SMARTCENTRES REAL ESTATE INVESTMENT TRUST RELEASES FOURTH QUARTER AND FULL YEAR RESULTS FOR 2023

TORONTO, ONTARIO - (February 14, 2024) 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, 2023.

“In reflecting on the achievements of 2023, I am pleased with our strong financial and operational results" said Mitchell Goldhar, CEO of SmartCentres. "Our net operating income has shown steady and consistent growth through the year, which also saw the achievement of numerous significant milestones, including successfully closing 1,026 condo units at Transit City 4 & 5, completing and significantly leasing up our purpose-built rental apartment building, The Millway in VMC, and the commencement of siteworks at two key development projects poised to drive future growth, ArtWalk Phase 1 in VMC and the Canadian Tire flagship retail store in Leaside. Our strategy involves both offense and defense to drive business growth while maintaining high occupancies and reliable rental income.”

2023 Fourth Quarter Highlights

Operational

- Shopping centre leasing activity remained strong with an industry-leading in-place and committed occupancy rate of 98.5% (December 31, 2022 – 98.0%).
- Executed new leases of 84,227 square feet during the quarter.
- Average renewal rent growth of 5.3% (excluding anchors).

Development

- The siteworks for the 224,000 square foot retail project on Laird Drive in Toronto continues, Canadian Tire is expected to take possession of the 200,000 square foot flagship retail store in early 2026.
- Obtained municipal approvals and commenced construction on two self-storage facilities in Dorval (St-Regis Blvd.), Quebec and in Toronto (Jane St.) during the quarter.
- All the 106 remaining units within Transit City 4 & 5 were successfully closed during the quarter, generating $2.7 million of FFO[(1)].
- The Millway, a 458-rental unit apartments project, became fully opened in the quarter. Leasing activity is on track with 60% of the units leased by year-end and rental rates ahead of expectations.
- The siteworks at ArtWalk condominium Phase 1 are well underway, with all 320 released units sold out and the remaining units expected to be released for sale this year.
- The construction of Phase I of the Vaughan NW townhomes is underway, with all 100 released units sold out and closings expected to begin in the first half of 2024.
- The second phase of the purpose-built residential rental project in Laval, Quebec, comprising 211 units, opened on July 1, 2023, and was 92% leased at the end of the fourth quarter. Demand for the first phase remained strong with 98% occupancy.

Financial

- Same Property NOI[(1)] for the three months and year ended December 31, 2023 increased by $2.3 million or 1.7%, and $11.6 million or 2.2%, respectively, compared to the same periods in 2022. The increases were primarily driven by lease-up activity and higher rental renewal rates.
- FFO per Unit[(1)] for the three months and year ended December 31, 2023 was $0.59, and $2.23, respectively, compared to $0.57 and $2.07 for the same periods in 2022. The increases were mainly attributable to higher profits from condo closings at Transit City 4 & 5, and higher rental income, partially offset by higher interest expense.
- Net income and comprehensive income per Unit was $0.08 and $2.83 for the three months and year ended December 31, 2023, respectively (three months ended December 31, 2022 – $0.56 and year ended December 31, 2022 – $3.54). The decreases were primarily due to a decrease in fair value adjustment on investment properties and financial instruments compared to the same periods in 2022.
- Payout Ratio to AFFO[(1)] was 89.4% for the three months ended December 31, 2023, and 93.0% for the year, as compared to 95.7% and 98.6% for the same periods in 2022, respectively.

(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

(in thousands of dollars, except per Unit and other non-financial data)

As at	**December 31, 2023**	December 31, 2022	December 31, 2021
Portfolio Information (Number of properties)			
Retail properties	**155**	155	155
Office properties	**4**	4	4
Self-storage properties	**8**	6	6
Residential properties	**3**	2	1
Industrial properties	**1**	0	0
Properties under development	**20**	19	17
Total number of properties with an ownership interest	**191**	186	183
Leasing and Operational Information[1]			
Gross leasable retail and office area (in thousands of sq. ft.)	**35,045**	34,750	34,119
In-place and committed occupancy rate	**98.5 %**	98.0 %	97.6 %
Average lease term to maturity (in years)	**4.3**	4.2	4.4
Net annualized retail rental rate excluding Anchors (per occupied sq. ft.)	**$22.59**	$22.20	$22.07
Mixed-Use Development Information			
Trust's share of future development area (in thousands of sq. ft.)	**39,900**	41,200	40,600
Financial Information			
Investment properties[2]	**10,564,269**	10,286,891	9,923,120
Total unencumbered assets[3]	**9,170,121**	8,415,900	6,640,600
Debt to Aggregate Assets[3][4][5]	**43.1 %**	43.6 %	42.9 %
Adjusted Debt to Adjusted EBITDA[3][4][5]	**9.6X**	10.3X	9.2X
Weighted average interest rate[3][4]	**4.15 %**	3.86 %	3.11 %
Weighted average term of debt (in years)	**3.6**	4.0	4.8
Interest coverage ratio[3][4]	**2.7X**	3.1X	3.4X
Weighted average number of units outstanding – diluted[7]	**180,023,932**	179,657,455	173,748,819

	Three Months Ended December 31		**Year Ended December 31**	
	2023	2022	**2023**	2022
Financial Information				
Rentals from investment properties and other[2]	**211,021**	206,223	**834,581**	804,598
Net income and comprehensive income[2]	**14,165**	100,310	**510,103**	635,965
FFO[3][4][6]	**106,893**	102,471	**400,965**	371,572
AFFO[3][4][6]	**92,187**	86,105	**354,424**	334,335
Cash flows provided by operating activities[2]	**93,745**	134,668	**330,853**	370,762
Net rental income and other[2]	**128,451**	129,151	**513,561**	502,604
NOI[3][4]	**136,349**	133,632	**560,756**	518,520
Change in net rental income and other[3]	**(0.5)%**	1.7 %	**2.2 %**	3.5 %
Change in SPNOI[3][4]	**1.7 %**	4.7 %	**2.2 %**	3.3 %
Net income and comprehensive income per Unit[2]	**$0.08/$0.08**	$0.56/$0.56	**$2.86/$2.83**	$3.57/$3.54
FFO per Unit[3][4][6]	**$0.60/$0.59**	$0.58/$0.57	**$2.25/$2.23**	$2.09/$2.07
FFO with adjustments per Unit[3][4]	**$0.51/$0.51**	$0.58/$0.58	**$2.11/$2.09**	$2.15/$2.13
AFFO per Unit[3][4][6]	**$0.52/$0.51**	$0.48/$0.48	**$1.99/$1.97**	$1.88/$1.86
AFFO with adjustments per Unit[3][4]	**$0.43/$0.43**	$0.49/$0.49	**$1.85/$1.83**	$1.94/$1.93
Payout Ratio to AFFO[3][4][6]	**89.4 %**	95.7 %	**93.0 %**	98.6 %
Payout Ratio to AFFO with adjustments[3][4]	**107.5 %**	93.9 %	**99.9 %**	95.2 %
Payout Ratio to cash flows provided by operating activities	**87.9 %**	61.2 %	**99.6 %**	88.9 %

(1) Excluding residential and self-storage area.
(2) Represents a Generally Accepted Accounting Principles ("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 December 31, 2023, cash-on-hand of $31.4 million was excluded for the purposes of calculating the applicable ratios (December 31, 2022 – $33.4 million, December 31, 2022 – $80.0 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 ("REALpac White Paper"). Comparison with other reporting issuers may not be appropriate. The payout ratio to AFFO is calculated as declared distributions divided by AFFO.
(7) The diluted weighted average includes the vested portion of the deferred units issued pursuant to the deferred unit plan.

Development and Intensification Summary

The following table provides additional details on the Trust's 12 development initiatives that are currently under construction or where initial siteworks have begun (in order of estimated initial occupancy/closing date):

Projects under construction (Location/Project Name)	Type	Trust's share	Actual / estimated initial occupancy / closing date	% of capital spend	GFA[1] (sq. ft.)	No. of units
Mixed-use Developments						
Pickering (Seaton Lands)	Industrial	100 %	Q2 2023	91 %	229,000	—
Whitby Self-Storage	Self Storage	50 %	Q1 2024	82 %	126,000	810
Markham East / Boxgrove	Self Storage	50 %	Q2 2024	79 %	133,000	910
Vaughan NW	Townhouse	50 %	Q2 2024	39 %	—	174
Stoney Creek Self-Storage	Self Storage	50 %	Q4 2024	36 %	138,000	973
Gilbert Self-Storage	Self Storage	50 %	Q1 2025	46 %	176,000	1,469
Dorval (St-Regis Blvd.) Self-Storage	Self Storage	50 %	Q2 2025	24 %	164,000	1,165
Toronto (Jane St.) Self-Storage	Self Storage	50 %	Q3 2025	31 %	143,000	1,404
Ottawa SW[2]	Retirement Residence	50 %	Q2 2026	27 %	376,000	402
Ottawa SW[2]	Seniors' Apartments					
Vaughan / ArtWalk (40-Storey)	Condo	50 %	Q2 2027	14 %	320,000	373
Retail Development						
Toronto (Laird)	Retail	50 %	Q1 2026	20 %	224,000	—

(1) GFA represents Gross Floor Area.
(2) Figure represents capital spend of both retirement residence and seniors' apartments projects.

Reconciliations of Non-GAAP Measures

The following tables reconcile the non-GAAP measures to the most comparable GAAP measures for the quarter and year ended December 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)
Quarterly Comparison to Prior Year

(in thousands of dollars)	**Three Months Ended December 31, 2023**			Three Months Ended December 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	**$211,021**	**$10,439**	**$221,460**	$206,223	$8,441	$214,664
Property operating costs and other	**(82,073)**	**(5,681)**	**(87,754)**	(77,062)	(3,779)	(80,841)
	$128,948	**$4,758**	**$133,706**	$129,161	$4,662	$133,823
Residential sales revenue and other[2]	**—**	**13,789**	**13,789**	—	—	—
Residential cost of sales and other	**(497)**	**(10,649)**	**(11,146)**	(10)	(181)	(191)
	$(497)	**$3,140**	**$2,643**	$(10)	$(181)	$(191)
NOI	**$128,451**	**$7,898**	**$136,349**	$129,151	$4,481	$133,632

(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, 2023**			Year Ended December 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	**$834,581**	**$36,544**	**$871,125**	$804,598	$28,643	$833,241
Property operating costs and other	**(317,147)**	**(18,361)**	**(335,508)**	(301,559)	(13,467)	(315,026)
	$517,434	**$18,183**	**$535,617**	$503,039	$15,176	$518,215
Residential sales revenue and other[2]	**—**	**139,190**	**139,190**	—	4,524	4,524
Residential cost of sales and other	**(3,873)**	**(110,178)**	**(114,051)**	(435)	(3,784)	(4,219)
	$(3,873)	**$29,012**	**$25,139**	$(435)	$740	$305
NOI	**$513,561**	**$47,195**	**$560,756**	$502,604	$15,916	$518,520

(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 December 31 **2023**	2022	Year Ended December 31 **2023**	2022
Net rental income and other	**$128,451**	$129,151	**$513,561**	$502,604
NOI from equity accounted investments(1)	**7,898**	4,481	**47,195**	15,916
Total portfolio NOI before adjustments(1)	**$136,349**	$133,632	**$560,756**	$518,520
Adjustments:				
Lease termination	**(984)**	(82)	**(1,675)**	(214)
Net profit on condo and townhome closings	**(2,643)**	191	**(25,139)**	(305)
Non-recurring items and other adjustments(2)	**4,112**	(567)	**7,906**	5,820
Total portfolio NOI after adjustments(1)	**$136,834**	$133,174	**$541,848**	$523,821
NOI sourced from:				
Acquisitions	**(363)**	—	**(8,014)**	(5,468)
Dispositions	**1**	3	**2**	(9)
Earnouts and Developments	**(1,427)**	(413)	**(5,139)**	(1,266)
Same Properties NOI(1)	**$135,045**	$132,764	**$528,697**	$517,078

(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 vaccination centre costs, royalties, straight-line rent and amortization of tenant incentives.

Reconciliation of FFO

(in thousands of dollars)	Three Months Ended December 31 **2023**	2022	Year Ended December 31 **2023**	2022
Net income and comprehensive income	**$14,165**	$100,310	**$510,103**	$635,965
Add (deduct):				
Fair value adjustment on investment properties and financial instruments(1)	**56,197**	(13,377)	**(101,792)**	(293,080)
Gain (loss) on derivative – TRS	**13,314**	6,221	**(205)**	(4,918)
Gain on sale of investment properties	**(67)**	(531)	**(44)**	(315)
Amortization of intangible assets and tenant improvement allowance	**2,469**	2,338	**9,199**	8,535
Distributions on Units classified as liabilities and vested deferred units	**2,157**	1,807	**8,478**	7,140
Adjustment on debt modification	**—**	—	**—**	(1,960)
Salaries and related costs attributed to leasing activities(2)	**2,709**	1,514	**8,519**	7,508
Acquisition-related costs	**—**	—	**—**	298
Adjustments relating to equity accounted investments(3)	**15,949**	4,189	**(33,293)**	12,399
FFO(4)	**$106,893**	$102,471	**$400,965**	$371,572
Add (deduct) non-recurring adjustments:				
(Gain) loss on derivative – TRS	**(13,314)**	(6,221)	**205**	4,918
FFO sourced from condominium and townhome closings	**(2,657)**	180	**(24,010)**	(680)
Transactional FFO – gain (loss) on sale of land to co-owner	**440**	7,662	**(568)**	7,662
FFO with adjustments(4)	**$91,362**	$104,092	**$376,592**	$383,472

(1) Includes fair value adjustments on investment properties and financial instruments. Fair value adjustment on 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, Deferred Unit Plan ("DUP"), Equity Incentive Plan ("EIP"), TRS, interest rate swap agreements, and LTIP recorded in the same period in 2022. The significant assumptions made in determining the fair value are more thoroughly described in the Trust's consolidated financial statements for the year ended December 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 $8.5 million were incurred in the year ended December 31, 2023 (year ended December 31, 2022 – $7.5 million) and were eligible to be added back to FFO based on the definition of FFO, in the REALpac White Paper, 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 December 31 2023	Three Months Ended December 31 2022	Year Ended December 31 2023	Year Ended December 31 2022
FFO[(1)]	**$106,893**	$102,471	**$400,965**	$371,572
Add (Deduct):				
Straight-line of rents	**(479)**	(31)	**(690)**	(433)
Adjusted salaries and related costs attributed to leasing	**(2,709)**	(1,514)	**(8,519)**	(7,508)
Actual sustaining capital expenditures, leasing commissions, and tenant improvements	**(11,518)**	(14,821)	**(37,332)**	(29,296)
AFFO[(1)]	**$92,187**	$86,105	**$354,424**	$334,335
Add (deduct) non-recurring adjustments:				
(Gain) loss on derivative – TRS	**(13,314)**	(6,221)	**205**	4,918
FFO sourced from condominium and townhome closings	**(2,657)**	216	**(24,010)**	(680)
Transactional FFO – gain (loss) on sale of land to co-owner	**440**	7,662	**(568)**	7,662
AFFO with adjustments[(1)]	**$76,656**	$87,762	**$330,051**	$346,235

(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:

(in thousands of dollars)	**12 Months Ended December 31, 2023**	12 Months Ended December 31, 2022
Net income and comprehensive income	**$510,103**	$635,965
Add (deduct) the following items:		
Net interest expense	**157,990**	138,464
Amortization of equipment, intangible assets and tenant improvements	**11,619**	11,078
Fair value adjustments on investment properties and financial instruments	**(147,688)**	(293,704)
Fair value adjustment on TRS	**(205)**	(4,918)
Adjustment for supplemental costs	**5,709**	4,648
Gain on sale of investment properties	**(44)**	(74)
Acquisition-related costs	**—**	298
Adjusted EBITDA[(1)]	**$537,484**	$491,757

(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 per Unit, 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 with adjustments per Unit, Same Properties NOI, Debt to Gross Book Value, Weighted Average Interest Rate, Transactional FFO, 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, 2023, dated February 14, 2024 (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.sedarplus.ca. 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 year ended December 31, 2023 are outlined in the consolidated financial statements and the related MD&A of the Trust for the year ended December 31, 2023, which are available on SEDAR+ at www.sedarplus.ca.

Conference Call

Management will hold a conference call on Thursday, February 15, 2024 at 3:00 p.m. (ET).

Interested parties are invited to access the call by dialing 1-855-353-9183 and then keying in the participant access code 97190#.

A recording of this call will be made available Thursday, February 15, 2024 through to Thursday, February 22, 2024. To access the recording, please call 1-855-201-2300, enter the conference access code 97190# and then key in the playback access code 0114192#.

About SmartCentres

SmartCentres is one of Canada's largest fully integrated REITs, with a best-in-class and growing mixed-use portfolio featuring 191 strategically located properties in communities across the country. SmartCentres has approximately $11.9 billion in assets and owns 35.0 million square feet of income producing value-oriented retail and first-class office properties with 98.5% in place and committed occupancy, on 3,500 acres of owned land across Canada.

Cautionary Statements Regarding Forward-looking Statements

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, 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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