment properties; and ii) $20.2 million decrease in net profit on condo and townhome unit closings; and was partially offset by i) $125.5 million increase in fair value adjustments on financial instruments; and ii) $20.6 million increase in net rental income and other mainly due to higher base rent in 2022.

- Net income and comprehensive income per Unit[1] in 2022 decreased by $2.14 or 37.7% to $3.54 as compared to the same period in 2021, primarily due to the reasons as noted above.

- As at December 31, 2022, the Trust increased its unsecured/secured debt ratio[2][3] to 74%/26% (December 31, 2021 – 71%/29%).

- The Trust continues to add to its unencumbered pool of high-quality assets. As at December 31, 2022, this unencumbered portfolio consisted of investment properties was valued at $8.4 billion (December 31, 2021 – $6.6 billion).

- The Trust's fixed rate/variable rate debt ratio[2][3] was 82%/18% as at December 31, 2022 (December 31, 2021 – 89%/11%).

- FFO per Unit with adjustments excluding the impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition[2] was $2.14 (year ended December 31, 2021 – $2.09).

- During the quarter, 693,900 additional notional TRS Units were added at a weighted average price of $26.37 per Unit.

- For the year ended December 31, 2022, there was a surplus of cash flows provided by operating activities[1] over distributions declared of $41.2 million (year ended December 31, 2021 – surplus of $52.9 million).

- The Payout Ratio relating to cash flows provided by operating activities for the year ended December 31, 2022 was 88.9%, as compared to 85.8% for the year ended December 31, 2021.

- For the year ended December 31, 2022, there was a surplus of ACFO[2] over distributions declared of $10.5 million (year ended December 31, 2021 – surplus of $34.3 million).

- The Payout Ratio to ACFO[2] for the year ended December 31, 2022 was 96.9%, as compared to 90.3% for the year ended December 31, 2021. Excluding the impact of TRS, condominium and townhome closings, and SmartVMC West acquisition, the Payout Ratio to ACFO[2] for the year ended December 31, 2022 was 92.6%, as compared to 96.5% for the year ended December 31, 2021.

Operational

- Rentals from investment properties and other[1] was $804.6 million, as compared to $780.8 million in 2021, representing an increase of $23.8 million or 3.0%, primarily due to: (i) the acquisition of an additional interest in investment properties in Q1 2022; (ii) higher rental income from Premium Outlets locations in both Toronto and Montreal; and (iii) additional self-storage facility and parking rental revenue.

- Same Properties NOI inclusive of ECL[2] increased by $16.5 million or 3.3% in 2022 as compared to 2021. Same Properties NOI excluding ECL[2] increased by $9.5 million or 1.9% in 2022 as compared to the prior year.

- In-place occupancy rate and occupancy rate with committed deals were 97.6% and 98.0%, respectively, as at December 31, 2022 (December 31, 2021 – 97.4% and 97.6%, respectively).

Subsequent Event

- The Trust together with an entity, PCVP, which is classified as investment in associates, entered into an agreement to dispose approximately 6.4 acres of land located in Vaughan, Ontario (VMC) to an unrelated party, which closed in February 2023, for gross proceeds of $95.6 million that was satisfied with cash. The Trust's share of such proceeds was $58.4 million, comprised of $42.3 million relating to the Trust's two-thirds share of the 4.3 acres of land on western part of SmartVMC which were previously consolidated in the Trust's consolidated financial statements and presented as assets held for sale at December 31, 2022, and $16.1 million relating to the Trust's 50% share of 2.1 acres of land on eastern part of SmartVMC which were previously recorded in equity accounted investments. Proceeds from the sale were primarily used by the Trust to reduce indebtedness.

(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 $33.4 million as at December 31, 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)	**December 31, 2022**	December 31, 2021	December 31, 2020
Portfolio Information			
Number of retail properties	**155**	155	156
Number of office properties	**4**	4	4
Number of self-storage properties	**6**	6	4
Number of residential properties	**1**	1	1
Number of properties under development	**19**	17	14
Total number of properties with an ownership interest	**185**	183	179
Leasing and Operational Information[1]			
Gross leasable retail and office area (in thousands of sq. ft.)	**34,750**	34,119	34,056
Occupied retail and office area (in thousands of sq. ft.)	**33,925**	33,219	33,039
Vacant retail and office area (in thousands of sq. ft.)	**826**	900	1,017
In-place occupancy rate (%)	**97.6**	97.4	97.0
In-place and committed occupancy rate (%)	**98.0**	97.6	97.3
Average lease term to maturity (in years)	**4.2**	4.4	4.6
Net annualized retail rental rate (per occupied sq. ft.) ($)	**15.53**	15.44	15.37
Net annualized retail rental rate excluding Anchors (per occupied sq. ft.) ($)	**22.20**	22.07	21.89
Mixed-Use Development Information			
Trust's share of future development area (in thousands of sq. ft.)	**41,200**	40,600	32,500
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)	**10,000**	9,800	7,900
Total number of residential rental projects	**110**	104	96
Total number of seniors' housing projects	**25**	27	40
Total number of self-storage projects	**33**	36	50
Total number of office buildings / industrial projects	**8**	8	7
Total number of hotel projects	**3**	3	4
Total number of condominium developments	**88**	95	72
Total number of townhome developments	**7**	10	15
Total number of estimated future projects currently in development planning stage	**274**	283	284

(in thousands of dollars, except per Unit and other non-financial data)	**December 31, 2022**	December 31, 2021	December 31, 2020
Financial Information			
Total assets – GAAP(2)	**11,702,153**	11,293,248	10,724,492
Total assets – non-GAAP(3)(4)	**12,083,941**	11,494,377	10,874,900
Investment properties – GAAP(2)	**10,250,392**	9,847,078	8,850,390
Investment properties – non-GAAP(3)(4)	**11,223,796**	10,684,529	9,400,584
Total unencumbered assets(3)	**8,415,900**	6,640,600	5,835,600
Debt – GAAP(2)	**4,983,265**	4,854,527	5,210,123
Debt – non-GAAP(3)(4)	**5,260,053**	4,983,078	5,261,360
Debt to Aggregate Assets (%)(3)(4)(5)	**43.6**	42.9	44.6
Debt to Gross Book Value (%)(3)(4)(5)	**52.0**	50.8	50.1
Unsecured to Secured Debt Ratio(3)(4)(5)	**74%/26%**	71%/29%	68%/32%
Unencumbered assets to unsecured debt(3)(4)(5)	**2.2X**	1.9X	1.9X
Weighted average interest rate (%)(3)(4)	**3.86**	3.11	3.28
Weighted average term of debt (in years)	**4.0**	4.8	5.0
Interest coverage ratio(3)(4)(5)	**3.1X**	3.4X	3.2X
Equity (book value)(2)	**6,163,101**	5,841,315	5,166,975
Weighted average number of units outstanding – diluted	**179,657,455**	173,748,819	172,971,603

(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 assets held for sale and the Trust's proportionate share of equity accounted investments.
(5) As at December 31, 2022, cash-on-hand of $33.4 million was excluded for the purposes of calculating the applicable ratios (December 31, 2021 – $80.0 million, December 31, 2020 – $754.4 million).

Year-to-Date Comparison to Prior Year

The following table presents key financial, per Unit, and payout ratio information for the year ended December 31, 2022 and December 31, 2021:

(in thousands of dollars, except per Unit information)	**2022**	2021	Variance
	(A)	(B)	(A–B)
Financial Information			
Rentals from investment properties and other[1]	**804,598**	780,796	23,802
Net base rent[1]	**508,023**	494,992	13,031
Total recoveries[1]	**265,281**	253,032	12,249
Miscellaneous revenue[1]	**15,393**	17,891	(2,498)
Service and other revenues[1]	**14,652**	14,843	(191)
Earnings from other[1]	**1,249**	38	1,211
Net income and comprehensive income[1]	**635,965**	987,676	(351,711)
Net income and comprehensive income excluding fair value adjustments[2][3]	**342,261**	342,609	(348)
Cash flows provided by operating activities[1]	**370,762**	371,624	(862)
Net rental income and other[1]	**502,604**	485,840	16,764
NOI from condominium and townhome closings and other adjustments[2]	**305**	20,471	(20,166)
NOI[2]	**518,520**	518,122	398
Change in net rental income and other[2]	**3.5 %**	5.4 %	(1.9)%
Change in SPNOI[2]	**3.3 %**	3.5 %	(0.2)%
Change in SPNOI excluding ECL[2]	**1.9 %**	(2.0)%	3.9 %
FFO[2][3][4][5]	**371,572**	380,070	(8,498)
Other adjustments	**656**	3,226	(2,570)
FFO with adjustments[2][3][4]	**372,228**	383,296	(11,068)
Adjusted for:			
ECL	**(3,257)**	3,706	(6,963)
Loss (gain) on derivative – TRS	**4,918**	(5,642)	10,560
FFO sourced from condominium and townhome closings	**(680)**	(18,747)	18,067
FFO sourced from SmartVMC West acquisition	**(984)**	—	(984)
FFO with adjustments excluding impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition[2][3][4]	**372,225**	362,613	9,612
FFO with adjustments and Transactional FFO[2][3][4]	**379,890**	385,219	(5,329)
ACFO[2][3][4][5]	**340,075**	353,055	(12,980)
Other adjustments	**656**	3,226	(2,570)
ACFO with adjustments[2][3][4]	**340,731**	356,281	(15,550)
Adjusted for:			
Loss (gain) on derivative – TRS	**4,918**	(5,642)	10,560
ACFO sourced from condominium and townhome closings	**(305)**	(20,471)	20,166
ACFO sourced from SmartVMC West acquisition	**(984)**	—	(984)
ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition[2][3][4]	**344,360**	330,168	14,192
Distributions declared	**329,531**	318,753	10,778
Surplus of cash flows provided by operating activities over distributions declared[2]	**41,231**	52,871	(11,640)
Surplus of ACFO over distributions declared[2]	**10,544**	34,302	(23,758)
Surplus of ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition over distributions declared[2]	**14,829**	11,415	3,414
Units outstanding[6]	**178,133,853**	178,091,581	42,272
Weighted average – basic	**178,121,149**	172,447,334	5,673,815
Weighted average – diluted[7]	**179,657,455**	173,748,819	5,908,636

(in thousands of dollars, except per Unit information)	**2022**	2021	Variance
	(A)	(B)	(A–B)
Per Unit Information (Basic/Diluted)			
Net income and comprehensive income(1)	**$3.57/$3.54**	$5.73/$5.68	$-2.16/$-2.14
Net income and comprehensive income excluding fair value adjustments(2)(3)	**$1.92/$1.91**	$1.99/$1.97	$-0.07/$-0.06
FFO(2)(3)(4)(5)	**$2.09/$2.07**	$2.20/$2.19	$-0.11/$-0.12
Other non-recurring adjustments	**$0.00/$0.00**	$0.02/$0.02	$-0.02/$-0.02
FFO with adjustments(2)(3)(4)	**$2.09/$2.07**	$2.22/$2.21	$-0.13/$-0.14
FFO with adjustments excluding impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition(2)(3)(4)	**$2.16/$2.14**	$2.10/$2.09	$0.06/$0.05
FFO with adjustments and Transactional FFO(2)(3)(4)	**$2.13/$2.11**	$2.23/$2.22	$-0.10/$-0.11
Distributions declared	**$1.850**	$1.850	$—
Payout Ratio Information			
Payout Ratio to cash flows provided by operating activities	**88.9 %**	85.8 %	3.1 %
Payout Ratio to ACFO(2)(3)(4)(5)	**96.9 %**	90.3 %	6.6 %
Payout Ratio to ACFO with adjustments(2)(3)(4)	**96.7 %**	89.5 %	7.2 %
Payout Ratio to ACFO with adjustments excluding impact of TRS, condominium and townhome sales, and SmartVMC West acquisition(2)(3)(4)	**92.6 %**	96.5 %	(3.9)%

(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 "Other Measures of Performance" 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 December 31, 2022, net income and comprehensive income (as noted in the table above) decreased by $551.8 million as compared to the same period in 2021. This decrease was primarily attributed to the following:

- $568.7 million decrease in fair value adjustments on revaluation of investment properties, including adjustments relating to assets held for sale, primarily due to increase in fair value of certain properties under development in Q4 2021 as a result of changes in the market and the progress made on planning entitlements (see details in the “Investment Property” section in the Trust’s MD&A); and
- $7.2 million increase in interest expense (see further details in the “Interest Income and Interest Expense” subsection in the Trust’s MD&A);

Partially offset by the following:

- $10.9 million increase in fair value adjustment on financial instruments primarily due to fluctuations in the Trust’s Unit price;
- $4.1 million increase in interest income mainly due to higher interest rates;
- $3.9 million increase in NOI (see further details in the “Net Operating Income” subsection in the Trust’s MD&A);
- $2.8 million decrease in acquisition-related costs related to the SmartVMC West acquisition in 2021; and
- $1.4 million decrease in general and administrative expenses (net) (see further details in the “General and Administrative Expense” section in the Trust’s MD&A).

For the year ended December 31, 2022, net income and comprehensive income (as noted in the table above) decreased by $351.7 million as compared to the same period in 2021. This decrease was primarily attributed to the following:

- $476.8 million decrease in fair value adjustments on revaluation of investment properties primarily due to increase in fair value of certain properties under development in Q4 2021 as a result of changes in the market and the progress made on planning entitlements (see details in the “Investment Property” section in the Trust’s MD&A);
- $6.5 million increase in interest expense (see further details in the “Interest Income and Interest Expense” section in the Trust’s MD&A); and
- $2.8 million increase in supplemental costs and in general and administrative expenses (net) (see further details in the “General and Administrative Expense” section in the Trust’s MD&A);

Partially offset by the following:

- $125.5 million increase in fair value adjustment on financial instruments primarily due to fluctuations in the Trust’s Unit price and increase in fair value adjustments pertaining to interest rate swap agreements due to fluctuation in the interest rate (see further details in the “Debt” subsection in the Trust’s MD&A);
- $6.1 million increase in interest income mainly due to higher interest rates; and
- $2.5 million decrease in acquisition-related costs related to the SmartVMC West acquisition in 2021.

Development and Intensification Summary

The following table summarizes the 274 identified mixed-use, recurring rental income and development income initiatives, which are included in the Trust's large development pipeline:

Description	Under Construction	Construction 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	3	22	24	61	110
Seniors' Housing	1	3	7	14	25
Self-storage	3	7	8	15	33
Office Buildings / Industrial	1	—	1	6	8
Hotels	—	—	—	3	3
Subtotal – Recurring rental income initiatives	8	32	40	99	179
Condominium developments	2	15	25	46	88
Townhome developments	1	1	2	3	7
Subtotal – Development income initiatives	3	16	27	49	95
Total	**11**	**48**	**67**	**148**	**274**
Trust's share of project area (in thousands of sq. ft.)					
Recurring rental income initiatives	1,000	4,450	4,300	12,500	22,250
Development income initiatives	400	3,650	4,700	10,200	18,950
Total Trust's share of project area (in thousands of sq. ft.)	**1,400**	**8,100**	**9,000**	**22,700**	**41,200**
Trust's share of such estimated costs (in millions of dollars)	**550**	**4,450**	**5,000**	**–** (1)	**10,000**

(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 following table provides additional details on the Trust's 11 development initiatives that are currently under construction (in order of estimated initial occupancy/closing date):

Projects under construction (Location/Project Name)	Type	Trust's Share (%)	Estimated initial occupancy / closing date	% of completion	GFA(2) (sq. ft.)	No. of units
Vaughan / Transit City 4 Vaughan / Transit City 5	Condo	25	Q1 2023	87 %	—	1,026
Vaughan / The Millway	Apartment	50	Q1 2023	73 %	—	458
Brampton / Kingspoint Plaza	Self Storage	50	Q1 2023	91 %	133,000	969
Pickering (Seaton Lands)	Industrial	100	Q1 2023	79 %	241,000	—
Laval Centre	Apartment	50	Q2 2023	58 %	—	211
Markham East / Boxgrove	Self Storage	50	Q1 2024	38 %	133,332	910
Whitby	Self Storage	50	Q1 2024	16 %	126,135	811
Ottawa SW (1) Ottawa SW (1)	Retirement Residence Senior Apartments	50	Q1 2024	26 %	—	402
Vaughan NW	Townhouse	50	Q3 2024	14 %	—	174

	In millions of dollars
Total Capital Spend To Date at 100% (3)	**755.2**
Estimated Cost to Complete at 100%	**487.8**
Total Expected Capital Spend by Completion at 100% (3)	**1,243.0**
Total Capital Spend To Date at Trust's share (3)	**304.1**
Estimated Cost to Complete at Trust's share	**234.9**
Total Expected Capital Spend by Completion at Trust's share (3)	**539.0**

(1) Figure represents capital spend of both retirement residence and senior apartments projects.
(2) GFA represents Gross Floor Area.
(3) Total capital spent to date and total expected capital spend by completion include land value.

Reconciliations of Non-GAAP Measures

The following tables reconcile the non-GAAP measures to the most comparable GAAP measures for the three months and year ended December 31, 2022 and the comparable periods in 2021. Such measures do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures disclosed by other issuers.

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)	Year Ended December 31, 2022			Year Ended December 31, 2021		
	GAAP Basis	**Proportionate Share Reconciliation (1)**	**Total Proportionate Share(2)**	GAAP Basis	Proportionate Share Reconciliation (1)	Total Proportionate Share(2)
Assets						
Non-current assets						
Investment properties	**10,208,071**	**957,354**	**11,165,425**	9,847,078	837,451	10,684,529
Equity accounted investments	**680,999**	**(680,999)**	**—**	654,442	(654,442)	—
Mortgages, loans and notes receivable	**238,099**	**(76,994)**	**161,105**	345,089	(69,576)	275,513
Other financial assets	**171,807**	**—**	**171,807**	97,148	—	97,148
Other assets	**83,230**	**8,977**	**92,207**	80,940	7,465	88,405
Intangible assets	**43,807**	**—**	**43,807**	45,139	—	45,139
	11,426,013	**208,338**	**11,634,351**	11,069,836	120,898	11,190,734
Current assets						
Assets held for sale	**42,321**	**16,050**	**58,371**	—	—	—
Residential development inventory	**40,373**	**113,207**	**153,580**	27,399	67,828	95,227
Current portion of mortgages, loans and notes receivable	**86,593**	**—**	**86,593**	71,947	—	71,947
Amounts receivable and other	**57,124**	**(7,033)**	**50,091**	49,542	(8,637)	40,905
Prepaid expenses, deposits and deferred financing costs	**14,474**	**15,807**	**30,281**	12,289	13,118	25,407
Cash and cash equivalents	**35,255**	**35,419**	**70,674**	62,235	7,922	70,157
	276,140	**173,450**	**449,590**	223,412	80,231	303,643
Total assets	**11,702,153**	**381,788**	**12,083,941**	11,293,248	201,129	11,494,377
Liabilities						
Non-current liabilities						
Debt	**4,523,987**	**212,928**	**4,736,915**	4,176,121	93,465	4,269,586
Other financial liabilities	**277,400**	**—**	**277,400**	326,085	—	326,085
Other payables	**17,265**	**—**	**17,265**	18,243	—	18,243
	4,818,652	**212,928**	**5,031,580**	4,520,449	93,465	4,613,914
Current liabilities						
Current portion of debt	**459,278**	**63,860**	**523,138**	678,406	35,086	713,492
Accounts payable and current portion of other payables	**261,122**	**105,000**	**366,122**	253,078	72,578	325,656
	720,400	**168,860**	**889,260**	931,484	107,664	1,039,148
Total liabilities	**5,539,052**	**381,788**	**5,920,840**	5,451,933	201,129	5,653,062
Equity						
Trust Unit equity	**5,126,197**	**—**	**5,126,197**	4,877,961	—	4,877,961
Non-controlling interests	**1,036,904**	**—**	**1,036,904**	963,354	—	963,354
	6,163,101	**—**	**6,163,101**	5,841,315	—	5,841,315
Total liabilities and equity	**11,702,153**	**381,788**	**12,083,941**	11,293,248	201,129	11,494,377

(1) Represents the Trust's proportionate share of assets and liabilities in equity accounted investments.
(2) 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 December 31, 2022**			Three Months Ended December 31, 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	**206,223**	**8,441**	**214,664**	192,850	5,974	198,824	15,840
Property operating costs and other	**(77,062)**	**(3,779)**	**(80,841)**	(65,896)	(3,144)	(69,040)	(11,801)
	129,161	**4,662**	**133,823**	126,954	2,830	129,784	4,039
Condo and townhome closings revenue and other[2]	**—**	**—**	**—**	—	—	—	—
Condo and townhome cost of sales and other	**(10)**	**(181)**	**(191)**	—	(67)	(67)	(124)
	(10)	**(181)**	**(191)**	—	(67)	(67)	(124)
NOI	**129,151**	**4,481**	**133,632**	126,954	2,763	129,717	3,915
Other income and expenses							
General and administrative expense, net	**(7,790)**	**—**	**(7,790)**	(8,703)	(534)	(9,237)	1,447
Earnings from equity accounted investments	**(113)**	**113**	**—**	160,049	(160,049)	—	—
Fair value adjustment on revaluation of investment properties	**13,377**	**(1,418)**	**11,959**	420,418	160,289	580,707	(568,748)
Gain (loss) on sale of investment properties	**531**	**—**	**531**	(64)	—	(64)	595
Interest expense	**(40,342)**	**(3,846)**	**(44,188)**	(35,654)	(1,355)	(37,009)	(7,179)
Interest income	**5,496**	**1,408**	**6,904**	2,745	11	2,756	4,148
Supplemental costs	**—**	**(738)**	**(738)**	—	(1,125)	(1,125)	387
Fair value adjustment on financial instruments	**—**	**—**	**—**	(10,873)	—	(10,873)	10,873
Acquisition-related costs	**—**	**—**	**—**	(2,791)	—	(2,791)	2,791
Net income and comprehensive income	**100,310**	**—**	**100,310**	652,081	—	652,081	(551,771)

(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.

Year-to-Date Comparison to Prior Year

(in thousands of dollars)	Year Ended December 31, 2022			Year Ended December 31, 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	**804,598**	**28,643**	**833,241**	780,796	21,530	802,326	30,915
Property operating costs and other	**(301,559)**	**(13,467)**	**(315,026)**	(294,956)	(9,719)	(304,675)	(10,351)
	503,039	**15,176**	**518,215**	485,840	11,811	497,651	20,564
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	**(435)**	**(3,784)**	**(4,219)**	—	(56,366)	(56,366)	52,147
	(435)	**740**	**305**	—	20,471	20,471	(20,166)
NOI	**502,604**	**15,916**	**518,520**	485,840	32,282	518,122	398
Other income and expenses							
General and administrative expense, net	**(33,269)**	**(107)**	**(33,376)**	(31,922)	(610)	(32,532)	(844)
Earnings from equity accounted investments	**4,199**	**(4,199)**	**—**	211,420	(211,420)	—	—
Fair value adjustment on revaluation of investment properties	**201,834**	**624**	**202,458**	491,528	187,728	679,256	(476,798)
Gain (loss) on sale of investment properties	**315**	**(241)**	**74**	27	—	27	47
Interest expense	**(148,702)**	**(7,798)**	**(156,500)**	(144,540)	(5,437)	(149,977)	(6,523)
Interest income	**18,036**	**453**	**18,489**	12,341	75	12,416	6,073
Supplemental costs	**—**	**(4,648)**	**(4,648)**	—	(2,618)	(2,618)	(2,030)
Fair value adjustment on financial instruments	**91,246**	**—**	**91,246**	(34,227)	—	(34,227)	125,473
Acquisition-related costs	**(298)**	**—**	**(298)**	(2,791)	—	(2,791)	2,493
Net income and comprehensive income	**635,965**	**—**	**635,965**	987,676	—	987,676	(351,711)

(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.

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 December 31, 2022**	Three Months Ended December 31, 2021	Variance ($)	Variance (%)
Net income and comprehensive income	**100,310**	652,081	(551,771)	(84.6)
Add (deduct):				
Fair value adjustment on revaluation of investment properties[1]	**(13,377)**	(420,418)	407,041	(96.8)
Fair value adjustment on financial instruments[2]	**—**	10,873	(10,873)	N/R[7]
(Loss) gain on derivative – TRS	**6,221**	4,180	2,041	48.8
Loss (gain) on sale of investment properties	**(531)**	64	(595)	N/R[7]
Amortization of intangible assets	**333**	333	—	—
Amortization of tenant improvement allowance and other	**2,005**	1,608	397	24.7
Distributions on Units classified as liabilities recorded as interest expense	**1,083**	1,008	75	7.4
Distributions on vested deferred units recorded as interest expense	**724**	1,045	(321)	(30.7)
Salaries and related costs attributed to leasing activities[3]	**1,514**	1,063	451	42.4
Acquisition-related costs	**—**	2,791	(2,791)	N/R[7]
Adjustments relating to equity accounted investments:				
Rental revenue adjustment – tenant improvement amortization	**98**	62	36	58.1
Indirect interest with respect to the development portion[4]	**1,935**	1,926	9	0.5
Fair value adjustment on revaluation of investment properties	**1,418**	(160,289)	161,707	N/R[7]
Adjustment for supplemental costs	**738**	1,125	(387)	(34.4)
FFO[5]	**102,471**	97,452	5,019	5.2
Other non-recurring adjustments[6]	**(1,910)**	660	(2,570)	N/R[7]
FFO with adjustments[5]	**100,561**	98,112	2,449	2.5
Transactional FFO – gain on sale of land to co-owners	**7,662**	336	7,326	N/R[7]
FFO with adjustments and Transactional FFO[5]	**108,223**	98,448	9,775	9.9

(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 consolidated financial statements for the year ended December 31, 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 $1.5 million were incurred in the three months ended December 31, 2022 (three months ended December 31, 2021 – $1.1 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 $1.9 million of reversal of costs associated with COVID-19 vaccination centres (three months ended December 31, 2021 – $0.7 million of 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)	**Year Ended December 31, 2022**	Year Ended December 31, 2021	Variance ($)	Variance (%)
Net income and comprehensive income	**635,965**	987,676	(351,711)	(35.6)
Add (deduct):				
Fair value adjustment on revaluation of investment properties[1]	**(201,834)**	(491,528)	289,694	(58.9)
Fair value adjustment on financial instruments[2]	**(91,246)**	34,227	(125,473)	N/R[7]
(Loss) gain on derivative – TRS	**(4,918)**	5,642	(10,560)	N/R[7]
Loss (gain) on sale of investment properties	**(315)**	(271)	(44)	16.2
Amortization of intangible assets	**1,332**	1,331	1	0.1
Amortization of tenant improvement allowance and other	**7,203**	7,038	165	2.3
Distributions on Units classified as liabilities recorded as interest expense	**4,293**	3,919	374	9.5
Distributions on vested deferred units recorded as interest expense	**2,847**	2,424	423	17.5
Adjustment on debt modification	**(1,960)**	—	(1,960)	N/R[7]
Salaries and related costs attributed to leasing activities[3]	**7,508**	5,196	2,312	44.5
Acquisition-related costs	**298**	2,791	(2,493)	(89.3)
Adjustments relating to equity accounted investments:				
Rental revenue adjustment – tenant improvement amortization	**387**	360	27	7.5
Indirect interest with respect to the development portion[4]	**7,747**	7,050	697	9.9
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	**(624)**	(187,728)	187,104	(99.7)
Loss on sale of investment properties	**241**	—	241	N/R[7]
Adjustment for supplemental costs	**4,648**	2,618	2,030	77.5
FFO[5]	**371,572**	380,070	(8,498)	(2.2)
Other non-recurring adjustments[6]	**656**	3,226	(2,570)	(79.7)
FFO with adjustments[5]	**372,228**	383,296	(11,068)	(2.9)
Transactional FFO – gain on sale of land to co-owners	**7,662**	1,923	5,739	N/R[7]
FFO with adjustments and Transactional FFO[5]	**379,890**	385,219	(5,329)	(1.4)

(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 consolidated financial statements for the year ended December 31, 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 $7.5 million were incurred in the year ended December 31, 2022 (year ended December 31, 2021 – $5.2 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 (year ended December 31, 2021 – $0.9 million of compensation costs relating to previous CEO and $2.3 million of costs associated with COVID-19 vaccination centres).
(7) N/R – Not representative.

The following table presents FFO excluding anomalous transactions for the years ended December 31, 2022:

	Three Months Ended December 31			**Year Ended December 31**		
(in thousands of dollars)	**2022**	2021	Variance ($)	**2022**	2021	Variance ($)
FFO with adjustments[1]	**100,561**	98,112	2,449	**372,228**	383,296	(11,068)
Adjusted for:						
ECL	**(710)**	(1,545)	835	**(3,257)**	3,706	(6,963)
Loss (gain) on derivative – TRS	**(6,221)**	(4,180)	(2,041)	**4,918**	(5,642)	10,560
FFO sourced from condominium and townhome closings	**180**	66	114	**(680)**	(18,747)	18,067
FFO sourced from SmartVMC West acquisition	**(371)**	—	(371)	**(984)**	—	(984)
FFO with adjustments excluding impact of ECL, TRS, condominium and townhome closings, and SmartVMC West acquisition ("FFO with adjustments excluding the impact of the TRS and other")[1]	**93,439**	92,453	986	**372,225**	362,613	9,612

(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 December 31, 2022**	Three Months Ended December 31, 2021	Variance ($)/ (%)
Cash flows provided by operating activities	**134,668**	133,674	994
Adjustments to working capital items that are not indicative of sustainable cash available for distribution[1]	**(35,451)**	(48,678)	13,227
Distributions on Units classified as liabilities recorded as interest expense	**1,083**	1,008	75
Distributions on vested deferred units recorded as interest expense	**724**	1,045	(321)
Expenditures on direct leasing costs and tenant incentives	**3,108**	2,050	1,058
Expenditures on tenant incentives for properties under development	**(646)**	—	(646)
Actual sustaining capital expenditures	**(11,434)**	(10,323)	(1,111)
Actual sustaining leasing commissions	**(800)**	(742)	(58)
Actual sustaining tenant improvements	**(2,587)**	(1,217)	(1,370)
Non-cash interest expense, net of other financing costs	**10,238**	9,594	644
Non-cash interest income	**(29,571)**	(7,110)	(22,461)
Acquisition-related costs, net	**—**	2,791	(2,791)
Gain on sale of land to co-owners	**7,662**	336	7,326
Distributions from equity accounted investments	**12,406**	(732)	13,138
Adjustments relating to equity accounted investments:			
Cash flows from operating activities including working capital adjustments	**1,658**	(236)	1,894
Notional interest capitalization[2]	**1,935**	1,926	9
Actual sustaining capital and leasing expenditures	**1**	(103)	104
Non-cash interest expense	**(3)**	30	(33)
ACFO[3]	**92,991**	83,313	9,678
Other non-recurring adjustments[4]	**(1,910)**	660	(2,570)
ACFO with adjustments[3]	**91,081**	83,973	7,108
ACFO[3]	**92,991**	83,313	9,678
Distributions declared	**82,386**	79,725	2,661
Surplus of ACFO over distributions declared	**10,605**	3,588	7,017
Payout Ratio Information:			
Payout Ratio to ACFO[3]	**88.6 %**	95.7 %	(7.1)%
Payout Ratio to ACFO with adjustments[3]	**90.5 %**	94.9 %	(4.4)%
Payout Ratio to ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition (Payout Ratio to ACFO with adjustments excluding the impact of the TRS and other)[3][5]	**94.1 %**	99.8 %	(5.7)%

(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 $1.9 million of reversal of costs associated with COVID-19 vaccination centres (three months ended December 31, 2021 – $0.7 million of costs associated with COVID-19 vaccination centres).
(5) For the three months ended December 31, 2022, excludes $2.7 million of distributions declared in connection with SmartVMC West LP Class D Units (three months ended December 31, 2021 – $0.04 million).

Year-to-Date Comparison to Prior Year

(in thousands of dollars)	**Year Ended December 31, 2022**	Year Ended December 31, 2021	Variance ($)/ (%)
Cash flows provided by operating activities	**370,762**	371,624	(862)
Adjustments to working capital items that are not indicative of sustainable cash available for distribution[1]	**(2,293)**	(40,796)	38,503
Distributions on Units classified as liabilities recorded as interest expense	**4,293**	3,919	374
Distributions on vested deferred units recorded as interest expense	**2,847**	2,424	423
Expenditures on direct leasing costs and tenant incentives	**9,860**	5,927	3,933
Expenditures on tenant incentives for properties under development	**1,897**	730	1,167
Actual sustaining capital expenditures	**(19,111)**	(17,331)	(1,780)
Actual sustaining leasing commissions	**(2,389)**	(3,071)	682
Actual sustaining tenant improvements	**(7,796)**	(2,903)	(4,893)
Non-cash interest expense, net of other financing costs	**(9,156)**	7,160	(16,316)
Non-cash interest income	**(26,083)**	(5,307)	(20,776)
Acquisition-related costs, net	**298**	2,791	(2,493)
Gain on sale of land to co-owners	**7,662**	1,923	5,739
Distributions from equity accounted investments	**(4,784)**	(4,072)	(712)
Adjustments relating to equity accounted investments:			
Cash flows from operating activities including working capital adjustments	**6,662**	23,819	(17,157)
Notional interest capitalization[2]	**7,747**	7,050	697
Adjustment to capitalized interest with respect to Transit City condo closings[2]	**—**	(675)	675
Actual sustaining capital and leasing expenditures	**(329)**	(207)	(122)
Non-cash interest expense	**(12)**	50	(62)
ACFO[3]	**340,075**	353,055	(12,980)
Other non-recurring adjustments[4]	**656**	3,226	(2,570)
ACFO with adjustments[3]	**340,731**	356,281	(15,550)
ACFO[3]	**340,075**	353,055	(12,980)
Distributions declared	**329,531**	318,753	10,778
Surplus of ACFO over distributions declared	**10,544**	34,302	(23,758)
Payout Ratio Information:			
Payout Ratio to ACFO[3]	**96.9 %**	90.3 %	6.6 %
Payout Ratio to ACFO with adjustments[3]	**96.7 %**	89.5 %	7.2 %
Payout Ratio to ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition[3][5]	**92.6 %**	96.5 %	(3.9)%

(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 (year ended December 31, 2021 – \$0.9 million of compensation costs relating to previous CEO, and \$2.3 million of costs associated with COVID-19 vaccination centres).
(5) For the year ended December 31, 2022, excludes \$10.7 million of distributions declared in connection with SmartVMC West LP Class D Units (year ended December 31, 2021 – \$0.04 million).

The following table presents ACFO excluding anomalous transactions for the years ended December 31, 2022:

	Three Months Ended December 31			**Year Ended December 31**		
(in thousands of dollars)	**2022**	2021	Variance ($)	**2022**	2021	Variance ($)
ACFO with adjustments[1]	**91,081**	83,973	7,108	**340,731**	356,281	(15,550)
Adjusted for:						
Loss (gain) on derivative – TRS	**(6,221)**	(4,180)	(2,041)	**4,918**	(5,642)	10,560
ACFO sourced from condominium and townhome closings	**191**	67	124	**(305)**	(20,471)	20,166
ACFO sourced from SmartVMC West acquisition	**(371)**	—	(371)	**(984)**	—	(984)
ACFO with adjustments excluding impact of TRS, condominium and townhome closings, and SmartVMC West acquisition[1]	**84,680**	79,860	4,820	**344,360**	330,168	14,192

(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 December 31, 2022**			Three Months Ended December 31, 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	**127,941**	**5,260**	**133,201**	125,037	3,534	128,571	4,630
Property tax and insurance recoveries	**42,833**	**807**	**43,640**	35,020	507	35,527	8,113
Property operating cost recoveries	**25,552**	**1,574**	**27,126**	21,670	960	22,630	4,496
Miscellaneous revenue	**4,979**	**1,171**	**6,150**	7,479	973	8,452	(2,302)
Rentals from investment properties	**201,305**	**8,812**	**210,117**	189,206	5,974	195,180	14,937
Service and other revenues	**4,547**	**—**	**4,547**	3,606	—	3,606	941
Earnings from other	**371**	**(371)**	**—**	38	—	38	(38)
Rentals from investment properties and other[2]	**206,223**	**8,441**	**214,664**	192,850	5,974	198,824	15,840
Recoverable tax and insurance costs	**(43,818)**	**(755)**	**(44,573)**	(36,015)	(547)	(36,562)	(8,011)
Recoverable CAM costs	**(28,662)**	**(1,311)**	**(29,973)**	(25,165)	(1,051)	(26,216)	(3,757)
Property management fees and costs	**(1,090)**	**(314)**	**(1,404)**	(586)	(215)	(801)	(603)
Non-recoverable operating costs	**266**	**(1,317)**	**(1,051)**	(2,094)	(1,273)	(3,367)	2,316
ECL	**792**	**(82)**	**710**	1,603	(58)	1,545	(835)
Property operating costs	**(72,512)**	**(3,779)**	**(76,291)**	(62,257)	(3,144)	(65,401)	(10,890)
Other expenses	**(4,550)**	**—**	**(4,550)**	(3,639)	—	(3,639)	(911)
Property operating costs and other[2]	**(77,062)**	**(3,779)**	**(80,841)**	(65,896)	(3,144)	(69,040)	(11,801)
Net rental income and other	**129,161**	**4,662**	**133,823**	126,954	2,830	129,784	4,039
Condo and townhome closings revenue	**—**	**—**	**—**	—	—	—	—
Condo and townhome cost of sales	**—**	**(181)**	**(181)**	—	—	—	(181)
Marketing and selling costs	**(10)**	**—**	**(10)**	—	(67)	(67)	57
Net profit on condo and townhome closings	**(10)**	**(181)**	**(191)**	—	(67)	(67)	(124)
NOI[3]	**129,151**	**4,481**	**133,632**	126,954	2,763	129,717	3,915
Net rental income and other as a percentage of net base rent (%)	**101.0**	**88.6**	**100.5**	101.5	80.1	100.9	(0.4)
Net rental income and other as a percentage of rentals from investment properties (%)	**64.2**	**52.9**	**63.7**	67.1	47.4	66.5	(2.8)
Net rental income and other as a percentage of rentals from investment properties and other (%)	**62.6**	**55.2**	**62.3**	65.8	47.4	65.3	(3.0)
Recovery Ratio (including prior year adjustments) (%)	**94.4**	**115.2**	**94.9**	92.7	91.8	92.6	2.3
Recovery Ratio (excluding prior year adjustments) (%)	**91.5**	**132.8**	**92.7**	92.6	114.9	93.0	(0.3)

(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 consolidated financial statements for the years ended December 31, 2022 and December 31, 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)	**Year Ended December 31, 2022**			Year Ended December 31, 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	**508,023**	**18,378**	**526,401**	494,992	13,098	508,090	18,311
Property tax and insurance recoveries	**171,874**	**3,029**	**174,903**	169,180	2,354	171,534	3,369
Property operating cost recoveries	**93,407**	**4,681**	**98,088**	83,852	3,389	87,241	10,847
Miscellaneous revenue	**15,393**	**3,804**	**19,197**	17,891	2,689	20,580	(1,383)
Rentals from investment properties	**788,697**	**29,892**	**818,589**	765,915	21,530	787,445	31,144
Service and other revenues	**14,652**	**—**	**14,652**	14,843	—	14,843	(191)
Earnings from other	**1,249**	**(1,249)**	**—**	38	—	38	(38)
Rentals from investment properties and other[2]	**804,598**	**28,643**	**833,241**	780,796	21,530	802,326	30,915
Recoverable tax and insurance costs	**(176,876)**	**(3,042)**	**(179,918)**	(176,239)	(2,360)	(178,599)	(1,319)
Recoverable CAM costs	**(102,721)**	**(4,535)**	**(107,256)**	(91,468)	(3,364)	(94,832)	(12,424)
Property management fees and costs	**(4,288)**	**(1,004)**	**(5,292)**	(1,469)	(688)	(2,157)	(3,135)
Non-recoverable operating costs	**(6,465)**	**(4,695)**	**(11,160)**	(7,246)	(3,253)	(10,499)	(661)
ECL	**3,448**	**(191)**	**3,257**	(3,652)	(54)	(3,706)	6,963
Property operating costs	**(286,902)**	**(13,467)**	**(300,369)**	(280,074)	(9,719)	(289,793)	(10,576)
Other expenses	**(14,657)**	**—**	**(14,657)**	(14,882)	—	(14,882)	225
Property operating costs and other[2]	**(301,559)**	**(13,467)**	**(315,026)**	(294,956)	(9,719)	(304,675)	(10,351)
Net rental income and other	**503,039**	**15,176**	**518,215**	485,840	11,811	497,651	20,564
Condo and townhome closings revenue	**—**	**4,524**	**4,524**	—	76,837	76,837	(72,313)
Condo and townhome cost of sales	**—**	**(3,295)**	**(3,295)**	—	(56,102)	(56,102)	52,807
Marketing and selling costs	**(435)**	**(489)**	**(924)**	—	(264)	(264)	(660)
Net profit on condo and townhome closings	**(435)**	**740**	**305**	—	20,471	20,471	(20,166)
NOI[3]	**502,604**	**15,916**	**518,520**	485,840	32,282	518,122	398
Net rental income and other as a percentage of net base rent (%)	**99.0**	**82.6**	**98.4**	98.1	90.2	97.9	0.5
Net rental income and other as a percentage of rentals from investment properties (%)	**63.8**	**50.8**	**63.3**	63.4	54.9	63.2	0.1
Net rental income and other as a percentage of rentals from investment properties and other (%)	**62.5**	**53.0**	**62.2**	62.2	54.9	62.0	0.2
Recovery Ratio (including prior year adjustments) (%)	**94.9**	**101.8**	**95.1**	94.5	100.3	94.6	0.5
Recovery Ratio (excluding prior year adjustments) (%)	**94.2**	**100.9**	**94.4**	94.6	103.3	94.8	(0.4)

(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 consolidated financial statements for the years ended December 31, 2022 and December 31, 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 December 31, 2022**	Three Months Ended December 31, 2021	Variance ($)	Variance (%)
Net rental income	**129,154**	126,987	2,167	1.7
Service and other revenues	**4,547**	3,606	941	26.1
Other expenses	**(4,550)**	(3,639)	(911)	25.0
NOI[1]	**129,151**	126,954	2,197	1.7
NOI from equity accounted investments[1]	**4,481**	2,763	1,718	62.2
Total portfolio NOI before adjustments[1]	**133,632**	129,717	3,915	3.0
Adjustments:				
Royalties	**299**	285	14	4.9
Straight-line rent	**(34)**	(154)	120	(77.9)
Lease termination and other adjustments	**(82)**	(3,476)	3,394	N/R[2]
Net profit on condo and townhome closings[3]	**190**	108	82	75.9
Amortization of tenant incentives	**2,026**	1,725	301	17.4
Total portfolio NOI after adjustments[1]	**136,031**	128,205	7,826	6.1
NOI sourced from:				
Acquisitions	**(2,161)**	451	(2,612)	N/R[2]
Dispositions	**3**	(280)	283	(101.1)
Earnouts and Developments	**(384)**	—	(384)	N/R[2]
Same Properties NOI[1]	**133,489**	128,376	5,113	4.0
Add back: ECL	**(710)**	(1,545)	835	(54.0)
Same Properties NOI excluding ECL[1]	**132,779**	126,831	5,948	4.7

(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)	**Year Ended December 31, 2022**	Year Ended December 31, 2021	Variance ($)	Variance (%)
Net rental income	**502,609**	485,879	16,730	3.4
Service and other revenues	**14,652**	14,843	(191)	(1.3)
Other expenses	**(14,657)**	(14,882)	225	1.5
NOI[1]	**502,604**	485,840	16,764	3.5
NOI from equity accounted investments[1]	**15,916**	32,282	(16,366)	(50.7)
Total portfolio NOI before adjustments[1]	**518,520**	518,122	398	0.1
Adjustments:				
Royalties	**1,115**	960	155	16.1
Straight-line rent	**(437)**	(883)	446	(50.5)
Lease termination and other adjustments	**(214)**	(5,240)	5,026	(95.9)
Net profit on condo and townhome closings[3]	**(242)**	(20,425)	20,183	(98.8)
Amortization of tenant incentives	**7,646**	7,614	32	0.4
Total portfolio NOI after adjustments[1]	**526,388**	500,148	26,240	5.2
Less NOI sourced from:				
Acquisitions	**(7,835)**	524	(8,359)	N/R[2]
Dispositions	**(9)**	(1,744)	1,735	(99.5)
Earnouts and Developments	**(4,300)**	(1,142)	(3,158)	N/R[2]
Same Properties NOI[1]	**514,244**	497,786	16,458	3.3
Add back: ECL	**(3,257)**	3,706	(6,963)	N/R[2]
Same Properties NOI excluding ECL[1]	**510,987**	501,492	9,495	1.9

(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:

(in thousands of dollars)	**12 Months Ended December 31, 2022**	12 Months Ended December 31, 2021	Variance ($)
Net income and comprehensive income	**635,965**	987,676	(351,711)
Add (deduct) the following items:			
Interest expense	**156,500**	149,977	6,523
Interest income	**(18,036)**	(12,341)	(5,695)
Amortization of equipment and intangible assets	**3,604**	3,778	(174)
Amortization of tenant improvements	**7,474**	7,872	(398)
Fair value adjustments on revaluation of investment properties	**(202,458)**	(679,256)	476,798
Fair value adjustments on revaluation of financial instruments	**(91,246)**	34,227	(125,473)
Fair value adjustment on TRS	**(4,918)**	5,642	(10,560)
Adjustment for supplemental costs	**4,648**	2,618	2,030
Gain on sale of investment properties	**(74)**	(27)	(47)
Gain on sale of land to co-owners (Transactional FFO)	**—**	1,923	(1,923)
Acquisition-related costs	**298**	2,791	(2,493)
Adjusted EBITDA[1]	**491,757**	504,880	(13,123)
Less: Condo and townhome closings	**(305)**	(20,471)	20,166
Add: ECL	**(3,257)**	3,706	(6,963)
Adjusted EBITDA excluding condo and townhome closings and ECL[1]	**488,195**	488,115	80

(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 year ended December 31, 2022, dated February 8, 2023 (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 year ended December 31, 2022 are outlined in the consolidated financial statements and the related MD&A of the Trust for the year ended December 31, 2022, which are available on SEDAR at www.sedar.com.

Conference Call

SmartCentres will hold a conference call on Thursday, February 9, 2023 at 3:00 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 14567#. 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 Thursday, February 9, 2023 beginning at 8:30 p.m. (ET) through to 8:30 p.m. (ET) on Thursday, February 16, 2023. To access the recording, please call 1-855-201-2300, enter the conference access code 14567# and then key in the playback access code 0113004#.

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 $11.7 billion in assets and owns 34.8 million square feet of income producing value-oriented retail and first-class office space with 98.0% 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. The publicly announced $14.9 billion intensification program ($10.0 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 56.1 million square feet (41.2 million square feet at SmartCentres' share) of space, 27.2 million square feet (18.5 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. 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 the first half of 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, SmartCentres' expected or planned development plans and joint venture projects, including the described type, scope, costs and other financial metrics 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, construction and permitting costs consistent with the past year and recent inflation trends.

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