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SMARTCENTRES REAL ESTATE INVESTMENT TRUST RELEASES FIRST QUARTER RESULTS FOR 2023

Operational

- **Shopping centre leasing activity remains strong, with industry-leading in-place and committed occupancy rate of 98% as at March 31, 2023 (December 31, 2022 – 98%).**
- **Executed leases on 3,172,749 sq. ft. consisting of 102,853 sq. ft. of new deals and 3,069,896 sq. ft. of renewals during the three months ended March 31, 2023. Non-anchor tenant renewed at an average rental rate of $22.00 per sq. ft., as compared to $17.42 per sq. ft. for the three months ended March 31, 2022.**

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 nears completion on the 100% pre-sold Transit City 4 (45 storeys) and 5 (50 storeys) condo towers, representing 1,026 residential units. First occupancy and condo closings for Transit City 4 commenced in March 2023, with 194 units closed generating additional FFO(1) of $3.8 million. Occupancy of the balance of Transit City 4 and 5 will take place over the next two quarters.**
- **The 458-unit rental project, the Millway, includes 45 rental units in the podium of Transit City 4 and 47 rental units in the podium of Transit City 5. First occupancy of the rental units located in the podium of Transit City 4 took place in February 2023. Initial occupancy of the rental units located in the podium of Transit City 5 is expected in May 2023. The remaining 366 units, located in a 36-storey purpose-built tower, are nearing completion, with initial occupancy expected to commence in late Q2/early Q3.**
- **Construction nears completion on the 241,000 square feet of industrial space for the 16-acre Phase 1 development in Pickering, with completion expected in Q2 2023. Approximately 53% of the space has been pre-leased with tenants taking possession in April 2023.**

Financial

- **Same Properties NOI(1) increased by $5.3 million or 4.3% as compared to the same period in 2022, mainly attributable to higher lease-up and step-up rent.**
- **FFO per Unit(1) was $0.54 for the three months ended March 31, 2023 (compared to $0.51 for the three months ended March 31, 2022).**
- **The Payout Ratio to AFFO(1) for the three months ended March 31, 2023 was 93.0%, as compared to 96.1% for the same period ended March 31, 2022.**
- **Net rental income and other for the quarter increased by $4.1 million or 3.4% as compared to the same period in 2022.**
- **Net income and comprehensive income per Unit was $0.63 for the three months ended March 31, 2023 (three months ended March 31, 2022 - $2.06). The decrease was primarily driven by unrealized fair value adjustments of certain properties as a result of new density entitlements that were recorded in 2022.**
- **The Payout Ratio to cash flows provided by operating activities for the three months ended March 31, 2023 was 100.6%, as compared to 80.1% for the three months ended March 31, 2022.**

TORONTO, ONTARIO - (May 10, 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 ended March 31, 2023.

"We are pleased with to report a strong start to 2023," said Mitchell Goldhar, Executive Chair and CEO of SmartCentres. "Once again, the resiliency of our value-oriented retail portfolio and the strong draw of Walmart and our other anchor tenants resulted in solid customer traffic at our centres and drove a healthy $5.5 million increase in net rental income(1) compared to the first quarter of last year. At 98%, our in-place and committed occupancy rate is industry leading. We expect to continue to deliver strong occupancy levels and solid rental income for the balance of the year."

"In addition to the strength of our core retail business, our mixed-use development business also continues to deliver strong results. We are delighted with the progress we have made on our Transit City 4 and Transit City 5 condominium projects at the Vaughan Metropolitan Centre," said Mr. Goldhar. "During the quarter, we closed on the first 194 units in Transit City 4, resulting in net profits – at the REIT's share – of $4.1 million or $0.02 of FFO per Unit(1). The remaining 832 units at these two towers are expected to close over the balance of the year, primarily in Q2 and Q3."

"During the quarter, we also completed our self-storage development at our Kingspoint Plaza in Brampton. Our previously announced industrial project for Bad Boy Furniture in Pickering is also now complete, although occupancy commenced just after the end of Q1."

"We currently have 10 mixed-use development initiatives that are under construction. Collectively, these projects have an estimated total development cost, at the REIT's share, of $532.5 million, of which $216.6 million is required to complete construction. We remain confident that we have ample liquidity available not only to complete these projects, but also to commence several new initiatives where construction is expected to begin later in the year. These new projects include Phase I of our sold-out Art Walk condominium tower at the VMC, a large retail project in Leaside, and several new self-storage locations."

"Despite a more challenging economic environment for launching new development initiatives, we remain nimble and we are continuing to move forward with a smaller number, but impactful projects," continued Mr. Goldhar. "As always, we are focused on the long term, which includes advancing new entitlements and zoning applications for multiple opportunities within our large network of retail centres. We are confident that the intensification on these strategically-located properties will be highly complementary to our existing retail centres and will deliver strong returns to unitholders for many years to come."

(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.

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)

As at	March 31, 2023	December 31, 2022	March 31, 2022
Portfolio Information (Number of properties)			
Retail properties	**155**	155	155
Office properties	**4**	4	4
Self-storage properties	**8**	6	6
Residential properties	**1**	1	1
Properties under development	**20**	19	19
Total number of properties with an ownership interest	**188**	185	185
Leasing and Operational Information(1)			
Gross leasable retail and office area (in thousands of sq. ft.)	**34,777**	34,750	34,664
In-place and committed occupancy rate (%)	**98.0**	98.0	97.2
Average lease term to maturity (in years)	**4.2**	4.2	4.4
Net annualized retail rental rate excluding Anchors (per occupied sq. ft.) ($)	**22.47**	22.20	22.17
Mixed-Use Development Information			
Trust's share of future development area (in thousands of sq. ft.)	**40,275**	41,200	40,600
Financial Information			
Investment properties(2)	**10,264,253**	10,250,392	10,244,143
Total unencumbered assets(3)	**8,653,321**	8,415,900	8,364,500
Debt to Aggregate Assets (%)(3)(4)(5)	**43.2**	43.6	42.5
Adjusted Debt to Adjusted EBITDA(3)(4)(5)	**10.0X**	10.3X	9.4X
Weighted average interest rate (%)(3)(4)	**3.89**	3.86	3.09
Weighted average term of debt (in years)	**3.9**	4.0	4.7
Interest coverage ratio(3)(4)(5)	**2.9X**	3.1X	3.5X
Weighted average number of units outstanding – diluted	**179,891,028**	179,657,455	179,590,588

Three Months Ended	March 31, 2023	March 31, 2022
Financial Information		
Rentals from investment properties and other(2)	**210,594**	202,828
Net income and comprehensive income(2)	**112,861**	370,110
FFO(3)(4)(6)	**97,133**	92,235
AFFO(3)(4)(6)	**88,601**	85,700
Cash flows provided by operating activities(2)	**81,931**	102,819
Net rental income and other(2)	**124,821**	120,719
NOI(3)(4)	**133,468**	123,868
Change in net rental income and other(3)	**3.4 %**	3.7 %
Change in SPNOI(3)(4)	**4.3%**	2.3 %
Net income and comprehensive income per Unit(2)	**$0.63/$0.63**	$2.08/$2.06
FFO per Unit(3)(4)(6)	**$0.55/$0.54**	$0.52/$0.51
FFO with adjustments per Unit(3)(4)	**$0.51/$0.51**	$0.51/$0.50
AFFO per Unit(3)(4)(6)	**$0.50/$0.49**	$0.48/$0.48
AFFO with adjustments per Unit(3)(4)	**$0.46/$0.46**	$0.47/$0.47
Payout Ratio to AFFO(3)(4)(6)	**93.0 %**	96.1 %
Payout Ratio to AFFO with adjustments(3)(4)	**99.9 %**	97.9 %
Payout Ratio to cash flows provided by operating activities	**100.6 %**	80.1 %

(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 March 31, 2023, cash-on-hand of $29.7 million was excluded for the purposes of calculating the applicable ratios (December 31, 2022 – $33.4 million, March 31, 2022 – $60.0 million).
(6) The calculation of the Trust's FFO and AFFO and related payout ratios, including comparative amounts, are financial metrics that were determined based on the REALpac White Paper on FFO and AFFO issued in January 2022. Comparison with other reporting issuers may not be appropriate. The payout ratio to AFFO is calculated as declared distributions divided by AFFO.

Development and Intensification Summary

The following table provides additional details on the Trust's 10 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	Condo	25	Q1 2023	88 %	—	498
Vaughan / Transit City 5			Q2 2023	88 %		528
Vaughan / The Millway	Apartment	50	Q1 2023	81 %	—	458
Pickering (Seaton Lands)	Industrial	100	Q2 2023	77 %	241,000	—
Laval Centre	Apartment	50	Q3 2023	70 %	—	211
Markham East / Boxgrove	Self Storage	50	Q1 2024	44 %	133,332	910
Whitby	Self Storage	50	Q1 2024	38 %	126,135	811
Ottawa SW [1]	Retirement Residence	50	Q3 2024	29 %	—	402
Ottawa SW [1]	Senior Apartments					
Vaughan NW	Townhouse	50	Q3 2024	15 %	—	174

	In millions of dollars
Total Capital Spend to Date at 100% [3]	**785.3**
Estimated Cost to Complete at 100%	**447.1**
Total Expected Capital Spend by Completion at 100% [3]	**1,232.4**
Total Capital Spend to Date at Trust's share [3]	**315.9**
Estimated Cost to Complete at Trust's share	**216.6**
Total Expected Capital Spend by Completion at Trust's share [3]	**532.5**

(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 ended March 31, 2023 and the comparable periods in 2022. Such measures do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures disclosed by other issuers.

Net Operating Income (including the Trust's Interests in Equity Accounted Investments)

(in thousands of dollars)	**Three Months Ended March 31, 2023**			Three Months Ended March 31, 2022		
	GAAP Basis	**Proportionate Share Reconciliation**	**Total Proportionate Share[1]**	GAAP Basis	Proportionate Share Reconciliation	Total Proportionate Share[1]
Net rental income and other						
Rentals from investment properties and other	**210,594**	**8,056**	**218,650**	202,828	6,187	209,015
Property operating costs and other	**(85,123)**	**(4,137)**	**(89,260)**	(82,109)	(3,013)	(85,122)
	125,471	**3,919**	**129,390**	120,719	3,174	123,893
Condo and townhome closings revenue and other[2]	**—**	**24,833**	**24,833**	—	6	6
Condo and townhome cost of sales and other	**(650)**	**(20,105)**	**(20,755)**	—	(31)	(31)
	(650)	**4,728**	**4,078**	—	(25)	(25)
NOI	**124,821**	**8,647**	**133,468**	120,719	3,149	123,868

(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.

Same Properties NOI

(in thousands of dollars)	**Three Months Ended March 31, 2023**	Three Months Ended March 31, 2022
NOI	**124,821**	120,719
NOI from equity accounted investments[1]	**8,647**	3,149
Total portfolio NOI before adjustments[1]	**133,468**	123,868
Adjustments:		
Lease termination	**(412)**	(242)
Non-recurring items and other adjustments[2]	**(1,560)**	1,110
Total portfolio NOI after adjustments[1]	**131,496**	124,736
Less NOI sourced from:		
Acquisitions	**(1,787)**	(925)
Dispositions	**2**	5
Earnouts and Developments	**(707)**	(145)
Same Properties NOI[1]	**129,004**	123,671

(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) Includes non-recurring items such as one-time adjustments relating to COVID ECL and vaccination centre costs, NOI from condo and townhome closings, royalties, straight-line rent and amortization of tenant incentives.

Reconciliation of FFO

(in thousands of dollars)	**Three Months Ended March 31, 2023**	Three Months Ended March 31, 2022
Net income and comprehensive income	**112,861**	370,110
Add (deduct):		
Fair value adjustment on investment properties and financial instruments(1)	**(22,008)**	(289,327)
Gain on derivative – TRS	**1,296**	1,605
(Gain) loss on sale of investment properties	**(22)**	122
Amortization of intangible assets and tenant improvement allowance	**2,395**	1,992
Distributions on Units classified as liabilities and vested deferred units	**2,004**	1,721
Salaries and related costs attributed to leasing activities(2)	**2,080**	1,826
Adjustments relating to equity accounted investments(3)	**(1,473)**	4,186
FFO(4)	**97,133**	92,235
Add (deduct) non-recurring adjustments:		
Gain on derivative – TRS	**(1,296)**	(1,605)
FFO sourced from condominium and townhome closings	**(3,816)**	24
Transactional FFO – loss on sale of land to co-owner	**(1,008)**	—
FFO with adjustments(4)	**91,013**	90,654

(1) Includes fair value adjustments on revaluation of investment properties and financial instruments. Fair value adjustment on revaluation of investment properties is described in "Investment Properties" in the Trust's MD&A. Fair value adjustment on financial instruments comprises the following financial instruments: units classified as liabilities, DUP, EIP, TRS, interest rate swap agreement(s), and LTIP recorded in the same period in 2022. 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 months ended March 31, 2023. For details, please see discussion in "Results of Operations" in the Trust's MD&A.

(2) Salaries and related costs attributed to leasing activities of $2.1 million were incurred in the three months ended March 31, 2023 (three months ended March 31, 2022 – $1.8 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.

(3) Includes tenant improvement amortization, indirect interest with respect to the development portion, fair value adjustment on investment properties, loss (gain) on sale of investment properties, and adjustment for supplemental costs.

(4) 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.

Reconciliation of AFFO

(in thousands of dollars)	**Three Months Ended March 31, 2023**	Three Months Ended March 31, 2022
FFO(1)	**97,133**	92,235
Add (Deduct):		
Straight-line of rents	**50**	(76)
Adjusted salaries and related costs attributed to leasing	**(2,080)**	(1,826)
Actual sustaining capital expenditures, leasing commissions, and tenant improvements	**(6,502)**	(4,633)
AFFO(1)	**88,601**	85,700
Add (deduct) non-recurring adjustments:		
Gain on derivative – TRS	**(1,296)**	(1,605)
FFO sourced from condominium and townhome closings	**(3,816)**	24
Transactional FFO – loss on sale of land to co-owner	**(1,008)**	—
AFFO with adjustments(1)	**82,481**	84,119
Distribution declared	**82,405**	82,339
Payout Ratio to AFFO(1)	**93.0 %**	96.1 %
Payout Ratio to AFFO with adjustments(1)	**99.9 %**	97.9 %

(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.

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)	**March 31, 2023**	March 31, 2022
Net income and comprehensive income	**378,711**	1,297,224
Add (deduct) the following items:		
Net interest expense	**142,243**	136,425
Amortization of equipment, intangible assets and tenant improvements	**11,370**	3,769
Fair value adjustments on investment properties and financial instruments	**(32,186)**	(943,573)
Fair value adjustment on TRS	**(5,226)**	6,734
Adjustment for supplemental costs	**4,709**	5,281
Gain (loss) on sale of investment properties	**(219)**	106
Gain (loss) on sale of land to co-owners (Transactional FFO)	**—**	336
Acquisition-related costs	**298**	2,791
Adjusted EBITDA(1)	**499,700**	509,093

(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, AFFO, AFFO with adjustments, AFFO with adjustments per Unit, Payout Ratio to AFFO, Payout Ratio to AFFO with adjustments, Unencumbered Assets, NOI, Debt to Aggregate Assets, Interest Coverage Ratio, Adjusted Debt to Adjusted EBITDA, Unsecured/Secured Debt Ratio, FFO, FFO with adjustments, FFO per Unit, FFO per Unit with adjustments, Transactional FFO, Same Properties NOI, Debt to Gross Book Value, 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 months ended March 31, 2023, dated May 10, 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 "Reconciliations of Non-GAAP Measures" of this Press Release.

Full reports of the financial results of the Trust for the three months ended March 31, 2023 are outlined in the unaudited interim condensed consolidated financial statements and the related MD&A of the Trust for the three months ended March 31, 2023, which are available on SEDAR at www.sedar.com.

Conference Call

SmartCentres will hold a conference call on Thursday, May 11, 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 16803#. 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, May 11, 2023 beginning at 8:30 p.m. (ET) through to 8:30 p.m. (ET) on Thursday, May 18, 2023. To access the recording, please call 1-855-201-2300, enter the conference access code 16803# and then key in the playback access code 0113265#.

About SmartCentres

SmartCentres Real Estate Investment Trust is one of Canada's largest fully integrated REITs, with a best-in-class portfolio featuring 188 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% in-place and committed 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 $16.0 billion intensification program ($10.8 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 55.5 million square feet (40.3 million square feet at SmartCentres' share) of space, 26.6 million square feet (17.9 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 commenced closing and occupancy in March 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.

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

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