SMARTCENTRES REAL ESTATE INVESTMENT TRUST RELEASES FIRST QUARTER RESULTS FOR 2024

TORONTO, ONTARIO - (May 8, 2024) SmartCentres Real Estate Investment Trust ("SmartCentres" or the "Trust") (TSX: SRU.UN) is pleased to report its financial and operating results for the quarter ended March 31, 2024.

"We are pleased to report a strong start to 2024," said Mitchell Goldhar, CEO of SmartCentres. "Our focus on value-oriented retail continues to drive robust customer traffic, resulting in a $5.9 million increase in net rental income(1) compared to the first quarter of last year. Significant demand for additional locations from existing and new retailers will result in the expansion of the portfolio in the coming quarters. In addition, exceptional retention of maturing tenancies has already led to 4.4 million square feet of renewals with a compelling average rent growth of 8.9% (excluding anchors). On the development front, we have lots of activity and some significant projects under construction. In addition, we delivered and closed the first two units in Phase I of our Vaughan NW Townhomes project in March, and closings are expected to accelerate in subsequent quarters, with 95% of the pre-sold units closing this year, providing additional net operating income to our core retail operations."

2024 First Quarter Highlights

Operations

- Same Property NOI(1) for the three months ended March 31, 2024 increased by $4.0 million or 3.0% compared to the same period in 2023. The increase was driven by lease-up activities and lease extensions at improved rental rates.
- Strong leasing momentum continued with 160,860 square feet of vacant space leased in the quarter, and 209,617 square feet leased for new build.
- Our largest tenants are expanding store sizes in major markets, with executed new deals during the quarter from tenants such as Winners, HomeSense, Dollarama, Shoppers Drug Mart, Mark's and Scotiabank.
- Extended or finalized 82% of space maturing in 2024, with strong rent growth of 8.9% (excluding anchors).

Development

- Significant development pipeline will provide constant portfolio expansion and decades of profitable growth from the approximately 56 million square feet (at the Trust's share) of zoned mixed-use development permissions, including 0.9 million square feet of sites currently under construction.
- Millway, a 458-unit purpose-built rental, was completed in Q4 2023. Leasing activity accelerated during the quarter at approximately 1% per week, with 76% of the units leased by quarter-end. We have seen continued

leasing progress subsequent to the quarter-end with rental rates ahead of expectations, and we expect to reach close to 90% leased by Q2.

- Sitework at ArtWalk condominium Phase I is well underway, with all released units (approximately 85% of the 373 units) in Tower A pre-sold.
- Construction of Phase I of the Vaughan NW townhomes is underway, with the first two units closed in March 2024. All released units(approximately 83% of the 120 units) have been pre-sold.
- Our self-storage facility in Whitby opened in March 2024. This portfolio continues to expand with the addition of two new locations: one within the Trust's shopping centre at Laval East, Quebec, and a new strategic site that was acquired with SmartStop subsequent to the quarter-end in Victoria, British Columbia. This portfolio has now increased to nine operating facilities with five additional sites under construction.

Financial

- Net rental income and other increased by $5.9 million or 4.7% for the three months ended March 31, 2024 compared to the same period in 2023, mainly attributable to the increase in base rent resulting from lease-up activities and lease extensions at improved rental rates.
- FFO per Unit(1) for the three months ended March 31, 2024 was $0.48 compared to $0.54 for the same period in 2023. This decline is primarily due to a decrease in fair value adjustment on the TRS as a result of fluctuations in the Trust's unit price, and the change in condominium and townhome closings. FFO per Unit with adjustments(1) for the three months ended March 31, 2024 was $0.52 compared to $0.51 for the same period in 2023, an increase of 2.0%. The increase was primarily due to the increase in net rental income.
- Net income (loss) and comprehensive income (loss) per Unit(2) was $(0.12) for the three months ended March 31, 2024 (three months ended March 31, 2023 – $0.63). The decrease was primarily due to a loss in fair value adjustment on investment properties which included a write down of $135 million ($0.75 per Unit) on certain future development properties resulting from changes in market conditions.

(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 and Financial Information

(in thousands of dollars, except per Unit and other non-financial data) As at	**March 31, 2024**	December 31, 2023	March 31, 2023
Portfolio Information (Number of properties)			
Retail properties	**155**	155	155
Office properties	**4**	4	4
Self-storage properties	**9**	8	8
Residential properties	**3**	3	1
Industrial properties	**1**	1	—
Properties under development	**21**	20	20
Total number of properties with an ownership interest	**193**	191	188
Leasing and Operational Information[1]			
Gross leasable retail, office and industrial area (in thousands of sq. ft.)	**35,109**	35,045	34,777
In-place and committed occupancy rate	**97.7 %**	98.5 %	98.0 %
Average lease term to maturity (in years)	**4.3**	4.3	4.2
Net annualized retail rental rate excluding Anchors (per occupied sq. ft.)	**$23.07**	$22.59	$22.47
Financial Information			
Investment properties[2]	**10,491,638**	10,564,269	10,344,596
Total unencumbered assets[3]	**9,176,421**	9,170,121	8,653,321
Debt to Aggregate Assets[3][4][5]	**43.8 %**	43.1 %	43.2 %
Adjusted Debt to Adjusted EBITDA[3][4][5]	**9.8X**	9.6X	10.0X
Weighted average interest rate[3][4]	**4.17 %**	4.15 %	3.89 %
Weighted average term of debt (in years)	**3.4**	3.6	3.9
Interest coverage ratio[3][4]	**2.6X**	2.7X	2.9X
Weighted average number of units outstanding – diluted[7]	**180,265,745**	180,023,932	179,891,028

	Three Months Ended March 31	
	2024	2023
Financial Information		
Rentals from investment properties and other[2]	**217,239**	210,594
Net income (loss) and comprehensive income (loss)[2]	**(21,175)**	112,861
FFO[3][4][6]	**86,812**	97,133
AFFO[3][4][6]	**81,242**	88,601
Cash flows provided by operating activities[2]	**69,719**	81,931
Net rental income and other[2]	**130,728**	124,821
NOI[3][4]	**136,075**	133,468
Change in net rental income and other[3]	**4.7 %**	3.4 %
Change in SPNOI[3][4]	**3.0 %**	4.3 %
Net income (loss) and comprehensive income (loss) per Unit[2]	**$(0.12)/$(0.12)**	$0.63/$0.63
FFO per Unit[3][4][6]	**$0.49/$0.48**	$0.55/$0.54
FFO with adjustments per Unit[3][4]	**$0.52/$0.52**	$0.51/$0.51
AFFO per Unit[3][4][6]	**$0.46/$0.45**	$0.50/$0.49
AFFO with adjustments per Unit[3][4]	**$0.49/$0.48**	$0.46/$0.46

(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 March 31, 2024, cash-on-hand of $33.3 million was excluded for the purposes of calculating the applicable ratios (December 31, 2023 – $31.4 million, March 31, 2023 – $29.7 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 Initiatives Summary

The following table provides additional details on the Trust's 10 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						
Vaughan NW	Townhomes	50 %	Q1 2024	47 %	366,000	174
Markham East / Boxgrove	Self-Storage	50 %	Q2 2024	90 %	133,000	910
Stoney Creek Self-Storage	Self-Storage	50 %	Q4 2024	55 %	138,000	973
Toronto (Gilbert Ave.) Self-Storage	Self-Storage	50 %	Q1 2025	56 %	177,000	1,540
Dorval (St-Regis Blvd.) Self-Storage	Self-Storage	50 %	Q2 2025	31 %	164,000	1,165
Toronto (Jane St.) Self-Storage	Self-Storage	50 %	Q3 2025	40 %	143,000	1,404
Ottawa SW[2]	Retirement Residence	50 %	Q2 2026	29 %	376,000	402
Ottawa SW[2]	Seniors' Apartments					
Vaughan / ArtWalk (40-Storey)	Condo	50 %	Q2 2027	16 %	320,000	373
Total Mixed-use Developments					**1,817,000**	**6,941**
Retail Development						
Toronto (Laird)	Retail	50 %	Q2 2026	22 %	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 ended March 31, 2024 and the comparable periods in 2023. 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, 2024**			Three Months Ended March 31, 2023		
	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	**$215,637**	**$10,922**	**$226,559**	$210,594	$8,056	$218,650
Property operating costs and other	**(85,153)**	**(5,458)**	**(90,611)**	(85,123)	(4,137)	(89,260)
	$130,484	**$5,464**	**$135,948**	$125,471	$3,919	$129,390
Residential sales revenue and other[2]	**1,602**	**29**	**1,631**	—	24,833	24,833
Residential cost of sales and other	**(1,358)**	**(146)**	**(1,504)**	(650)	(20,105)	(20,755)
	$244	**$(117)**	**$127**	$(650)	$4,728	$4,078
NOI	**$130,728**	**$5,347**	**$136,075**	$124,821	$8,647	$133,468

(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

	Three Months Ended March 31	
(in thousands of dollars)	**2024**	2023
Net rental income and other	**$130,728**	$124,821
NOI from equity accounted investments[1]	**5,347**	8,647
Total portfolio NOI before adjustments[1]	**$136,075**	$133,468
Adjustments:		
Lease termination	**—**	(412)
Net profit on condominium and townhome closings	**(127)**	(4,078)
Non-recurring items and other adjustments[2]	**929**	2,519
Total portfolio NOI after adjustments[1]	**$136,877**	$131,497
NOI sourced from acquisitions, dispositions, Earnouts and developments	**(1,595)**	(193)
Same Properties NOI[1]	**$135,282**	$131,304

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

Reconciliation of FFO

(in thousands of dollars)	Three Months Ended March 31 2024	2023
Net income (loss) and comprehensive income (loss)	**$(21,175)**	$112,861
Add (deduct):		
Fair value adjustment on investment properties and financial instruments(1)	**98,502**	(22,008)
(Loss) gain on derivative – TRS	**(6,150)**	1,296
Loss (gain) on sale of investment properties	**142**	(22)
Amortization of intangible assets and tenant improvement allowance	**2,180**	2,395
Distributions on Units classified as liabilities and vested deferred units	**4,596**	2,004
Salaries and related costs attributed to leasing activities(2)	**2,407**	2,080
Adjustments relating to equity accounted investments(3)	**6,310**	(1,473)
FFO(4)	**$86,812**	$97,133
Add (deduct) non-recurring adjustments:		
Loss (gain) on derivative – TRS	**6,150**	(1,296)
FFO sourced from condominium and townhome closings	**(200)**	(3,816)
Transactional FFO – loss on sale of land to co-owner	**—**	(1,008)
FFO with adjustments(4)	**$92,762**	$91,013

(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, and interest rate swap agreements. The significant assumptions made in determining the fair value are more thoroughly described in the Trust's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2024. 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 $2.4 million were incurred in the three months ended March 31, 2024 (three months ended March 31, 2023 – $2.1 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 March 31 2024	2023
FFO[1]	**$86,812**	$97,133
Add (Deduct):		
Straight-line rents	**(737)**	50
Adjusted salaries and related costs attributed to leasing	**(2,407)**	(2,080)
Capital expenditures, leasing commissions, and tenant improvements[2][3]	**(2,426)**	(6,502)
AFFO[1]	**$81,242**	$88,601
Add (deduct) non-recurring adjustments:		
Loss (gain) on derivative – TRS	**6,150**	(1,296)
FFO sourced from condominium and townhome closings	**(200)**	(3,816)
Transactional FFO – loss on sale of land to co-owner	**—**	(1,008)
AFFO with adjustments[1]	**$87,192**	$82,481

(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)	Rolling 12 Months Ended March 31, 2024	March 31, 2023
Net income and comprehensive income	**$376,068**	$378,711
Add (deduct) the following items:		
Net interest expense	**166,958**	142,243
Amortization of equipment, intangible assets and tenant improvements	**11,500**	11,370
Fair value adjustments on investment properties and financial instruments	**(24,114)**	(37,412)
Adjustment for supplemental costs	**3,853**	4,709
Loss (gain) on sale of investment properties	**120**	(219)
Acquisition-related costs	**—**	298
Adjusted EBITDA[1]	**$534,385**	$499,700

(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.

Conference Call

Management will hold a conference call on Thursday, May 9, 2024 at 3:00 p.m. (ET).

Interested parties are invited to access the call at least 5 minutes prior to the scheduled start of the call by dialing 1-888-596-4144 and then keying in the conference access code 2010586#.

A recording of this call will be made available Thursday, May 9, 2024, through to Thursday, May 16, 2024. To access the recording, please call 1-800-770-2030 and enter the conference access code 2010586#.

About SmartCentres

SmartCentres is one of Canada's largest fully integrated REITs, with a best-in-class and growing mixed-use portfolio featuring 193 strategically located properties in communities across the country. SmartCentres has approximately $11.9 billion in assets and owns 35.1 million square feet of income producing value-oriented retail and first-class office properties with 97.7% in place and committed occupancy, on 3,500 acres of owned land across Canada.

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 three months ended March 31, 2024, dated May 8, 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 three months ended March 31, 2024 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, 2024, which are available on SEDAR+ at www.sedarplus.ca.

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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