SMARTCENTRES®
REAL ESTATE INVESTMENT TRUST

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2024

CANADA'S SHOPPING CENTRE
FOR OVER THIRTY YEARS

2024 YEAR-END REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS.

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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2024

Section I — Introduction

About this Management's Discussion and Analysis

This Management's Discussion and Analysis ("MD&A") sets out SmartCentres Real Estate Investment Trust's ("SmartCentres" or the "Trust") business overview and strategic direction, and provides an analysis of the financial performance and financial condition as at December 31, 2024 and for the year ended December 31, 2024, management's outlook and the risks facing the business.

This MD&A should be read in conjunction with the Trust's audited consolidated financial statements for the years ended December 31, 2024 and December 31, 2023, and the notes contained therein, and the Trust's annual information form ("AIF"). Such consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The Canadian dollar is the functional and reporting currency for purposes of preparing the consolidated financial statements for the years ended December 31, 2024 and December 31, 2023.

This MD&A is dated February 12, 2025, which is the date of the press release announcing the Trust's results for the year ended December 31, 2024. Disclosure contained in this MD&A is current to that date, unless otherwise noted. Certain terms defined in this MD&A are defined in the Glossary of Terms.

Key Operational, Development and Financial Information

(in thousands of dollars, except per Unit and other non-financial data)	**December 31, 2024**	December 31, 2023	December 31, 2022
Portfolio Information (Number of properties)			
Retail properties	**155**	155	155
Office properties	**4**	4	4
Self-storage properties	**11**	8	6
Residential properties	**3**	3	2
Industrial properties	**1**	1	—
Properties under development	**21**	20	19
Total number of properties with an ownership interest	**195**	191	186
Leasing and Operational Information(1)			
Gross leasable retail, office and industrial area (in thousands of sq. ft.)	**35,300**	35,045	34,750
In-place and committed occupancy rate	**98.7 %**	98.5 %	98.0 %
Average lease term to maturity (in years)	**4.2**	4.3	4.2
In-place net retail rental rate excluding Anchors (per occupied sq. ft.)	**$23.48**	$22.59	$22.20
Financial Information			
Total assets(2)	**11,939,689**	11,905,422	11,702,153
Investment properties(2)	**10,659,783**	10,564,269	10,286,891
Total unencumbered assets(3)	**9,464,521**	9,170,121	8,415,900
Debt(2)	**5,046,279**	4,999,522	4,983,265
Debt to Aggregate Assets(3)(4)(5)	**43.7 %**	43.1 %	43.6 %
Adjusted Debt to Adjusted EBITDA(3)(4)(5)	**9.6X**	9.6X	10.3X
Weighted average interest rate(3)(4)	**3.92 %**	4.15 %	3.86 %
Weighted average term of debt (in years)	**3.1**	3.6	4.0
Interest coverage ratio(3)(4)	**2.5X**	2.7X	3.1X

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.
(4) Includes the Trust's proportionate share of equity accounted investments.
(5) As at December 31, 2024, cash-on-hand of $34.9 million was excluded for the purposes of calculating the applicable ratios (December 31, 2023 – $31.4 million, December 31, 2022 – $33.4 million).

(in thousands of dollars, except per Unit information)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
Financial Information				
Rentals from investment properties and other(1)	**229,743**	211,021	**918,359**	834,581
Net income and comprehensive income(1)	**141,850**	14,165	**292,070**	510,103
Cash flows provided by operating activities(1)	**122,118**	93,745	**374,208**	330,853
Net rental income and other(1)	**141,580**	128,451	**547,508**	513,561
NOI(2)(3)	**148,614**	136,349	**572,536**	560,756
NOI from residential sales and other adjustments(2)(3)	**2,633**	2,643	**11,567**	25,139
SPNOI(2)(3)	**142,731**	137,540	**551,880**	537,067
Change in SPNOI(2)(3)	**3.8 %**	1.7 %	**2.8 %**	2.2 %
Change in SPNOI excluding Anchors(2)(3)	**6.0 %**	2.1 %	**4.6 %**	3.3 %
FFO(2)(3)(4)(5)	**96,645**	106,893	**402,556**	400,965
FFO with adjustments(2)(3)(4)	**101,361**	91,362	**383,043**	376,592
AFFO(2)(3)(4)(5)	**85,004**	92,187	**359,396**	354,424
AFFO with adjustments(2)(3)(4)	**89,720**	76,656	**339,883**	330,051
Distributions declared	**82,419**	82,413	**329,659**	329,639
Units outstanding(6)	**178,201,075**	178,188,148	**178,201,075**	178,188,148
Units outstanding – diluted (7)	**181,205,536**	180,108,234	**181,205,536**	180,108,234
Weighted average – basic	**178,201,075**	178,188,148	**178,191,737**	178,178,090
Weighted average – diluted(8)	**181,186,382**	180,086,748	**180,749,027**	180,023,932
Per Unit Information (Basic/Diluted)				
Net income and comprehensive income(1)	**$0.80/$0.78**	$0.08/$0.08	**$1.64/$1.62**	$2.86/$2.83
FFO(2)(3)(4)(5)	**$0.54/$0.53**	$0.60/$0.59	**$2.26/$2.23**	$2.25/$2.23
FFO with adjustments(2)(3)(4)	**$0.57/$0.56**	$0.51/$0.51	**$2.15/$2.12**	$2.11/$2.09
AFFO(2)(3)(4)(5)	**$0.48/$0.47**	$0.52/$0.51	**$2.02/$1.99**	$1.99/$1.97
AFFO with adjustments(2)(3)(4)	**$0.50/$0.50**	$0.43/$0.43	**$1.91/$1.88**	$1.85/$1.83
Distributions declared	**$0.463**	$0.463	**$1.850**	$1.850
Payout Ratio Information				
Payout Ratio to AFFO(2)(3)(4)(5)	**97.0 %**	89.4 %	**91.7 %**	93.0 %
Payout Ratio to AFFO with adjustments(2)(3)(4)	**91.9 %**	107.5 %	**97.0 %**	99.9 %
Payout Ratio to cash flows provided by operating activities	**67.5 %**	87.9 %	**88.1 %**	99.6 %

(1) Represents a GAAP measure.
(2) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.
(3) Includes the Trust's proportionate share of equity accounted investments.
(4) See "Other Measures of Performance" in this MD&A for a reconciliation of these measures to the nearest consolidated financial statement measure.
(5) 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.
(6) Total Units outstanding include Trust Units and LP Units (each as defined below), including Units classified as liabilities. LP Units classified as equity in the consolidated financial statements are presented as non-controlling interests.
(7) Total diluted Units outstanding include Trust Units and LP Units (each as defined below), including Units classified as liabilities. LP Units classified as equity in the consolidated financial statements are presented as non-controlling interests, vested portion of the deferred issued pursuant to the deferred unit plan and vested EIPs granted pursuant to the equity incentive plan.
(8) The diluted weighted average includes the vested portion of the deferred issued pursuant to the deferred unit plan and vested EIPs granted pursuant to the equity incentive plan.

Highlights for the Quarter

Operational

- With growing tenant demand for vacant space and strong retention, Same Properties NOI excluding Anchors[1] for the three months ended December 31, 2024 increased by 6.0% (3.8% including Anchors) compared to the same period in 2023.
- 192,353 square feet of vacant space leased during the quarter, resulting in an in-place and committed occupancy rate of 98.7% as of December 31, 2024 (September 30, 2024 – 98.5%). In addition, growing demand for new-build retail continues with approximately 253,000 square feet executed during the year.
- Extended or finalized 91.7% of all leases matured in 2024, with a strong rent growth of 8.8% (excluding Anchors).

Development

- Significant development pipeline is expected to provide long-term portfolio expansion and profitable growth from the approximately 59.1 million square feet (at the Trust's share) of zoned mixed-use development permissions, including 1.0 million square feet of sites currently under construction.
- The Millway, a 458-unit purpose-built rental, was completed in Q4 2023. Leasing activity is approximately 95% of the units leased and committed by end of 2024.
- Self-storage facility in Stoney Creek opened in October 2024. Construction of self-storage facilities in Toronto (Gilbert Ave.), Toronto (Jane St.), and Dorval (St-Regis Blvd.) is progressing, with all three facilities on schedule to open in 2025. Early site preparation and demolition works have commenced to facilitate the construction of three additional self-storage facilities in Montreal (Notre Dame St. W), Laval E, Quebec, and Burnaby, British Columbia, which are expected to be completed by 2026.
- Construction of Phase I of the Vaughan NW townhomes is progressing well, with 11 units completed and closed in Q4 2024. As at December 31, 2024, approximately 83% of the 120 units in Phase I have been pre-sold.
- Siteworks and excavation are now complete at ArtWalk condo Phase I and construction is advancing. Tower crane was erected and footings are underway, with approximately 93% of the 340 units in Tower A pre-sold.
- Siteworks for the 224,000 square foot project, encompassing Canadian Tire and ancillary retail units on Laird Drive in Toronto have progressed and exterior services upgrades are almost complete. The below grade parking structure is substantially constructed and work is proceeding on the ground floor slab, with possession expected in Q2 2026.

Financial

- Rentals from investment properties and other[2] for the three months ended December 31, 2024, totalled $229.7 million representing an increase of $18.7 million or 8.9% compared to the same period in 2023. The increase was primarily due to lease-up activities for retail and mixed-use properties, and an increase in CAM recoveries.
- Rentals from investment properties and other[2] for the year ended December 31, 2024, totalled $918.4 million representing an increase of $83.8 million or 10.0% compared to the same period in 2023. The increase was primarily due to lease-up activities for retail and mixed-use properties, an increase in CAM recoveries, and increase in residential closing revenue from townhome closings.
- Net rental income and other[2] for the three months and year ended December 31, 2024 was $141.6 million and $547.5 million, respectively, representing an increase of $13.1 million or 10.2% and $33.9 million or 6.6% compared to the same periods in 2023. This increase was primarily due to lease-up activities for retail and mixed-use properties, an increase in CAM recoveries, and increase in residential closing revenue from townhome closings.
- Net income and comprehensive income[2] increased by $127.7 million for the three months ended December 31, 2024 compared to the same period in 2023. The increase was mainly driven by a $60.5 million increase in fair value adjustments on revaluation of properties due to updated valuation parameters and leasing activities in prior year period, and a $62.5 million increase in fair value adjustment on financial instruments due to mark-to-market adjustments for interest rate swap agreements and fluctuation in the Trust's unit price.
- Net income and comprehensive income[2] decreased by $218.0 million for the year ended December 31, 2024 compared to the same period in 2023. The decrease was mainly driven by a $184.9 million decrease in fair value adjustments on revaluation of properties due to changes in market conditions for certain future development properties, partially offset by improved leasing activities, and a $29.4 million increase in interest expense primarily due to higher interest rates and lower capitalization due to completion of development projects.
- Net income and comprehensive income per Unit[2] was $0.78 for the three months ended December 31, 2024 (three months ended December 31, 2023 – $0.08). The change was mainly driven by an increase in fair value adjustments on revaluation of properties due to updated valuation parameters and leasing activities, and an increase in fair value

adjustment on financial instruments due to mark-to-market adjustments for interest rate swap agreements and fluctuation in the Trust's Unit price.

- Net income and comprehensive income per Unit(2) was $1.62 for the year ended December 31, 2024 (year ended December 31, 2023 – $2.83). The decrease was mainly driven by fair value adjustments due to changes in market conditions for certain future development properties, and an increase in interest expense primarily due to higher interest rates and lower capitalization due to completion of development projects. These were partially offset by improved leasing activities.

- FFO per Unit(1) for the three months ended December 31, 2024, was $0.53 compared to $0.59 for the same period in 2023. This decrease was primarily due to changes in fair value adjustment on TRS resulting from fluctuations in the Trust's Unit price, partially offset by increase in NOI mainly due to lease-up activities for retail and mixed-use properties, and an increase in CAM recoveries. FFO with adjustments per Unit(1) for the three months ended December 31, 2024, was $0.56 compared to $0.51 in 2023. The increase was primarily attributable to an increase in NOI due to lease-up activities for retail and mixed-use properties, and an increase in CAM recoveries, partially offset by an increase in net interest expense compared to the prior year period.

- FFO per Unit(1) for the for the year ended December 31, 2024, was $2.23, consistent with the same period in 2023. FFO with adjustments per Unit(1) for the for the year ended December 31, 2024, was $2.12 compared to $2.09 in 2023. The increase was attributable to an increase in NOI primarily due to lease-up activities for retail and mixed-use properties, and an increase in CAM recoveries, partially offset by an increase in net interest expense compared to the prior year period.

- Payout Ratio to AFFO(1) for the three months and year ended December 31, 2024, was 97.0% and 91.7%, respectively, as compared to 89.4% and 93.0% for the same periods in 2023. The Payout Ratio to AFFO(1) with adjustments for the three months and year ended December 31, 2024 was 91.9% and 97.0%, respectively, as compared to 107.5% and 99.9% for the same periods in 2023.

- Payout Ratio to cash flows provided by operating activities for the three months and year ended December 31, 2024, was 67.5% and 88.1%, respectively, as compared to 87.9% and 99.6% for the same periods in 2023. The decrease was primarily attributed to higher net rental income and other, due to residential closing profits and increase in base rent compared to the respective period in 2023.

- As at December 31, 2024, the Trust's fixed rate/variable rate debt ratio(1)(3) was 89%/11% (December 31, 2023 – 82%/18%).

- As at December 31, 2024, this unencumbered portfolio of investment properties was valued at $9.5 billion (December 31, 2023 – $9.2 billion).

- In September 2024, the Trust entered into a secured non-revolving construction facility for the project on Laird Drive, Toronto, totalling $61.3 million at the Trust's share. The non-revolving facility bears interest at Adjusted CORRA plus 1.45%, with a maturity date of September 27, 2026. As at December 31, 2024, $5.5 million was drawn.

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.
(2) Represents a GAAP measure.
(3) Net of cash-on-hand of $34.9 million as at December 31, 2024 for the purposes of calculating the applicable ratios.

Presentation of Certain Terms Including Non-GAAP Measures

Readers are cautioned that certain terms used in this MD&A include non-GAAP measures and other terms. The following terms are non-GAAP measures used in this MD&A: Adjusted Debt, Adjusted Funds From Operations ("AFFO"), AFFO with adjustments, AFFO per Unit, AFFO with adjustments per Unit, Net Debt, Adjusted Debt to Adjusted EBITDA, Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization Expense ("Adjusted EBITDA"), Adjusted Interest Expense including Capitalized Interest, Debt Service Expense, Aggregate Assets, Gross Book Value, Debt to Aggregate Assets, Debt to Aggregate Assets excluding TRS debt and receivable, Debt to Gross Book Value, Fixed Charge Coverage Ratio, Fixed Rate to Variable Rate Debt Ratio, Annualized NOI, Funds From Operations ("FFO"), FFO with adjustments, FFO per Unit, FFO with adjustments per Unit, Interest Coverage Ratio, Net Operating Income ("NOI"), Investment Properties – non-GAAP, Payout Ratio to AFFO, Payout Ratio to AFFO with adjustments, Proportionate Share Reconciliation, Recovery Ratio, Same Properties NOI ("SPNOI"), Same Properties NOI excluding Anchors ("SPNOI excluding Anchors"), Total Proportionate Share, Transactional FFO, Unencumbered Assets, Unencumbered Assets to Unsecured Debt, and Unsecured to Secured Debt Ratio. These non-GAAP measures are defined in this MD&A and non-GAAP financial measures have been reconciled to the closest IFRS measure in the consolidated financial statements of the Trust for the year ended December 31, 2024 in "Non-GAAP Measures". Readers should refer to "Non-GAAP Measures" in this MD&A for definitions and reconciliations of the Trust's non-GAAP financial measures.

The following are other terms used in this MD&A: Net Asset Value ("NAV"), any related measure per Variable Voting Unit of the Trust (a "Trust Unit") and per unit of the Trust's subsidiary limited partnerships (an "LP Unit") (where management discloses the combination of Trust Units and LP Units, combined units are referred to as a "Unit" or "Units").

These non-GAAP measures and other terms are used by management to measure, compare and explain the operating results and financial performance of the Trust and do not have any standardized meaning prescribed under IFRS and, therefore, should not be construed as alternatives to net income or cash flow from operating activities calculated in accordance with IFRS where applicable. Such terms do not have a standardized meaning prescribed by IFRS and may not be comparable to similar measures disclosed by other issuers. For further details of these terms, see "Other Measures of Performance", "Net Operating Income", "Debt", "Financial Covenants", and "Non-GAAP Measures" in this MD&A.

Non-GAAP Measures

The following table details the Trust's non-GAAP measures. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable.

Measure	Definition and Intended Use	Reference to Reconciliation and/ or Additional Information
Adjusted Debt **and** **Net Debt**	Adjusted Debt is defined as Debt, inclusive of the Trust's share of debt in equity accounted investments, net of loans receivable and cash-on-hand. Net Debt is defined as Debt, inclusive of the Trust's share of debt in equity accounted investments, net of cash-on-hand. Adjusted Debt and Net Debt are intended to be used by investors as measures of the level of indebtedness of the Trust and its ability to meet its obligations, as liquid assets are used to reduce outstanding liabilities. Management uses Adjusted Debt and Net Debt to calculate certain covenant ratios, and to assess the Trust's level of indebtedness.	Section VIII — Financing and Capital Resources, "Debt", "Financial Covenants"
Adjusted Debt to Adjusted EBITDA	Adjusted Debt to Adjusted EBITDA is defined as Adjusted Debt divided by Adjusted EBITDA. The ratio is intended to be used by investors as a measure of the level of the Trust's debt versus the Trust's ability to service that debt. Management uses the ratio to assess the Trust's level of leverage and its capacity to borrow.	Section VIII — Financing and Capital Resources, "Financial Covenants"
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization Expense ("Adjusted EBITDA")	Adjusted EBITDA is defined as the Trust's Total Proportionate Share of net income and comprehensive income adjusted by income taxes, interest expense net of interest income ("net interest expense"), amortization expense and depreciation expense, as well as adjustments for gains and losses on disposal of investment properties including transactional gains and losses on the sale of investment properties to a joint venture that are expected to be recurring, and the fair value changes associated with investment properties and financial instruments, and excludes extraordinary items such as, but not limited to, yield maintenance on redemption of unsecured debentures and Transactional FFO – gain (loss) on sale of land to co-owners. The measure is intended to be used by investors to help determine the Trust's ability to service its debt, finance capital expenditures and provide for distributions to its unitholders ("Unitholders"). Management uses this measure to assess the Trust's profitability, as it removes the non-cash impact of the fair value changes and gains and losses on investment property dispositions.	Section V — Business Operations and Performance, "Results of Operations"

Non-GAAP Measures (Continued)

Measure	Definition and Intended Use	Reference to Reconciliation and/or Additional Information
Adjusted Interest Expense including Capitalized Interest **and** **Debt Service Expense**	Adjusted Interest Expense including Capitalized Interest is defined as the Trust's Total Proportionate Share of interest expense, less distributions on vested deferred units and Units classified as liabilities and interest income from mortgages and loans receivable, plus capitalized interest. Debt Service Expense is defined as the Trust's Total Proportionate Share of interest expense, less distributions on vested deferred units and Units classified as liabilities and interest income from mortgages and loans receivable, plus capitalized interest and mortgage principal amortization payments. Adjusted Interest Expense including Capitalized Interest and Debt Service Expense are intended to be used by investors as measures of the interest expense on the Trust's debt. Management uses these to calculate certain covenant ratios, and to assess the Trust's ability to service its debt.	Section VIII — Financing and Capital Resources, "Financial Covenants"
Adjusted Funds From Operations ("AFFO") **and** **AFFO with adjustments** **and** **AFFO per Unit** **and** **AFFO with adjustments per Unit**	AFFO is a non-GAAP financial measure of operating performance widely used by the real estate industry in Canada. AFFO is calculated as FFO less straight-line rent, normalized capital expenditures and leasing costs. The Trust calculates AFFO in accordance with the recommendations of the guidance set out in the REALPAC White Paper. AFFO with adjustments is calculated as AFFO less non-recurring items such as TRS gain (loss), FFO sourced from condo and townhome closings, and gain (loss) on sale of land to co-owners. AFFO per Unit and AFFO with adjustments per Unit, are defined as AFFO and AFFO with adjustments divided by weighted average number of Units. Management considers AFFO, AFFO with adjustments, AFFO per Unit, and AFFO with adjustments per Unit as meaningful measures of recurring economic earnings and relevant in understanding the Trust's ability to service its debt, funding capital expenditures and determining an appropriate level of distributions. Management also considers these measures to be useful measures of operating performance as they further adjust FFO for capital expenditures that sustain income-producing properties and eliminates the impact of straight-line rent.	Section V — Business Operations and Performance, "Other Measures of Performance"
Aggregate Assets **and** **Gross Book Value**	Aggregate Assets is defined as the Trust's Total Proportionate Share of assets, less cash-on-hand. Gross Book Value is defined as the total proportionate share of assets, less cash-on-hand and fair value adjustments on investment properties net of accumulated amortization. Aggregate Assets and Gross Book Value, are intended to be used by investors as measures of the total value of assets managed by the Trust. Management uses Aggregate Assets, and Gross Book Value, to calculate certain covenant ratios, and to assess the Trust's ability to continue to grow.	Section VIII — Financing and Capital Resources, "Financial Covenants"

Non-GAAP Measures (Continued)

Measure	Definition and Intended Use	Reference to Reconciliation and/or Additional Information
Annualized NOI	Annualized NOI is defined as estimated NOI for the next 12 months, based on the current period's NOI. The measure is intended to be used by investors to project the next year's operating income of the Trust. Management uses this measure as a benchmark of the Trust's future profitability.	Section VIII — Financing and Capital Resources, "Debt"
Debt to Aggregate Assets **and** **Debt to Aggregate Assets (excluding TRS debt and receivable)**	Debt to Aggregate Assets is defined as Net Debt divided by Aggregate Assets. Debt to Aggregate Assets (excluding TRS debt and receivable) is defined as Net Debt (excluding TRS debt) divided by Aggregate Assets (excluding TRS receivable). The ratios are intended to be used by investors to assess the leverage of the Trust on a consolidated basis. Management uses the ratios to assess an acceptable level of leverage for the Trust.	Section VIII — Financing and Capital Resources, "Financial Covenants"
Debt to Gross Book Value	Debt to Gross Book Value is defined as Net Debt divided by Gross Book Value. The ratio is intended to be used by investors to assess the leverage of the Trust on a consolidated basis, while using the Trust's cost basis for assets. Management uses this ratio to assess an acceptable level of leverage for the Trust.	Section VIII — Financing and Capital Resources, "Financial Covenants"
Fixed Charge Coverage Ratio	Fixed Charge Coverage Ratio is defined as Adjusted EBITDA divided by Debt Service Expense. The ratio is intended to be used by investors to assess the Trust's ability to service its fixed charges. Management uses this ratio to manage the Trust's cash flows and fixed obligations.	Section VIII — Financing and Capital Resources, "Financial Covenants"
Fixed Rate to Variable Rate Debt Ratio	Fixed Rate to Variable Rate Debt Ratio is defined as the percentage of Fixed Rate Debt out of total Debt compared with the percentage of Variable Rate Debt (excluding interest rate swap agreements with fixed interest rates) out of total Debt. The ratio is intended to be used by investors to assess the Trust's ability to service its debt against the fluctuation of interest rates.	Section VIII — Financing and Capital Resources, "Debt"

Non-GAAP Measures (Continued)

Measure	Definition and Intended Use	Reference to Reconciliation and/ or Additional Information
Funds From Operations ("FFO") **and** **FFO with adjustments** **and** **FFO per Unit** **and** **FFO with adjustments per Unit**	FFO is a measure of operating performance widely used by the Canadian real estate industry based on the definition set forth by the REALPAC White Paper. It is the Trust's view that IFRS net income does not necessarily provide a complete measure of the Trust's economic earnings. This is primarily because IFRS net income includes items such as fair value changes of investment property that are subject to market conditions and capitalization rate fluctuations and gains and losses on the disposal of investment properties, including associated transaction costs and taxes, which are not representative of a company's economic earnings. For these reasons, the Trust has adopted the REALPAC White Paper's definition of FFO, which was created by the real estate industry as a supplemental measure of economic earnings. FFO is defined as net income and comprehensive income attributable to Unitholders adjusted for items such as, but not limited to, unrealized changes in the fair value of investment properties and financial instruments and transaction gains and losses on the acquisition or disposal of investment properties. FFO with adjustments is defined as FFO less TRS gain (loss), FFO sourced from condo and townhome closings, and gain (loss) on sale of land. FFO per Unit and FFO with adjustments per Unit, are defined as FFO, and FFO with adjustments, divided by weighted average number of Units. These measures are intended to be used by investors to assess the operating performance of the Trust. Management uses these measures to assess profitability and performance of the Trust.	Section V — Business Operations and Performance, "Other Measures of Performance"
Interest Coverage Ratio	Interest Coverage Ratio is defined as Adjusted EBITDA divided by Adjusted Interest Expense including Capitalized Interest. The ratio is intended to be used by investors to measure the Trust's ability to make interest payments on its existing debt. Management uses this ratio to measure an acceptable level of interest expense relative to available earnings.	Section VIII — Financing and Capital Resources, "Financial Covenants"
Investment Properties – non-GAAP	Investment Properties – non-GAAP is defined as the Trust's Total Proportionate Share of investment properties, inclusive of the Trust's share of investment properties in equity accounted investments. The measure is intended to be used by investors to measure the amount of the Trust's entire portfolio.	Section VII — Asset Profile, "Investment Properties"
Net Operating Income ("NOI")	NOI from continuing operations is defined as: i) rentals from investment properties and other less property operating costs and other, and ii) net profit from condo sales. In the consolidated statements of income and comprehensive income, NOI is presented as "net rental income and other". The measure is intended to be used by investors to assess the Trust's profitability. Management uses NOI as a meaningful measure of economic performance and profitability from continuing operations, as it excludes changes in fair value of investment properties and financial instruments.	Section V — Business Operations and Performance, "Results of Operations"

Non-GAAP Measures (Continued)

Measure	Definition and Intended Use	Reference to Reconciliation and/or Additional Information
Payout Ratio to AFFO **and** **Payout Ratio to AFFO with adjustments**	Payout Ratio to AFFO and Payout Ratio to AFFO with adjustments, are defined as distributions declared divided by AFFO, and AFFO with adjustments. It is the proportion of earnings paid out as dividends to Unitholders. The measures are intended to be used by investors to assess the distribution rate of the Trust. Management determines the Trust's Unit cash distribution rate by, among other considerations, its assessment of cash flow as determined using certain non-GAAP measures. As such, management believes the cash distributions are not an economic return of capital, but a distribution of sustainable cash flow from operations.	Section V — Business Operations and Performance, "Other Measures of Performance"
Proportionate Share Reconciliation **and** **Total Proportionate Share**	References made to a "Total Proportionate Share" represent the Trust's proportionate interest in the financial position and operating activities of its entire portfolio, which reflect the difference in accounting treatment between joint ventures using proportionate consolidation and equity accounting. "Proportionate Share Reconciliation" represents the adjustment to account for the Trust's proportionate share of equity accounted investments. The presentation is intended to be used by investors to assess the Trust's financial position and performance on a consolidated basis because it represents how the Trust and its partners manage the net assets and operating performance for each of the Trust's co-owned properties. The Trust accounts for its investments in both associates and joint ventures using the equity method of accounting.	Section V — Business Operations and Performance, "Results of Operations"
Recovery Ratio	The Recovery Ratio is defined as property operating cost recoveries divided by recoverable costs. The measure is intended to be used by investors and management to assess the Trust's ability to manage recoverable operating expenses for its investment properties.	Section V — Business Operations and Performance, "Results of Operations"

Non-GAAP Measures (Continued)

Measure	Definition and Intended Use	Reference to Reconciliation and/or Additional Information
Same Properties NOI ("SPNOI") **and** **SPNOI excluding Anchors**	To facilitate a more meaningful comparison of NOI between periods, SPNOI amounts are defined as the NOI attributable to those income properties that were owned by the Trust during the current period and the same period in the prior year. Any NOI from properties either acquired, Earnouts, developed or disposed of, outside of the periods mentioned above, are excluded from SPNOI. Certain non-cash items including straight-line rent and amortization of tenant incentives are also excluded to present the SPNOI on a cash basis. SPNOI is intended to be used by investors and management as profitability growth indicators on the Trust's existing investment property portfolio.	Section V — Business Operations and Performance, "Results of Operations"
Transactional FFO	Transactional FFO represents the net financial/economic gain resulting from a partial sale of an investment property. Transactional FFO is calculated as the difference between the actual selling price and actual costs incurred for the subject investment property. Because the Trust intends to establish numerous joint ventures with partners in which it plans to co-develop mixed-use development initiatives, the Trust expects such gains to be recurring and therefore represent part of the Trust's overall distributable earnings. The measure is intended to be used by investors to assist in assessing the profitability of the Trust. Management uses this measure to calculate FFO with adjustments and Transactional FFO, a profitability measure.	Section V — Business Operations and Performance, "Other Measures of Performance"
Unencumbered Assets	Unencumbered Assets is defined as the Trust's assets that are free and clear of any encumbrances. The measure is intended to be used by investors and management to assess the Trust's ability to secure additional financing. Management uses this measure to calculate Unencumbered Assets to Unsecured Debt Ratio.	Section VIII — Financing and Capital Resources, "Debt"
Unencumbered Assets to Unsecured Debt Ratio	Unencumbered Assets to Unsecured Debt Ratio is defined as the Trust's unencumbered assets divided by the Trust's unsecured debt. The ratio is intended to be used by investors to assess the Trust's ability to use investment properties to satisfy unsecured debt obligations. This ratio is a significant financial covenant pursuant to the terms of the Trust's revolving operating facilities and other credit facilities.	Section VIII — Financing and Capital Resources, "Financial Covenants"
Unsecured to Secured Debt Ratio	Unsecured to Secured Debt Ratio is defined as the Trust's unsecured debt (including on equity accounted investments) divided by the Trust's secured debt (including on equity accounted investments). The ratio is intended to be used by investors to assess the Trust's composition of debt. Management uses this ratio to determine the Trust's ability to borrow additional unsecured debt.	Section VIII — Financing and Capital Resources, "Financial Covenants"

Forward-Looking Statements

Certain statements in this MD&A are "forward-looking statements", including forward-looking information within the meaning of applicable Canadian securities laws, that reflect management's expectations regarding the Trust's future growth, results of operations, performance, business prospects and opportunities, including those statements outlined under the headings, "Highlights for the Quarter", "Key Operational, Development and Financial Information", "Business Overview", "Strategic Direction", "Environmental, Social and Governance", "Outlook", "Mixed-Use Development Initiatives", "Residential Development Inventory", "Properties Under Development", "Completed and Future Earnouts and Developments on Existing Properties", "Results of Operations", "Other Measures of Performance", "Leasing Activities and Lease Expiries", "Investment Properties", "Equity Accounted Investments", "Amounts Receivable and Other, Prepaid Expenses, Deposits and Deferred Financing Costs", "Mortgages, Loans and Notes Receivable", "Capital Resources and Liquidity", "Maintenance Capital Requirements", "Debt" (which includes "Unencumbered Assets"), and "Risks and Uncertainties".

More specifically, certain statements contained in this MD&A, including the Trust's plans, expectations and intentions with respect to the collection of rent from tenants, the operation, maintenance and development of its properties and its expectations with respect to liquidity; the Trust's future growth potential and the identification of development opportunities; future occupancy levels; plans to extract additional sources of FFO and NAV; expected replacement income to be generated by backfilling existing vacant space over time; the Trust's maintenance capital requirements, estimated future development plans and joint venture projects, including the described type, scope, costs and other financial metrics related thereto; the Trust's expectations regarding future potential mixed-use development opportunities, the timing of construction and costs thereof and returns therefrom; the Trust's ability to pay future distributions to Unitholders and expectations regarding monthly cash distribution levels, view of term mortgage renewals, including rates and refinancing amounts, timing of future payments of obligations, intentions to obtain additional secured and unsecured financing and potential financing sources; the Trust's potential future pipeline and uncommitted pipeline; Annualized NOI; vacancy and leasing assumptions; and statements that contain words such as "could", "should", "can", "anticipate", "expect", "believe", "plan", "potential", "propose", "schedule", "estimate", "intend", "project", "will", "may", "continue", "forecast", "outlook", "direction", "come" and similar expressions or negative variations thereof 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 Unitholders to understand 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. These risks include, but are not limited to, real property ownership and leasing/tenant risk; liquidity risk; capital requirements and access to capital; environmental matters and climate change-related change risk; potential conflicts of interest; cyber security risk; debt financing; interest and financing risk; inflation risk; joint venture risk; development and construction risk; credit risk; litigation and regulatory risks; potential volatility of Unit prices; cash distributions are not guaranteed and will fluctuate with the Trust's performance; availability of cash flow; significant Unitholder risk; tax-related risks; and public health crises risks. These risks and others are more fully discussed under the heading "Risks and Uncertainties" and elsewhere in this MD&A, as well as under the heading "Risk Factors" in the Trust's most recent AIF. The Trust has attempted to identify important factors that could cause actual results, performance or achievements to be other than as expected or estimated and that could cause actual results, performance or achievements to differ materially from current expectations. These factors are not intended to represent a complete list of the factors that could affect the Trust. Although the forward-looking statements contained in this MD&A are based on what management believes to be reasonable assumptions, including those discussed under the heading "Outlook" and elsewhere in this MD&A, the Trust cannot assure investors that actual results will be consistent with these forward-looking statements.

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 rising interest rate environment; a continuing trend toward land use intensification, including residential development in urban and suburban markets; access to equity and debt capital markets, and to bank and mortgage financing, to fund, at acceptable costs, future capital requirements and to enable the refinancing of debts as they mature on acceptable terms; the availability of investment opportunities for growth in Canada; the timing and ability of the Trust to sell certain properties; the timing and ability of the Trust and its joint venture partners to pre-sell and close on the sale of condo and townhome units as well as lease available residential rental units; and the valuations to be realized on property sales relative to current IFRS values. Certain statements included in this MD&A may be considered "financial outlook" for purposes of applicable Canadian securities laws and, as such, the financial outlook may not be appropriate for purposes other than this MD&A. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement and readers should not place undue reliance on such forward-looking statements. These forward-looking statements are made as at the date of this MD&A and the Trust assumes no obligation to update or revise them to reflect new events or circumstances unless otherwise required by applicable securities legislation.

All amounts in the MD&A are expressed in millions of Canadian dollars, except where otherwise stated. Per Unit amounts are expressed on a diluted basis, except where otherwise stated. Additional information relating to the Trust, including the AIF, can be found on the System for Electronic Document Analysis and Retrieval+ ("SEDAR+") (www.sedarplus.ca).

Section II — Business Overview, Strategic Direction and Outlook

Business Overview

The Trust is an unincorporated open-ended mutual fund trust governed by the laws of the Province of Alberta created under a declaration of trust, dated December 4, 2001, subsequently amended and last restated on December 9, 2020 ("the Declaration of Trust").

The Trust develops, leases, constructs, owns and manages shopping centres, office buildings, high-rise and low-rise condos and rental residences, seniors' housing, townhome units, self-storage rental facilities, and industrial facilities in Canada.

As of December 31, 2024, the Trust owned a mixed-use portfolio featuring 195 strategically located properties in communities across the country. The Trust has approximately $11.9 billion in assets and owns 35.3 million square feet of income producing value-oriented retail and office properties at key intersections across Canada with a 98.7% in-place and committed occupancy rate.

Strategic Direction

The Trust holds a unique portfolio of large open-format shopping centres with significant land holdings and, as a result, has grown in recent years by expanding its business with recurring revenue from two major sources:

i) core rental income from retail, self-storage, office, apartments, and industrial properties, and
ii) income from condo and townhome sales.

As SmartCentres expands its major mixed-use real estate development, it has partnered with experienced industry experts in many real estate categories, including: rental apartments, condos, self-storage centres, and office buildings. This mixed-use development has provided the Trust with incremental growth of both NAV and FFO with a development pipeline of 85.1 million square feet, all located in Canada's major markets.

Together with its partner, Penguin, the Trust has designed and commenced the development of over 100 acres in its flagship Vaughan Metropolitan Centre in Vaughan, Ontario ("SmartVMC"). SmartVMC is a master-planned community that, once completed, is expected to have over 20 million square feet of mixed-use space. The Trust has a 50% interest in the approximately 52 acres comprising the eastern portion of SmartVMC and, in December 2021, the Trust acquired a two-thirds interest from unrelated parties in approximately 53 acres of development lands in the western part of SmartVMC. By virtue of this transaction, the Trust has become the largest landowner in SmartVMC, Vaughan's rapidly growing downtown.

The Trust maintains sufficient liquidity and manages its balance sheet and capital structure conservatively. The Trust sets goals to maintain leverage within target ranges and staggers its debt maturities with a mix of unsecured and secured debt to provide continued financial flexibility and liquidity. This provides the Trust with the financial strength needed to thrive and continue its growth.

Outlook

The Trust is focused on delivering stability with growing cash flows and net asset value appreciation, all with a long-term focus. The Trust expects continued stability and strong occupancy across its retail portfolio and incremental growth through its mixed-use initiatives. The Trust expects to continue to fortify its balance sheet and limit new financing initiatives primarily to refinance upcoming maturities and those required to advance the Trust's development initiatives, particularly those where construction is expected to commence in the upcoming year.

Although the Trust cannot predict the impacts of the broader economic environment on its 2025 financial results, the Trust remains confident that its business model, stable tenant base and strong balance sheet will continue to position it for long-term success. The Trust's retail portfolio continues to act as the anchor to cash flow. Approximately 89% of the Trust's debt is fixed, with a staggered ladder of manageable maturities. The Trust has strong relationships with Canada's lending community that are expected to continue to provide strong levels of liquidity for the future. In 2025, several projects, all with financing in place, will continue under construction over the course of the year. New development initiatives will only commence when market conditions permit and when appropriate financing has been arranged.

The Trust has an unparalleled development pipeline of retail and mixed-use development initiatives, and a significant underutilized landbank, that present exceptional mixed-use intensification potential in major cities across Canada. By focusing on the quality of our portfolio and the build out of our development pipeline, we will continue to generate resilient income and grow FFO to support sustainable distributions and increase net asset value.

Section III — Environmental, Social and Governance ("ESG")

ESG at SmartCentres
The Trust was founded with the economic realities of the average Canadian household in mind: bringing value and convenience-oriented retail to the Canadian market. That market is evolving as Canadians seek a more integrated lifestyle that seamlessly combines work with home life. These changes are at the heart of the SmartLiving transformation plan, one that is driven by ESG opportunities such as diverse housing forms, accessibility to urban amenities, transit connections, and green space.

The core values of the Trust have always been to build value-oriented affordable centres in the midst of communities to help people live better lives. The principles of ESG, and sustainability, are aligned with its core values. In addition to being the right thing to do, it creates value for the business. The Trust continues to think about the future and how it will operate and respond to increased concern about our environment, like climate change, especially with an eye to the expectations of employees, tenants, and investors.

The Trust embeds ESG considerations into its business strategy to manage risk and create value, today and well into the future. That strategy underpins the Trust's decision-making processes across all levels of the business.

The Trust incorporates ESG and sustainability considerations into its business by:
- Maintaining an ongoing three-year ESG plan that aligns with the Trust's business plan;
- Embedding ESG-specific targets into its annual corporate targets and linking ESG achievements to the remuneration of executives and all associates;
- Regularly completing materiality assessments to identify and prioritize ESG factors that have the potential to drive value in its business;
- Investigating how new ESG initiatives could support the business;
- Working with tenants to meet mutual climate and ESG-related goals by incorporating green lease provisions in its leases;
- Engaging with investors to identify material ESG topics and corresponding framework alignments and reporting requirements;
- Requiring ESG-related training for all Associates; and
- Maintaining a Diversity, Equity, Inclusion and Belonging Policy.

In 2024, the Trust achieved its ESG Targets and objectives, including:
- Updating the Trust's ESG strategy and 3-year roll-forward plan;
- Submitted to Global Real Estate Sustainability Benchmark ("GRESB") and improved its score relative to previous submission;
- Increased support and alignment with internationally accepted sustainability disclosures frameworks and standards;
- Developed a written "net zero" framework to evaluate requirements for an action plan;
- Completed scenario analysis to identify and prioritize business-related climate risk and opportunities over the short, medium, and long term;
- Embedded climate and sustainability considerations into future development decision-making processes;
- Improved data management processes through formalized controls and actioned review of ESG data collection processes;
- Enhanced employee training programs to improve orientation, engagement and retention, including offering Chartered Professional Accountant ("CPA") training and mandatory ESG training;
- Increased stakeholder, including tenant, associates, and community, engagement; and
- Maintained its diversity target of 30% female independent Trustees with 50% of its current independent Trustees and 37.5% of the Trust's board of trustees (the "Board of Trustees") members being female.

Environmental
SmartCentres is committed to ESG and sustainability, specifically as it relates to the impacts of climate change. The Trust uses the scenario analysis's results to identify, assess, prioritize, and monitor climate-related risk and opportunities, and incorporates the results into the Trust's ESG future strategy and the entity's overall risk management process.

In Q4 2024, utilizing industry-recognized external consultants, SmartCentres completed a comprehensive study to establish a Framework that identifies investment requirements to meet potential corporate and tenant commitments to net zero emissions. The study included the quantification of baseline emissions, forecasted future emissions, and identified multiple paths to achieve net zero by 2050. Management reported the preliminary results to the Board and continues to analyze and evaluate the required resources, capital investments, and best path forward to create Unitholder value and reduce GHG emissions by working with tenants to meet mutual goals and targets.

The Trust issues an annual ESG report which reflects the considerable progress, actions, and performance taken on ESG topics by the Trust, its subsidiaries and business units for the calendar year. The report released in 2024 ("2023 ESG Report") increased ESG disclosures and improved alignment with relevant industry-specific Sustainability Accounting Board Standards. In addition to disclosing the Trust's Scope 1 and Scope 2 emissions from landlord-controlled sources, the 2023 ESG Report included increased disclosures for Scope 3 emissions from tenant-controlled energy consumption.

The Trust continues to use the GRESB, a global benchmark for sustainability for real estate companies, as a tool to measure its ESG progress relative to its peers. In 2024, the Trust submitted its third submission to the GRESB and is pleased to report that it has improved its score relative to the prior year. The Trust also scored above the Benchmark Group Average for Leadership, Policies, Reporting, Risk Management, Risk Assessment, Tenants and Community, Stakeholder Engagement, and Building Certifications.

Social

The Trust continued to create lasting value for the towns and cities in which it operates, as well as for its tenants, neighbours, associates and for its Unitholders. The Trust is focused on community engagement through its developments and expanding the SmartLiving brand.

Through the SmartCentres volunteer program called "Helping People, Changing Lives", associates across Canada are encouraged to donate volunteer hours to local charities. The Trust partnered with tenants and supported the York Region School Board and the Ignite Durham Learning Foundation to provide school supplies to low-income communities. As well associates were encouraged to participate in the Princess Margaret Road Hockey to Conquer Cancer, the CIBC Run For The Cure, the Make - A- Wish - Trees of Joy, the City of Vaughan Food Drive, and the City of Vaughan with CP24 Christmas Wish Toy Drive. To recognize and honour the National Day of Truth and Reconciliation and reflect on the legacy of the residential school system in Canada, the Trust donated to the Indigo Love of Reading Foundation and arranged for an Associate to share their personal Indigenous story.

The Trust continues to support its wellness and support programs for associates. Building on the success of the ESG education session that the Trust hosted for all associates in 2023, the Trust hosted ESG education sessions to increase awareness and understanding of ESG-related matters that are material to its business for all new associates as part of the onboarding process. Additionally in 2024, the Trust launched its CPA Ontario-approved program to offer a 15-month rotation for accounting professionals to receive their CPA designation.

The Trust continues to strengthen its partnerships with tenants, and associates, through engagement surveys and working to create a formal tenant and associate engagement framework.

Governance

Risk management practices are ingrained in the Trust's corporate culture, and the Trust works to maintain a high level of competency through ongoing staff training and routine assessment. The Trust upgraded its enterprise resource planning ("ERP") system to support growth and increase processes productivity and completed an enterprise risk management update to integrate sustainability-related risks and opportunities into its general risk management process. Enhanced governance through improved ERP systems and updated segregation of duties and authority levels.

To demonstrate the importance of oversight of ESG-related matters to the Trust, the Board of Trustees is responsible for governance and oversight of the ESG strategy, through the ESG Sub-committee. The ESG Sub-committee meets regularly with senior management to provide oversight and direction on ESG-related matters. The EVP, Portfolio Management & Investments holds senior executive responsibility for the management and implementation of the Trust's ESG strategy and is supported by an internal cross-functional ESG Taskforce of senior members of the organization.

In support of the International Sustainability Standards Board's IFRS S1 and IFRS S2, the Trust assesses acute physical climate risk exposure, has formal GHG assessment and management plans, and discloses board competencies related to the oversight of sustainability and climate-related risk and opportunities. The Trust continues to formalize its internal controls and processes for ESG data collection and disclosure.

The Trust monitors its progress relative to peers through benchmarks, including GRESB, and by its inclusion in the Globe and Mail's Board Games rankings.

The Trust published its most recent ESG report in August 2024, which provides additional details on its ESG commitments and activities. It can be found on the Trust's website (www.smartcentres.com/esg-report). The information on the Trust's website does not form part of this MD&A.

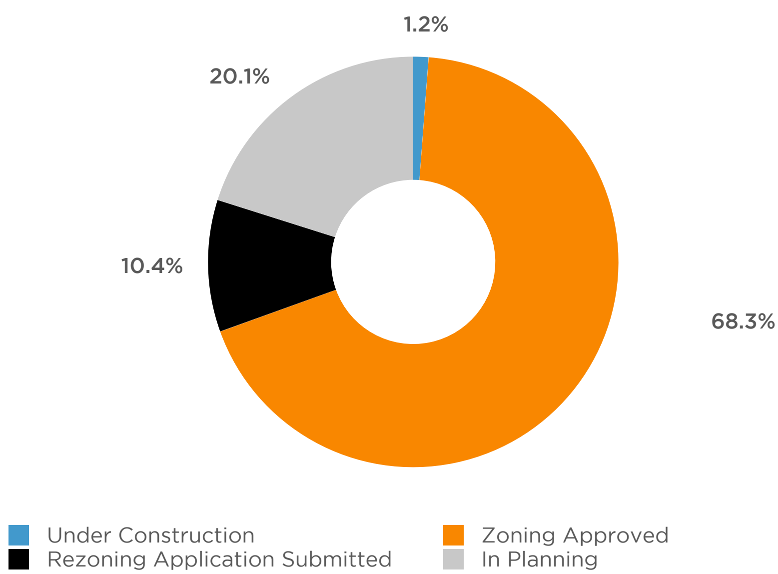
Section IV — Development Activities

Mixed-Use Development Initiatives

The following table summarizes the Trust's projected future mixed-use development pipeline, which consists principally of residential projects but also includes seniors' housing, self-storage, office and industrial projects as part of the portfolio's expected future build-out. This pipeline will be implemented based on market conditions and upon securing appropriate financing.

(in millions of square feet)	Area at 100%	Area at Trust's Share
Under Construction	2.0	1.0
Zoning Approved	68.1	58.1
Rezoning Application Submitted	9.9	8.9
In Planning	20.5	17.1
Total Square Feet	**100.5**	**85.1**

The following graph presents the projected future mixed-use development pipeline area at Trust's share:



Status of Current Development Initiatives

This section contains forward-looking statements related to expected milestones and completion dates of various development initiatives. Completion, milestone or occupancy dates of each of the projects described below may be delayed or adversely impacted. Please refer to the "Forward-Looking Statements" section in this MD&A for more information.

The Trust's development initiatives have resulted in the Trust participating in various construction development projects. This includes construction at: i) SmartVMC; ii) a retail project in Toronto (Laird), Ontario; iii) residential apartments in Ottawa, Ontario; iv) self-storage locations throughout Ontario, Quebec, and British Columbia; and v) a townhome project in Vaughan, Ontario. In addition, the Trust is currently working on development initiatives for many other properties that will primarily consist of residential developments located in Ontario and Quebec.

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 residential units
Mixed-use Developments						
Vaughan NW	Townhomes	50 %	Q1 2024	65 %	366,000	174
Gilbert Self-storage	Self-storage	50 %	Q1 2025	80 %	177,000	N/A
St-Regis Self-storage	Self-storage	50 %	Q2 2025	77 %	164,000	N/A
Jane Self-storage	Self-storage	50 %	Q2 2025	80 %	143,000	N/A
Notre-Dame Self-storage	Self-storage	50 %	Q2 2026	28 %	177,000	N/A
Laval East Self-storage	Self-storage	50 %	Q3 2026	17 %	178,000	N/A
Regent Self-storage	Self-storage	50 %	Q4 2026	26 %	133,000	N/A
Vaughan / ArtWalk	Condo	50 %	Q2 2027	37 %	295,000	340
Ottawa SW	Residential apartment	50 %	Q3 2027	30 %	361,000	425
Total Mixed-use Developments					**1,994,000**	**939**
Retail Development						
Toronto (Laird)	Retail	50 %	Q2 2026	40 %	224,000	—

	In millions of dollars
Total Capital Spend to Date at 100% [2]	**$455.0**
Estimated Cost to Complete at 100%	**575.9**
Total Expected Capital Spend by Completion at 100%[2]	**$1,030.9**
Total Capital Spend to Date at Trust's Share[2]	**$227.5**
Estimated Cost to Complete at Trust's Share	**287.9**
Total Expected Capital Spend by Completion at Trust's Share[2]	**$515.4**

(1) GFA represents Gross Floor Area.
(2) Total capital spend to date and total expected capital spend by completion including land value.

SmartVMC Development Initiatives

In December 2021, the Trust acquired a two-thirds interest in approximately 53 acres in SmartVMC valued at $513.0 million. Existing permissions on the property include multi-residential, condo, seniors' housing, office, retail, schools, recreational, entertainment and other uses, although further entitlements or permissions may be required as specific developments are planned.

The Trust now has an ownership interest in approximately 105 acres in the Vaughan Metropolitan Centre. When completed, SmartVMC is planned to consist of approximately 20.0 million square feet (11.5 million square feet at the Trust's share) of mixed-use development, anchored by public transit infrastructure spending by the various levels of government of over $3.0 billion, including the VMC subway station. SmartVMC currently includes:

i) the 360,000 square foot KPMG tower, with 98% of the office space leased;
ii) the 225,000 square foot PwC-YMCA office and community-use complex, with fully occupied office space and community-use space, including a new world-class YMCA facility and municipal library, both of which opened in 2022;
iii) the 140,000 square foot Walmart store which opened in 2020;
iv) the 458-unit purpose-built rental, The Millway;
v) 2.6 million square feet of condo units (Transit City 1, 2, 3, 4 & 5).

The Trust is actively pursuing additional initiatives at SmartVMC, which include:

i) the development of more than 4.0 million square feet (4,600 units) of residential density on the land at SmartVMC previously occupied by a Walmart store, with zoning and site plan applications submitted in 2020 for approval of Phase I of 550,000 square feet. Zoning was approved by the City of Vaughan in September 2021. The first phase condo, ArtWalk, is underway, with 93% of the 340-unit Tower A pre-sold. Siteworks and excavation are completed and construction has commenced;
ii) the development of 1.2 million square feet of mixed-use density – office, retail and residential – on the SmartVMC lands immediately south of the Transit City 4 & 5 towers, with the rezoning and site plan applications submitted in September 2020; and
iii) Park Place condo pre-development is underway on the SmartVMC West lands strategically acquired in December 2021. The Zoning By-law and Official Plan amendments were approved in June 2022. Pre-sales for this development have commenced.

Residential and Other Mixed-Use Development Initiatives

In addition to the Trust's 10 development initiatives that are currently under construction, the following table shows the mixed-use development initiatives which have been completed during the last two years:

Project	Type	Estimated Total GFA (sq. ft./units)	Year of Construction Completion[1]	Trust's Share
Brampton (Kingspoint Plaza) SmartStop (ON)	Self-storage facility	138,000 sq. ft. (1,070 units)	2023	50 %
Laval Centre (QC)	Residential rental	211 units	2023	50 %
Transit City 4 & 5 (ON)	Condo	1,026 units	2023	25 %
The Millway (ON)	Residential rental	458 units	2023	50 %
Pickering (Seaton Lands) (ON)	Industrial	229,000 sq. ft.	2024	100 %
Whitby SmartStop (ON)	Self-storage facility	126,000 sq. ft. (870 units)	2024	50 %
Markham Boxgrove SmartStop (ON)	Self-storage facility	133,000 sq. ft. (930 units)	2024	50 %
Stoney Creek SmartStop (ON)	Self-storage facility	138,000 sq. ft. (970 units)	2024	50 %

(1) Economic stabilization is achieved at 92% to 98% occupancy which varies by asset class and unique project-based factors. Residential rental and seniors' housing projects are generally expected to achieve economic stabilization in 2-3 years after construction completion. Self-storage projects are generally expected to achieve economic stabilization in 4-5 years after construction completion.

In addition, the Trust is currently working on initiatives for the development of many properties for which final municipal approvals have been obtained or are being actively pursued. Completion, milestone or occupancy dates of each of the projects described below may be delayed or adversely impacted. Please refer to the "Forward-Looking Statements" section in this MD&A for more information.

Residential

i. the development of a new residential block consisting of three phases totalling 500 units at Laval Centre in Quebec. Phase I (163 units) and Phase 2 (178 units) are zoned and site plan approved;

ii. the development of a 35-storey high-rise purpose-built residential rental tower containing 442 units, on Balliol Street in midtown Toronto, Ontario, with zoning and site plan applications submitted in September 2020. A second submission of these applications was made in July 2021. A third submission of these applications was made in March 2022. Zoning approval was received in July 2022 and site plan approval is expected in Q2 2025;

iii. the development of up to 1,600 residential units, in various forms, in Mascouche, Quebec, with the first phase consisting of 238 units in two 10-storey rental towers which opened in July 2022.

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

v. the development of up to 5.5 million square feet of predominately residential space, in various forms, at Oakville North in Oakville, Ontario, with an initial two-tower 587-unit residential phase, with 6,000 square feet of retail, which is now permitted following a decision by the Ontario Land Tribunal in settlement of our May 2023 zoning appeal;

vi. the development of up to 1.5 million square feet of residential space in various forms on the Trust's undeveloped lands at the Vaughan NW property in Vaughan, Ontario. The municipal approval on draft plan was received for 174 townhomes to be developed in two phases, of which approximately 83% of the first phase comprising 120 townhomes have been pre-sold. Construction is well underway with phased closings commenced in March 2024 and anticipated to continue through to June 2025. Official Plan and Zoning Approval were obtained in June 2022 for five mid-rise buildings, of which site plan approval was obtained for the Phase I development of two mid-rise buildings;

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

viii. the development of residential density at the Trust's shopping centre at 1900 Eglinton Avenue East in Scarborough, Ontario, with Official Plan Approval obtained in August 2022 for 4.65 million square feet of density. Approval was also obtained in August 2022 of a Phase I development to include two residential towers (46 and 48 storeys), permitting 975 residential units comprising up to 806,000 square feet. Site plan application and approvals for Phase I are ongoing. In addition, applications for Phase 2, consisting of approximately 1.4 million square feet were submitted in September 2022 and continue to be processed with the City;

ix. the Q4 2020 acquisition of an additional 33.33% interest (new ownership structure of 66.66% held by the Trust and 33.33% held by Penguin) in 50 acres of adjacent land to the Trust's Premium Outlets Montreal in Mirabel, Quebec, for the ultimate development of residential density of up to 4,500 units. Master plan of development for the site is subject to municipal approval;

x. the development of up to 900,000 square feet of predominately residential space on Yonge St. in Aurora, Ontario, with rezoning applications for the entire site and site plan submitted for Phase I in July 2021 and resubmitted in April 2022 and an appeal filed to the Ontario Land Tribunal in March 2023. Entire site zoning was approved in Q4 2024;

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

xii. the development of approximately 404,000 square feet of residential space in various forms on the Trust's undeveloped lands situated in Owen Sound, Ontario, with a Phase I application submitted in January 2023, that will permit two four-storey apartment form buildings totalling 156 units, along with 87 traditional townhomes. Phase II is proposed to accommodate three four-storey apartment form buildings totalling 234 units. The entire 404,000 square foot project was approved by Owen Sound City Council in May 2023. Conditional site plan approval was granted in August 2023;

xiii. the redevelopment of the Trust's property in downtown Markham, Ontario, with a rezoning application submitted in December 2020. An appeal was filed in July 2022 for the initial Official Plan Amendment & Zoning By-law Amendment submission. A settlement agreement was entered into with the City of Markham and formally approved by the Ontario Land Tribunal in June 2023. The zoning by-law now approved by Ontario Land Tribunal permits the development of a residential mixed-use project (apartment or condo) of approximately 260,000 square feet as-of-right;

xiv. the development of approximately 980,000 square feet of mixed-use density on the Trust's Parkway Plaza Centre in Stoney Creek, Ontario, with a Phase I development consisting of two towers (each 20 storeys), totalling approximately 390,000 square feet and 462 residential units. The 980,000 square foot proposal was approved by Hamilton City Council in August 2023. A Site Plan Application for Phase I was submitted in Q4 2024;

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

xvi. the development of the Phase I, a 46-unit rental building, which is part of a multi-phase master plan in Alliston, Ontario, with a rezoning application approved by town council in December 2020, a site plan application approved in July 2022, and the full building permit received in December 2022;

xvii. the Trust is progressing with the development approvals for approximately 215,000 square feet of residential space at the Bayview and Major Mackenzie shopping centre in Richmond Hill, Ontario. Work is underway on the development approvals application, which is anticipated to be submitted in Q1 2025.

xviii. the development of up to 2.6 million square feet of predominately residential space, in various forms, at the Westside Mall in Toronto, Ontario, with a zoning application for the first 35-storey mixed-use tower submitted in 2021. A complete Official Plan application and revised Zoning application were submitted to the City in October 2023. The Official Plan and Zoning By-law were presented at City Council and subsequently approved in June 2024. A Site Plan Application is underway with an anticipated submission by Q2 2025;

xix. the Trust is planning the redevelopment of a portion of its 73-acre Cambridge, Ontario, retail property (includes 68 acres that are subject to a leasehold interest with Penguin) which now allows various forms of residential, retail, office, institutional and commercial uses, providing for the creation of a vibrant urban community with the potential for over 12.0 million square feet of development on the overall property once completed. The site plan approval process for an initial mid-rise apartment is underway with site plan application submitted in Q3 2024;

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

Office Buildings / Industrial

xxi. during the second quarter of 2022, the Trust completed the purchase of approximately 38 acres of industrial lands in Pickering, Ontario adjacent to Highway 407. The first phase construction of a 229,000 square feet industrial building is now completed after a second tenant took occupancy of the remaining 103,000 square feet in March 2024;

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

Self-storage

xxiii. all of the eleven operating self-storage facilities (Toronto (Leaside), Vaughan NW, Brampton (Bramport), Oshawa South, Toronto (Dupont), Scarborough East, Aurora, Brampton (Kingspoint Plaza), Whitby, Markham, and Stoney Creek) have been very well received by their local communities, with current combined occupancy levels at these facilities ahead of expectations, at over 90% for facilities which have been operating for more than one year; and

xxiv. six self-storage facilities are currently under construction in Toronto (Gilbert Ave.), Toronto (Jane St.), Dorval (St-Regis Blvd.), Montreal (Notre Dame St. W), Laval E, Quebec, and Burnaby, British Columbia. The Trust is in the process of obtaining municipal approvals for one site in Toronto and two sites outside of Ontario in New Westminster, and Victoria, British Columbia.

Residential Development Inventory

Vaughan NW Residential Development

Residential development inventory consists of development lands, co-owned with Fieldgate and another partner, located at Vaughan NW, Ontario, for the purpose of developing and selling residential townhome units. The municipally approved draft plan consists of 174 townhomes to be developed in two phases. A phased sales program for the Vaughan NW Townhomes was launched in December 2021, with Phase I comprising 120 townhomes. As of December 31, 2024, approximately 83% of the Phase I townhomes have been pre-sold. Construction of Phase I is underway with 11 townhome closings completed in the quarter contributing $11.8 million to FFO (the Trust's share). Closing of the remaining townhomes in Phase I is anticipated to be completed by the end of Q1 2025.

The following table summarizes the status of the Vaughan NW townhome closing Phase I:

	Total
Total units in development - Phase I	120
Townhomes closed in Q1 2024	2
Townhomes closed in Q2 2024	25
Townhomes closed in Q3 2024	47
Townhomes closed in Q4 2024	**11**
Total units closed	**85**
Total units remaining	**35**
% of townhomes closed	**70.8 %**

The following table summarizes the net profits from the Vaughan NW townhome closing:

(in thousands of dollars)	For the Three Months Ended December 31, 2024		For the Year Ended December 31, 2024	
	Total	Trust's Share	Total	Trust's Share
Townhome sales closings revenue	$15,558	$7,779	$116,536	$58,268
Cost of sales	(10,423)	(5,211)	(85,689)	(42,845)
Net Profit from Co-Tenancy	**5,135**	**2,568**	**30,847**	**15,423**
Interest and other	—	(567)	—	(3,576)
Net profit	**$5,135**	**$2,001**	**$30,847**	**$11,847**

Properties Under Development

As at December 31, 2024, the fair value of properties under development, including properties under development recorded in equity accounted investments, totalled $2.2 billion, resulting in a net decrease of $81.5 million as compared to December 31, 2023, as presented in the following table. The net decrease was mainly driven by $143.1 million transfers to income properties, which is offset by $187.8 million increase in fair value adjustment loss, primarily as a result of changes in market conditions for certain future development properties, and a decrease in development costs of $27.6 million during the year ended December 31, 2024, due to completion of projects. See "Investment Properties" in this MD&A for further discussion.

(in thousands of dollars)	December 31, 2024	December 31, 2023	Variance
Developments	**$1,694,728**	$1,758,774	$(64,046)
Earnouts subject to option agreements[(1)]	**22,766**	61,687	(38,921)
Total	**$1,717,494**	$1,820,461	$(102,967)
Equity accounted investments	**469,870**	448,446	21,424
Total including equity accounted investments[(2)]	**$2,187,364**	$2,268,907	$(81,543)

(1) Earnout development costs during the development period are paid by the Trust and funded through interest-bearing secured debt provided by the vendors to the Trust. On completion of the development and the commencement of lease payments by a tenant, the Earnouts will be acquired from the vendors based on predetermined or formula-based capitalization rates, net of land and development costs incurred. Penguin has contractual options to acquire Trust Units and LP Units on completion of Earnouts as shown in Note 11(b) of the consolidated financial statements for the year ended December 31, 2024. Effective December 9, 2020, pursuant to the Omnibus Agreement (defined below) between the Trust and Penguin (see also "Related Party Transactions"), Penguin has the option to extend all Earnouts by two years from the previous expiry date, and the Trust has been given a right of first offer in connection with the sale of the economic and financial benefits and rights of any such development parcel during any extended period. For further details, see the Trust's management information circular dated November 6, 2020, filed on SEDAR+.

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

Future Retail Developments, Earnouts and Mezzanine Financing

Total future Retail Developments, Earnouts and Mezzanine Financing could increase the existing Trust's portfolio by an additional 2.0 million square feet. With respect to the future pipeline, commitments have been negotiated on 0.3 million square feet. The Trust continues to revise its estimates and adjust its plans towards mixed-use developments.

The following table summarizes the expected potential future retail pipeline in properties under development as at December 31, 2024:

(in thousands of square feet)	Committed	Years 0–2	Years 3–5	Beyond Year 5	Total[(1)]
Developments	257	514	672	65	**1,508**
Earnouts	38	28	73	—	**139**
	295	542	745	65	**1,647**
Mezzanine Financing	—	—	—	387	**387**
	295	542	745	452	**2,034**

(1) The estimated timing of development is based on management's best estimates and can be adjusted based on changes in business conditions.

During the year ended December 31, 2024, the future retail properties under development pipeline increased by 5,000 square feet to a total of 1.6 million square feet. The change is summarized in the following table:

(in thousands of square feet)	Total Area
Future retail properties under development pipeline – January 1, 2024	1,642
Add:	
Transferred from income properties to properties under development	102
Net adjustment to project densities	222
Less:	
Completion of Earnouts and Developments	(319)
Net change	5
Future retail properties under development pipeline – December 31, 2024	**1,647**

Uncommitted Retail Pipeline

The following table summarizes the estimated future investment by the Trust in retail properties under development. It is expected the future development costs will be spent over the next five years and beyond:

(in thousands of dollars)	Years 0–2	Years 3–5	Beyond Year 5	Total Estimated Costs	Costs Incurred	Future Development Costs
Developments	$173,319	$258,771	$28,721	$460,811	$149,075	$311,736
Earnouts	11,751	21,322	—	33,073	2,748	30,325
	$185,070	**$280,093**	**$28,721**	**$493,884**	**$151,823**	**$342,061**

Approximately 7.3% of the retail properties under development, representing a proportion of gross investment cost (committed and uncommitted) relating to Earnouts ($47.3 million, divided by total estimated costs of $643.2 million), representing 139,000 square feet are lands that are under contract by vendors to develop and lease for additional proceeds when developed. In certain events, the developer may sell the portion of undeveloped land to accommodate the construction plan that provides the best use of the property. It is management's intention to finance the costs of construction through interim financing or operating facilities and, once rental revenue is stabilized, long-term financing will be arranged. With respect to the remaining gross leasable area, it is expected that 1.5 million square feet of future space will be developed as the Trust leases space and finances the related construction costs.

Completed and Future Earnouts and Developments on Existing Properties

For the three months ended December 31, 2024, $39.4 million of Earnouts and Developments (including Developments relating to equity accounted investments, and of which $26.3 million at the Trust's share) were completed and transferred to income properties, as compared to $307.0 million ($154.8 million at the Trust's share) in the same period in 2023.

	Three Months Ended December 31, 2024		Three Months Ended December 31, 2023	
	Area (sq. ft.)	**Investment (in millions)**	Area (sq. ft.)	Investment (in millions)
Development – transfers from properties under development to income properties	**39,443**	**$14.1**	11,452	$2.5
Self-storage facilities – equity accounted investments	**99,000**	**23.1**	—	—
Developments – equity accounted investments	**3,283**	**2.2**	604,102	304.5
Total Earnouts and Developments	**141,726**	**$39.4**	615,554	$307.0
Total Trust's share of Earnouts and Developments	**89,928**	**$26.3**	313,503	$154.8

For the year ended December 31, 2024, $173.8 million of Earnouts and Developments (including developments recorded in equity accounted investments, and of which $133.8 million at the Trust's share) were completed and transferred to income properties, as compared to $467.9 million ($275.0 million at the Trust's share) in 2023.

	Year Ended December 31, 2024		Year Ended December 31, 2023	
	Area (sq. ft.)	**Investment (in millions)**	Area (sq. ft.)	Investment (in millions)
Earnouts(1)	**2,232**	**$1.0**	12,610	$5.8
Development – transfers from properties under development to income properties	**317,008**	**95.0**	321,531	76.2
Self-storage facilities – equity accounted investments	**278,500**	**72.2**	98,956	23.8
Developments – equity accounted investments	**8,593**	**5.6**	769,076	362.1
Total Earnouts and Developments	**606,333**	**$173.8**	1,202,173	$467.9
Total Trust's share of Earnouts and Developments	**461,068**	**$133.8**	768,157	$275.0

(1) The Earnouts for the year ended December 31, 2023 excluded one land parcel sale totalling $2.4 million of investment and the area for this parcel sale is not reflected in the table above.

The following table summarizes future retail developments, Earnouts and Mezzanine Financing as at December 31, 2024:

(in thousands of dollars)	Area (sq. ft.)	Total Area	Income	Gross Commitment	Invested To Date	Net Commitment	Yield / Cap Rate
Developments							
Committed Developments							
2025	64,184	3.9 %	$1,835	$29,275 (2)	$11,804 (2)	$17,471	6.3 % (3)
2026 and beyond	192,869	11.7 %	6,144	105,860 (2)	29,853 (2)	76,007	5.8 % (3)
Total Committed Developments	**257,053**	**15.6 %**	**$7,979**	**$135,135**	**$41,657**	**$93,478**	**5.9 %**
Uncommitted Developments							
2025	133,027	8.1 %	1,735	36,069 (2)	25,903 (2)	10,166	4.8 % (3)
2026 and beyond	1,117,645	67.9 %	26,495	424,741 (2)	123,171 (2)	301,570	6.2 % (3)
Total Uncommitted Developments	**1,250,672**	**76.0 %**	**$28,230**	**$460,810**	**$149,074**	**$311,736**	**6.1 %**
Total Developments	**1,507,725**	**91.6 %**	**$36,209**	**$595,945**	**$190,731** (1)	**$405,214**	**6.1 %**
Earnouts							
Committed Earnouts							
2025	33,211	2.0 %	742	11,409	2,577	8,832	6.5 %
2026 and beyond	4,500	0.3 %	212	2,778	18	2,760	7.6 %
Total Committed Earnouts	**37,711**	**2.3 %**	**$954**	**$14,187**	**$2,595**	**$11,592**	**6.7 %**
Uncommitted Earnouts							
2025	10,979	0.7 %	248	3,591	922	2,669	6.9 %
2026 and beyond	90,439	5.5 %	2,059	29,482	1,826	27,656	7.0 %
Total Uncommitted Earnouts	**101,418**	**6.2 %**	**$2,307**	**$33,073**	**$2,748**	**$30,325**	**7.0 %**
Total Earnouts	**139,129**	**8.5 %**	**$3,261**	**$47,260**	**$5,343** (1)	**$41,917**	**6.9 %**
Total Before Non-cash Development Cost	**1,646,854**	**100.1 %**	**$39,470**	**$643,205**	**$196,074**	**$447,131**	**6.1 %**
Non-cash development cost (4)					58,272 (1)		
Land / Intensification projects					1,463,148 (1)		
Equity accounted investments					469,870 (1)		
Total	**1,646,854**	**100.1 %**	**$39,470**	**$643,205**	**$2,187,364** (1)	**$447,131**	**6.1 %**
Options through Mezzanine Financing	386,575						
Total Potential Pipeline	**2,033,429**						

(1) Under "Completed and Future Earnouts and Developments on Existing Properties" in this MD&A, Earnouts of $22.8 million, developments of $1,694.7 million and equity accounted investments of $469.9 million comprise the total amount of $2,187.4 million. The amounts in the table above have been adjusted for Earnouts that are expected to be completed after the expiry of the Earnout options being reclassified as developments.

(2) Includes fair value adjustment for land.

(3) On a cost basis, the yield would be 5.5%, 5.6%, 3.6%, and 5.3%, respectively.

(4) Represents net liability currently recorded.

Section V — Business Operations and Performance

Results of Operations

Below is a summary of selected financial information concerning the Trust's operations for the year ended December 31, 2024. This information should be read in conjunction with the Trust's consolidated financial statements for the year ended December 31, 2024.

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, 2024**			Three Months Ended December 31, 2023			
	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	**$221,841**	**$12,528**	**$234,369**	$211,021	$10,439	$221,460	$12,909
Property operating costs and other	**(82,885)**	**(5,503)**	**(88,388)**	(82,073)	(5,681)	(87,754)	(634)
	$138,956	**$7,025**	**$145,981**	$128,948	$4,758	$133,706	$12,275
Residential sales revenue and other[2]	**7,902**	**10**	**7,912**	—	13,789	13,789	(5,877)
Residential cost of sales and other	**(5,278)**	**(1)**	**(5,279)**	(497)	(10,649)	(11,146)	5,867
	$2,624	**$9**	**$2,633**	$(497)	$3,140	$2,643	$(10)
NOI	**$141,580**	**$7,034**	**$148,614**	$128,451	$7,898	$136,349	$12,265
Other income and expenses							
General and administrative expense, net	**(10,794)**	**—**	**(10,794)**	(10,542)	—	(10,542)	(252)
Earnings (losses) from equity accounted investments	**9,576**	**(9,576)**	**—**	(10,107)	10,107	—	—
Fair value adjustment on investment properties	**22,632**	**9,992**	**32,624**	(14,887)	(12,953)	(27,840)	60,464
Gain (loss) on sale of investment properties	**(3)**	**—**	**(3)**	67	—	67	(70)
Interest expense	**(45,345)**	**(5,850)**	**(51,195)**	(41,886)	(4,560)	(46,446)	(4,749)
Interest income	**3,016**	**391**	**3,407**	4,379	743	5,122	(1,715)
Supplemental costs	**—**	**(1,991)**	**(1,991)**	—	(1,235)	(1,235)	(756)
Fair value adjustment on financial instruments	**21,188**	**—**	**21,188**	(41,310)	—	(41,310)	62,498
Net income and comprehensive income	**$141,850**	**$—**	**$141,850**	$14,165	$—	$14,165	$127,685

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures".
(2) Includes additional partnership profit and other revenues.

For the three months ended December 31, 2024, net income and comprehensive income increased by $127.7 million as compared to the same period in 2023. This increase was primarily attributable to the following:

- $32.6 million fair value gain on investment properties for the period was higher by $60.5 million, primarily due to lease-ups and renewals at higher rents for the three months ended December 31, 2024, and updated valuation parameters and leasing activities in prior year period;
- $21.2 million fair value gain on financial instruments for the period was higher by $62.5 million, primarily due to mark-to-market adjustments for interest rate swaps and fluctuation in the Trust's Unit price; and
- $12.3 million increase in NOI primarily due to lease-up activities for retail and mixed-use properties, and an increase in CAM recoveries compared to the prior year period.

Year-to-Date Comparison to Prior Year

(in thousands of dollars)	Year Ended December 31, 2024			Year Ended December 31, 2023			
	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	**$860,091**	**$46,723**	**$906,814**	$834,581	$36,544	$871,125	$35,689
Property operating costs and other	**(324,269)**	**(21,576)**	**(345,845)**	(317,147)	(18,361)	(335,508)	(10,337)
	$535,822	**$25,147**	**$560,969**	$517,434	$18,183	$535,617	$25,352
Residential sales revenue and other(2)	**58,268**	**92**	**58,360**	—	139,190	139,190	(80,830)
Residential cost of sales and other	**(46,582)**	**(211)**	**(46,793)**	(3,873)	(110,178)	(114,051)	67,258
	$11,686	**$(119)**	**$11,567**	$(3,873)	$29,012	$25,139	$(13,572)
NOI	**$547,508**	**$25,028**	**$572,536**	$513,561	$47,195	$560,756	$11,780
Other income and expenses							
General and administrative expense, net	**(37,672)**	**—**	**(37,672)**	(36,370)	(260)	(36,630)	(1,042)
Earnings from equity accounted investments	**20,589**	**(20,589)**	**—**	75,170	(75,170)	—	—
Fair value adjustment on investment properties	**(69,671)**	**22,157**	**(47,514)**	91,448	45,896	137,344	(184,858)
Gain (loss) on sale of investment properties	**(123)**	**—**	**(123)**	44	—	44	(167)
Interest expense	**(183,099)**	**(24,282)**	**(207,381)**	(163,741)	(14,191)	(177,932)	(29,449)
Interest income	**14,101**	**2,212**	**16,313**	19,647	2,239	21,886	(5,573)
Supplemental costs	**—**	**(4,526)**	**(4,526)**	—	(5,709)	(5,709)	1,183
Fair value adjustment on financial instruments	**437**	**—**	**437**	10,344	—	10,344	(9,907)
Net income and comprehensive income	**$292,070**	**$—**	**$292,070**	$510,103	$—	$510,103	$(218,033)

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.
(2) Includes additional partnership profit and other revenues.

For the year ended December 31, 2024, net income and comprehensive income decreased by $218.0 million as compared to 2023. This decrease was primarily attributed to the following:

- $47.5 million fair value loss on investment properties, compared to a gain of $137.3 million in prior year, primarily as a result of changes in market conditions for certain future development properties, partially offset by improved leasing activities during the year ended December 31, 2024;
- $29.4 million increase in interest expense primarily due to higher interest rates and lower capitalization due to completion of development projects compared to the prior year (see "Interest Income and Interest Expense" section in this MD&A for further discussion);
- $0.4 million fair value gain on financial instruments for the year was lower by $9.9 million, primarily due to fluctuation in the Trust's Unit price, and mark-to-market adjustments for interest rate swaps; and
- $13.6 million decrease in net profit from residential sales due to higher profits from condo closings at Transit City 4 & 5 in 2023.

Partially offset by the following:

- $25.4 million increase in net rental income primarily due to lease-up activities for retail and mixed-use properties and an increase in CAM recoveries compared to the prior year.

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, 2024**			Three Months Ended December 31, 2023			
	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]
Net base rent	**$139,531**	**$8,751**	**$148,282**	$133,183	$7,259	$140,442	$7,840
Property tax and insurance recoveries	**45,547**	**618**	**46,165**	42,824	707	43,531	2,634
Property operating cost recoveries	**28,231**	**1,218**	**29,449**	24,065	1,255	25,320	4,129
Miscellaneous revenue	**5,544**	**1,853**	**7,397**	5,654	1,569	7,223	174
Rentals from investment properties	**$218,853**	**$12,440**	**$231,293**	$205,726	$10,790	$216,516	$14,777
Service and other revenues	**3,076**	**—**	**3,076**	4,944	—	4,944	(1,868)
Earnings from other	**(88)**	**88**	**—**	351	(351)	—	—
Rentals from investment properties and other[2]	**$221,841**	**$12,528**	**$234,369**	$211,021	$10,439	$221,460	$12,909
Recoverable tax and insurance costs	**(45,358)**	**(767)**	**(46,125)**	(43,609)	(735)	(44,344)	(1,781)
Recoverable CAM costs	**(31,144)**	**(1,192)**	**(32,336)**	(29,533)	(1,149)	(30,682)	(1,654)
Property management fees and costs	**(1,501)**	**(474)**	**(1,975)**	(1,324)	(406)	(1,730)	(245)
Non-recoverable operating costs	**(1,312)**	**(3,024)**	**(4,336)**	(1,651)	(3,202)	(4,853)	517
ECL	**(494)**	**(46)**	**(540)**	(1,011)	(189)	(1,200)	660
Property operating costs	**$(79,809)**	**$(5,503)**	**$(85,312)**	$(77,128)	$(5,681)	$(82,809)	$(2,503)
Other expenses	**(3,076)**	**—**	**(3,076)**	(4,945)	—	(4,945)	1,869
Property operating costs and other[2]	**$(82,885)**	**$(5,503)**	**$(88,388)**	$(82,073)	$(5,681)	$(87,754)	$(634)
Net rental income and other	**$138,956**	**$7,025**	**$145,981**	$128,948	$4,758	$133,706	$12,275
Residential sales closings revenue	**7,902**	**10**	**7,912**	—	13,789	13,789	(5,877)
Residential cost of sales and marketing costs	**(5,278)**	**(1)**	**(5,279)**	(497)	(10,649)	(11,146)	5,867
Net profit (loss) on residential sales	**$2,624**	**$9**	**$2,633**	$(497)	$3,140	$2,643	$(10)
NOI[3]	**$141,580**	**$7,034**	**$148,614**	$128,451	$7,898	$136,349	$12,265
Net rental income and other as a percentage of rentals from investment properties and other	**62.6 %**	**56.1 %**	**62.3 %**	61.1 %	45.6 %	60.4 %	1.9 %
Recovery Ratio	**96.4 %**	**93.7 %**	**96.4 %**	91.5 %	104.1 %	91.8 %	4.6 %

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

NOI for the three months ended December 31, 2024, increased by $12.3 million or 9.0% as compared to the same period in 2023. This increase was primarily attributable to the following:

- $7.8 million increase in base rent, of which $6.1 million relates to retail properties, and $1.7 million relates to self-storage facilities and apartment rentals.
- $4.0 million increase in CAM recoveries due to CAM recovery true-up in the prior year.

Year-to-Date Comparison to Prior Year

(in thousands of dollars)	**Year Ended December 31, 2024**			Year Ended December 31, 2023			
	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)
Net base rent	**$546,878**	**$32,150**	**$579,028**	$523,511	$24,674	$548,185	$30,843
Property tax and insurance recoveries	**180,372**	**2,596**	**182,968**	174,617	2,977	177,594	5,374
Property operating cost recoveries	**102,882**	**4,770**	**107,652**	100,078	4,890	104,968	2,684
Miscellaneous revenue	**17,208**	**6,890**	**24,098**	18,744	5,256	24,000	98
Rentals from investment properties	**$847,340**	**$46,406**	**$893,746**	$816,950	$37,797	$854,747	$38,999
Service and other revenues	**13,068**	**—**	**13,068**	16,378	—	16,378	(3,310)
Earnings (loss) from other	**(317)**	**317**	**—**	1,253	(1,253)	—	—
Rentals from investment properties and other(2)	**$860,091**	**$46,723**	**$906,814**	$834,581	$36,544	$871,125	$35,689
Recoverable tax and insurance costs	**(183,709)**	**(3,073)**	**(186,782)**	(178,423)	(3,099)	(181,522)	(5,260)
Recoverable CAM costs	**(115,026)**	**(4,719)**	**(119,745)**	(109,801)	(4,766)	(114,567)	(5,178)
Property management fees and costs	**(5,825)**	**(1,728)**	**(7,553)**	(4,783)	(1,368)	(6,151)	(1,402)
Non-recoverable operating costs	**(6,247)**	**(11,959)**	**(18,206)**	(6,428)	(8,684)	(15,112)	(3,094)
ECL	**(394)**	**(97)**	**(491)**	(1,332)	(444)	(1,776)	1,285
Property operating costs	**$(311,201)**	**$(21,576)**	**$(332,777)**	$(300,767)	$(18,361)	$(319,128)	$(13,649)
Other expenses	**(13,068)**	**—**	**(13,068)**	(16,380)	—	(16,380)	3,312
Property operating costs and other(2)	**$(324,269)**	**$(21,576)**	**$(345,845)**	$(317,147)	$(18,361)	$(335,508)	$(10,337)
Net rental income and other	**$535,822**	**$25,147**	**$560,969**	$517,434	$18,183	$535,617	$25,352
Residential sales closings revenue	**58,268**	**92**	**58,360**	—	139,190	139,190	(80,830)
Residential cost of sales and marketing costs	**(46,582)**	**(211)**	**(46,793)**	(3,873)	(110,178)	(114,051)	67,258
Net profit (loss) on residential sales	**$11,686**	**$(119)**	**$11,567**	$(3,873)	$29,012	$25,139	$(13,572)
NOI(3)	**$547,508**	**$25,028**	**$572,536**	$513,561	$47,195	$560,756	$11,780
Net rental income and other as a percentage of rentals from investment properties and other	**62.3 %**	**53.8 %**	**61.9 %**	62.0 %	49.8 %	61.5 %	0.4 %
Recovery Ratio	**94.8 %**	**94.5 %**	**94.8 %**	95.3 %	100.0 %	95.4 %	(0.6)%

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.
(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

NOI for the year ended December 31, 2024 increased by $11.8 million or 2.1% as compared to 2023. This increase was primarily attributed to the following:

- $31.0 million increase in base rent, of which $22.3 million relates to retail properties, and $8.7 million relates to self-storage facilities and apartment rentals.

Partially offset by the following:

- $13.6 million decrease due to higher profits from condo closings at Transit City 4 & 5 in 2023;
- $2.5 million decrease in net recoveries compared to prior year primarily due to timing of certain operating costs and incremental amortization costs related to capital expenditures for maintaining the high standard of the portfolio; and
- $3.1 million higher non-recoverable expenses mainly from residential apartments with higher occupancy.

Same Properties NOI

(in thousands of dollars)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
Net rental income and other	**$141,580**	$128,451	**$547,508**	$513,561
NOI from equity accounted investments[1]	**7,034**	7,898	**25,028**	47,195
Total portfolio NOI before adjustments[1]	**$148,614**	$136,349	**$572,536**	$560,756
Adjustments:				
Lease termination	**(172)**	(984)	**(1,240)**	(1,675)
Net profit on condo and townhome closings	**(2,633)**	(2,643)	**(11,567)**	(25,139)
Non-recurring items and other adjustments[2]	**(21)**	5,426	**4,002**	7,516
Total portfolio NOI after adjustments[1]	**$145,788**	$138,148	**$563,731**	$541,458
NOI sourced from acquisitions, dispositions, Earnouts and developments	**(3,057)**	(608)	**(11,851)**	(4,391)
Same Properties NOI[1]	**$142,731**	$137,540	**$551,880**	$537,067

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.
(2) Includes non-recurring items such as one-time adjustments relating to royalties, straight-line rent and amortization of tenant incentives.

The Same Properties NOI for the three months and year ended December 31, 2024, increased by $5.2 million or 3.8% and $14.8 million or 2.8%, respectively, as compared to the respective periods in 2023, primarily due to lease-up activities.

The Same Properties NOI excluding Anchors for the three months and year ended December 31, 2024, increased by 6.0% and 4.6% as compared to the respective periods in 2023.

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 December 31, 2024	Rolling 12 Months Ended December 31, 2023	Variance
Net income and comprehensive income	**$292,070**	$510,103	$(218,033)
Add (deduct) the following items:			
Net interest expense	**192,938**	157,990	34,948
Amortization of equipment, intangible assets and tenant improvements	**12,072**	11,619	453
Fair value adjustments on investment properties and financial instruments	**47,077**	(147,893)	194,970
Adjustment for supplemental costs	**4,526**	5,709	(1,183)
Gain (loss) on sale of investment properties	**123**	(44)	167
Adjusted EBITDA[1]	**$548,806**	$537,484	$11,322

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

Other Measures of Performance

The following measures of performance are sometimes used by Canadian REITs and other reporting entities as indicators of financial performance. Because these measures are not standardized as prescribed by IFRS, they may not be comparable to similar measures presented by other reporting entities. Management uses these measures to analyze operating performance. Because one of the factors that may be considered relevant by prospective investors is the cash distributed by the Trust relative to the price of the Units, management believes these measures are useful supplemental measures that may assist prospective investors in assessing an investment in Units. The Trust analyzes its cash distributions against these measures to assess the stability of the monthly cash distributions to Unitholders. These measures are not intended to represent operating profits for the year; nor should they be viewed as an alternative to net income and comprehensive income, cash flows from operating activities or other measures of financial performance calculated in accordance with IFRS. The calculations are derived from the consolidated financial statements for the years ended December 31, 2024 and December 31, 2023, unless otherwise stated, do not include any assumptions and forward-looking information, and are consistent with prior reporting years.

Funds From Operations ("FFO")

FFO is a non-GAAP financial measure of operating performance widely used by the Canadian real estate industry based on the definition set forth by the REALPAC White Paper. It is the Trust's view that IFRS net income does not necessarily provide a complete measure of the Trust's recurring operating performance. This is primarily because IFRS net income includes items such as fair value changes of investment property that are subject to market conditions and capitalization rate fluctuations and gains and losses on the disposal of investment properties, including associated transaction costs and taxes, which management believes are not representative of a company's economic earnings. For these reasons, the Trust has adopted the REALPAC White Paper's definition of FFO, which was created by the real estate industry as a supplemental measure of operating performance. FFO is computed as IFRS consolidated net income and comprehensive income attributable to Unitholders adjusted for items such as, but not limited to, unrealized changes in the fair value of investment properties and financial instruments and transaction gains and losses on the acquisition or disposal of investment properties calculated on a basis consistent with IFRS.

Adjusted Funds From Operations ("AFFO")

AFFO is a non-GAAP financial measure of operating performance widely used by the Canadian real estate industry based on the definition set forth by the REALPAC White Paper. AFFO is a supplemental measure historically used by many in the real estate industry to measure operating cash flow generated from the business. In calculating AFFO, the Trust adjusts FFO for actual costs incurred relating to leasing activities, major maintenance costs (both recoverable and non-recoverable) and straight-line rent in excess of contractual rent paid by tenants (a receivable). Working capital changes, viewed as short-term cash requirements or surpluses, are deemed financing activities pursuant to the methodology and are not considered when calculating AFFO. Capital expenditures that are excluded and not deducted in the calculation of AFFO comprise those which generate a new investment stream, such as erecting a new pylon sign that generates sign rental income, constructing a new retail pad during property expansion or intensification, development activities or acquisition activities. Accordingly, AFFO differs from FFO in that AFFO excludes from its definition certain non-cash revenues and expenses recognized under IFRS, such as straight-line rent and the amortization of financing costs, but also includes capital and leasing costs incurred during the period that are capitalized for IFRS purposes. Management is of the view that AFFO is a useful measure of recurring economic earnings generated from operations after providing for operating capital requirements and as a result is also useful in evaluating the ability of the Trust to fund distributions to Unitholders. A reconciliation of AFFO to IFRS net income and comprehensive income can be found below.

Management considers both FFO and AFFO as key performance indicators to assess the Trust's operating performance and the sustainability of the Trust's distribution level. FFO and AFFO should not be construed as an alternative to net income and comprehensive income or cash flows provided by or used in operating activities determined in accordance with IFRS. The Trust's method of calculating FFO and AFFO is in accordance with the recommendations in the REALPAC White Paper, but may differ from other issuers' methods and, accordingly, may not be comparable to FFO and AFFO reported by other issuers.

Reconciliation of FFO

	Three Months Ended December 31			Year Ended December 31		
(in thousands of dollars)	**2024**	2023	Variance	**2024**	2023	Variance
Net income and comprehensive income	**$141,850**	$14,165	$127,685	**$292,070**	$510,103	$(218,033)
Add (deduct):						
Fair value adjustment on investment properties and financial instruments(1)	**(43,820)**	56,197	(100,017)	**69,234**	(101,792)	171,026
Gain (loss) on derivative – TRS	**(5,645)**	13,314	(18,959)	**10,027**	(205)	10,232
Gain (loss) on sale of investment properties	**3**	(67)	70	**123**	(44)	167
Amortization of intangible assets and tenant improvement allowance	**2,387**	2,469	(82)	**9,208**	9,199	9
Distributions on Units classified as liabilities and vested deferred units and EIP	**5,000**	2,157	2,843	**19,218**	8,478	10,740
Salaries and related costs attributed to leasing activities(2)	**2,279**	2,709	(430)	**9,549**	8,519	1,030
Adjustments relating to equity accounted investments(3)	**(5,409)**	15,949	(21,358)	**(6,873)**	(33,293)	26,420
FFO(4)	**$96,645**	$106,893	$(10,248)	**$402,556**	$400,965	$1,591
Add (deduct) non-recurring adjustments:						
Gain (loss) on derivative – TRS	**5,645**	(13,314)	18,959	**(10,027)**	205	(10,232)
FFO sourced from condo and townhome closings	**(2,147)**	(2,657)	510	**(10,704)**	(24,010)	13,306
Transactional FFO – sale of land(4)	**1,218**	440	778	**1,218**	(568)	1,786
FFO with adjustments(4)	**$101,361**	$91,362	$9,999	**$383,043**	$376,592	$6,451

(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 consolidated financial statements for the year ended December 31, 2024. For details, please see discussion in "Results of Operations" section in this MD&A.

(2) Salaries and related costs attributed to leasing activities of $9.5 million were incurred in the year ended December 31, 2024 (year ended December 31, 2023 – $8.5 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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

For the three months ended December 31, 2024, FFO decreased by $10.2 million or 9.6% to $96.6 million as compared to the same period in 2023. This decrease was primarily attributable to:

- $19.0 million decrease in fair value adjustment on TRS resulting from fluctuations in the Trust's Unit price; and
- $3.7 million increase in net interest expense due to higher interest rates and lower capitalization due to completion of development projects compared to the prior year.

Partially offset by:

- $12.3 million increase in NOI primarily due to lease-up activities for retail and mixed-use properties, and an increase in CAM recoveries compared to the prior year period.

For the year ended December 31, 2024, FFO increased by $1.6 million or 0.4% to $402.6 million as compared to 2023. This increase was primarily attributable to:

- $25.4 million increase in NOI primarily due to lease-up activities for retail and mixed-use properties, and an increase in CAM recoveries;
- $10.2 million increase in fair value adjustment on TRS resulting from fluctuations in the Trust's Unit price; and
- $3.8 million increase in capitalized interest related to equity accounted investments due to development activities.

Partially offset by:

- $24.3 million increase in net interest expense primarily due to higher interest rates and lower capitalization due to completion of development projects compared to the prior year; and
- $13.3 million decrease in net profits from condo and townhome closings at Transit City 4&5 in 2023.

For the three months and year ended December 31, 2024, FFO with adjustments increased by $10.0 million to $101.4 million and by $6.5 million to $383.0 million, respectively, as compared to the same periods in 2023. The increase was attributable to an increase in NOI primarily due to lease-up activities for retail and mixed-use properties, and an increase in CAM recoveries, partially offset by an increase in net interest expense compared to the prior year periods.

Reconciliation of AFFO

(in thousands of dollars)	Three Months Ended December 31 2024	2023	Variance	Year Ended December 31 2024	2023	Variance
FFO(1)	**$96,645**	$106,893	$(10,248)	**$402,556**	$400,965	$1,591
Add (Deduct):						
Straight-line rents	**(1,273)**	(479)	(794)	**(4,127)**	(690)	(3,437)
Adjusted salaries and related costs attributed to leasing	**(2,279)**	(2,709)	430	**(9,549)**	(8,519)	(1,030)
Capital expenditures, leasing commissions, and tenant improvements(2)(3)	**(8,089)**	(11,518)	3,429	**(29,484)**	(37,332)	7,848
AFFO(1)	**$85,004**	$92,187	$(7,183)	**$359,396**	$354,424	$4,972
Add (deduct) non-recurring adjustments:						
Gain (loss) on derivative – TRS	**5,645**	(13,314)	18,959	**(10,027)**	205	(10,232)
FFO sourced from condo and townhome closings	**(2,147)**	(2,657)	510	**(10,704)**	(24,010)	13,306
Transactional FFO – sale of land(1)	**1,218**	440	778	**1,218**	(568)	1,786
AFFO with adjustments(1)	**$89,720**	$76,656	$13,064	**$339,883**	$330,051	$9,832

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.
(2) Please see the "Maintenance Capital Requirements" section in this MD&A for details of actual capital expenditures, actual leasing commissions and actual tenant improvements.
(3) Balance as of December 31, 2024 includes capital expenditures, leasing commissions, and tenant improvements related to equity accounted investments of $0.6 million.

For the three months ended December 31, 2024, AFFO decreased by $7.2 million to $85.0 million as compared to the same period in 2023. The decrease was primarily due to the decrease in FFO, partially offset by a decrease in capital expenditures.

For the year ended December 31, 2024, AFFO increased by $5.0 million to $359.4 million as compared to the same period in 2023, primarily due to a decrease in tenant improvements.

The following table presents per Unit FFO and per Unit AFFO with adjustments (non-GAAP measures):

	Three Months Ended December 31 2024	2023	Variance	Year Ended December 31 2024	2023	Variance
Per Unit – basic/diluted(1):						
FFO(2)	**$0.54/$0.53**	$0.60/$0.59	($0.06)/($0.06)	**$2.26/$2.23**	$2.25/$2.23	$0.01/$0.00
FFO with adjustments(2)	**$0.57/$0.56**	$0.51/$0.51	$0.06/$0.05	**$2.15/$2.12**	$2.11/$2.09	$0.04/$0.03
AFFO(2)	**$0.48/$0.47**	$0.52/$0.51	($0.04)/($0.04)	**$2.02/$1.99**	$1.99/$1.97	$0.03/$0.02
AFFO with adjustments(2)	**$0.50/$0.50**	$0.43/$0.43	$0.07/$0.07	**$1.91/$1.88**	$1.85/$1.83	$0.06/$0.05
Payout Ratio to AFFO(2)	**97.0 %**	89.4 %	7.6 %	**91.7 %**	93.0 %	(1.3)%
Payout Ratio to AFFO with adjustments(2)	**91.9 %**	107.5 %	(15.6)%	**97.0 %**	99.9 %	(2.9)%

(1) Diluted FFO and AFFO is adjusted for the dilutive effect of vested deferred and EIP units, which are not dilutive for net income purposes. The calculation of diluted FFO and AFFO is a non-GAAP measure and does not consider the impact of unvested deferred units. To calculate diluted FFO and AFFO for the three months ended December 31, 2024, 2,985,307 vested deferred and EIP units are added back to the weighted average Units outstanding (three months ended December 31, 2023 – 1,898,600 vested deferred units). To calculate diluted FFO and AFFO for the year ended December 31, 2024, 2,557,290 vested deferred and EIP units are added back to the weighted average Units outstanding (year ended December 31, 2023 – 1,845,842 vested deferred units).
(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

Weighted Average Number of Units

The weighted average number of Trust Units and exchangeable LP Units is used in calculating the Trust's net income and comprehensive income per Unit, net income and comprehensive income excluding fair value adjustments per Unit, and FFO/AFFO per Unit. The corresponding diluted per Unit amounts are adjusted for the dilutive effect of the vested portion of deferred units granted under the Trust's DUP unless they are anti-dilutive. To calculate diluted FFO/AFFO per Unit for the years ended December 31, 2024 and 2023, vested EIP and deferred units are added back to the weighted average Units outstanding because they are dilutive.

The following table sets forth the weighted average number of Units outstanding for the purposes of FFO/AFFO per Unit and net income and comprehensive income per Unit calculations in this MD&A:

	Three Months Ended December 31		Year Ended December 31	
(number of Units)	**2024**	2023	**2024**	2023
Trust Units	**144,687,634**	144,625,322	**144,659,062**	144,625,322
Class B LP Units	**16,424,430**	16,424,430	**16,424,430**	16,424,430
Class D LP Units	**311,022**	311,022	**311,022**	311,022
Class F LP Units	**8,708**	8,708	**8,708**	8,708
Class B LP II Units	**756,525**	756,525	**756,525**	756,525
Class B LP III Units	**4,129,420**	4,117,096	**4,120,329**	4,107,038
Class B LP IV Units	**3,112,565**	3,112,565	**3,112,565**	3,112,565
Class B Oshawa South LP Units	**710,416**	710,416	**710,416**	710,416
Class D Oshawa South LP Units	**260,417**	260,417	**260,417**	260,417
Class B Oshawa Taunton LP Units	**374,223**	374,223	**374,223**	374,223
Class D Series 1 VMC West LP Units	**3,623,188**	3,623,188	**3,623,188**	3,623,188
Class D Series 2 VMC West LP Units	**2,173,913**	2,173,913	**2,173,913**	2,173,913
Class B Boxgrove LP Units	**170,000**	170,000	**170,000**	170,000
Class B Series ONR LP Units	**1,186,431**	1,248,140	**1,214,756**	1,248,140
Class B Series 1 ONR LP I Units	**132,881**	132,881	**132,881**	132,881
Class B Series 2 ONR LP I Units	**139,302**	139,302	**139,302**	139,302
Total Exchangeable LP Units	**33,513,441**	33,562,826	**33,532,675**	33,552,768
Total Units – Basic	**178,201,075**	178,188,148	**178,191,737**	178,178,090
Vested deferred units	**2,321,453**	1,898,600	**2,237,683**	1,845,842
Vested EIP units	**663,854**	—	**319,607**	—
Total Units, vested EIP and deferred units – Diluted	**181,186,382**	180,086,748	**180,749,027**	180,023,932

Determination of Distributions

Pursuant to the Trust's declaration of trust (the "Declaration of Trust") the Trust endeavours to distribute annually such amount as is necessary to ensure the Trust will not be subject to tax on its net income under Part I of the *Income Tax Act* (Canada).

The Board of Trustees determines the Trust's Unit cash distribution rate by, among other considerations, its assessment of cash flow as determined using certain non-GAAP measures. As such, management believes the cash distributions are not an economic return of capital, but a distribution of sustainable cash flow from operations. Given both existing AFFO and distribution levels, and current facts and assumptions, the Board of Trustees has indicated that barring any unexpected events, the Trust currently intends to maintain its monthly cash distribution levels.

In any given period, the distributions declared may differ from cash provided by operating activities, primarily due to seasonal fluctuations in non-cash operating items (amounts receivable, prepaid expenses, deposits, accounts payable and accrued liabilities). These seasonal or short-term fluctuations are funded, if necessary, by the Trust's revolving operating facility. In addition, the distributions declared previously included a component funded by the DRIP which was suspended by the Board of Trustees effective April 13, 2020. The Board of Trustees anticipates that distributions declared will, in the foreseeable future, continue to vary from net income and comprehensive income because net income and comprehensive income include fair value adjustments to investment properties, fair value changes in financial instruments, and other adjustments, and also because distributions are determined based on non-GAAP cash flow measures, which include consideration of the maintenance capital requirements. Accordingly, the Trust does not use IFRS net income and comprehensive income as a proxy for distributions.

Distributions and AFFO Highlights

(in thousands of dollars)	Three Months Ended December 31			Year Ended December 31		
	2024	2023	Variance	**2024**	2023	Variance
Cash flows provided by operating activities	**$122,118**	$93,745	$28,373	**$374,208**	$330,853	$43,355
Distributions declared	**82,419**	82,413	6	**329,659**	329,639	20
AFFO[(1)]	**85,004**	92,187	(7,183)	**359,396**	354,424	4,972
AFFO with adjustments[(1)]	**89,720**	76,656	13,064	**339,883**	330,051	9,832
Surplus of cash flows provided by operating activities over distributions declared	**39,699**	11,332	28,367	**44,549**	1,214	43,335
Surplus of AFFO[(1)] over distributions declared	**2,585**	9,774	(7,189)	**29,737**	24,785	4,952
Surplus (shortfall) of AFFO[(1)] with adjustments over distributions declared	**7,301**	(5,757)	13,058	**10,224**	412	9,812

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

For the three months and year ended December 31, 2024, there was a $39.7 million and $44.5 million surplus of cash flows provided by operating activities over distribution declared, respectively, as compared to $11.3 million surplus and $1.2 million surplus in 2023. The surpluses were primarily driven by higher net rental income and other, due to higher lease-up activities and base rent compared to the respective periods in 2023.

For the three months and year ended December 31, 2024, there was a $2.6 million and $29.7 million surplus of AFFO over distributions declared, respectively, as compared to a $9.8 million and $24.8 million surplus for the respective period in 2023.

For the three months and year ended December 31, 2024, there was a $7.3 million and $10.2 million surplus of AFFO with adjustments over distributions declared, respectively, as compared to a $5.8 million shortfall and $0.4 million surplus for the respective periods of 2023. The surpluses primarily resulted from an increase in NOI due to lease-up activities for retail and mixed-use properties, and a decrease in capital expenditures compared to prior year periods.

General and Administrative Expense

The following tables summarize general and administrative expense for the year ended December 31, 2024:

	Year Ended December 31		
(in thousands of dollars)	**2024**	2023	Variance
Salaries and benefits	**$26,075**	$24,556	$1,519
Professional fees	**5,634**	5,604	30
Public company costs	**1,372**	1,390	(18)
Amortization of intangible assets	**1,331**	1,331	—
Other costs including office rent, information technology, marketing, communications, and other employee expenses	**3,260**	3,489	(229)
General and administrative expense	**$37,672**	$36,370	$1,302

For the year ended December 31, 2024, general and administrative expense increased by $1.3 million, as compared to 2023. This increase was primarily driven by an increase in salaries and benefits due to the growth of the platform and inflation adjustments compared to 2023.

Interest Income and Interest Expense

Interest Income
The following table summarizes the components of interest income:

	Three Months Ended December 31			**Year Ended December 31**		
(in thousands of dollars)	**2024**	2023	Variance	**2024**	2023	Variance
Mortgage interest	**$—**	$317	$(317)	**$723**	$2,038	$(1,315)
Loan interest	**2,527**	3,220	(693)	**10,436**	14,933	(4,497)
Notes receivable interest	**66**	66	—	**263**	263	—
Bank interest	**423**	776	(353)	**2,679**	2,413	266
	$3,016	$4,379	$(1,363)	**$14,101**	$19,647	$(5,546)

For the year ended December 31, 2024, interest income decreased by $5.5 million, as compared to the same period in 2023, mainly due to repayment of mortgages receivable and loans receivable.

Interest Expense

The following table summarizes the components of interest expense:

	Three Months Ended December 31			Year Ended December 31		
(in thousands of dollars)	**2024**	2023	Variance	**2024**	2023	Variance
Mortgage interest	**$6,753**	$7,706	$(953)	**$29,363**	$32,670	$(3,307)
Debenture interest	**26,852**	23,083	3,769	**98,843**	88,918	9,925
Operating line interest and other	**13,779**	17,652	(3,873)	**68,843**	66,637	2,206
Interest at stated rates	**$47,384**	$48,441	$(1,057)	**$197,049**	$188,225	$8,824
Amortization of acquisition date fair value adjustments on assumed debt	**1**	(43)	44	**(113)**	(285)	172
Amortization of deferred financing costs	**1,058**	958	100	**4,015**	3,750	265
Distributions on Units classified as liabilities and vested deferred units	**5,000**	4,527	473	**19,218**	18,017	1,201
Total interest expense before capitalized interest	**$53,443**	$53,883	$(440)	**$220,169**	$209,707	$10,462
Less:						
Interest capitalized to properties under development	**(7,800)**	(11,567)	3,767	**(35,587)**	(44,444)	8,857
Interest capitalized to residential development inventory	**(298)**	(430)	132	**(1,483)**	(1,522)	39
Total capitalized interest	**$(8,098)**	$(11,997)	$3,899	**$(37,070)**	$(45,966)	$8,896
Interest expense net of capitalized interest expense	**$45,345**	$41,886	$3,459	**$183,099**	$163,741	$19,358
Capitalized interest as a percentage of interest expense	**15.2 %**	22.3 %	(7.1)%	**16.8 %**	21.9 %	(5.1)%

For the three months and year ended December 31, 2024, interest expense net of capitalized interest increased by $3.5 million and $19.4 million, respectively, compared to the same periods in 2023. The increase was mainly attributable to higher interest rates and lower capitalization due to completion of development projects compared to the prior year periods.

Quarterly Results and Trends

in thousands of dollars, except percentage, square footage, Unit and per Unit amounts)

	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Results of operations								
Net income (loss) and comprehensive income (loss)	**$141,850**	$42,479	$128,916	$(21,175)	$14,165	$215,175	$167,902	$112,861
Per Unit								
Basic	**$0.80**	$0.24	$0.72	$(0.12)	$0.08	$1.21	$0.94	$0.63
Diluted(3)	**$0.78**	$0.23	$0.71	$(0.12)	$0.08	$1.19	$0.93	$0.63
Net base rent(1)(2)	**$148,282**	$145,494	$143,578	$141,674	$140,442	$138,119	$135,617	$134,007
Rentals from investment properties and other	**$221,841**	$211,737	$211,381	$215,637	$211,021	$206,016	$206,950	$210,594
NOI(1)(2)	**$148,614**	$148,785	$139,062	$136,075	$136,349	$143,834	$147,105	$133,468
Other measures of performance								
FFO(2)	**$96,645**	$128,174	$90,780	$86,957	$106,893	$98,405	$98,534	$97,133
Per Unit								
Basic(2)	**$0.54**	$0.72	$0.51	$0.49	$0.60	$0.55	$0.55	$0.55
Diluted(2)(3)	**$0.53**	$0.71	$0.50	$0.49	$0.59	$0.55	$0.55	$0.54
FFO with adjustments(2)	**$101,361**	$96,355	$92,421	$92,906	$91,362	$96,969	$97,247	$91,013
Per Unit								
Basic(2)	**$0.57**	$0.54	$0.52	$0.52	$0.51	$0.54	$0.55	$0.51
Diluted(2)(3)	**$0.56**	$0.53	$0.51	$0.52	$0.51	$0.54	$0.54	$0.51
Cash flows provided by operating activities	**$122,118**	$105,380	$76,991	$69,719	$93,745	$93,855	$61,322	$81,931
AFFO(2)	**$85,004**	$109,619	$83,386	$81,387	$92,187	$85,788	$87,848	$88,601
AFFO with adjustments(2)	**$89,720**	$77,800	$85,027	$87,336	$76,656	$84,352	$86,561	$82,481
Distributions declared	**$82,419**	$82,415	$82,413	$82,412	$82,413	$82,411	$82,410	$82,405
Payout ratio to AFFO	**97.0 %**	75.2 %	98.8 %	101.4 %	89.4 %	96.1 %	93.8 %	93.0 %
Units outstanding(4)	**178,201,075**	178,201,075	178,188,751	178,188,148	178,188,148	178,188,148	178,181,722	178,176,825
Weighted average Units outstanding								
Basic	**178,201,075**	178,189,287	178,178,870	178,188,148	178,188,148	178,184,795	178,179,652	178,159,373
Diluted(3)	**181,186,382**	180,858,726	180,664,749	180,265,745	180,086,748	180,069,508	180,045,789	179,891,028
Total assets	**$11,939,689**	$11,909,410	$11,953,142	$11,850,182	$11,905,422	$12,013,103	$11,833,262	$11,719,131
Total unencumbered assets(2)	**$9,464,521**	$9,366,921	$9,309,221	$9,176,421	$9,170,121	$9,067,121	$8,844,821	$8,653,321
Debt	**$5,046,279**	$5,027,500	$5,093,321	$5,043,206	$4,999,522	$5,052,722	$5,010,331	$4,956,957
Total leasable area (sq. ft.)	**35,299,950**	35,281,759	35,198,895	35,108,588	35,044,850	35,033,430	34,922,198	34,777,002
In-place occupancy rate	**98.2 %**	98.3 %	97.8 %	97.3 %	98.1 %	98.1 %	97.8 %	97.4 %
In-place and committed occupancy rate	**98.7 %**	98.5 %	98.2 %	97.7 %	98.5 %	98.5 %	98.2 %	98.0 %

(1) Includes the Trust's proportionate share of equity accounted investments.
(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.
(3) Diluted metrics are adjusted for the dilutive effect of the vested portion of EIP and deferred units, unless they are anti-dilutive.
(4) Total Units outstanding include Trust Units and LP Units, including Units classified as financial liabilities.

Section VI — Leasing Activities and Lease Expiries

Retail, Office and Industrial

Leasing Activities

Occupancy

The Trust's value-oriented portfolio continued to provide an attractive place to shop and tenants' confidence continued to grow with the improving customer traffic resulting in demand for new locations in all markets and for all store sizes. In addition to the regular staple of value-oriented tenants continuing to seek more space in Walmart-anchored sites, new uses are also enhancing each centre's offering with entertainment/experiential, pet supplies, furniture, specialty and takeout food all growing their store counts. U.S.-based tenants are also re-engaging their search for new store openings in Canada.

As at December 31, 2024, the Trust's in-place and committed occupancy rate was 98.7% (September 30, 2024 – 98.5%).

Occupancy(1)

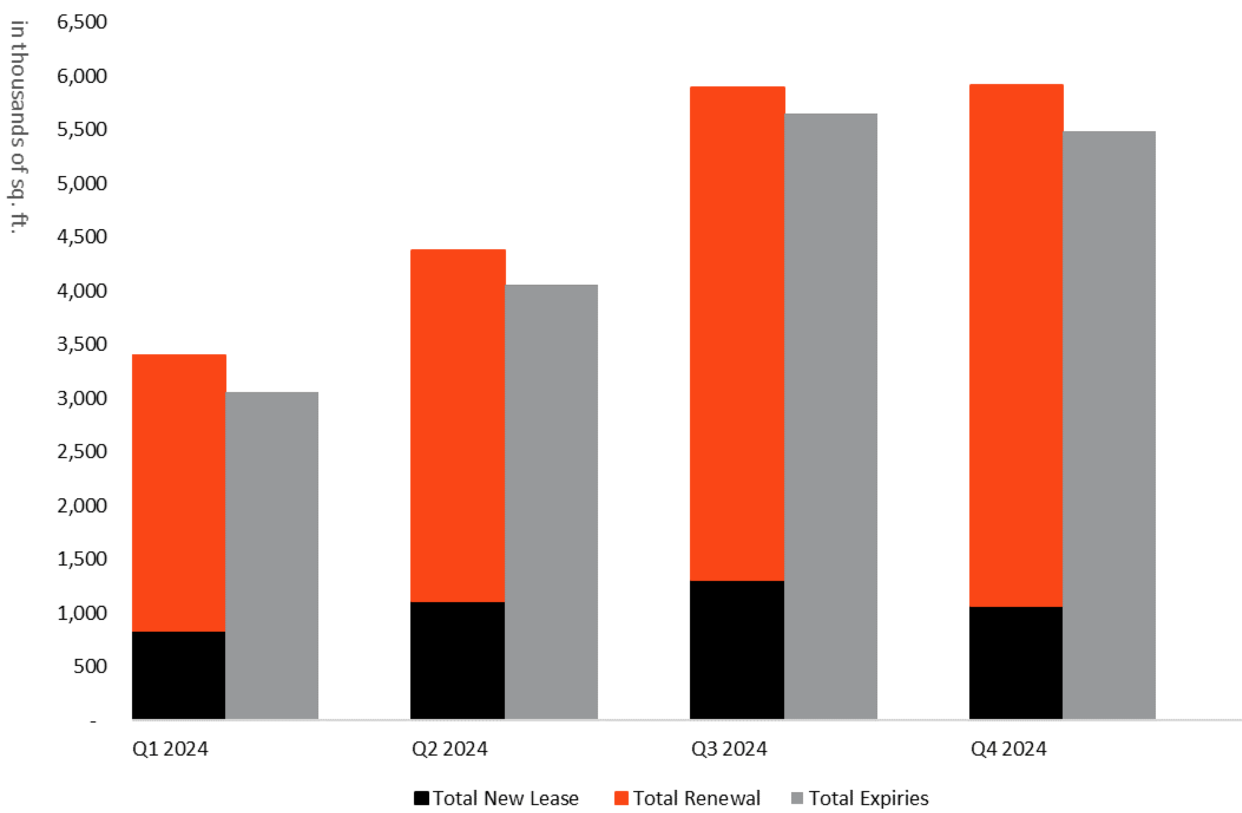
	December 31, 2024	September 30, 2024	Variance
Total leasable area (in sq. ft.)	**35,299,950**	35,281,759	18,191
In-place occupancy rate	**98.2 %**	98.3 %	(0.1)%
In-place and committed occupancy rate	**98.7 %**	98.5 %	0.2 %

(1) Excluding residential and self-storage area.

New Leasing Activity

During the year ended December 31, 2024, the Trust completed new leases with a wide array of tenants spanning diverse categories such as specialty goods and services, leisure retail, pharmacies, personal services, apparel, and general merchandise. Many of the Trust's existing tenants continued their growth plans with retailers in furniture, general merchandise and specialty stores expanding their brick-and-mortar footprint nationally. In the fourth quarter of 2024, the Trust executed 192,353 square feet of new leasing on existing vacant built space, demonstrating strong leasing momentum and tenant demand. In addition, during the year ended December 31, 2024, the Trust executed 253,000 square feet of new leasing for future newly built space.

The following graph presents the Trust's cumulative leasing activity for the year ended on December 31, 2024(1):



(1) Commencing 2024, the Total New Lease balance includes new leasing for future newly built space.

The following table presents a continuity of the Trust's in-place and committed occupancy rate (excluding residential and self-storage area) for the three months ended December 31, 2024:

(in square feet)	Vacant Area	Occupied Area	Leasable Area	Occupancy Rate
In place occupancy – October 1, 2024	610,521	34,671,238	35,281,759	98.3 %
New vacancies	135,285	(135,285)	—	
Taking Occupancy in the period	(102,714)	102,714	—	
Subtotal	643,092	34,638,667	35,281,759	
Transferred from properties under development to income properties	—	40,428	40,428	
Transferred from income properties to properties under development	(2,014)	—	(2,014)	
Other including unit area remeasurements	2,157	(22,380)	(20,223)	
In place occupancy – December 31, 2024	**643,235**	**34,656,715**	**35,299,950**	**98.2 %**
Committed new leases for future occupancy	(187,917)	187,917	—	
Ending balance – December 31, 2024, including committed leases for future occupancy	**455,318**	**34,844,632**	**35,299,950**	**98.7 %**

The following table presents a continuity of the Trust's in-place and committed occupancy rate (excluding residential and self-storage area) for the year ended December 31, 2024:

(in square feet)	Vacant Area	Occupied Area	Leasable Area	Occupancy Rate
In place occupancy – January 1, 2024	655,881	34,388,969	35,044,850	98.1 %
New vacancies	844,243	(844,243)	—	
New leases	(754,506)	754,506	—	
Subtotal	745,618	34,299,232	35,044,850	
Acquisitions	—	2,232	2,232	
Transferred from properties under development to income properties	—	319,588	319,588	
Transferred from income properties to properties under development	(102,042)	—	(102,042)	
Other including unit area remeasurements	(341)	35,663	35,322	
In place occupancy – December 31, 2024	**643,235**	**34,656,715**	**35,299,950**	**98.2 %**
Committed new leases for future occupancy	(187,917)	187,917	—	
Ending balance – December 31, 2024, including committed leases for future occupancy	**455,318**	**34,844,632**	**35,299,950**	**98.7 %**

Renewal Activity

For the year ended December 31, 2024, the Trust achieved a tenant renewal rate of 91.7% (year ended December 31, 2023 – 83.8%) for tenants with expiring leases in 2024.

Renewal Summary(1)

	December 31, 2024	December 31, 2023	Variance
Space expiring in calendar year (in sq. ft.)	**5,488,557**	5,084,673	403,884
Renewed (in sq. ft.)	**4,852,561**	3,992,923	859,638
Near completion (in sq. ft.)	**179,223**	266,748	(87,525)
Total renewed and near completion (in sq. ft.)	**5,031,784**	4,259,671	772,113
Renewal rate (including near completion)	**91.7 %**	83.8 %	7.9 %
Renewed rental rate (per sq. ft.) – including Anchors	**$15.17**	$16.44	$(1.27)
Renewed rental rate (per sq. ft.) – excluding Anchors	**$22.40**	$22.78	$(0.38)
Change in renewed rental rate over expiring rate(2) (including Anchors)	**6.1 %**	4.0 %	2.1 %
Change in renewed rental rate over expiring rate(2) (excluding Anchors)	**8.8 %**	5.3 %	3.5 %

(1) Excluding residential and self-storage area.
(2) Represents the change in rental rates for properties with lease renewals completed during the period.

Tenant Profile

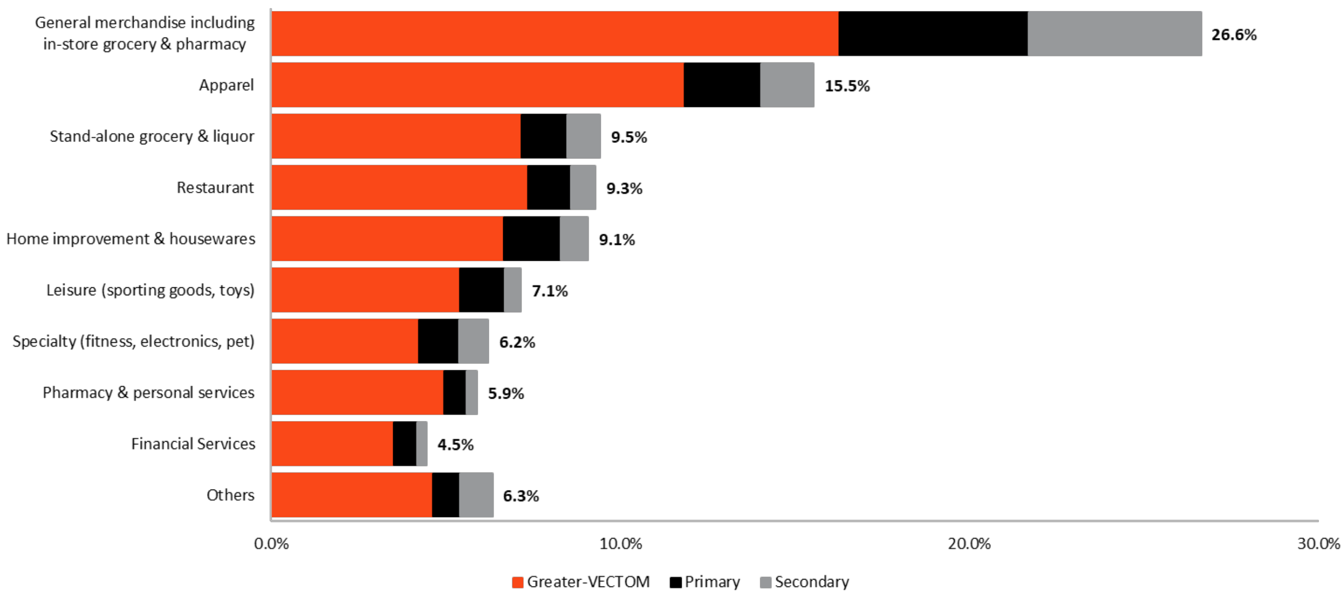
The Trust's portfolio is represented in all major markets across Canada particularly in the Greater-VECTOM markets (Vancouver, Edmonton, Calgary, Toronto, Ottawa and Montreal). The Greater-VECTOM and primary markets account for 88.4% of revenue and 89.7% of fair value, and have in-place occupancy of 97.9% and 98.4%, respectively.

Portfolio Summary by Market Type

Market	Number of Income-Producing Properties	Area (000 sq. ft.)	Gross Revenue	Income Property Fair Value	In-place Occupancy
Greater-VECTOM	115	23,511	72.2 %	76.5 %	97.9 %
Primary	31	6,800	16.2 %	13.2 %	98.4 %
Secondary	28	4,989	11.6 %	10.3 %	99.2 %
Total	**174**	**35,300**	**100.0 %**	**100.0 %**	**98.2 %**

Tenant Categories

The portfolio is represented by strong individual shopping centres strategically located in every major market in Canada, offering a diverse mix of tenants and services, reflecting almost every retail category. The following graph represents the Trust's portfolio exposure by annualized gross rent by category as at December 31, 2024:



Top 25 Tenants

The 25 largest tenants (by annualized gross rental revenue among retail, office and industrial tenants) accounted for 59.9% of portfolio revenue as at December 31, 2024 and are presented in the following table:

#	Tenant	Number of Stores	Annualized Gross Rental Revenue ($ millions)	Percentage of Total Annualized Gross Rental Revenue	Leased Area (sq. ft.)	Leased Area as a % of Total Gross Leasable Area
1	Walmart[1]	100	$198.3	23.2%	14,182,084	40.2 %
2	Canadian Tire, Mark's and FGL Sports	76	38.4	4.5%	1,492,768	4.2 %
3	Winners, HomeSense and Marshalls	56	38.0	4.4%	1,464,401	4.1 %
4	Loblaws and Shoppers Drug Mart	27	23.7	2.8%	924,614	2.6 %
5	Sobeys	16	18.1	2.1%	721,142	2.0 %
6	Dollarama	65	17.8	2.1%	629,592	1.8 %
7	LCBO	39	14.1	1.7%	363,674	1.0 %
8	Lowes and Rona	7	13.6	1.6%	773,106	2.2 %
9	Michaels	25	13.5	1.6%	493,851	1.4 %
10	Best Buy	18	12.2	1.4%	437,074	1.2 %
11	Recipe Unlimited	55	11.9	1.4%	272,330	0.8 %
12	Staples	21	10.7	1.3%	449,599	1.3 %
13	Reitmans	62	9.4	1.1%	317,256	0.9 %
14	Gap Inc.	25	9.2	1.1%	264,711	0.7 %
15	Toys R Us	8	8.8	1.0%	304,515	0.9 %
16	Restaurant Brands International	60	8.2	1.0%	162,515	0.5 %
17	Bulk Barn	49	8.0	0.9%	229,252	0.6 %
18	Bonnie Togs	41	7.6	0.9%	190,621	0.5 %
19	CIBC	27	7.5	0.9%	149,560	0.4 %
20	The Brick	9	7.4	0.9%	258,244	0.7 %
21	Dollar Tree and Dollar Giant	26	7.0	0.8%	217,286	0.6 %
22	Metro	9	7.0	0.8%	315,438	0.9 %
23	Sleep Country	38	7.0	0.8%	181,622	0.5 %
24	GoodLife Fitness Clubs	11	6.8	0.8%	255,759	0.7 %
25	PetSmart	16	6.7	0.8%	209,678	0.6 %
		886	**$510.9**	**59.9%**	**25,260,692**	**71.3 %**

(1) The Trust has a total of 100 Walmart locations under lease, of which 98 are Supercentres that represent stores that carry all merchandise that Walmart department stores offer including a full assortment of groceries. The Trust also has another 13 shopping centres with Walmart as Shadow Anchors, all of which are Supercentres.

Lease Expiries

The following table presents total retail, office and industrial lease expiries for the portfolio as at December 31, 2024:

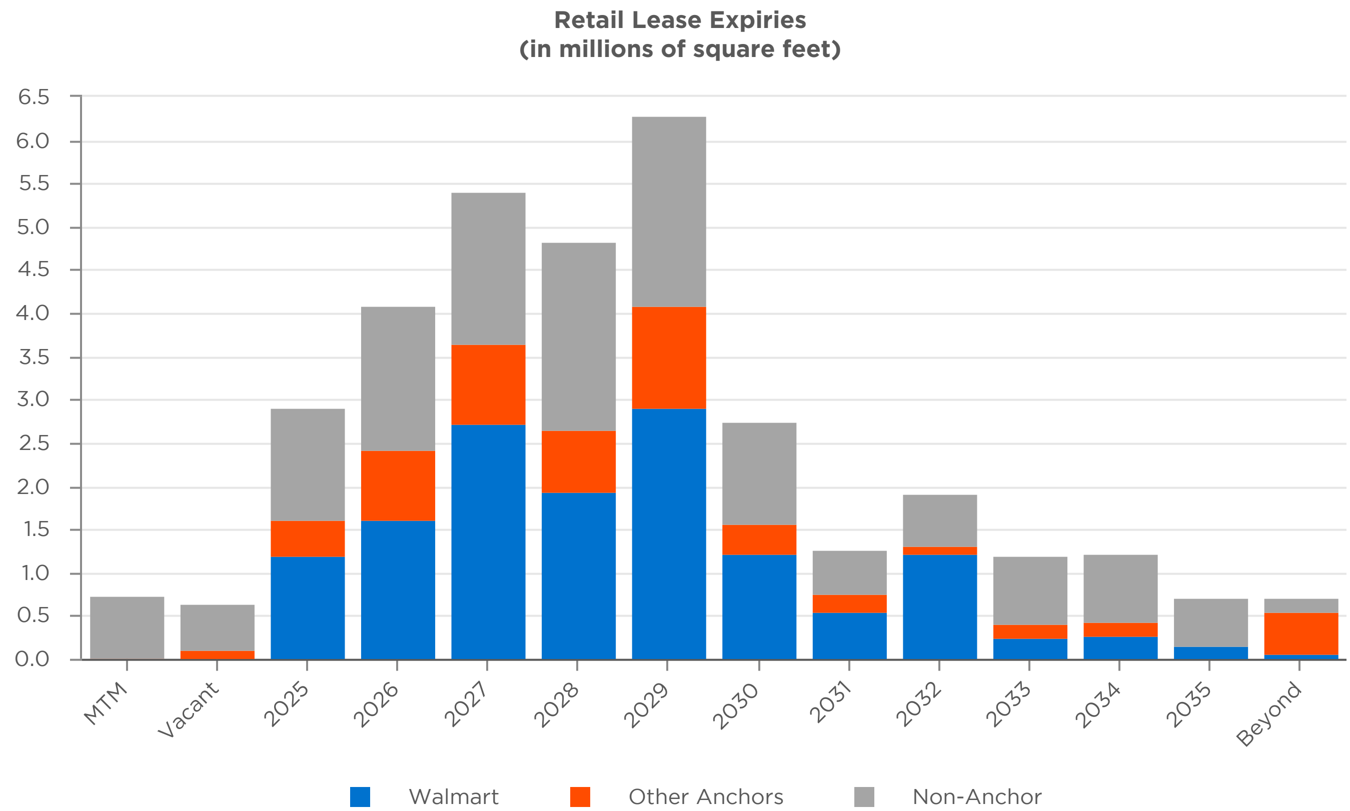
Year of Expiry	Total Area (sq. ft.)	Percentage of Total Area	Annualized Base Rent	Average Base Rent psf[(1)]
Month-to-month and holdovers	731,629	2.1 %	$17,812	$24.35
2025	2,923,385	8.3 %	43,414	14.85
2026	4,095,883	11.6 %	63,740	15.56
2027	5,404,586	15.3 %	78,473	14.52
2028	4,829,031	13.7 %	83,648	17.32
2029	6,283,461	17.8 %	97,202	15.47
2030	2,757,829	7.8 %	44,489	16.13
2031	1,264,387	3.6 %	22,561	17.84
2032	1,908,485	5.4 %	31,548	16.53
2033	1,208,210	3.4 %	25,391	21.02
2034	1,233,296	3.5 %	24,820	20.12
2035	711,336	2.0 %	10,351	14.55
Beyond	717,654	2.1 %	11,655	16.24
Vacant	643,235	1.8 %	—	—
Total retail	34,712,407	98.4 %	$555,104	$16.29
Total office	359,018	1.0 %		
Total industrial	228,525	0.6 %		
Total retail, office and industrial	**35,299,950**	**100.0 %**		

(1) The total average base rent per square foot excludes vacant space of 643,235 square feet.

The following table presents total retail and office expiries for the portfolio excluding Anchor tenants as at December 31, 2024:

Year of Expiry	Total Area (excluding Anchor tenants) (sq. ft.)	Percentage of Total Area (including Anchor tenants)	Percentage of Total Area (excluding Anchor tenants)	Annualized Base Rent	Average Base Rent psf[(1)]
Month-to-month and holdovers	713,851	2.0 %	4.7 %	$17,519	$24.54
2025	1,310,314	3.7 %	8.6 %	28,797	21.98
2026	1,675,100	4.7 %	11.0 %	39,154	23.37
2027	1,749,170	5.0 %	11.5 %	41,473	23.71
2028	2,178,613	6.2 %	14.3 %	53,033	24.34
2029	2,195,261	6.2 %	14.5 %	52,599	23.96
2030	1,185,359	3.4 %	7.8 %	26,664	22.49
2031	491,344	1.4 %	3.2 %	12,388	25.21
2032	589,824	1.7 %	3.9 %	14,631	24.81
2033	784,008	2.2 %	5.2 %	20,252	25.83
2034	799,029	2.3 %	5.3 %	19,774	24.75
2035	556,826	1.6 %	3.7 %	8,254	14.82
Beyond	170,893	0.5 %	1.1 %	3,566	20.87
Vacant	518,195	1.5 %	3.4 %	—	—
Total retail	14,917,787	42.4 %	98.2 %	$338,104	$23.48
Total office	266,485	0.8 %	1.8 %		
Total retail and office	**15,184,272**	**43.2 %**	**100.0 %**		

(1) The total average base rent per square foot excludes vacant space of 518,195 square feet.



Self-storage Rental Facilities

The following table provides information on the self-storage rental facilities completed as at December 31, 2024:

Self-storage location	Open date	Number of units (1)	Leasable area (1)	Total rental revenue YTD(2)
Toronto (Dupont)	October 2019	730	46,100	$1,128
Toronto (Leaside)	June 2020	1,000	99,500	1,446
Brampton (Bramport)	November 2020	1,050	100,200	1,186
Vaughan NW	January 2021	880	84,900	992
Oshawa South	August 2021	950	92,700	1,158
Scarborough East	November 2021	1,000	98,000	1,232
Aurora	December 2022	960	99,500	1,001
Brampton (Kingspoint Plaza)	March 2023	1,070	97,000	853
Whitby	January 2024	870	84,500	197
Markham	May 2024	930	95,000	133
Stoney Creek	October 2024	970	99,000	7
		10,410	**996,400**	**$9,333**

(1) Figures are shown at 100% ownership.
(2)Total rental figures are for the year ended December 31, 2024 and shown at the Trust's share.

As at December 31, 2024, the average occupancy rate for self-storage rental facilities that have been operational for over one year was 92%.

Residential Rentals

The following table provides information on the in-place and committed occupancy rate for residential rentals as at December 31, 2024:

Project	Location	Ownership Interest	Completion date	Number of units (1)	In-place and committed
Laval Centre	Laval, QC	50 %	May 2020, July 2023	382	96.9 %
Mascouche N	Mascouche, QC	80 %	November 2022	238	99.6 %
The Millway	Vaughan, ON	50 %	December 2023	458	94.5 %
				1,078	**96.4 %**

(1) Figures are shown at 100% ownership.

As at December 31, 2024, the weighted average occupancy rate for the residential rentals was 96.4%, based on the number of units.

Section VII — Asset Profile

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)	December 31, 2024			December 31, 2023		
	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	**$10,659,783**	**$1,167,597**	**$11,827,380**	$10,564,269	$1,083,865	$11,648,134
Equity accounted investments	**749,619**	**(749,619)**	**—**	756,919	(756,919)	—
Mortgages, loans and notes receivable	**208,130**	**(68,017)**	**140,113**	80,532	(54,145)	26,387
Other financial assets	**94,974**	**—**	**94,974**	152,162	—	152,162
Other assets	**10,453**	**2,460**	**12,913**	4,167	2,243	6,410
Amounts receivable	**12,994**	**—**	**12,994**	—	—	—
Intangible assets	**41,145**	**—**	**41,145**	42,476	—	42,476
	$11,777,098	**$352,421**	**$12,129,519**	$11,600,525	$275,044	$11,875,569
Current assets						
Residential development inventory	**31,738**	**76,111**	**107,849**	51,719	30,300	82,019
Current portion of mortgages, loans and notes receivable	**17,022**	**—**	**17,022**	129,777	—	129,777
Amounts receivable and other	**63,441**	**(12,615)**	**50,826**	73,610	1,862	75,472
Prepaid expenses, deposits and deferred financing costs	**12,696**	**21,908**	**34,604**	15,048	18,103	33,151
Cash and cash equivalents	**37,694**	**34,539**	**72,233**	34,743	50,850	85,593
	$162,591	**$119,943**	**$282,534**	$304,897	$101,115	$406,012
Total assets	**$11,939,689**	**$472,364**	**$12,412,053**	$11,905,422	$376,159	$12,281,581
Liabilities						
Non-current liabilities						
Debt	**4,059,364**	**296,909**	**4,356,273**	4,394,044	301,375	4,695,419
Other financial liabilities	**12,619**	**—**	**12,619**	17,314	—	17,314
Other payables	**8,158**	**—**	**8,158**	17,727	—	17,727
	$4,080,141	**$296,909**	**$4,377,050**	$4,429,085	$301,375	$4,730,460
Current liabilities						
Current portion of debt	**986,915**	**83,957**	**1,070,872**	605,478	(11,607)	593,871
Current portion of other financial liabilities	**274,526**	**—**	**274,526**	258,069	—	258,069
Accounts payable and current portion of other payables	**260,526**	**91,498**	**352,024**	253,486	86,391	339,877
	$1,521,967	**$175,455**	**$1,697,422**	$1,117,033	$74,784	$1,191,817
Total liabilities	**$5,602,108**	**$472,364**	**$6,074,472**	$5,546,118	$376,159	$5,922,277
Equity						
Trust Unit equity	**5,242,830**	**—**	**5,242,830**	5,272,334	—	5,272,334
Non-controlling interests	**1,094,751**	**—**	**1,094,751**	1,086,970	—	1,086,970
	$6,337,581	**$—**	**$6,337,581**	$6,359,304	$—	$6,359,304
Total liabilities and equity	**$11,939,689**	**$472,364**	**$12,412,053**	$11,905,422	$376,159	$12,281,581

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

Investment Properties

The following table summarizes the changes in fair values of investment properties, including the Trust's proportionate share of equity accounted investments:

	Year Ended December 31, 2024			Year Ended December 31, 2023		
(in thousands of dollars)	Income Properties	Properties Under Development	Total Investment Properties	Income Properties	Properties Under Development	Total Investment Properties
Investment properties						
Opening balance	$8,743,808	$1,820,461	$10,564,269	$8,575,713	$1,753,499	$10,329,212
Transfer from properties under development to income properties	81,795	(81,795)	—	64,318	(64,318)	—
Transfer from income properties to properties under development	(19,441)	19,441	—	(7,308)	7,308	—
Transfer from properties under development to equity accounted investments	—	(4,500)	(4,500)	—	(1,500)	(1,500)
Transfer to properties under development from equity accounted investments	—	—	—	—	47,440	47,440
Acquisitions, Earnouts, and related adjustments of investment properties	—	23,378	23,378	—	2,435	2,435
Straight-line rents and tenant incentives	10,171	—	10,171	7,213	—	7,213
Dispositions	—	(16,630)	(16,630)	—	(50,208)	(50,208)
Fair value adjustment	89,141	(158,812)	(69,671)	65,771	25,677	91,448
Capital expenditures and other	36,815	115,951	152,766	38,101	100,128	138,229
Ending balance	$8,942,289	$1,717,494	$10,659,783	$8,743,808	$1,820,461	$10,564,269
Opening balance	635,419	448,446	1,083,865	396,239	583,898	980,137
Transfer from properties under development to income properties	37,470	(37,470)	—	198,033	(198,033)	—
Transfer from properties under development to equity accounted investments	—	2,250	2,250	—	750	750
Transfer to properties under development from equity accounted investments	—	—	—	—	(23,720)	(23,720)
Acquisitions, Earnouts, and related adjustments of investment properties	—	11,381	11,381	—	7,174	7,174
Straight-line rents and tenant incentives	(416)	—	(416)	(388)	—	(388)
Dispositions	—	—	—	—	(13,624)	(13,624)
Fair value adjustment	20,578	1,579	22,157	41,004	4,892	45,896
Capital expenditures and other	4,676	43,684	48,360	531	87,109	87,640
Ending balance	$697,727	$469,870	$1,167,597	$635,419	$448,446	$1,083,865
Total balance (including investment properties classified as equity accounted investments) – end of year (Investment Properties – non-GAAP)(1)	$9,640,016	$2,187,364	$11,827,380	$9,379,227	$2,268,907	$11,648,134

(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 definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

The gross leasable retail, office and industrial area consists of 35.3 million square feet. In addition, the Trust may acquire 1.6 million square feet of future potential gross leasable retail area and has the option to acquire an additional 50.0% interest in three investment properties and a 25.0% interest in another investment property (0.4 million square feet) on their completion pursuant to the terms of Mezzanine Financing. The portfolio is located across Canada, with assets in each of the ten provinces. By selecting well-located centres, the Trust seeks to attract high-quality tenants at market rental rates.

Valuation Methodology

Management internally appraises the entire portfolio of properties each quarter. In addition, the determination of which properties are externally appraised to support management's internal valuation process is based on a combination of factors, including property size, property type, tenant mix, strength and type of retail node, age of property and location. The Trust, on an annual basis, has had external appraisals performed on 15%–20% of the portfolio, rotating properties to ensure that at least 50% (by value) of the portfolio is valued externally over a three-year period.

The portfolio is valued internally by management utilizing valuation methodologies that are consistent with the external appraisals. Management performed these valuations by updating cash flow information reflecting current leases, renewal terms, ECL and market rents and applying updated discount rates determined, in part, through consultation with various external appraisers and available market data. In addition, the fair value of properties under development reflects the impact of development agreements.

Fair values were primarily determined through the discounted cash flows approach, which is an estimate of the present value of future cash flows over a specified horizon. For land, development and construction costs recorded at market value, fair values were marked to market, factoring in development risks such as planning, zoning, timing and market conditions.

Investment properties as recorded in the Trust's consolidated financial statements for the year ended December 31, 2024, with a total carrying value of $3.1 billion (December 31, 2023 – $1.3 billion) were valued by external national appraisers, and investment properties with a total carrying value of $7.6 billion (December 31, 2023 – $9.3 billion) were internally valued by the Trust.

Based on these valuations, the weighted average discount rate on the Trust's income properties portfolio as at December 31, 2024 was 6.53% (December 31, 2023 – 6.51%) and the weighted average terminal capitalization rate as at December 31, 2024 was 6.01% (December 31, 2023 – 5.98%).

Management's reassessment of the valuation of certain investment properties based on the Trust's continued ability to lease and generate NOI in the foreseeable future, has resulted in a net fair value adjustment loss on investment properties of $69.7 million (excluding investment properties recorded in equity accounted investments) for the year ended December 31, 2024, which was primarily attributed to changes in market conditions for certain future development properties, partially offset by fair value gain due to leasing activities.

Acquisitions and Earnouts

Acquisitions and Earnouts completed during the year ended December 31, 2024

The following table summarizes the Acquisitions and Earnouts completed during the year ended December 31, 2024:

					Satisfied through			
	Date of Acquisition	**Type**	**Area**	**Purchase Price**	**Cash**	**Issuance of LP Units**	**Debt**	**Other Adjustments**
Acquisitions								
51 Yonge Street, Toronto, Ontario	February	Property under development	10,650 sq. ft.	$21,555	$11,536	$—	$10,000	$19
London, Ontario	July	Land parcel	6.1 acres	1,823	816	—	—	1,007
Earnouts	September	Retail	2,232 sq. ft.	1,071	751	320	—	—

Earnouts completed during the year ended December 31, 2023

The following table summarizes the Earnouts completed during the year ended December 31, 2023:

					Satisfied through			
	Date of Acquisition	Type	Area	Purchase Price	Cash	Issuance of LP Units	Debt	Assumption of Debt and Other Adjustments
Earnouts	Varies	Land parcel / Retail	12,610 sq. ft.	$8,196	$2,777	$1,471	$—	$3,948

Dispositions of Investment Properties
Dispositions of investment properties during the year ended December 31, 2024

(in thousands of dollars) Location	Date of Disposition	Type	Area	Ownership Interest	Disposition Proceeds
Bradford, Ontario	January	Land parcel	3.3 acres	100 %	$6,786
Laval, Quebec[1]	April	Land parcel	1.8 acres	100 %	4,500
Mascouche, Quebec	October	Land parcel	4.7 acres	100 %	9,893

(1) In April 2024, the Trust contributed its interest in a parcel of land located in Laval, Quebec to the joint venture with the intention to develop and operate self-storage facilities.

Dispositions of investment properties during the year ended December 31, 2023

(in thousands of dollars) Location	Date of Disposition	Type	Area	Ownership Interest	Disposition Proceeds
Whitby, Ontario[1]	January	Land parcel	1.4 acres	100 %	$—
Vaughan, Ontario	February	Land parcel	4.2 acres	67 %	42,300
Chilliwack, British Columbia	February	Land parcel	2.6 acres	100 %	4,800
Quesnel, British Columbia	November	Land parcel	5.3 acres	100 %	1,060
Stoney Creek, Ontario[1]	November	Land parcel	1.3 acres	100 %	1,500

(1) During the year ended December 31, 2023, the Trust contributed its interest in two parcels of land located in Whitby and Stoney Creek, Ontario to two joint ventures, respectively, with the intention to develop and operate self-storage facilities.

Maintenance Capital Requirements

Differentiating those costs incurred to achieve the Trust's longer-term goals to produce increased cash flows and Unit distributions, from those costs incurred to maintain the level and quality of the Trust's existing cash flows is key in the Trust's consideration of capital expenditures. Acquisitions of investment properties and the development of new and existing investment properties are the two main areas of capital expenditures that are associated with increasing or enhancing the productive capacity of the Trust (value enhancing capital expenditures). In addition, there are capital expenditures incurred on existing investment properties to maintain the productive capacity of the Trust ("sustaining capital expenditures").

The sustaining capital expenditures are those of a capital nature that are not considered to increase or enhance the productive capacity of the Trust, but rather maintain the productive capacity of the Trust. Leasing and related costs, which include tenant improvements, leasing commissions and related costs, vary with the timing of new leases, renewals, vacancies, tenant mix and market conditions. Leasing and related costs are generally lower for renewals of existing tenants when compared to new leases. Leasing and related costs also include internal expenses for leasing activities, primarily salaries, which are eligible to be added back to FFO based on the definition of FFO in the REALPAC White Paper. The sustaining capital expenditures and leasing costs are based on actual costs incurred during the period and are adjusted for AFFO. FFO and AFFO are non-GAAP measures (see "Presentation of Certain Terms Including Non-GAAP Measures", "Non-GAAP Measures" and "Other Measures of Performance" in this MD&A).

The following table and discussion present an analysis of capital expenditures of a maintenance nature (actual sustaining recoverable and non-recoverable capital expenditures and leasing costs). Earnouts, acquisitions and developments are discussed elsewhere in this MD&A. Given that a significant proportion of the Trust's portfolio is relatively new, management does not believe that sustaining capital expenditures will have an impact on the Trust's ability to pay distributions at their current level.

	Three Months Ended December 31			**Year Ended December 31**		
(in thousands of dollars)	**2024**	2023	Variance	**2024**	2023	Variance
Leasing commissions	**$992**	$757	$235	**$2,906**	$2,692	$214
Tenant improvements	**122**	459	(337)	**122**	9,431	(9,309)
Sustaining capital expenditures (recoverable and non-recoverable)	**6,975**	10,302	(3,327)	**26,456**	25,209	1,247
AFFO adjustment for sustaining capital expenditures, leasing commissions, and tenant improvements	**$8,089**	$11,518	$(3,429)	**$29,484**	$37,332	$(7,848)
Value enhancing capital expenditures	**4,159**	4,697	(538)	**14,732**	8,534	6,198
Total capital expenditures, leasing commissions, and tenant improvements	**$12,248**	$16,215	$(3,967)	**$44,216**	$45,866	$(1,650)
Adjusted salaries and related costs attributed to leasing	**$2,279**	$2,709	$(430)	**$9,549**	$8,519	$1,030

For the three months and year ended December 31, 2024, the total capital expenditures, leasing commissions, and tenant improvements were $12.2 million and $44.2 million, respectively, as compared to $16.2 million and $45.9 million for the respective periods in 2023, representing a decrease of $4.0 million and $1.7 million, respectively. These decreases were primarily due to lower costs associated with tenant improvements, landlord's work, roof replacements and building improvements compared to prior year periods. These capital expenditures were incurred to sustain rental revenue from income properties and may vary widely from period to period and from year to year.

Equity Accounted Investments

The following table summarizes key components relating to the Trust's equity accounted investments:

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Investment in Associates	**Investment in Joint Ventures**	**Total**	Investment in Associates	Investment in Joint Ventures	Total
Investment – beginning of year	**$466,089**	**$290,830**	**$756,919**	$458,772	$222,227	$680,999
Operating Activities:						
Earnings	**5,352**	**15,237**	**20,589**	15,545	59,625	75,170
Distributions – VMC Residences condo unit closings(1)	**(37,886)**	**—**	**(37,886)**	(653)	—	(653)
Distributions – operating activities	**(4,204)**	**(3,180)**	**(7,384)**	(3,505)	(2,666)	(6,171)
Financing Activities:						
Fair value adjustment on loan	**2,833**	**—**	**2,833**	2,875	—	2,875
Investing Activities:						
Cash contribution	**7,471**	**39,309**	**46,780**	11,062	46,643	57,705
Transfer from equity accounted investments to properties under development	**—**	**—**	**—**	—	(47,440)	(47,440)
Transfer from equity accounted investments to debt and other	**—**	**—**	**—**	—	11,267	11,267
Property contribution	**—**	**4,500**	**4,500**	—	1,500	1,500
Development distributions	**(3,218)**	**(33,514)**	**(36,732)**	(18,007)	(326)	(18,333)
Investment – end of year	**$436,437**	**$313,182**	**$749,619**	$466,089	$290,830	$756,919

(1) For the year ended December 31, 2024, the distributions in the amount of $37.9 million were satisfied by a non-cash settlement of the VMC Residences loan payable (for the year ended December 31, 2023 – the distributions in the amount of $0.7 million were satisfied by a non-cash settlement of the VMC Residences loan payable) See also Note 10(b)(iv) in the Trust's consolidated financial statements for the year ended December 31, 2024.

The following table summarizes the asset profile (at 100%) of the Trust's equity accounted investments, grouped by their business focus:

As at December 31, 2024 (in thousands of dollars)	**Income Properties**	**Properties Under Development**	**Residential Development Inventory**	**Other Assets**	**Total Assets**
Rental					
Residential	**$539,801**	**$126,194**	**$—**	**$8,675**	**$674,670**
Self-storage facilities	**366,165**	**127,921**	**—**	**12,309**	**506,395**
Retail	**154,097**	**—**	**—**	**2,621**	**156,718**
Office	**192,561**	**—**	**—**	**19,864**	**212,425**
Mixed-use	**145,527**	**651,688**	**—**	**116,389** (1)	**913,604**
Condo and townhome residential development inventory	**—**	**—**	**153,130**	**54,346** (2)	**207,476**
	$1,398,151	**$905,803**	**$153,130**	**$214,204**	**$2,671,288**

(1) Consists of loans receivable of $112.1 million in connection with the purchase of 700 Applewood (see also Note 10, "Debt", in the Trust's consolidated financial statements), and cash and cash equivalents of $1.1 million.
(2) Consists of cash and cash equivalents of $51.1 million.

As at December 31, 2023 (in thousands of dollars)	Income Properties	Properties Under Development	Residential Development Inventory	Other Assets	Total Assets
Rental					
Residential	$540,775	$122,551	$—	$7,459	$670,785
Self-storage facilities	266,387	97,701	—	8,588	372,676
Retail	143,743	7,505	—	2,224	153,472
Office	190,448	—	—	20,188	210,636
Mixed-use	127,259	638,210	—	120,739 (1)	886,208
Condo and townhome residential development inventory	—	—	61,837	229,385 (2)	291,222
	$1,268,612	$865,967	$61,837	$388,583	$2,584,999

(1) Consists of loans receivable of $112.5 million in connection with the purchase of 700 Applewood (see also Note 10, "Debt", in the Trust's consolidated financial statements), and cash and cash equivalents of $3.7 million.
(2) Consists of notes receivable of $135.5 million in connection with the Transit City closing, and cash and cash equivalents of $62.8 million.

Summary of development credit facilities

Investment in associates

As at December 31, 2024, Penguin-Calloway Vaughan Partnership ("PCVP") had credit facilities in the amount of $550.0 million (December 31, 2023 – $460.0 million), bearing annual interest rate based on the Adjusted Canadian Overnight Repo Rate Average ("Adjusted CORRA") rate plus 1.45% with maturity date of June 2027. As at December 31, 2024, deducting amount drawn on such development credit facilities of $458.1 million (December 31, 2023 – $391.4 million) and outstanding letters of credit of $29.1 million (December 31, 2023 – $29.7 million), the remaining unused development credit facilities were $62.8 million (December 31, 2023 – $38.9 million), of which the Trust's share was $31.4 million (December 31, 2023 – $19.4 million).

The development financing relating to PCVP comprises pre-development, construction and letters of credit facilities. With respect to the development credit facilities relating to PCVP, the obligations are joint and several to each of the PCVP limited partners; however, by virtue of an indemnity agreement between the PCVP limited partners, the obligations are effectively several. From time to time, the original facility amounts are reduced through repayments and through amended agreements with the financial institutions from which the facilities were obtained.

Investment in joint ventures

As at December 31, 2024, the Trust's joint ventures had credit facilities in the amount of $163.5 million (December 31, 2023 – $171.8 million), bearing annual interest rates based on the Adjusted CORRA rate plus 1.35% to 2.70%, with maturity dates between November 2024 and May 2026. As at December 31, 2024, deducting amount drawn on such credit facilities of $130.0 million (December 31, 2023 – $155.1 million), and no outstanding letters of credit (December 31, 2023 – $2.6 million), the remaining unused development credit facilities were $33.5 million (December 31, 2023 – $14.1 million), of which the Trust's share was $16.8 million (December 31, 2023 – $8.2 million).

Development financing includes credit facilities relating to Laval C Apartments and Mascouche residential, comprising pre-development and construction facilities, and a construction facility relating to additional self-storage facilities. From time to time, the facilities amounts may be reduced through repayments and through amended agreements with the financial institutions from which the facilities were obtained.

Amounts Receivable and Other, Prepaid Expenses, Deposits and Deferred Financing Costs

The timely collection of amounts receivable is a critical component associated with the Trust's cash and treasury management functions. The following table presents the components of amounts receivable and other, deferred financing costs, and prepaid expenses and deposits:

(in thousands of dollars)	December 31, 2024	December 31, 2023	Variance
Amounts receivable and other			
Tenant receivables	**$26,751**	$26,794	$(43)
Unbilled other tenant receivables	**8,164**	9,526	(1,362)
Receivables from related party – excluding equity accounted investments	**15,441**	12,923	2,518
Receivables from related party – equity accounted investments	**10,034**	15,052	(5,018)
Other non-tenant receivables	**3,069**	2,410	659
Other(1)	**19,210**	15,888	3,322
	$82,669	$82,593	$76
Allowance for ECL	**(6,234)**	(8,983)	2,749
Amounts receivable and other, net of allowance for ECL	**$76,435**	$73,610	$2,825
Prepaid expenses, deposits and deferred financing costs(2)	**12,696**	15,048	(2,352)
	$89,131	$88,658	$473

(1) The amount includes a related party amount of $11.7 million (December 31, 2023 – $8.7 million).
(2) Includes prepaid realty tax of $1.1 million (December 31, 2023 – $1.3 million).

Tenant receivables
The Trust and its tenants are well positioned for continued strength in demand for retail space and, as the Trust identifies tenants for its vacant space, it continues to maintain an efficient rent collections and payment solutions for its existing tenants.

The table below represents a summary of total tenant receivables and ECL balances as at December 31, 2024 and December 31, 2023:

(in thousands of dollars)	December 31, 2024	December 31, 2023
Tenant receivables	**$26,751**	$26,794
Unbilled other tenant receivables	**8,164**	9,526
Total tenant receivables	**$34,915**	$36,320
Allowance for ECL	**(6,234)**	(8,983)
Total tenant receivables net of allowance for ECL	**$28,681**	$27,337

Mortgages, Loans and Notes Receivable

The following table summarizes mortgages, loans and notes receivable:

(in thousands of dollars)	December 31, 2024	December 31, 2023	Variance
Mortgages, loans and notes receivable			
Loans receivable	**$222,226**	$189,837	$32,389
Mortgages receivable (Mezzanine Financing)	**2**	17,548	(17,546)
Notes receivable	**2,924**	2,924	—
	$225,152	$210,309	$14,843

Loans Receivable

The following table summarizes loans receivable:

(in thousands of dollars)

Issued to	December 31, 2024	December 31, 2023
Penguin	**$76,115**	$76,392
Equity accounted investments	**136,034**	108,815
Unrelated parties	**10,077**	4,630
	$222,226	$189,837

See also Note 5(a) in the Trust's consolidated financial statements for the year ended December 31, 2024 for more details about loans receivable, including committed facilities, maturity dates and interest rates.

The following table illustrates the activity in loans receivable:

	Year Ended December 31	
(in thousands of dollars)	2024	2023
Balance – beginning of year	**$189,837**	$282,312
Loans issued	**56,258**	4,608
Principal advances	**36,218**	6,892
Interest accrued	**8,814**	8,040
Fair value adjustments(1)	**3,169**	3,200
Repayments	**(72,070)**	(115,215)
Balance – end of year	**$222,226**	$189,837

(1) $3.2 million recorded during the year ended December 31, 2024 (year ended December 31, 2023 – $3.2 million) in connection with the loan issued as part of the 700 Applewood purchase.

Mortgages Receivable (Mezzanine Financing)

The following table presents the details of the mortgages receivable provided to Penguin:

(in thousands of dollars)

Property	Committed	Maturity Date including Extension Period	Annualized Variable Interest Rate at Year End	Potential Area Upon Exercising Purchase Option (sq. ft.)	Amount Outstanding
Pitt Meadows, BC(2)(3)	$49,884	August 2028	6.90 %	25,003	$1
Toronto (StudioCentre), ON(1)(2)(3)	22,778	August 2028	6.90 %	227,831	1
Salmon Arm, BC(1)(2)	13,398	August 2028	6.90 %	—	—
Aurora (South), ON(2)(3)	15,152	August 2028	6.90 %	57,741	—
Vaughan (7 & 427), ON(2)(3)	15,781	August 2028	6.90 %	76,000	—
	$116,993		**6.90 %**	**386,575**	**$2**

(1) The Trust owns a 50% interest in these properties, with the other 50% interest owned by Penguin. These loans are secured against Penguin's interest in the property.
(2) The weighted average interest rate on this mortgage is subject to an upper limit of 6.90%.
(3) The Trust has a purchase option from the borrower in these properties upon a certain level of development and leasing being achieved. As at December 31, 2024, it is management's expectation that the Trust will exercise these purchase options. The purchase option for Aurora (South), ON, Pitt Meadows, BC, and Vaughan (7 & 427), ON are each 50%. The purchase option for Toronto (StudioCentre), ON is 25%.

In February 2024, a committed mortgage receivable of $15.5 million with respect to a property located at Caledon (Mayfield), ON was discharged. The outstanding balance at the time of discharge was $nil.

The mortgages receivable security includes a first or second charge on properties, and assignments of rents and leases. In addition, the outstanding balance is guaranteed by Penguin. The loans are subject to individual loan guarantee agreements that provide additional guarantees for all interest and principal advanced on outstanding amounts. The amounts that are guaranteed decrease on achievement of certain specified value-enhancing events. Management considers all mortgages receivable to be fully collectible.

The following table illustrates the activity in mortgages receivable:

	Year Ended December 31	
(in thousands of dollars)	**2024**	2023
Balance – beginning of year	**$17,548**	$39,456
Interest accrued	**723**	2,038
Interest payments	**(927)**	(2,166)
Principal repayments	**(17,342)**	(21,780)
Balance – end of year	**$2**	$17,548

Notes Receivable
Notes receivable of $2.9 million (December 31, 2023 – $2.9 million) have been granted to Penguin (see also, "Related Party Transactions"). These secured demand notes bear interest at 9.00% per annum (December 31, 2023 – 9.00%).

Section VIII — Financing and Capital Resources

Capital Resources and Liquidity

The following table presents the Trust's capital resources available:

(in thousands of dollars)	December 31, 2024	December 31, 2023	Variance
Cash and cash equivalents	**$37,694**	$34,743	$2,951
Remaining operating facilities[1]	**795,270**	488,160	307,110
	$832,964	$522,903	$310,061
Operating facility – accordion feature	**250,000**	250,000	—
	$1,082,964	$772,903	$310,061

(1) Excludes the Trust's development facilities which have been arranged to fund project-specific development and related costs.

On the assumption that cash flow levels permit the Trust to obtain financing on reasonable terms, the Trust anticipates meeting all current and future obligations. Management expects to finance future acquisitions, committed Earnouts, developments, Mezzanine Financing commitments and maturing debt from: i) existing cash balances; ii) funds received from the closings of mixed-use development initiatives, including condo and townhome sales; iii) a mix of mortgage debt secured by investment properties, operating facilities and issuances of equity and unsecured debentures; iv) repayments of mortgages receivable; and v) the sale of non-core assets. The Trust's ability to meet these future obligations may be impacted by the liquidity risk associated with receiving repayments of its mortgages, loans, and notes receivable, amounts receivable and other, deposits, and cash equivalents on time and in full, and, infrequently, the realization of fair value on the disposition of the Trust's non-core assets. Cash flow generated from operating activities is the primary source of liquidity to pay Unit distributions and sustain capital expenditures and leasing costs. See also the "Distributions and AFFO Highlights" subsection in this MD&A.

As at December 31, 2024, the Trust's capital resources available increased by $310.1 million as compared to December 31, 2023. The increase was mainly attributable to the repayment of outstanding floating rate debt on its operating lines and an increase in the Trust's unsecured revolving operating facility amount.

The Trust manages its cash flow from operating activities by maintaining a conservative debt level. As at December 31, 2024, the Debt to Gross Book Value was 52.2% (December 31, 2023 – 51.9%).

Other than contractual maturity dates, the timing of payment of these obligations is management's best estimate based on assumptions with respect to the timing of leasing, construction completion, occupancy and Earnout dates at December 31, 2024.

In August 2024, the Trust issued $350.0 million principal amount of Series AA senior unsecured debentures by way of a private placement (the "Series AA Debentures"). The Series AA Debentures bear interest at a rate of 5.162% per annum, with a maturity date of August 1, 2030. The Trust used the proceeds from the Series AA Debentures primarily to repay the $100.0 million aggregate principal of Series O senior unsecured debentures in full upon their maturity, and the outstanding floating rate debt on its operating lines.

Subsequent to year end, in February 2025, the Trust issued $300.0 million principal amount of Series AB senior unsecured debentures by way of a private placement (the "Series AB Debentures"). The Series AB Debentures bear interest at a rate of 4.737% per annum, with a maturity date of August 5, 2031. The Trust intends to use the net proceeds from the issuances to fully repay the $160.0 million aggregate principal of Series N senior unsecured debentures upon their maturity and repayment of existing debt.

The following table presents the estimated amount and timing of certain of the Trust's future obligations, including development obligations as at December 31, 2024:

(in thousands of dollars)	Total	2025	2026	2027	2028	2029	Thereafter
Secured debt	**$717,520**	$432,790	$115,368	$8,167	$23,899	$16,430	$120,866
Unsecured debt	**4,225,199**	511,915	701,004	1,200,172	600,000	562,108	650,000
Revolving operating facilities	**43,049**	43,049	—	—	—	—	—
Interest obligations[1]	**467,109**	122,192	103,594	88,783	65,664	49,695	37,181
Accounts payable	**258,993**	258,993	—	—	—	—	—
Other payable	**33,435**	17,783	1,884	1,884	1,884	—	10,000
	$5,745,305	**$1,386,722**	**$921,850**	**$1,299,006**	**$691,447**	**$628,233**	**$818,047**
Mortgage receivable advances (repayments)	**(2)**	—	—	—	(2)	—	—
Development obligations (commitments)	**49,589**	49,589	—	—	—	—	—
Total	**$5,794,892**	**$1,436,311**	**$921,850**	**$1,299,006**	**$691,445**	**$628,233**	**$818,047**

(1) Interest obligations represent expected interest payments on secured debt, unsecured debt, and revolving operating facilities under the assumption that the balances are repaid at maturity, and do not represent a separate contractual obligation.

The following table presents the estimated amount and timing of certain of the equity accounted investments' future obligations, including development obligations, as at December 31, 2024:

(in thousands of dollars)	Total	2025	2026	2027	2028	2029	Thereafter
Secured and unsecured debt	**$869,280**	$172,506	$8,000	$510,493	$5,577	$54,284	$118,420
Development obligations (commitments)[1]	**87,973**	42,510	29,216	15,877	309	61	—
Total	**$957,253**	**$215,016**	**$37,216**	**$526,370**	**$5,886**	**$54,345**	**$118,420**

(1) The Trust is in the process of refining its estimates of development obligations for the years subsequent to 2024. This total does not include expected costs associated with the Trust's mixed-use development initiatives except for current amounts outstanding for active projects currently underway.

The following table presents the estimated amount and timing of certain of the Trust's proportionate share of equity accounted investments' future obligations, including development obligations, as at December 31, 2024:

(in thousands of dollars)	Total	2025	2026	2027	2028	2029	Thereafter
Secured and unsecured debt	**$439,508**	$85,872	$3,601	$245,978	$2,968	$41,879	$59,210
Development obligations (commitments)[1]	**44,101**	21,293	14,646	7,977	155	30	—
Total Trust's share	**$483,609**	**$107,165**	**$18,247**	**$253,955**	**$3,123**	**$41,909**	**$59,210**

(1) The Trust is in the process of refining its estimates of development obligations for the years subsequent to 2024. This total does not include expected costs associated with the Trust's mixed-use development initiatives except for current amounts outstanding for active projects currently underway.

The following table presents the Trust's net working capital deficiency:

(in thousands of dollars)	December 31, 2024	December 31, 2023
Current assets	**$162,591**	$304,897
Less: Current liabilities	**(1,521,967)**	(1,117,033)
Working capital deficiency	**$(1,359,376)**	$(812,136)
Adjusted by:		
Current portion of debt	**(986,915)**	(605,478)
Current portion of other financial liabilities	**(274,526)**	(258,069)
Net working capital surplus (deficiency)	**$(97,935)**	$51,411

As at December 31, 2024, the Trust had a net working capital deficiency of $97.9 million (December 31, 2023 – $51.4 million surplus). This deficiency excludes mortgages, unsecured debentures and operating lines of credit of $986.9 million (December 31, 2023 – $605.5 million) that mature within 12 months of the balance sheet date. It also excludes the current portion of other financial liabilities amounting to $274.5 million (December 31, 2023 – $258.1 million), which relates to Units classified as liabilities, vested deferred units, and earned EIP units expected to vest within 12 months. Management intends to either repay or refinance the mortgages, unsecured debentures and operating lines of credit with cash and cash equivalents, newly issued secured or unsecured debt, equity or, in certain circumstances not expected to occur frequently, the disposition of certain assets. Regarding the current portion of other liabilities, management does not expect a significant portion of these liabilities to be settled within 12 months of the balance sheet date. Including such mortgages, unsecured debentures, operating lines of credit and other financial liabilities, the Trust has a working capital deficiency of $1.4 billion as at December 31, 2024 (December 31, 2023 – $812.1 million deficiency). The deficiencies are mainly as a result of timing differences in working capital and interest accruals which are reported under cash flows from operating activities in the Trust's financial statements.

As at December 31, 2024, the Trust has unencumbered assets (a non-GAAP financial measure) with an approximate fair value totalling $9.5 billion (December 31, 2023 – $9.2 billion), which could generate gross financing proceeds on income properties of approximately $6.0 billion (December 31, 2023 – $5.9 billion) using a 65% loan-to-value ratio. It is anticipated that requirements for secured and unsecured debt, mortgage receivable advances and development obligations will be funded by additional term mortgages, net proceeds on the sale of certain assets, existing cash or operating lines, the issuances of unsecured debentures, and equity, as necessary.

Debt

The following table summarizes total debt including debt associated with equity accounted investments:

As at	December 31, 2024			December 31, 2023		
(in thousands of dollars)	**Balance**	**Weighted Average Term of Debt (in years)**	**Weighted Average Interest Rate of Debt**	Balance	Weighted Average Term of Debt (in years)	Weighted Average Interest Rate of Debt
Secured debt	**$716,495**	**2.4**	**3.97 %**	$807,602	2.6	3.98 %
Unsecured debt	**4,172,712**	**3.0**	**3.84 %**	3,891,294	3.7	3.96 %
Unsecured loan from equity accounted investments	**114,023**	**N/A**	**— %**	150,689	N/A	— %
Revolving operating facilities	**43,049**	**1.0**	**4.75 %**	149,937	0.4	6.67 %
Total debt before equity accounted investments	**$5,046,279**	**N/A**	**— %**	$4,999,522	N/A	— %
Less: Unsecured loan from equity accounted investments[1]	**(58,642)**	**N/A**	**— %**	(94,997)	N/A	— %
Subtotal	**$4,987,637**	**3.0**	**3.82 %**	$4,904,525	3.4	4.00 %
Share of secured debt (equity accounted investments)	**210,551**	**6.5**	**4.58 %**	189,088	7.5	5.22 %
Share of unsecured debt (equity accounted investments)	**228,957**	**2.4**	**5.53 %**	195,677	3.4	6.85 %
Share of debt classified as equity accounted investments	**$439,508**	**4.4**	**5.07 %**	$384,765	5.4	6.05 %
Total debt including equity accounted investments	**$5,427,145**	**3.1**	**3.92 %**	$5,289,290	3.6	4.15 %

(1) This represents the Trust's share of a loan from equity accounted investments.

Approximately 11% of the Trust's debt is at variable rates, with a significant portion of that being linked to development projects.

The following table summarizes the activities in debt, including debt recorded in equity accounted investments, for the year ended December 31, 2024:

(in thousands of dollars)	Secured Debt	Unsecured Debt	Revolving Operating Facilities	Equity Accounted Investments	Loan from Equity Accounted Investments	Total
Balance – January 1, 2024	$807,602	$3,891,294	$149,937	$384,765	$55,692	**$5,289,290**
Borrowings	15,850	402,733	160,000	103,380	—	**681,963**
Scheduled amortization	(33,849)	—	—	(3,099)	—	**(36,948)**
Repayments	(49,397)	(147,237)	(268,500)	(43,449)	(3,480)	**(512,063)**
Amortization of acquisition fair value adjustments	(112)	—	—	(31)	3,169	**3,026**
Financing costs incurred, net of additions	68	735	—	(2,058)	—	**(1,255)**
Currency translation	—	1,520	1,612	—	—	**3,132**
Refinancing	(23,667)	23,667	—	—	—	**—**
Balance – December 31, 2024	**$716,495**	**$4,172,712**	**$43,049**	**$439,508**	**$55,381**	**$5,427,145**

Secured Debt

The Trust believes it will have continued access to secured debt due to its strong tenant base and high occupancy levels at mortgage loan levels ranging from 60% to 70% of loan-to-value.

The following table summarizes future principal payments as a percentage of total secured debt:

(in thousands of dollars)	Instalment Payments	Lump Sum Payments at Maturity	Total	% of Total	Weighted Average Interest Rate of Maturing Debt
2025	$23,419	$409,371	$432,790	60.3 %	3.54 %
2026	13,037	102,331 (1)	115,368	16.1 %	4.06 %
2027	8,167	—	8,167	1.1 %	— %
2028	8,146	15,753	23,899	3.3 %	5.39 %
2029	8,187	8,243	16,430	2.3 %	5.09 %
Thereafter	13,059	107,807	120,866	16.9 %	4.85 %
Total	**$74,015**	**$643,505**	**$717,520**	**100.0 %**	**3.91 %**
Acquisition date fair value adjustment			156		
Unamortized financing costs			(1,181)		
			$716,495		**3.97 %**

(1) Includes construction loans in the amount of $5.5 million, which bear interest at adjusted CORRA rate plus 145 basis points.

Secured Non-revolving Construction Facility

In September 2024, the Trust entered into a secured non-revolving construction facility for the project on Laird Drive, Toronto, totalling $61.3 million at the Trust's share. The non-revolving facility bears interest at Adjusted CORRA plus 1.45%, with a maturity date of September 27, 2026. As at December 31, 2024, $5.5 million was drawn.

Unsecured Debt

The following table summarizes the components of unsecured debt:

(in thousands of dollars)	December 31, 2024	December 31, 2023
Unsecured debentures (a)	**$3,003,193**	$2,752,816
Credit facilities (b)	**1,073,524**	995,246
	$4,076,717	$3,748,062
TRS debt	**95,995**	143,232
Other unsecured debt from equity accounted investments (c)	**114,023**	150,689
	$4,286,735	$4,041,983

a) *Unsecured debentures*

As at December 31, 2024, unsecured debentures totalled $3,003.2 million (December 31, 2023 – $2,752.8 million). The unsecured debentures mature at various dates between 2025 and 2030, with interest rates ranging from 1.74% to 5.35%, and a weighted average interest rate of 3.57% as at December 31, 2024 (December 31, 2023 – 3.35%).

Unsecured debenture activities for the year ended December 31, 2024

In August 2024, the Trust issued $350,000 of 5.162% Series AA senior unsecured debentures (net proceeds of the issuance in aggregate after issuance costs – $348,758). The Series AA debentures will mature on August 1, 2030. The debentures have semi-annual payments due on February 1 and August 1 of each year, commencing on February 1, 2025. Concurrently, the Trust repaid the $100,000 aggregate principal of Series O senior unsecured debentures in full upon their maturity.

The following table summarizes the components of unsecured debentures:

Series	Maturity Date	Annual Interest Rate	Interest Payment Dates	December 31, 2024	December 31, 2023
Series O[2]	August 28, 2024	2.987 %	February 28 and August 28	$ —	$ 100,000
Series N	February 06, 2025	3.556 %	February 6 and August 6	**160,000**	160,000
Series X	December 16, 2025	1.740 %	June 16 and December 16	**350,000**	350,000
Series P	August 28, 2026	3.444 %	February 28 and August 28	**250,000**	250,000
Series V	June 11, 2027	3.192 %	June 11 and December 11	**300,000**	300,000
Series S	December 21, 2027	3.834 %	June 21 and December 21	**250,000**	250,000
Series Z	May 29, 2028	5.354 %	May 29 and November 29	**300,000**	300,000
Series Y	December 18, 2028	2.307 %	June 18 and December 18	**300,000**	300,000
Series U	December 20, 2029	3.526 %	June 20 and December 20	**450,000**	450,000
Series AA	August 1, 2030	5.162 %	February 1 and August 1	**350,000**	—
Series W	December 11, 2030	3.648 %	June 11 and December 11	**300,000**	300,000
		3.568 %[1]		**$ 3,010,000**	$ 2,760,000
	Unamortized financing costs			**(6,807)**	(7,184)
				$ 3,003,193	$ 2,752,816

(1) Represents the weighted average annual interest rate and excludes deferred financing costs.
(2) The Series O debentures were repaid in full on the maturity date.

Credit rating of unsecured debentures

Dominion Bond Rating Services ("DBRS") provides credit ratings of debt securities for commercial issuers that indicate the risk associated with a borrower's capabilities to fulfil its obligations. An investment-grade rating must exceed "BB", with the highest rating being "AAA". In December 2024, DBRS kept the Trust's credit rating at BBB and maintained a stable trend.

b) *Credit facilities*

The following table summarizes the activity for unsecured credit facilities:

(in thousands of dollars) (Issued in)	Maturity Date	Annual Interest Rate	Facility Amount	December 31, 2024	December 31, 2023
Non-revolving:					
December 2022[1]	December 1, 2027	4.37 %	$100,000	**$100,000**	$100,000
December 2022[1]	December 1, 2027	4.88 %	100,000	**100,000**	100,000
December 2022[2]	December 20, 2027	SOFR + 1.70%	150,000	**150,000**	98,653
May 2019[1]	June 24, 2026	3.15 %	170,000	**170,000**	170,000
March 2019[1]	July 31, 2026	3.52 %	150,000	**150,000**	150,000
August 2018[1]	August 31, 2026	2.98 %	80,000	**80,000**	80,000
January 2022[1][4]	January 19, 2027	4.48 %	300,000	**300,000**	300,000
Revolving:					
March 2024[3]	March 8, 2026	Adjusted CORRA + 1.45%	40,000	**26,400**	—
				$1,076,400	$998,653
Less:					
Unamortized financing costs, debt modification adjustments, and others				**(2,876)**	(3,407)
				$1,073,524	$995,246

(1) The Trust entered into interest rate swap agreements to convert the variable interest rate into a weighted average fixed interest rate of 3.96% per annum. The weighted average term to maturity of the interest rate swaps is 2.01 years. Hedge accounting has not been applied to the interest rate swap agreements. See additional details in the table below.
(2) The Trust entered into cross currency swaps to exchange the U.S. dollar borrowings into Canadian dollar borrowings.
(3) On March 8, 2024, the Trust amended its $40.0 million secured variable rate credit facility to an unsecured revolving facility and extended the maturity by two years to March 2026. As at December 31, 2024, the drawn amount was $26.4 million (December 31, 2023- $nil). In connection with the unsecured revolving facility, as at December 31, 2024, the Trust had a $23.3 million letter of credit facility.
(4) In September 2024, the Trust refinanced the loan and entered into interest rate swap agreement to convert the variable interest rate into a fixed interest rate of 4.48%.

The following table summarizes the fair value gain (loss) as at December 31, 2024 and December 31, 2023, relating to the mark to market adjustments associated with the interest rate swap agreements:

Facility Amount	Maturity Date	Fixed Interest Rate	Variable Interest Rate	December 31, 2024	December 31, 2023
$11,403	November 3, 2025	3.47 %	Adjusted CORRA + 1.50%	**$118**	$444
170,000	June 24, 2026	3.15 %	Adjusted CORRA + 1.20%	**7,310**	11,692
150,000	July 31, 2026	3.52 %	Adjusted CORRA + 1.20%	**3,303**	7,143
80,000	August 31, 2026	2.98 %	Adjusted CORRA + 1.20%	**1,989**	4,575
300,000	January 19, 2027	4.48 %	Adjusted CORRA + 1.45%	**(50)**	—
100,000	December 1, 2027	4.37 %	Adjusted CORRA + 1.20%	**(1,609)**	64
100,000	December 1, 2027	4.88 %	Adjusted CORRA + 1.45%	**(1,261)**	424
				$9,800	$24,342

c) ***Other unsecured debt from equity accounted investments***
Other unsecured debt net of fair value adjustments totalling $114.0 million (December 31, 2023 – $150.7 million) pertains to loans received from equity accounted investments in connection with contribution agreements relating to joint ventures. The loans are non-interest-bearing with repayment terms based on the distributions that are to be paid pursuant to the limited partnership agreements. The balances of the loans are expected to be paid at the end of their respective terms.

Revolving Operating Facilities
The following table summarizes components of the Trust's revolving operating facilities:

	Annual Interest Rate					Drawn Amount	
	Benchmark Rate	Spread	Facility Amount	Undrawn Facilities	Outstanding Letters of Credit	December 31, 2024	December 31, 2023
Revolving facility maturing December 2025(1)(2)	SOFR	1.55 %	$ 100,000	$ 56,951	$ —	**$ 43,049**	$ 139,937
Revolving facility maturing June 2029	Adjusted CORRA	1.45 %	750,000	738,319	11,681	**—**	10,000
	Prime Rate	0.45 %					
				$795,270	$11,681	**$43,049**	$149,937

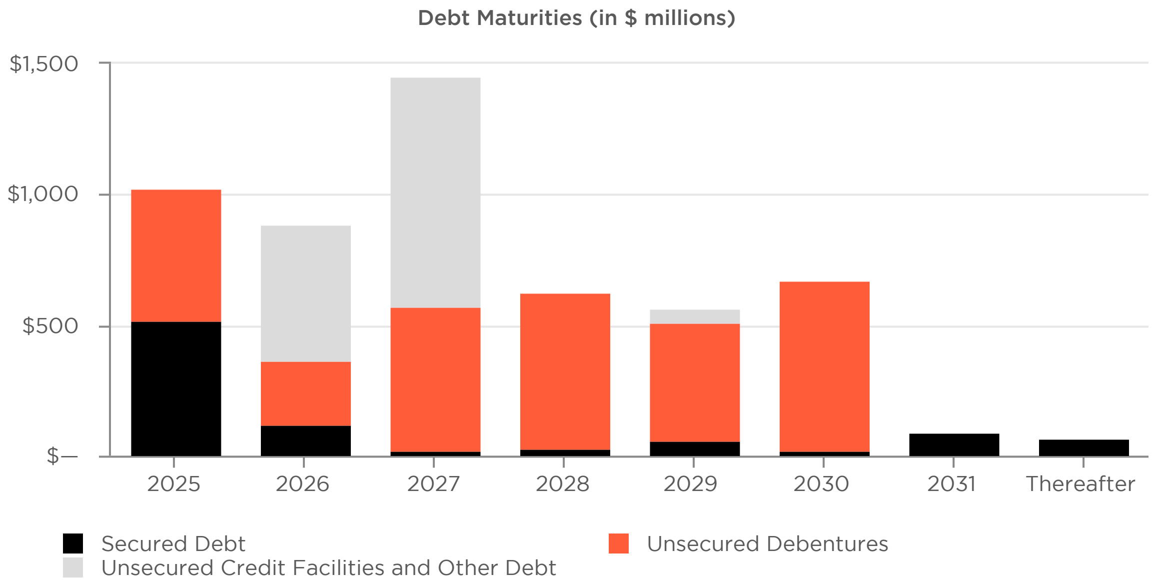
(1) The Trust has drawn in US$29.9 million which was translated to $43.0 million as at December 31, 2024 (December 31, 2023 – drawn in $105.7 million, which was translated to $139.9 million).
(2) The Trust entered into cross currency swaps to exchange the U.S. dollar borrowings into Canadian dollar borrowings.

In addition to the letters of credit outstanding on the Trust's revolving operating facilities (see above), as at December 31, 2024, the Trust also had $37.8 million of letters of credit outstanding with other financial institutions (December 31, 2023 – $33.9 million).

Unencumbered Assets
As at December 31, 2024, the Trust had $9.5 billion of unencumbered assets (a non-GAAP financial measure) (December 31, 2023 – $9.2 billion), which reflects the Trust's share of the value of investment properties. Expressed as a percentage, the Trust earned approximately 74.6% of its NOI from unencumbered assets (December 31, 2023 – 72.4%).

In connection with this pool of unencumbered assets, management estimates the total Annualized NOI for 2024 to be $427.2 million (December 31, 2023 – $406.2 million). Annualized NOI is computed by annualizing the current quarter NOI for the Trust's income properties that are not encumbered by secured debt, and is a forward-looking non-GAAP measure. See "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

Debt Maturities
The following graph illustrates the debt maturities(1)(2)(3) as at December 31, 2024:



(1) Includes the Trust's proportionate share of debt in equity accounted investments.
(2) Excludes revolving operating facility of $43.0 million, which matures in December 2025.
(3) For facilities where the initial maturity date can be extended at the sole option of the Trust, the final maturity date is assumed.

Financial Covenants

The Trust's revolving operating facilities and unsecured debt contain numerous terms and covenants that limit the discretion of management with respect to certain business matters. These covenants could in certain circumstances place restrictions on, among other things, the ability of the Trust to create liens or other encumbrances, to pay distributions on its Units or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity.

In addition, the Trust's revolving operating facilities and unsecured debt contain a number of financial covenants that require the Trust to meet certain financial ratios and financial condition tests. A failure to comply with the financial covenants in the revolving operating facilities and unsecured debt could result in a default, which, if not cured or waived, could result in a reduction, suspension or termination of distributions by the Trust and permit acceleration of the relevant indebtedness.

The following table presents ratios which the Trust monitors. These ratios are either requirements stipulated by the Declaration of Trust or significant financial covenants pursuant to the terms of revolving operating facilities and other credit facilities or indentures, or indicators monitored by the Trust to manage an acceptable level of leverage. These ratios are not considered measures in accordance with IFRS; nor is there an equivalent IFRS measure and may not be comparable to similarly titled measures presented by other publicly traded entities. See "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

As at and for the year ended December 31, 2024, the Trust was in compliance with all financial covenants.

Ratio	Calculation	Threshold	**December 31, 2024**	December 31, 2023
Interest coverage ratio(1)	*Adjusted EBITDA / Adjusted interest expense including capitalized interest(6)*	≥ 1.65X	**2.5X**	2.7X
Fixed charge coverage ratio(3)	*Adjusted EBITDA / Debt service expense(7)*	≥ 1.5X	**2.1X**	2.2X
Debt to aggregate assets(3)(4)(5)	*Net debt / Aggregate assets(8)*	≤ 65%	**43.7 %**	43.1 %
Debt to aggregate assets (excluding TRS debt and receivable)(2)(5)	*Net debt (excluding TRS debt)/ Aggregate assets (excluding TRS receivable)(8)*	≤ 65%	**43.2 %**	42.4 %
Debt to Gross Book Value (excluding convertible debentures)(1)(4)(5)	*Net debt / Gross book value(9)*	≤ 60%	**52.2 %**	51.9 %
Debt to Gross Book Value (including convertible debentures)(1)(4)(5)	*Net debt / Gross book value(9)*	≤ 65%	**52.2 %**	51.9 %
Adjusted Debt to Adjusted EBITDA(2)(5)	*Adjusted debt / Adjusted EBITDA(10)*	N/A	**9.6X**	9.6X
Secured debt to aggregate assets(3)(5)	*Secured debt including EAI / Aggregate assets(11)*	≤ 40%	**7.5 %**	8.2 %
Unsecured to secured debt ratio(2)(5)	*Unsecured debt including EAI / Secured debt including EAI(12)*	N/A	**83%/17%**	81%/19%
Unencumbered assets to unsecured debt(3)(5)	*Unencumbered assets / Unsecured debt including EAI(13)*	≥ 1.3X	**2.1X**	2.2X
Unitholders' equity (in thousands)(1)(3)		≥ $2,000,000	**$6,337,581**	$6,359,304
Units classified as liabilities (in thousands)		N/A	**$191,665**	$196,571
Total Unitholders' equity including Units classified as liabilities (in thousands)		N/A	**$6,529,246**	$6,555,875

(1) This ratio is required by the Trust's indentures.
(2) This ratio is disclosed for informational purposes only.
(3) This ratio is a significant financial covenant pursuant to the terms of the Trust's revolving operating facilities and other credit facilities.
(4) This ratio is stipulated by the Declaration of Trust.
(5) As at December 31, 2024, cash-on-hand of $34.9 million (December 31, 2023 – $31.4 million) was excluded for the purposes of calculating the ratios.
(6) This ratio is calculated as: Adjusted EBITDA/Adjusted interest expense including capitalized interest. The calculation of Adjusted EBITDA and Adjusted interest expense including capitalized interest are referenced in the "Non-GAAP Measures" section in this MD&A.
(7) This ratio is calculated as: Adjusted EBITDA/Debt service expense. The calculation of Adjusted EBITDA is referenced in the "Non-GAAP Measures" section in this MD&A. Debt service expense is calculated as total interest expense as per the proportionate income statement, less distributions on vested deferred units and Units classified as liabilities and interest income from mortgages and loans receivable, plus capitalized interest and mortgage principal amortization payments.
(8) This ratio is calculated as: Net debt/Aggregate assets. Net debt is calculated as total debt including equity accounted investments as referenced in "Debt," less excess cash-on-hand. Aggregate assets is calculated as total assets as per the proportionate balance sheet, less excess cash-on-hand.
When calculating this ratio excluding TRS receivable and debt, Net debt as calculated above, further minus debt borrowed concurrent with entering the TRS agreement as referenced in "Debt". Aggregate assets as calculated above further minus TRS receivable.
(9) This ratio is calculated as: Net debt/Gross book value. Net debt is calculated as total debt including equity accounted investments as referenced in "Debt", less excess cash-on-hand. Gross book value is calculated as total assets as per the proportionate balance sheet, less excess cash-on-hand and fair value adjustment net of accumulated amortization.
(10) This ratio is calculated as: Adjusted Debt/Adjusted EBITDA. Adjusted debt is calculated as total debt including equity accounted investments as referenced in "Debt", less excess cash-on-hand and less loans receivable. The calculation of Adjusted EBITDA is referenced in the "Non-GAAP Measures" section in this MD&A.
(11) This ratio is calculated as: Secured debt including EAI/Aggregate assets. Secured debt is calculated as the Trust's secured debt plus secured debt on equity accounted investments as referenced in "Debt". Aggregate assets is calculated as total assets as per the proportionate balance sheet, less excess cash-on-hand.
(12) This ratio is calculated as: Unsecured debt including EAI/Secured debt including EAI. Unsecured debt is calculated as the Trust's unsecured debt plus unsecured debt on equity accounted investments as referenced in "Debt". Secured debt is calculated as the Trust's secured debt plus secured debt on equity accounted investments as referenced in "Debt".
(13) This ratio is calculated as: Unencumbered assets/Unsecured debt including EAI. Unencumbered assets is calculated as referenced in "Debt." Unsecured debt is calculated as the Trust's unsecured debt plus unsecured debt on equity accounted investments as referenced in "Debt". The calculation of Unencumbered Assets is referenced in the "Non-GAAP Measures" section in this MD&A.

Unitholders' Equity

The Unitholders' equity of the Trust is calculated based on the equity attributable to the holders of Trust Units and LP Units ("Exchangeable Securities") that are exchangeable into Trust Units on a one-for-one basis. The Exchangeable Securities consist of certain Class B Units of the Trust's subsidiary limited partnerships. Certain of the Trust's subsidiary limited partnerships also have Units classified as liabilities that are exchangeable on a one-for-one basis for the Trust's Units. The following table is a summary of the number of Units outstanding:

Type	Class	December 31, 2024	December 31, 2023	Variance
Trust Units	N/A	**144,687,634**	144,625,322	62,312
Smart Limited Partnership	Class B	**16,424,430**	16,424,430	—
Smart Limited Partnership II	Class B	**756,525**	756,525	—
Smart Limited Partnership III	Class B	**4,129,420**	4,117,096	12,324
Smart Limited Partnership IV	Class B	**3,112,565**	3,112,565	—
Smart Oshawa South Limited Partnership	Class B	**710,416**	710,416	—
Smart Oshawa Taunton Limited Partnership	Class B	**374,223**	374,223	—
Smart Boxgrove Limited Partnership	Class B	**170,000**	170,000	—
Total Units classified as equity		**170,365,213**	170,290,577	74,636
Smart Limited Partnership	Class D	**311,022**	311,022	—
Smart Limited Partnership	Class F	**8,708**	8,708	—
Smart Oshawa South Limited Partnership	Class D	**260,417**	260,417	—
ONR Limited Partnership	Class B	**1,186,431**	1,248,140	(61,709)
ONR Limited Partnership I	Class B	**272,183**	272,183	—
SmartVMC West Limited Partnership	Class D	**5,797,101**	5,797,101	—
Total Units classified as liabilities		**7,835,862**	7,897,571	(61,709)
Total Units		**178,201,075**	178,188,148	12,927

As of February 12, 2025, the Trust has 170,365,213 Units outstanding which are classified as equity, and 7,835,862 Units outstanding which are classified as liabilities. The following table is a summary of the activities having an impact on Unitholders' equity:

(in thousands of dollars)	Year Ended December 31, 2024	Year Ended December 31, 2023
Unitholders' Equity – beginning of year	**$6,359,304**	$6,163,101
Issuance of LP Units classified as equity	**1,691**	1,471
Net income and comprehensive income	**292,070**	510,103
Distributions	**(315,484)**	(315,371)
Unitholders' Equity – end of year	**$6,337,581**	$6,359,304
LP Units classified as liabilities – beginning of year	**196,571**	211,497
Change in carrying value	**(3,549)**	(14,926)
Conversion of LP exchangeable units	**(1,357)**	—
LP Units classified as liabilities – end of year	**$191,665**	$196,571
Unitholders' Equity and LP Units classified as liabilities – end of year	**$6,529,246**	$6,555,875

Distributions
The Board of Trustees is responsible for approving distributions. See also details in the "Determination of Distributions" subsection in this MD&A.

For the year ended December 31, 2024, the Trust paid $330.0 million in cash distributions (for the year ended December 31, 2023 – $330.0 million in cash distributions). The following table summarizes declared distributions:

	Year Ended December 31	
(in thousands of dollars)	**2024**	2023
Distributions declared on:		
Trust Units	**$267,630**	$267,563
LP Units	**47,489**	47,470
Other non-controlling interest	**365**	338
Distributions on Units classified as equity	**$315,484**	$315,371
Distributions on LP Units classified as liabilities – excluding SmartVMC West	**3,815**	3,881
Distributions on LP Units classified as liabilities – SmartVMC West	**10,725**	10,725
Distributions on LP Units classified as liabilities	**$14,540**	$14,606
Total distributions declared	**$330,024**	$329,977

Section IX — Related Party Transactions

Transactions with related parties are conducted in the normal course of operations.

Transactions and Agreements with Penguin
a) Penguin's Ownership Interest and Voting Right
Pursuant to the Declaration of Trust, provided certain ownership thresholds are met, the Trust is required to issue such number of additional Special Voting Units to Penguin that will entitle Penguin to cast 25.0% of the aggregate votes eligible to be cast at a meeting of the Unitholders and Special Voting Unitholders ("Voting Top-Up Right"). As at December 31, 2024, there were 9,191,230 additional Special Voting Units outstanding (December 31, 2023 – 9,729,886). These Special Voting Units are not entitled to any interest or share in the distributions or net assets of the Trust, nor are they convertible into any Trust securities. There is no value assigned to the Special Voting Units. A five-year extension of the Voting Top-Up Right was approved by Unitholders at the Trust's annual general and special meeting held on December 9, 2020. For further discussion, see the Trust's management information circular dated November 6, 2020, filed on SEDAR+.

As at December 31, 2024, Penguin owned 21.3% of the aggregate issued and outstanding Trust Units in addition to the Special Voting Units previously noted above. Penguin's ownership of Trust Units would increase to 25.0% if Penguin exercised all remaining options to purchase Units pursuant to existing development and exchange agreements (Earnouts). In addition, the Trust has entered into property management, leasing, development and exchange, and co-ownership agreements with Penguin. Pursuant to its rights under the Declaration of Trust, as at December 31, 2024, Penguin has appointed two of the eight trustees on the Board of Trustees.

b) Agreements with Penguin entered into on November 6, 2020
The Trust entered into various agreements with Penguin in November 2020 coincident with the extension of the term of the Voting Top-Up Right. For further discussion, see below and the Trust's management information circular dated November 6, 2020, filed on SEDAR+.

Supplement to Development Services Agreement between the Trust and its Affiliates and Penguin ("Development and Services Agreement")
The following represent the key elements of the Development and Services Agreement with Penguin which is effective from July 1, 2020 until December 31, 2025:

i) Penguin shall be reimbursed for 50% of disposition fees otherwise payable pursuant to the Development and Services Agreement related to Penguin's interest in properties sold by the Trust,
ii) for future SmartVMC commercial phases and certain properties currently owned by Penguin (for which the Trust has historically assisted with development and planning requirements), all development fees are payable to Penguin and all other fees (management, leasing, etc.) are payable to the Trust,
iii) when Penguin utilizes employees of the Trust to assist with its development projects, Penguin will pay for these services provided by employees of the Trust based on annual estimates of time billings related to these projects, charged at estimated total cost, including compensation,
iv) the Trust will continue to manage and develop all other Penguin properties.

Support services are provided for a fee based on an allocation of the Trust's relevant costs of the support services to Penguin. Such relevant costs include: office administration, human resources, information technology, insurance, legal and marketing.

Penguin Services Agreement
The amended and restated services agreement entered into on November 5, 2020 (the "Penguin Services Agreement"), and effective from February 2018 reflects the additional services provided by Penguin since that time. Under the agreement, Penguin provides specified services to the Trust in connection with the development of its projects. In return for those services, Penguin is entitled to receive: i) a fixed quarterly fee of $1.0 million (subject to inflation-related increments after 2018) and ii) an annual variable fee between $1.5 million and $3.5 million (also inflation-adjusted after 2018) that is based on the achievement of the Trust-level targets for "New Development Initiatives" and "New Projects" that the Trust uses to measure the performance of its executive officers and other annual targets (other than such Trust-level targets) of a similar nature that the Trust uses to measure the performance of its executive officers as determined by the Board of Trustees from time to time.

Omnibus Agreement between the Trust and Penguin
Effective December 9, 2020, pursuant to an Omnibus Agreement between the Trust and Penguin (the "Omnibus Agreement"), Penguin has the option to extend all Earnouts by two years from the previous expiry date, and the Trust has been given a right of first offer in connection with the sale of the economic and financial benefits and rights of any such development parcel during any extended period. In addition, this agreement provides for the payment of certain outstanding amounts between the parties.

Mezzanine Loan Amending Agreements between the Trust and its Affiliates and Penguin ("Mezzanine Loan Agreements")
Effective November 5, 2020, all loan maturity dates have been extended to August 31, 2028, with a new rate structure for the extension period of each mortgage receivable (see also Note 5, "Mortgages, loans and notes receivable" in the Trust's consolidated financial statements for the year ended December 31, 2024). The Trust's purchase option periods have been extended and because these properties may now be subject to mixed-use development projects, the agreements provide that the parties establish a new framework for the purchase options for the Trust related to mixed-use development.

Non-Competition Agreement
A non-competition agreement with Penguin entered into in 2020 replaced and superseded the previous non-competition agreement extending the term by five years and broadening restricted competing initiatives to include various forms of mixed-use development.

Executive Employment Agreement
This agreement confirms Mr. Goldhar's position as Executive Chairman of the Trust for the period from February 14, 2018, to December 31, 2025, for which Mr. Goldhar receives a salary, bonus, customary benefits, and is eligible to participate in the Trust's DUP and the EIP (see below).

Equity Incentive Plan
In January 2021, the Trust granted 900,000 performance units to Mitchell Goldhar pursuant to the EIP adopted by Unitholders effective December 9, 2020, which are subject to the achievement of Unit price thresholds (ranging from $26.00 to $34.00). The performance period for this award granted under the EIP is from January 1, 2021 to December 31, 2027. The vesting period for these performance units will commence on the date that the applicable performance measure is achieved, and will end on the earlier of the third anniversary of the date that the applicable performance measure is achieved and the end of the performance period. Distributions on these performance units will accumulate from January 1, 2021. Provided the various performance measures are achieved, the performance units will be exchanged for Trust Units or paid out in cash (see also Note 20, "Related party transactions", in the Trust's consolidated financial statements for the year ended December 31, 2024). Under the award granted to Mitchell Goldhar, the $26.00 Unit price threshold was achieved on April 5, 2021, and the $28.00 Unit price threshold was achieved on May 18, 2021, and under the awards granted to Mitchell Goldhar and other eligible associates in 2021, the $30.00 Unit price threshold was achieved on September 22, 2021, and the $32.00 Unit price threshold was achieved on April 5, 2022. The performance units for $26.00 and $28.00 Unit price thresholds have been vested on April 5, 2024, May 18, 2024, September 22, 2024, the remaining tranche will vest on April 5, 2025.

The following table summarizes the change in the carrying value of the EIP award granted to Mitchell Goldhar:

	Year Ended December 31	
(in thousands of dollars)	**2024**	2023
Balance – beginning of year	**$17,917**	$13,380
Amortization costs capitalized to properties under development(1)	**3,726**	5,372
Reinvested distributions on vested EIPs	**527**	—
Fair value adjustment to financial instruments	**439**	(835)
Balance – end of year	**$22,609**	$17,917

(1) These amounts were capitalized to properties under development in connection with Mitchell Goldhar's role in leading and completing development activities.

c) Summary of transactions and balances with Penguin

The following table summarizes related party transactions and balances with Penguin and other related parties, including amounts relating to the Trust's share in equity accounted investments:

	Year Ended December 31	
(in thousands of dollars)	**2024**	2023
Related party transactions with Penguin		
Acquisitions and Earnouts:		
Earnouts	**$1,071**	$8,196
Revenues:		
Service and other revenues:		
Management fee and other services revenue pursuant to the Development Services Agreement	**7,749**	11,351
Support services	**1,371**	1,391
	$9,120	$12,742
Interest income from mortgages and loans receivable	**2,357**	4,326
Rents and operating cost recoveries included in rentals from income properties	**2,226**	2,932
	$13,703	$20,000
Expenses and other payments:		
Fees paid pursuant to the Penguin Services Agreement – capitalized to properties under development	**7,671**	7,189
EIP – capitalized to properties under development	**3,726**	5,372
Development fees and interest expense – capitalized to investment properties	**741**	140
Opportunity fees pursuant to the development management agreements – capitalized to properties under development(1)	**60**	60
Marketing and other costs – included in general and administrative expense and property operating costs	**69**	79
Disposition fees pursuant to the Development and Services Agreement – included in general and administrative expense	**412**	788
	$12,679	$13,628

(1) These amounts include prepaid land costs that will offset the purchase price of future Earnouts.

(in thousands of dollars)	**December 31, 2024**	December 31, 2023
Related party balances with Penguin disclosed elsewhere in the financial statements		
Receivables:		
Amounts receivable and other(1) (2)	**$27,110**	$21,647
Loans receivable	**76,115**	76,392
Mortgages receivable	**2**	17,548
Notes receivable	**2,924**	2,924
Total receivables	**$106,151**	$118,511
Payables and other accruals:		
Accounts payable and accrued liabilities	**4,252**	3,723
Future land development obligations	**17,631**	18,075
Total payables and other accruals	**$21,883**	$21,798

(1) Excludes amounts receivable presented below as part of balances with equity accounted investments. This amount includes amounts receivable of $15.4 million and other of $11.7 million (December 31, 2023 – amounts receivable of $12.9 million and other of $8.7 million).
(2) The non-current portion of amounts receivable represents a related party receivable from Penguin of $13.0 million (December 31, 2023 – $nil). The amount is related to services provided to Penguin by the Trust in accordance with the development service agreement.

Transactions and Agreements with the Trust's equity accounted investments

a) Supplemental Development Fee Agreements

In accordance with the Supplemental Development Fee Agreements, the Trust invoiced PCVP and certain joint ventures a net amount related to associated development fees. See Note 4, "Equity accounted investments", in the Trust's consolidated financial statements for the year ended December 31, 2024.

b) Loans receivable issued

A loan receivable was provided to PCVP pursuant to a loan agreement. "PCVP" is a partnership in which each of SmartCentres and a Penguin group company owns a 50% interest. Loans receivable were issued to certain joint ventures partnered with SmartStop pursuant to a master credit loan agreement. See Note 5(a) in the Trust's consolidated financial statements for the year ended December 31, 2024.

c) Other unsecured debt

Other unsecured debt pertains to loans received from equity accounted investments in connection with either the 700 Applewood purchase or contribution agreements relating to joint ventures. See Note 10(b)(iv) in the Trust's consolidated financial statements for the year ended December 31, 2024.

d) Summary of transactions and balances with the Trust's equity accounted investments

The following table summarizes related party transactions and balances with the Trust's equity accounted investments:

	Year Ended December 31	
(in thousands of dollars)	**2024**	2023
Related party transactions with the Trust's equity accounted investments		
Revenues:		
Supplemental Development Fee	**$9,052**	$11,418
Interest income from mortgages and loans receivable	**7,773**	11,212
Expenses and other payments:		
Rent and operating costs (included in general and administrative expense and property operating costs)	**3,197**	2,777

The following table summarizes the related party balances with the Trust's equity accounted investments:

(in thousands of dollars)	**December 31, 2024**	December 31, 2023
Related party balances disclosed elsewhere in the financial statements		
Amounts receivable(1)	**$10,034**	$15,052
Loans receivable(2)	**136,034**	108,815
Other unsecured debt(3)	**114,023**	150,689

(1) Amounts receivable includes Penguin's portion, which represents $4.8 million (December 31, 2023 – $5.1 million) relating to Penguin's 50% investment in the PCVP and Residences (One) LP.
(2) Loans receivable includes Penguin's portion, which represents $27.4 million (December 31, 2023 – $25.7 million) relating to Penguin's 50% investment in PCVP.
(3) Other unsecured debt does not consist of Penguin's portion as at December 31, 2024 (December 31, 2023 – nil).

Other related party transactions

The following table summarizes other related party transactions:

	Year Ended December 31	
(in thousands of dollars)	**2024**	2023
Legal fees incurred from a law firm in which a partner is a Trustee:		
Capitalized to investment properties	**$801**	$423
Included in general and administrative expense	**480**	1,461
	$1,281	$1,884

Section X — Accounting Policies, Risk Management and Compliance

Material Accounting Estimates and Policies

A summary of material accounting policies is described in Note 2 of the Trust's consolidated financial statements and accompanying notes for the year ended December 31, 2024.

In preparing the Trust's consolidated financial statements and accompanying notes, it is necessary for management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses during the period. The significant items requiring estimates are discussed in the Trust's consolidated financial statements for the year ended December 31, 2024, and the notes contained therein.

Critical accounting estimates and assumptions
The preparation of the consolidated financial statements requires management to make judgments and estimates in applying the Trust's accounting policies that affect the reported amounts and disclosures made in the consolidated financial statements and accompanying notes.

Within the context of these consolidated financial statements, a judgment is a decision made by management in respect of the application of an accounting policy, a recognized or unrecognized financial statement amount and/or note disclosure, following an analysis of relevant information that may include estimates and assumptions. Estimates and assumptions are used mainly in determining the measurement of balances recognized or disclosed in the consolidated financial statements and are based on a set of underlying data that may include management's historical experience, knowledge of current events and conditions and other factors that are believed to be reasonable under the circumstances. Management continually evaluates the estimates and judgments it uses.

The following are the accounting policies subject to judgments and key sources of estimation uncertainty that the Trust believes could have the most significant impact on the amounts recognized in the consolidated financial statements.

a) Investment properties
Judgment is applied in determining whether certain costs are additions to the carrying amount of an investment property and, for properties under development, identifying the point at which substantial completion of the property occurs and identifying the directly attributable borrowing costs to be included in the carrying value of the development property. The significant assumptions in the land, development and construction costs recorded at market value include the market value per acre for land. The Trust applies judgment in determining whether development projects are active and viable, otherwise previously capitalized costs are written off.

The Trust also applies judgment in determining whether the properties it acquires are considered to be asset acquisitions or business combinations. The Trust considers all the properties it has acquired to date to be asset acquisitions. Earnout options are exercisable upon completion and rental of additional space on acquired properties. Judgment is applied in determining whether Earnout options are considered to be contingent consideration relating to the acquisition of the acquired properties or additional cost of services during the construction period. The Trust considers the Earnout options it has issued to date to represent contingent considerations relating to the acquisitions and is considered to be a financial liability measured at fair value (see Note 2.14(*a*) in the Trust's consolidated financial statements for the year ended December 31, 2024).

The valuation of the investment properties is the main area of judgment exercised by the Trust. The valuations of investment properties are dependent on: i) projected future cash flows for income properties and properties under development, and ii) land, development and construction costs for properties under development, and discount rates applicable to those assets. The projected cash flows for each property are based on the location, type and quality of the property and supported by the terms of any existing leases, other contracts or external evidence such as current market rents for similar properties, and adjusted for estimated vacancy rates and estimated maintenance costs. Discount rate is based on the location, size and condition of the properties and take into account market data at the valuation date. These assumptions may not ultimately be achieved. The critical estimates and assumptions underlying the valuation of investment properties are set out in Note 3, "Investment properties", in the Trust's consolidated financial statements for the year ended December 31, 2024.

b) Joint arrangements
The Trust makes judgment in determining whether the Trust has joint control and whether the arrangements are joint operations or joint ventures. In assessing whether the joint arrangements are joint operations or joint ventures, management applies judgment to determine the Trust's rights and obligations in the arrangement based on factors such as the structure, legal form and contractual terms of the arrangement.

c) Intangible assets
The Trust makes judgments with respect to the amortization period relating to the joint venture relationships and trademarks that have finite useful lives, while also reviewing for impairment when an indication of impairment exists. In addition, on an annual basis or more frequently if there are any indications of impairment, the Trust evaluates whether goodwill may be impaired by determining whether the recoverable amount is less than the carrying amount for the smallest identified cash-generating unit.

d) Income taxes

The Trust is taxed as a mutual fund trust for Canadian income tax purposes and qualifies for the REIT Exemption under the SIFT rules for tax purposes. The Trust endeavours to distribute a sufficient amount in each taxation year to ensure that the Trust will not be subject to tax on its net income and net capital gains under Part I of the *Income Tax Act* (Canada) ("Tax Act").

The Trust qualifies for the REIT Exemption under the specified investment flow-through (SIFT) trust rules for accounting purposes. The Trust considers the tax deductibility of the Trust's distributions to Unitholders to represent, in substance, an exemption from current tax so long as the Trust continues to expect to distribute all of its taxable income and taxable capital gains to its Unitholders. Accordingly, the Trust will not recognize any current tax or deferred income tax assets or liabilities on temporary differences in the Trust's financial statements.

e) EIP

The fair value of the EIP is based on the Monte Carlo simulation pricing model, which incorporates: (i) the performance of the Trust relative to the Unit price thresholds for the performance period, (ii) the 10-day VWAP of Trust Units at each reporting date, and (iii) the total granted performance units under the EIP including performance units that are reinvested. Any adjustments made to the accrued value of the EIP are recorded in earnings.

Reclassification of comparative figures

a) On January 1, 2024, the Trust adopted the amendments to IAS 1 *Presentation of Financial Statements – Classification of Liabilities as Current or Non-Current.* As a result of these amendments, the following reclassifications have been made to the presentation of the current and comparative consolidated balance sheets:

As at	January 1, 2023			December 31, 2023		
	Before reclassification	Classification	After reclassification	Before reclassification	Classification	After reclassification
Non-current liabilities						
Other financial liabilities	277,400	(254,559)	22,841	275,383	(258,069)	17,314
Current liabilities						
Current portion of other financial liabilities	—	254,559	254,559	—	258,069	258,069

The application of these amendments has no impact on the measurement or recognition of any item in the Trust's consolidated financial statements, debt covenants based on the terms and definitions of the covenant calculations and debt agreements, liquidity risks, and there is no change to the consolidated statements of income and comprehensive income, consolidated statements of equity, and consolidated statements of cash flows.

b) The comparative figures relating to "Additions to equity accounted investments", in the amount of $18,333 for the year ended December 31, 2023, has been reclassified from "Additions to equity accounted investments" to "Development distributions from equity accounted investments" to conform with the current year presentation.

Future Changes in Accounting Policies

The Trust monitors the potential changes proposed by the IASB and analyzes the effect that changes in the standards may have on the Trust's operations.

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, IFRS 18, "Presentation and Disclosure in Financial Statements" was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, "Presentation of Financial Statements", impacts the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements.

The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The Trust is currently assessing the impact of the new standard.

Risks and Uncertainties

The ability of the Trust to meet its performance targets is dependent on its success in mitigating the various forms of risks that it has identified. For a more comprehensive list of risks and uncertainties pertinent to the Trust, please see the additional factors disclosed in the Trust's AIF under the headings "Risk Factors".

Real Property Ownership and Leasing/Tenant Risk
All real property investments are subject to elements of risk. Such investments are affected by general economic conditions, local real estate markets, supply and demand for leased premises, competition from other available premises and various other factors.

Real estate has a high fixed cost associated with ownership, and income lost due to declining rental rates or increased vacancies cannot easily be minimized through cost reduction. Through well-located, well-designed and professionally managed properties, management seeks to reduce this risk. Management believes prime locations will attract high-quality retailers with strong covenants and will enable the Trust to maintain economic rents and high occupancy. By maintaining properties at the highest standards through professional management practices, management seeks to increase tenant loyalty.

The value of real property and any improvements thereto may also depend on the credit and financial stability of the tenants and on the vacancy rates of the Trust's portfolio of income-producing properties. On the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced, and the terms of any subsequent lease may be less favourable to the Trust than the existing lease. In the event of default by a tenant, delays or limitations in enforcing rights as lessor, may be experienced and substantial costs in protecting the Trust's investment may be incurred. Furthermore, at any time, a tenant of any of the Trust's properties may seek the protection of bankruptcy, insolvency or similar laws that could result in the rejection and termination of such tenant's lease and thereby cause a reduction in the cash flow available to the Trust. The ability to rent unleased space in the properties in which the Trust has an interest will be affected by many factors. Costs may be incurred in making improvements or repairs to property. The failure to rent vacant space on a timely basis or at all would likely have an adverse effect on the Trust's financial condition.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing any income. If the Trust is unable to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or sale.

Real property investments tend to be relatively illiquid with the degree of liquidity generally fluctuating in relation to demand for, and the perceived desirability of, such investments. If the Trust were to be required to liquidate its real property investments, the proceeds to the Trust might be significantly less than the aggregate carrying value of its properties.

The Trust will be subject to the risks associated with debt financing on its properties and it may not be able to refinance its properties on terms that are as favourable as the terms of existing indebtedness. In order to minimize this risk, the Trust attempts to appropriately structure the timing of the renewal of significant tenant leases on the properties in relation to the time at which mortgage indebtedness on such properties becomes due for refinancing. In addition, the Trust attempts to stagger the maturities of its various levels of debt over an extended period of time.

Significant deterioration of the retail shopping centre market in general, or the financial health of Walmart and other key tenants in particular, could have an adverse effect on the Trust's business, financial condition or results of operations. Also, the emergence of e-commerce as a platform for retail growth has caused many retailers to change their approach to attracting and retaining customers. To the extent that some retailers are unsuccessful in attracting and retaining customers because of the impact of e-commerce on their respective businesses, the Trust may experience additional vacancy and its resulting adverse effects on financial condition and results of operations, including occupancy rates, base rental income, tax and operating cost recoveries, leasing and other similar costs.

With respect to residential rental properties, in addition to the risks highlighted above, the Trust is subject to the other risks inherent in the multi-tenant rental property industry, including controlling bad debt exposure, rent control regulations, increases in operating costs, including the costs of utilities (residential leases are often "gross" leases under which the landlord is not able to pass on costs to its residents), the imposition of increased taxes or new taxes and capital investment requirements.

Liquidity Risk
The Trust's ability to meet its financial obligations as they become due represents the Trust's exposure to liquidity risk. It is management's intention to either repay or refinance maturing liabilities with newly issued secured or unsecured debt, equity or, in certain circumstances not expected to occur frequently, the disposition of certain assets. Any net working capital deficiencies are funded with the Trust's existing revolving operating facilities. Management expects to finance future acquisitions, including committed Earnouts, Developments, Mezzanine Financing commitments and maturing debt from: i) existing cash balances, ii) a mix of mortgage debt secured by investment properties, operating facilities, issuance of equity and unsecured debentures, iii) repayments of mortgages receivable, and iv) the sale of non-core assets. However, the Trust's ability to meet these future obligations may be impacted by the liquidity risk associated with receiving repayments of its mortgages, loans, and notes receivable, amounts receivable and other, deposits, and cash equivalents on time and in full and the realization of fair value on the disposition of the Trust's non-core assets. Cash flow generated from operating activities is the primary source of liquidity to pay Unit distributions, sustaining capital expenditures and leasing costs.

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to lease out vacant units. In the next 12 months, $1,522.0 million of liabilities (including $986.9 million of secured and unsecured debt, $274.5 million of other financial liabilities and $260.5 million of accounts and other payable amounts) will mature and will need to be settled by means of renewal or payment.

The Trust aims to maintain flexibility and opportunities in funding by keeping committed credit lines available, obtaining additional mortgages as the value of investment properties increases and issuing equity or unsecured debentures.

The key assumptions used in the Trust's estimates of future cash flows when assessing liquidity risk are: the renewal or replacement of the maturing revolving operating facilities, secured debt and unsecured debentures, at reasonable terms and conditions in the normal course of business and no major bankruptcies of large tenants. Management believes that it has considered all reasonable facts and circumstances in forming appropriate assumptions. However, as always, there is a risk that significant changes in market conditions could alter the assumptions used.

Capital Requirements and Access to Capital

The Trust accesses the capital markets from time to time through the issuance of debt or equity securities. If the Trust were unable to raise additional funds or renew existing maturing debt on favourable terms, then acquisition or development activities could be curtailed, asset sales accelerated, property-specific financing, purchase and development agreements renegotiated and monthly cash distributions reduced or suspended. However, the Trust anticipates accessing the capital markets on reasonable terms due to its high occupancy levels and low lease maturities, combined with its strong national and regional tenant base and its prime retail locations.

Environmental and Climate Change Risk

As an owner of real property, the Trust is subject to various federal, provincial, territorial and municipal laws relating to environmental matters. Such laws provide that the Trust could be liable for the costs of removal of certain hazardous substances and remediation of certain hazardous locations. The failure to remove or remediate such substances or locations, if any, could adversely affect the Trust's ability to sell such real estate or to borrow using such real estate as collateral and could potentially also result in claims against the Trust. The Trust is not aware of any material non-compliance with environmental laws at any of its properties. The Trust is also not aware of any pending or threatened investigations or actions by environmental regulatory authorities in connection with any of its properties or any pending or threatened claims relating to environmental conditions at its properties. The Trust has policies and procedures to review and monitor environmental exposure, including obtaining a Phase I environmental assessment, as appropriate, prior to the completion of an acquisition of land, a shopping centre or other real estate assets. Further investigation is conducted if the Phase I assessments indicate a problem. In addition, the standard lease requires compliance with environmental laws and regulations and restricts tenants from carrying on environmentally hazardous activities or having environmentally hazardous substances on site. The Trust has obtained environmental insurance on certain assets to further manage risk.

The Trust is making the necessary capital and operating expenditures to comply with environmental laws and regulations. Although there can be no assurances, the Trust does not believe that costs relating to environmental matters will have a material adverse effect on the Trust's business, financial condition or results of operations. However, environmental laws and regulations can change, and the Trust may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have an adverse effect on the Trust's business, financial condition or results of operations.

Climate change continues to attract the focus of governments and the general public as an important threat, given the emission of greenhouse gases and other activities which continue to negatively impact the planet. The Trust faces the risk that its properties will be subject to government initiatives aimed at countering climate change, such as reduction of greenhouse gas emissions, which could impose constraints on its operational flexibility. Furthermore, the Trust's properties may be exposed to the impact of events caused by climate change, such as natural disasters and increasingly frequent and severe weather conditions. Such events could interrupt the Trust's operations and activities, damage its properties, diminish traffic and require the Trust to incur additional expenses, including an increase in insurance costs to insure its properties against natural disasters and severe weather.

Potential Conflicts of Interest

The Trust may be subject to various conflicts of interest because of the fact that the Trustees and executive management, and their associates, may be engaged in a wide range of real estate and other business activities. The Trust may become involved in transactions which conflict with the interests of the foregoing. The Trustees, executive management and their associates or affiliates may from time to time deal with persons, firms, institutions or corporations with which the Trust may be dealing, or which may be seeking investments similar to those desired by the Trust. The interests of these persons could conflict with those of the Trust. In addition, from time to time, these persons may be competing with the Trust for available investment opportunities. The Declaration of Trust contains "conflicts of interest" provisions requiring Trustees or officers of the Trust to disclose material interests in material contracts and transactions and refrain from voting.

Cyber Security

Cyber security has become an increasingly problematic issue for issuers and businesses in Canada and around the world, including for the Trust and the real estate industry. Cyber attacks against large organizations are increasing in sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use or disrupting business operations. Such an attack could compromise the Trust's confidential information as well as that of the Trust's employees, tenants and third parties with whom the Trust interacts and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, litigation and reputational damage. As a result, the Trust continually monitors for malicious threats and adapts accordingly in an effort to ensure it maintains high privacy and security standards. The Trust invests in cyber-defence technologies to support its business model and to protect its systems, employees and tenants and seeks to employ industry best practices. The Trust's investments continue to manage the risks it faces today and position the Trust for the evolving threat landscape. The Trust also follows certain protocols when it engages software and hardware vendors concerning data security and access controls.

Debt Financing

The ability of the Trust to make cash distributions or make other payments or advances is subject to applicable laws and contractual restrictions contained in the instruments governing its indebtedness. The degree to which the Trust is leveraged could have important consequences to the holders of its securities, including: that the Trust's ability to obtain additional financing for working capital, capital expenditures or acquisitions in the future may be limited; that a significant portion of the Trust's cash flow from operations may be dedicated to the payment of the principal of and interest on its indebtedness, thereby reducing funds available for future operations and distributions; that certain of the Trust's borrowings may be at variable rates of interest, which exposes it to the risk of increased interest rates; and that the Trust may be impacted by economic downturns, including the Trust's ability to retain and attract tenants. Also, there can be no assurance that the Trust will continue to generate sufficient cash flow from operations to meet required interest and principal payments. Further, the Trust is subject to the risk that any of its existing indebtedness may not be able to be refinanced upon maturity or that the terms of such financing may not be as favourable as the terms of its existing indebtedness. These factors may adversely affect the Trust's cash distributions.

The Trust's credit facilities provide lenders with first charge security interests on most of the income-producing properties in its portfolio. These credit facilities contain numerous terms and covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of the Trust to create liens or other encumbrances, to make certain payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the credit facilities contain a number of financial covenants that require the Trust to meet certain financial ratios and financial condition tests. For example, certain of the Trust's loans require specific loan to value and debt service coverage ratios which must be maintained by the Trust. A failure to comply with the obligations in the credit facilities could result in a default which, if not cured or waived, could result in acceleration of the relevant indebtedness. If the indebtedness under the credit facilities were to be accelerated, there can be no assurance that the assets of the Trust would be sufficient to repay that indebtedness in full.

Interest and Financing Risk

As a means of curbing inflation, the Bank of Canada increased interest rates through 2023. In 2024, interest rates remained higher until the second half of the year at which time the Bank of Canada began to reduce the overnight interest rate. Sustained higher interest or a downgrade in the Trust's credit rating could significantly affect the Trust's ability to meet its financial obligations. Circumstances that may impair the Trust's credit rating include an inability of the Trust to maintain its cash flow from operating activities, an inability to meet covenants for both secured and unsecured debentures, an inability to meet expectations of credit rating agencies, and/or a higher interest rate environment in the Canadian economy. In order to minimize this risk, the Trust's policy is to negotiate fixed rate secured debt and unsecured debt with staggered maturities on the portfolio and, where appropriate, seek to match average lease maturity to average debt maturity. Derivative financial instruments may be utilized by the Trust in the management of its interest rate exposure. The Trust's policy is not to utilize derivative financial instruments for trading or speculative purposes. In addition, the Declaration of Trust restricts total indebtedness permitted on the portfolio.

Interest rate changes will also affect the Trust's development portfolio. The Trust has entered into development agreements that obligate the Trust to acquire up to approximately 139,000 square feet of additional income properties at a cost determined by capitalizing the rental income at predetermined rates. Subject to the ability of the Trust to obtain financing on acceptable terms, the Trust anticipates that it will finance these acquisitions by issuing additional debt and equity. Changes in interest rates will have an impact on the return from these acquisitions should the rate exceed the capitalization rate used and could result in a purchase not being accretive. This risk is mitigated as management has certain rights of approval over the developments and acquisitions.

Operating facilities, secured debt and unsecured debt exist that are priced at a risk premium over short-term rates. Changes in short-term interest rates will have an impact on the cost of financing. In addition, there is a risk the lenders will not refinance on maturity. By restricting the amount of both variable interest rate debt and short-term debt, the Trust minimizes the impact of changes in short-term rates on financial performance.

The Canadian capital markets are competitively priced. In addition, the secured debt market remains strong with lenders seeking quality products. Due to the quality and location of the Trust's real estate, management expects to meet its financial obligations.

Inflation Risk

Canada's inflation rate peaked at a historically high level in 2022 and began to decline in 2023 and 2024 and inflation rates at the end of 2024 remained within the Bank of Canada's target inflation range. Recent inflationary pressures experienced domestically and globally, external supply constraints, tight labour markets and strong demand for goods and resources, together with recently higher interest rates targeted at curbing inflationary increases, will put pressure on the Trust's development, financing, operation and labour costs and could negatively impact levels of demand for real property. Changes in economic conditions, including supply chain constraints, logistics challenges, labour shortages, imposition of or adverse amendments to duties, tariffs and other trade protection mechanisms (including any retaliation to such measures) and steps taken by governments and central banks, including stimulus and spending programs, have, in some instances in the past, led to (and could, in the future lead to) heightened inflation, resulting in an increase in costs and changes in fiscal and monetary policy, including increased interest rates. As a result of potential changes to U.S. policy, especially in light of recent developments with the new U.S. administration, it is feasible that there maybe changes to existing trade agreements, the imposition of new tariffs and restrictions on certain trade. Accordingly, continued inflationary pressures and the resulting economic impacts may adversely affect the Trust's financial condition and results of operations. If inflationary pressures return or interest rates remain higher than recent norms, an economic contraction could be possible. Higher inflation and the prospect of moderated growth also negatively impacts the debt and equity markets in which the Trust seeks capital, and in turn might impact the Trust's ability to obtain capital in the future on favourable terms, or at all. While the Trust's portfolio and market position, as well as its strong and stable tenant base, provide the Trust with flexibility to navigate volatile economic conditions, there can be no assurances regarding the impact of a significant economic contraction on the business, operations, and financial performance of the Trust and its tenants.

Joint Venture Risk

The Trust is a co-owner in several properties including but not limited to SmartVMC, Transit City, a residential unit project in Laval, Quebec, a land parcel in Vaughan to build townhomes, and various other retail, self-storage, residential and other mixed-use properties. As part of its growth strategy, the Trust expects to increase its participation in additional joint ventures in the future, which may include additional joint ventures in condominiums, self-storage facilities, seniors' housing and other initiatives. The Trust is subject to the risks associated with the conduct of joint ventures. Such risks include disagreements with its partners to develop and operate the properties efficiently, the inability of the partners to meet their obligations to the joint ventures or third parties as they become due and decisions made by partners which may not be in favour of the Trust's best interests, but rather are in the best interests of the partnership. In addition, the Trust may be exposed to the risks of the actions taken by any of the partners that may result in reputational damage to the Trust or the joint ventures. These risks could have a material adverse effect on the joint ventures, which may have a material adverse effect on the Trust. The Trust attempts to mitigate these risks by continuing to maintain strong relationships with its partners.

Development and Construction Risk

Development and construction risk arises from the possibility that completed developed space will not be leased or that costs of development and construction will exceed original estimates, resulting in an uneconomic return from the leasing of such developments. The Trust mitigates this risk by limiting construction of any development until sufficient lease-up has occurred and by entering into fixed price contracts for a large proportion of both development and construction costs.

The Trust is becoming increasingly involved in mixed-use development initiatives that include residential condominiums and townhomes, rental apartments, seniors' housing and self-storage. Purchaser and tenant demand for these uses can be cyclical and is affected by changes in general market and economic conditions, such as consumer confidence, employment levels, availability of financing for home buyers, interest rates, demographic trends, and housing and similar commercial demand. Furthermore, the market value of undeveloped land, buildable lots and housing inventories held by the Trust can fluctuate significantly as a result of changing economic and real estate market conditions. An oversupply of alternative housing, such as new homes, resale homes (including homes held for sale by investors and speculators), foreclosed home and rental properties and apartments, accommodation of seniors' housing and self-storage space may: i) reduce the Trust's ability to sell new condominiums and townhomes, depress prices and reduce margins from the sale of condominiums and townhomes, and ii) have an adverse effect on the Trust's ability to lease rental apartments, seniors' housing and self-storage units and on the rents charged.

The Trust's construction commitments are subject to those risks usually attributable to construction projects, which include: i) construction or other unforeseen delays, including delays in obtaining municipal approvals, ii) cost overruns, and iii) the failure of tenants to occupy and pay rent in accordance with existing lease arrangements, some of which are conditional.

Credit Risk

Credit risk arises from cash and cash equivalents, as well as credit exposures with respect to tenant receivables and mortgages and loans receivable. Tenants may experience financial difficulty and become unable to fulfil their lease commitments. The Trust mitigates this risk of credit loss by reviewing tenants' covenants, ensuring its tenant mix is diversified and limiting its exposure to any one tenant, except Walmart Canada because of its creditworthiness. Further risks arise in the event that borrowers may default on the repayment of amounts owing to the Trust. The Trust endeavours to ensure adequate security has been provided in support of mortgages and loans receivable. The failure of the Trust's tenants or borrowers to pay the Trust amounts owing on a timely basis or at all would have an adverse effect on the Trust's financial condition.

Litigation and Regulatory Risks

The Trust is subject to a wide variety of laws and regulations across all of its operating jurisdictions and faces risks associated with legal and regulatory changes and litigation. If the Trust fails to monitor and become aware of changes in applicable laws and regulations, or if the Trust fails to comply with these changes in an appropriate and timely manner, it could result in fines and penalties, litigation or other significant costs, as well as significant time and effort to remediate any violations. The Trust, in the normal course of operations, is subject to a variety of legal and other claims, including claims relating to personal injury, property damage, property taxes, land rights and contractual and other commercial disputes. The final outcome with respect to outstanding, pending or future actions cannot be predicted with certainty, and the resolution of such actions may have an adverse effect on the Trust's financial position or results of operations as well as reputational damage both from an operating and an investment perspective. Management evaluates all claims on their apparent merits and accrues management's best estimate of the likely cost to satisfy such claims. Management believes the outcome of current legal and other claims filed against the Trust, after considering insurance coverage, will not have a significant impact on the Trust's consolidated financial statements.

In addition, the Trust's estimates and judgments could also be affected by various risks and uncertainties, which in turn could have a significant risk on the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements for the year ended December 31, 2024 and the reported amounts of revenues and expenses during the reporting period and may potentially result in a material adjustment in a subsequent period.

Potential Volatility of Trust Unit Prices

The price for the Trust Units could be subject to wide fluctuations in response to quarter-to-quarter variations in operating results, the gain or loss of significant properties, changes in income estimates by analysts and market conditions in the industry, as well as general economic conditions or other risk factors set out herein. In addition, stock markets have experienced volatility that has affected the market prices for many issuers' securities and that often has been unrelated to the operating performance of such issuers. These market fluctuations may adversely affect the market price of the Trust Units.

A publicly traded REIT will not necessarily trade at values determined solely by reference to the underlying value of its real estate assets. Accordingly, the Trust Units may trade at a premium or a discount to the underlying value of the Trust's real estate assets.

One of the factors that may influence the market price of the Trust Units is market interest rates relative to the monthly cash distributions to the Unitholders. An increase in market interest rates or a decrease in monthly cash distributions by the Trust could adversely affect the market price of the Trust Units. In addition, the market price for the Trust Units may be affected by changes in general market conditions, fluctuations in the markets for equity securities and numerous other factors beyond the control of the Trust.

Cash Distributions are Not Guaranteed and will Fluctuate with the Trust's Performance

A return on an investment in Units is not comparable to the return on an investment in a fixed-income security. The recovery of an investment in Units is at risk, and any anticipated return on an investment in Units is based on many performance assumptions.

Although the Trust intends to make distributions of a significant percentage of its available cash to its Unitholders, these cash distributions are not assured and may be reduced or suspended. The ability of the Trust to make cash distributions and the actual amount distributed will be dependent upon, among other things, the financial performance of the properties in its property portfolio, its debt covenants and obligations, its working capital requirements and its future capital requirements. In addition, the market value of the Units may decline for a variety of reasons, including if the Trust is unable to meet its cash distribution targets in the future, and that decline may be significant.

It is important for a person making an investment in Units to consider the particular risk factors that may affect both the Trust and the real estate industry in which the Trust operates and which may, therefore, affect the stability of the cash distributions on the Units.

Availability of Cash Flow

Cash distributions to Unitholders may be reduced from time to time if such distributions would exceed the cash obligations of the Trust from time to time due to items such as principal repayments, tenant allowances, leasing commissions and capital expenditures and redemption of Units, if any. The Trust may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. The Trust anticipates temporarily funding such items, if necessary, through an operating line of credit in expectation of refinancing long-term debt on its maturity.

Significant Unitholder Risk

According to reports filed under applicable Canadian securities legislation, as at December 31, 2024, Mitchell Goldhar of Vaughan, Ontario beneficially owned or controlled a number of the outstanding Units which, together with the securities he beneficially owned or controlled that are exchangeable at his option for Trust Units for no additional consideration and the associated Special Voting Units, represented an approximate 21.29% voting interest in the Trust. Further, according to the above-mentioned reports, as at December 31, 2024, Mr. Goldhar beneficially owned or controlled additional rights to acquire Trust Units which, if exercised or converted, would result in him increasing his beneficial economic and voting interest in the Trust to as much as approximately 25.00%. In addition, pursuant to the Voting Top-Up Right Mr. Goldhar may be issued additional Special Voting Units to entitle him (directly or indirectly through Penguin) to cast 25% of the votes attached to voting Units at a meeting of the holders of voting Units.

If Mr. Goldhar sells a substantial number of Trust Units in the public market, the market price of the Trust Units could fall. The perception among the public that these sales will occur could also produce such an effect. As a result of his voting interest in the Trust, Mr. Goldhar may be able to exert significant influence over matters that are to be determined by votes of the Unitholders of the Trust. The timing and receipt of any takeover or control premium by Unitholders could depend on the determination of Mr. Goldhar as to when to sell Trust Units. This could delay or prevent a change of control that might be attractive to and provide liquidity for Unitholders, and could limit the price that investors are willing to pay in the future for Trust Units.

Tax-Related Risks

There can be no assurance that Canadian federal income tax laws respecting the treatment of mutual fund trusts will not be changed in a manner that would adversely affect the Unitholders.

If the Trust fails to qualify for the REIT Exception (as defined below), the Trust will be subject to the taxation regime under the SIFT Rules. The Trust qualifies for the REIT Exception as at December 31, 2024. In the event that the REIT Exception did not apply to the Trust, the corresponding application of the SIFT Rules to the Trust could impact the level of cash distributions which would otherwise be made by the Trust and the taxation of such distributions to Unitholders. The REIT Exception is based upon revenues of the REIT and the value of the REIT's assets that may fluctuate during the year. The Trust intends to monitor its revenues and the value of its assets and take all necessary steps to continue to qualify for the REIT Exception. However, there can be no assurance that Canadian federal income tax laws with respect to the REIT Exception will not be changed, or that administrative and assessment practices of the Canada Revenue Agency will not develop in a manner that adversely affects the Trust or its Unitholders. Furthermore, the determination as to whether the Trust qualifies for the REIT Exception in a particular taxation year can only be made at the end of such taxation year. Accordingly, no assurance can be given that the Trust will continue to qualify for the REIT Exception.

The extent to which distributions will be tax deferred in the future will depend in part on the extent to which the Trust is able to deduct capital cost allowance or other expenses relating to properties directly or indirectly held by the Trust.

Public Health Crises Risks

Public health crises, relating to any broad-reaching disease, virus, flu, epidemic, pandemic or other similar disease or illness (each, a "Public Health Crisis") can adversely impact the Trust's and its tenants' businesses, including the ability of some tenants to legally operate thereby adversely impacting the ability of tenants to meet their payment obligations under leases. A Public Health Crisis could result in a general or acute decline in economic activity, increased unemployment, staff shortages, reduced tenant traffic, mobility restrictions and other quarantine measures, supply shortages, increased government regulations, and the quarantine or contamination of one or more of the Trust's properties.

A Public Health Crisis could impact the following material aspects of the Trust's business, among others: i) the value of the Trust's properties and developments; ii) the Trust's ability to make distributions to Unitholders; iii) the availability or the terms of financing that the Trust currently has access to or may anticipate utilizing; iv) the Trust's ability to make principal and interest payments on, or refinance any outstanding debt when due; v) the occupancy rates in the Trust's properties; vi) the ability of the Trust to pursue its development plans or obtain construction financing on previously announced and anticipated timelines or within budgeted terms; vii) the ability of our tenants to enter into new leasing transactions or to satisfy rental payments under existing leases; viii) the impact to the Trust's financial covenants; and (ix) changing consumer habits and foot traffic to the Trust's properties and tenants' stores.

Income Taxes and the REIT Exception

In accordance with the Declaration of Trust, distributions to Unitholders are declared at the discretion of the Board of Trustees. The Trust endeavours to distribute to Unitholders, in cash or in Units, in each taxation year its taxable income to such an extent that the Trust will not be liable to income tax under Part I of the *Income Tax Act* (Canada) (the "Tax Act"). For specified investment flow-through trusts (each a "SIFT"), the Tax Act imposes a special taxation regime (the "SIFT Rules"). A SIFT includes a trust resident in Canada with publicly traded units that holds one or more "non-portfolio properties". "Non-portfolio properties" include certain investments in real properties situated in Canada and certain investments in corporations and trusts resident in Canada and in partnerships with specified connections in Canada. Under the SIFT Rules, a SIFT is subject to tax in respect of certain distributions that are attributable to the SIFT's "non-portfolio earnings" (as defined in the Tax Act), at a rate substantially equivalent to the combined federal and provincial corporate tax rate on certain types of income. The SIFT Rules are not applicable to a SIFT that meets certain specified criteria relating to the nature of its revenues and investments in order to qualify as a real estate investment trust for purposes of the Tax Act (the "REIT Exception"). The Trust qualifies for the REIT Exception as at December 31, 2024.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Disclosure Controls and Procedures ("DCP")

The Trust's Chief Executive Officer (CEO) and Chief Financial Officer (CFO) have designed or caused to be designed under their direct supervision, the Trust's DCP (as defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), adopted by the Canadian Securities Administrators) to provide reasonable assurance that: i) material information relating to the Trust, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared, and ii) material information required to be disclosed in the annual filings is recorded, processed, summarized and reported on a timely basis. The Trust continues to evaluate the effectiveness of DCP, and changes are implemented to adjust to the needs of new processes and enhancements as required. There were no changes in the Trust's internal controls over financial reporting in the year ended December 31, 2024 that materially affected, or are reasonably likely to materially affect, the Trust's internal controls over financial reporting. Further, the Trust's CEO and CFO have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of the Trust's DCP as at December 31, 2024, and concluded that it was effective.

Internal Controls Over Financial Reporting ("ICFR")

The Trust's CEO and CFO have also designed, or caused to be designed under their direct supervision, the Trust's ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. Using the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission 2013 (COSO 2013), the Trust's CEO and CFO have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of the Trust's ICFR as at December 31, 2024, and concluded that it was effective.

Inherent Limitations

Notwithstanding the foregoing, because of its inherent limitations a control system can provide only reasonable assurance that the objectives of the control system are met and may not prevent or detect misstatements. Management's estimates may be incorrect, or assumptions about future events may be incorrect, resulting in varying results. In addition, management has attempted to minimize the likelihood of fraud. However, any control system can be circumvented through collusion, unauthorized override of controls and processes, and other illegal acts.

Section XI — Glossary of Terms

Term	Definition
Adjusted CORRA	Adjusted CORRA refers to the rate per annum comprising the Canadian Overnight Repo Rate Average ("CORRA") plus the applicable CORRA Adjustment. CORRA is administered and published by the Bank of Canada or its successor.
Anchors or Anchor tenants	Anchors or Anchor tenants are defined as tenants within a retail or office property with gross leasable area greater than 30,000 square feet.
CAM	Defined as common area maintenance expenses.
ECL	Refers to expected credit losses.
Exchangeable Securities	Exchangeable Securities are securities issued by the limited partnership subsidiaries of the Trust that are convertible or exchangeable directly for Units without the payment of additional consideration, including Class B Smart Limited Partnership Units ("Class B Smart LP Units") and Units classified as liabilities. Such Exchangeable Securities are economically equivalent to Units as they are entitled to distributions equal to those on the Units and are exchangeable for Units on a one-for-one basis. The issue of a Class B Smart LP Unit and Units classified as liabilities is accompanied by a Special Voting Unit that entitles the holder to vote at meetings of Unitholders.
Net Asset Value ("NAV")	NAV represents the total assets less total liabilities of the Trust.
Penguin	Penguin refers to entities controlled by Mitchell Goldhar, a Trustee, Executive Chairman, Chief Executive Officer and significant Unitholder of the Trust.
Shadow Anchor	A Shadow Anchor is a store or business that satisfies the criteria for an Anchor tenant, but may be located at an adjoining property or on a portion.
Total Return Swap ("TRS")	A contractual agreement to exchange payments based on a specified notional amount and the underlying financial assets for a specific period. The Trust has a total return swap agreement with a Canadian financial institution to exchange returns based on a notional amount of up to 6.5 million Trust Units with a notional value of approximately $156.0 million for a 48-month period, which, subject to certain conditions, may be unwound prior to its maturity, either in whole or in part.
Voting Top-Up Right	Mitchell Goldhar (either directly or indirectly through Penguin) is entitled to have a minimum of 25.0% of the votes eligible to be cast at any meeting of Unitholders provided certain ownership thresholds are met. Pursuant to the Voting Top-Up Right, the Trust may issue additional Special Voting Units of the Trust to Mitchell Goldhar and/or Penguin to increase his voting rights to 25.0% in advance of a meeting of Unitholders. The total number of Special Voting Units is adjusted for each meeting of the Unitholders based on changes in Mitchell Goldhar's, and Penguin's, ownership interest. At the Trust's annual meeting of Unitholders in December 2020, Unitholders approved an extension of the Voting Top-Up Right to December 31, 2025.