

2025 FIRST QUARTER REPORT

UNAUDITED INTERIM CONDENSED  
CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended  
March 31, 2025

# Canada's Shopping Centre



**SMARTCENTRES**<sup>®</sup>  
REAL ESTATE INVESTMENT TRUST

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# Unaudited Interim Condensed Consolidated Financial Statements

**Unaudited Interim Condensed  
Consolidated Financial Statements**

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# SMARTCENTRES REAL ESTATE INVESTMENT TRUST

## UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands of Canadian dollars)

As at	Note	March 31, 2025	December 31, 2024
<b>Assets</b>			
<b>Non-current assets</b>			
Investment properties	3	\$10,617,787	\$10,659,783
Equity accounted investments	4	753,499	749,619
Mortgages, loans and notes receivable	5	151,421	208,130
Other financial assets	6	8,161	94,974
Other assets		9,794	10,453
Amounts receivable	7	14,497	12,994
Intangible assets		40,812	41,145
		<b>\$11,595,971</b>	<b>\$11,777,098</b>
<b>Current assets</b>			
Residential development inventory		30,034	31,738
Current portion of mortgages, loans and notes receivable	5	86,510	17,022
Current portion of other financial assets	6	84,721	—
Amounts receivable and other	7	76,524	63,441
Prepaid expenses, deposits and deferred financing costs	7	18,934	12,696
Cash and cash equivalents		28,631	37,694
		<b>\$325,354</b>	<b>\$162,591</b>
<b>Total assets</b>		<b>\$11,921,325</b>	<b>\$11,939,689</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Debt	8	\$4,262,336	\$4,059,364
Other financial liabilities	9	15,223	12,619
Other payables	10	7,803	8,158
		<b>\$4,285,362</b>	<b>\$4,080,141</b>
<b>Current liabilities</b>			
Current portion of debt	8	825,883	986,915
Current portion of other financial liabilities	9	292,684	274,526
Accounts payable and current portion of other payables	10	266,508	260,526
		<b>\$1,385,075</b>	<b>\$1,521,967</b>
<b>Total liabilities</b>		<b>\$5,670,437</b>	<b>\$5,602,108</b>
<b>Equity</b>			
Trust Unit equity		\$5,168,049	\$5,242,830
Non-controlling interests		1,082,839	1,094,751
		<b>\$6,250,888</b>	<b>\$6,337,581</b>
<b>Total liabilities and equity</b>		<b>\$11,921,325</b>	<b>\$11,939,689</b>

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

Approved by the Board of Trustees.



Michael Young  
Trustee



Garry Foster  
Trustee

## SMARTCENTRES REAL ESTATE INVESTMENT TRUST

### UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS

(in thousands of Canadian dollars)

For the three months ended March 31,	Note	2025	2024
<b>Net rental income and other</b>			
Rentals from investment properties and other	14	\$229,338	\$217,239
Property operating costs and other	15	(92,552)	(86,511)
Net rental income and other		136,786	130,728
<b>Other income and expenses</b>			
General and administrative expense, net	16	(10,530)	(8,602)
Earnings (Loss) from equity accounted investments	4	1,582	(4,030)
Fair value adjustment on investment properties	3	(80,134)	(118,868)
Gain (Loss) on sale of investment properties		7	(142)
Interest expense	8(d)	(46,041)	(44,556)
Interest income		3,274	3,929
Fair value adjustment on financial instruments		(14,525)	20,366
<b>Net loss and comprehensive loss</b>		<b>\$(9,581)</b>	<b>\$(21,175)</b>
<b>Net loss and comprehensive loss attributable to:</b>			
Trust Units		\$(7,862)	\$(17,278)
Non-controlling interests		(1,719)	(3,897)
		<b>\$(9,581)</b>	<b>\$(21,175)</b>

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

# SMARTCENTRES REAL ESTATE INVESTMENT TRUST

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars)

For the three months ended March 31,	Note	2025	2024
<b>Cash provided by (used in)</b>			
<b>Operating activities</b>			
Net loss and comprehensive loss		\$(9,581)	\$(21,175)
Items not affecting cash and other items	17	139,007	146,474
Cash interest paid	8(d)	(28,037)	(24,888)
Interest received		832	924
Distributions from equity accounted investments	4	722	1,487
Expenditures on direct leasing costs and tenant incentives		(1,539)	(1,118)
Expenditures on tenant incentives for properties under development		(63)	(655)
Changes in other non-cash operating items	17	(19,604)	(31,330)
<b>Cash flows provided by operating activities</b>		<b>\$81,737</b>	<b>\$69,719</b>
<b>Financing activities</b>			
Proceeds from issuance of unsecured debentures, net of issuance costs	8(b)	298,935	—
Proceeds from secured debt		6,500	—
Proceeds from unsecured debt		391	51,123
Proceeds from revolving operating facilities		59,041	70,000
Repayment of unsecured debentures		(160,000)	—
Repayments of secured debt		(72,597)	(8,111)
Repayments of unsecured debt		(1,355)	(3,238)
Repayments of revolving operating facility		(91,049)	(40,087)
Distributions paid on Trust Units		(66,919)	(66,891)
Distributions paid on non-controlling interests and Units classified as liabilities		(15,531)	(15,521)
Payment of lease liability		(534)	(530)
<b>Cash flows used in financing activities</b>		<b>\$(43,118)</b>	<b>\$(13,255)</b>
<b>Investing activities</b>			
Acquisitions and Earnouts of investment properties		(14,397)	(11,555)
Additions to investment properties		(23,852)	(29,147)
Additions to equity accounted investments	4	(3,235)	(11,127)
Additions to equipment		(26)	(13)
Advances of mortgages and loans receivable		(10,257)	(10,376)
Repayments of mortgages and loans receivable		470	2,185
Development distributions from equity accounted investments	4	915	1,488
Net proceeds from sale of investment properties		2,700	6,750
<b>Cash flows used in investing activities</b>		<b>\$(47,682)</b>	<b>\$(51,795)</b>
<b>Increase (decrease) in cash and cash equivalents during the period</b>		<b>(9,063)</b>	<b>4,669</b>
<b>Cash and cash equivalents – beginning of period</b>		<b>37,694</b>	<b>34,743</b>
<b>Cash and cash equivalents – end of period</b>		<b>\$28,631</b>	<b>\$39,412</b>

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

# SMARTCENTRES REAL ESTATE INVESTMENT TRUST

## UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(in thousands of Canadian dollars)

Note	Attributable to Unitholders			Attributable to LP Units Classified as Non-Controlling Interests			Other Non- Controlling Interest (Note 18)	Total Equity
	Trust Units (Note 12)	Retained Earnings	Trust Unit Equity	LP Units (Note 12)	Retained Earnings	LP Unit Equity		
<b>Equity - January 1, 2025</b>	<b>\$3,091,489</b>	<b>\$2,151,341</b>	<b>\$5,242,830</b>	<b>\$645,014</b>	<b>\$446,020</b>	<b>\$1,091,034</b>	<b>\$3,717</b>	<b>\$6,337,581</b>
Net income (loss) and comprehensive income (loss)	—	(7,862)	(7,862)	—	(1,824)	(1,824)	105	(9,581)
Issuance of Units	12	—	—	1,716	—	1,716	—	1,716
Distributions	13	—	(66,919)	—	(11,909)	(11,909)	—	(78,828)
<b>Equity - March 31, 2025</b>	<b>\$3,091,489</b>	<b>\$2,076,560</b>	<b>\$5,168,049</b>	<b>\$646,730</b>	<b>\$432,287</b>	<b>\$1,079,017</b>	<b>\$3,822</b>	<b>\$6,250,888</b>
Equity - January 1, 2024	\$3,090,118	\$2,182,216	\$5,272,334	\$644,694	\$438,628	\$1,083,322	\$3,648	\$6,359,304
Net income (loss) and comprehensive income (loss)	—	(17,278)	(17,278)	—	(4,010)	(4,010)	113	(21,175)
Distributions	13	—	(66,891)	—	(11,870)	(11,870)	—	(78,761)
Equity - March 31, 2024	\$3,090,118	\$2,098,047	\$5,188,165	\$644,694	\$422,748	\$1,067,442	\$3,761	\$6,259,368

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements.

# SMARTCENTRES REAL ESTATE INVESTMENT TRUST

## NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended March 31, 2025 and March 31, 2024

(in thousands of Canadian dollars, except Unit, square foot and per Unit amounts)

### 1. Organization

SmartCentres Real Estate Investment Trust and its subsidiaries (collectively, “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, both directly and through its subsidiaries, Smart Limited Partnership, Smart Limited Partnership II, Smart Limited Partnership III, Smart Limited Partnership IV, Smart Oshawa South Limited Partnership, Smart Oshawa Taunton Limited Partnership, Smart Boxgrove Limited Partnership, ONR Limited Partnership, ONR Limited Partnership I, and SmartVMC West Limited Partnership. The exchangeable securities of these subsidiaries, which are presented as non-controlling interests or as a liability, as appropriate, are economically equivalent to voting trust units (“Trust Units”) as a result of voting, exchange and distribution rights as more fully described in Note 12. The address of the Trust’s registered office is 3200 Highway 7, Vaughan, Ontario, L4K 5Z5. The Units of the Trust are listed on the Toronto Stock Exchange (“TSX”) under the ticker symbol “SRU.UN”.

These unaudited interim condensed consolidated financial statements have been approved for issue by the Board of Trustees on May 7, 2025. The Board of Trustees has the power to amend the unaudited interim condensed consolidated financial statements after issue.

As at March 31, 2025, the Penguin Group of Companies (“Penguin”), owned by Mitchell Goldhar, owned approximately 21.3% (December 31, 2024 – 21.3%) of the issued and outstanding Units of the Trust and Limited Partnerships (see also Note 18, “Related party transactions”).

### 2. Material accounting policy information

#### 2.1 *Basis of presentation*

These unaudited interim condensed consolidated financial statements of the Trust have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim condensed consolidated financial statements, International Accounting Standard (“IAS 34”), “Interim Financial Reporting”, as issued by the International Accounting Standards Board (“IASB”). The unaudited interim condensed consolidated financial statements contain disclosures that are supplemental to the Trust’s annual consolidated financial statements. They do not include all the information and disclosures required by IFRS accounting standards applicable for annual consolidated financial statements and, therefore, they should be read in conjunction with the annual audited consolidated financial statements as at and for the year ended December 31, 2024.

#### 2.2 *Accounting policies*

The accounting policies followed in these unaudited interim condensed consolidated financial statements are consistent with the policies and method of their application used in the preparation of the audited consolidated financial statements as at and for the year ended December 31, 2024.



### 3. Investment properties

The following table summarizes the activities in investment properties:

	Note	Three Months Ended March 31, 2025			Year Ended December 31, 2024		
		Income Properties	Properties Under Development	Total	Income Properties	Properties Under Development	Total
Balance - beginning of period		\$8,942,289	\$1,717,494	\$10,659,783	\$8,743,808	\$1,820,461	\$10,564,269
Acquisitions, Earnouts and related adjustments of investment properties		—	16,224	16,224	—	23,378	23,378
Earnout Fees on properties subject to development management agreements	3(e)(ii)	—	—	—	998	—	998
Transfer to income properties from properties under development		36,951	(36,951)	—	81,795	(81,795)	—
Transfer from income properties to properties under development		—	—	—	(19,441)	19,441	—
Transfer from properties under development to equity accounted investments		—	—	—	—	(4,500)	(4,500)
Capital and development expenditures		1,959	15,714	17,673	35,817	80,364	116,181
Capitalized interest	8(d)	—	7,575	7,575	—	35,587	35,587
Dispositions	3(c)	—	(2,700)	(2,700)	—	(16,630)	(16,630)
Straight-line rents and tenant incentives <sup>(1)</sup>		(634)	—	(634)	10,171	—	10,171
Fair value adjustment on investment properties		47,730	(127,864)	(80,134)	89,141	(158,812)	(69,671)
<b>Balance - end of period</b>		<b>\$9,028,295</b>	<b>\$1,589,492</b>	<b>\$10,617,787</b>	<b>\$8,942,289</b>	<b>\$1,717,494</b>	<b>\$10,659,783</b>

(1) The amount is net of amortization of straight-line rents and tenant incentives in the amount of \$1,686 and \$1,830, respectively (year ended December 31, 2024 - \$8,063 and \$7,422, respectively).

Secured debt with a carrying value of \$649,811 (December 31, 2024 - \$716,495) is secured by investment properties with a fair value of \$2,199,852 (December 31, 2024 - \$2,362,859).

#### a) Valuation methods underlying management's estimation of fair value

##### i) Income properties

The Trust applies the discounted cash flow valuation method to estimate the value of income properties, which include: freehold properties, and properties with leasehold interests. The Trust applies this valuation method as it believes that the discounted cash flow valuation method represents the Trust's estimate of fair values of income properties based on expectations of changes in rental rates, occupancy rates, lease renewal rates, leasing costs, expected credit losses and downtime on lease expiries, among others.

##### ii) Properties under development

Properties under development are valued using two primary methods: i) discounted cash flow method, factoring in future cash inflows and outflows such as construction costs to complete development, leasing costs and other fees, and Earnout Fees, if any; or ii) land, development and construction costs are recorded at market value, factoring in development risks such as planning, zoning, timing and market conditions.

The following table summarizes significant assumptions in Level 3 valuations:

Valuation Method	March 31, 2025			
	Terminal Capitalization Rate		Discount Rate	
	Weighted Average	Range	Weighted Average	Range
<i>Income properties</i>				
Discounted cash flow	6.01 %	4.20% - 7.75%	6.53 %	4.60% - 8.25%
<i>Properties under development</i>				
Land, development and construction costs recorded at market value	N/A	N/A	N/A	N/A
Discounted cash flow	5.88 %	4.20% - 7.40%	6.51 %	4.60% - 7.90%
December 31, 2024				
Valuation Method	Terminal Capitalization Rate		Discount Rate	
	Weighted Average	Range	Weighted Average	Range
	<i>Income properties</i>			
Discounted cash flow	6.01 %	4.20% - 7.75%	6.53 %	4.60% - 8.25%
<i>Properties under development</i>				
Land, development and construction costs recorded at market value	N/A	N/A	N/A	N/A
Discounted cash flow	5.88 %	4.20% - 7.40%	6.51 %	4.60% - 7.90%

The following table summarizes the fair value sensitivity for the portion of the Trust's investment properties that are sensitive to changes in discount rates as at March 31, 2025:

Discount Rate Sensitivity	Income Properties			Properties Under Development		
	Weighted Average Overall Discount Rate	Estimated Fair Value of Investment Properties	Fair Value Variance	Weighted Average Overall Discount Rate	Estimated Fair Value of Investment Properties	Fair Value Variance
(1.00)%	5.53 %	\$10,861,034	\$1,832,739	5.51 %	\$171,233	\$24,700
(0.50)%	6.03 %	\$9,857,234	\$828,939	6.01 %	\$157,733	\$11,200
(0.25)%	6.28 %	\$9,422,334	\$394,039	6.26 %	\$151,833	\$5,300
—%	6.53 %	\$9,028,295	\$—	6.51 %	\$146,533	\$—
0.25%	6.78 %	\$8,659,334	\$(368,961)	6.76 %	\$141,633	\$(4,900)
0.50%	7.03 %	\$8,323,134	\$(705,161)	7.01 %	\$136,933	\$(9,600)
1.00%	7.53 %	\$7,723,334	\$(1,304,961)	7.51 %	\$128,733	\$(17,800)

**b) Acquisitions and Earnouts**

The following table summarizes the Acquisitions and Earnouts completed during the three months ended March 31, 2025:

	Date of Acquisition	Type	Area	Purchase Proceeds	Satisfied through		
					Cash	Issuance of LP Units	Other Adjustments
<b>Acquisitions</b>							
Toronto, Ontario	March 2025	Property under development	27,000 sq. ft.	\$11,724	\$11,824	\$—	\$(100)
<b>Earnouts</b>	January 2025	Land parcel	78,000 sq. ft.	4,500	2,573	1,716	211

**c) Dispositions**

The following table summarizes the dispositions on investment properties completed during the three months ended March 31, 2025:

Location	Date of Disposition	Type	Area	Ownership Interest	Disposition Proceeds
Mascouche, Quebec	February 2025	Land parcel	1.3 acres	100 %	\$2,700

**d) Leasehold property interests**

At March 31, 2025, 15 (December 31, 2024 - 15) investment properties with a fair value of \$966,986 (December 31, 2024 - \$960,323) are leasehold property interests accounted for as leases.

**i) Leasehold property interests without bargain purchase options**

The Trust previously prepaid its entire lease obligations for the 14 leasehold interests with Penguin (see also Note 18, "Related party transactions") in the amount of \$889,931 (December 31, 2024 - \$889,931), including prepaid land rent of \$229,846 (December 31, 2024 - \$229,846).

**ii) Leasehold property interest with bargain purchase option**

A leasehold interest commenced in 2003 under the terms of a 35-year lease with Penguin (see also Note 18, "Related party transactions"). The lease requires a \$10,000 payment at the end of the lease term in 2038 to exercise a purchase option, which is considered to be a bargain purchase option. The Trust prepaid its entire lease obligation for this property of \$58,561 (December 31, 2024 - \$58,561). As the Trust expects to exercise the purchase option in 2038, the purchase option price has been included in accounts payable in the amount of \$2,887 (December 31, 2024 - \$2,822), and future lease obligation on the amount of \$7,113 (December 31, 2024 - \$7,178) net of imputed interest at 9.18% (see also Note 10, "Accounts and other payables").

**e) Properties under development****i) Properties under development not subject to development management agreements**

At March 31, 2025, properties under development with a carrying value of \$23,787 (December 31, 2024 - \$22,766) are subject to development management agreements.

During the three months ended March 31, 2025, the Trust completed the development and leasing of certain properties under development not subject to development management agreements, for which the fair value of the investment properties has been reclassified from properties under development to income properties.

For the three months ended March 31, 2025, the Trust incurred land and development costs for completed projects of \$36,951 (three months ended March 31, 2024 - \$35,317).

**ii) Properties under development subject to development management agreements (Earnout agreements)**

These properties under development (including certain leasehold property interests) are subject to various development management agreements with Penguin and Walmart.

In certain events, the developer/vendor may sell a portion of undeveloped land to accommodate the construction plan that provides the best use of the property, reimbursing the Trust its costs related to such portion, and provides a profit based on a pre-negotiated formula. Pursuant to the development management agreements, the developers/vendors assume responsibility for managing the development of the land on behalf of the Trust and are granted the right for a period of up to 10 years to earn an Earnout Fee (subject to options and extensions in certain circumstances). On completion and rental of additional space on these properties, the Trust is obligated to pay the Earnout Fee and any additional development costs not previously incurred by the Trust, at a total price calculated by a formula using the net operating rents and predetermined negotiated capitalization rates, on the date rent becomes payable on the additional space ("Gross Cost"). The Earnout Fee is calculated as the Gross Cost less the associated land and development costs incurred by the Trust.

For certain of these properties under development, Penguin and others have been granted Earnout options that give them the right, at their option, to invest up to 40% of the Earnout Fee for one of the agreements and up to 30% to 40% of the Gross Cost for the remaining agreements in Trust Units, Class B, D and F Smart LP Units, Class B and D Smart LP III Units, Class B Smart LP IV Units, Class B and D Smart Oshawa South LP Units, Class B and D Smart Oshawa Taunton LP Units, Class B Smart Boxgrove LP Units and Class B ONR LP I Units at predetermined option strike prices subject to a maximum number of Units. On December 9, 2020, the Trust entered into an Omnibus Agreement with Mitchell Goldhar that provided a right to extend the terms of certain Earnout agreements for an additional two years. As a result, the Earnout agreements for Earnout options that were originally set to expire between 2020 and 2025 may be extended up to 2027. See also Note 9, "Other financial liabilities".

#### 4. Equity accounted investments

The Trust has entered into a number of arrangements with other parties for the purpose of jointly developing, owning and operating investment properties. The following table summarizes the Trust's ownership interest in each associate and joint venture investments grouped by their asset class:

As at		March 31, 2025		December 31, 2024	
Description of Equity Accounted Investments	Partner(s)	Number of Investments	Ownership Interest	Number of Investments	Ownership Interest
<b>Investments in Associates:<sup>(1)</sup></b>					
Penguin-Calloway Vaughan Partnership ("PCVP")	Penguin	1	50.0 %	1	50.0 %
Residences LP - Transit City	Penguin, CentreCourt	3	25.0 %	3	25.0 %
Residences (One & Two) LP	Penguin	2	50.0%-66.7%	2	50.0%-66.7%
<b>Investments in Joint Ventures:</b>					
Retail investment properties	Fieldgate	1	30.0 %	1	30.0 %
Self-storage facilities	SmartStop	19	50.0 %	19	50.0 %
Residential apartments	Jadco	1	50.0 %	1	50.0 %
Residential apartments	Cogir	1	80.0 %	1	80.0 %
Residential apartments	Greenwin	1	75.0 %	1	75.0 %
Residential apartments	Other	1	50.0 %	1	50.0 %

(1) The Trust's investments in associates are partnered with Penguin. See also Note 18, "Related party transactions".

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

	Three Months Ended March 31, 2025			Year Ended December 31, 2024		
	Investment in Associates	Investment in Joint Ventures	Total	Investment in Associates	Investment in Joint Ventures	Total
Investment - beginning of period	\$436,437	\$313,182	\$749,619	\$466,089	\$290,830	\$756,919
Operating Activities:						
Earnings	738	844	1,582	5,352	15,237	20,589
Distributions - VMC Residences condo unit closings	—	—	—	(37,886)	—	(37,886)
Distributions - operating activities	(470)	(252)	(722)	(4,204)	(3,180)	(7,384)
Financing Activities:						
Fair value adjustment on loan	700	—	700	2,833	—	2,833
Investing Activities:						
Cash contribution	648	2,587	3,235	7,471	39,309	46,780
Property contribution	—	—	—	—	4,500	4,500
Development distributions	(915)	—	(915)	(3,218)	(33,514)	(36,732)
<b>Investment - end of period</b>	<b>\$437,138</b>	<b>\$316,361</b>	<b>\$753,499</b>	<b>\$436,437</b>	<b>\$313,182</b>	<b>\$749,619</b>

a) **Summary of balance sheets**

The following table summarizes the balance sheets for investment in associates and joint ventures:

As at	March 31, 2025				December 31, 2024			
Equity accounted investments in:	Associates				Associates			
	PCVP	VMC Residences <sup>(1)</sup>	Joint Ventures	Total	PCVP	VMC Residences <sup>(1)</sup>	Joint Ventures	Total
Non-current assets	\$1,422,160	\$—	\$1,024,950	\$2,447,110	\$1,419,166	\$—	\$1,014,087	\$2,433,253
Current assets	57,319	166,641	22,481	246,441	56,078	164,764	17,193	238,035
<b>Total assets</b>	<b>\$1,479,479</b>	<b>\$166,641</b>	<b>\$1,047,431</b>	<b>\$2,693,551</b>	<b>\$1,475,244</b>	<b>\$164,764</b>	<b>\$1,031,280</b>	<b>\$2,671,288</b>
Non-current liabilities	\$558,950	\$—	\$234,194	\$793,144	\$610,676	\$—	\$223,576	\$834,252
Current liabilities <sup>(2)</sup>	102,269	110,800	191,174	404,243	48,095	107,955	191,722	347,772
<b>Total liabilities</b>	<b>\$661,219</b>	<b>\$110,800</b>	<b>\$425,368</b>	<b>\$1,197,387</b>	<b>\$658,771</b>	<b>\$107,955</b>	<b>\$415,298</b>	<b>\$1,182,024</b>
<b>Net assets</b>	<b>\$818,260</b>	<b>\$55,841</b>	<b>\$622,063</b>	<b>\$1,496,164</b>	<b>\$816,473</b>	<b>\$56,809</b>	<b>\$615,982</b>	<b>\$1,489,264</b>
Trust's share of net assets before adjustments	409,130	26,942	316,361	752,433	408,236	27,062	313,182	748,480
Fair value adjustment on loan	630	436	—	1,066	716	423	—	1,139
<b>Trust's share of net assets</b>	<b>\$409,760</b>	<b>\$27,378</b>	<b>\$316,361</b>	<b>\$753,499</b>	<b>\$408,952</b>	<b>\$27,485</b>	<b>\$313,182</b>	<b>\$749,619</b>

(1) VMC Residences LP, Residences III LP, East Block Residences LP, Residences (One) LP, and Residences (Two) LP, collectively referred to as "VMC Residences", all of which are involved in residential condo development.

(2) As at March 31, 2025, the balance includes loan payable to the Trust of \$55,523 in respect to its investments in associates (December 31, 2024 - \$54,843), see also Note 5(a).

The investments in associates listed above have entered into various development construction contracts with existing commitments totalling \$58,283 (December 31, 2024 - \$60,144).

The joint ventures listed above have entered into various development construction contracts with existing commitments totalling \$25,792 (December 31, 2024 - \$27,829).

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. As of March 31, 2025, the investment in associates had development credit facilities with an outstanding balance of \$462,100 (December 31, 2024 - \$458,100), of which the Trust's share was \$231,050 (December 31, 2024 - \$229,050). The development credit facilities bearing interest based on the Adjusted Canadian Overnight Repo Rate Average ("Adjusted CORRA") plus 1.45%, maturing in June 2027.

As of March 31, 2025, the joint ventures had development credit facilities with an outstanding balance of \$141,616 (December 31, 2024 - \$130,014), of which the Trust's share was \$70,808 (December 31, 2024 - \$65,007). The development credit facilities bearing interest based on the Adjusted CORRA rate plus 1.35% to 2.70%, maturing between April 2025 and May 2026. In April 2025, the Trust refinanced one of the development credit facilities with a mortgage bearing an interest rate of 3.25% and extended the maturity date to June 2030.

**b) Summary of earnings (losses)**

The following table summarizes the earnings (losses) for investment in associates and joint ventures:

Net Income from equity accounted investments in:	Three Months Ended March 31, 2025				Three Months Ended March 31, 2024			
	Associates				Associates			
	PCVP	VMC Residences	Joint Ventures	Total	PCVP	VMC Residences	Joint Ventures	Total
Revenue								
Rental revenue <sup>(1)</sup>	\$14,051	\$50	\$11,797	\$25,898	\$11,838	\$—	\$10,118	\$21,956
Residential sales revenue	—	36	—	36	—	255	—	255
Operating expense								
Rental operating costs	(7,320)	(27)	(4,732)	(12,079)	(6,510)	—	(4,106)	(10,616)
Residential cost of sales	—	(5)	—	(5)	—	(548)	—	(548)
<b>Revenue net of operating expense</b>	<b>\$6,731</b>	<b>\$54</b>	<b>\$7,065</b>	<b>\$13,850</b>	<b>\$5,328</b>	<b>\$(293)</b>	<b>\$6,012</b>	<b>\$11,047</b>
Fair value adjustment on investment properties	400	—	(797)	(397)	(7,044)	—	1,352	(5,692)
Interest (expense) income	(5,566)	427	(4,238)	(9,377)	(7,578)	1,086	(4,057)	(10,549)
<b>Earnings (Losses)</b>	<b>\$1,565</b>	<b>\$481</b>	<b>\$2,030</b>	<b>\$4,076</b>	<b>\$(9,294)</b>	<b>\$793</b>	<b>\$3,307</b>	<b>\$(5,194)</b>
Trust's share of earnings before supplemental cost and additional profit sharing	782	263	987	2,032	(4,647)	470	1,016	(3,161)
Supplemental cost	(307)	—	(143)	(450)	(694)	—	(175)	(869)
<b>Trust's share of earnings (losses)</b>	<b>\$475</b>	<b>\$263</b>	<b>\$844</b>	<b>\$1,582</b>	<b>\$(5,341)</b>	<b>\$470</b>	<b>\$841</b>	<b>\$(4,030)</b>

(1) Includes office rental revenue from the Trust in the amount of \$796 for the three months ended March 31, 2025 (three months ended March 31, 2024 - \$715).

In accordance with the VMC Supplemental Development Fee Agreement, the Trust invoiced PCVP a net amount of \$615 related to associated development fees for the three months ended March 31, 2025 (three months ended March 31, 2024 - \$1,388).

In accordance with the Supplemental Development and Construction Fee Agreements, the Trust invoiced certain investments in joint ventures for a net amount of \$286 related to associated supplemental development fees for the three months ended March 31, 2025 (three months ended March 31, 2024 - \$350).

**5. Mortgages, loans and notes receivable**

The following table summarizes mortgages, loans and notes receivable:

As at	Note	March 31, 2025	December 31, 2024
Loans receivable (a)		\$235,005	\$222,226
Mortgages receivable (b)	18	2	2
Notes receivable (c)	18	2,924	2,924
		<b>\$237,931</b>	<b>\$225,152</b>
Current		86,510	17,022
Non-current		151,421	208,130
		<b>\$237,931</b>	<b>\$225,152</b>

a) The following table presents loans receivable:

Issued to	Committed	Maturity Date	Interest Rate	Note	March 31, 2025	December 31, 2024
Penguin <sup>(1)</sup>	23,019	March 2026	Variable	18	\$13,958	\$13,787
Penguin <sup>(2)</sup>	N/A	December 2029	Interest-free	8(b)(iv), 18	55,698	55,382
Penguin <sup>(3)</sup>	1,069	August 2030	Variable	18	1	1
Penguin <sup>(4)</sup>	11,024	—	Variable	18	7,029	6,945
<b>Total loans issued to Penguin</b>					<b>\$76,686</b>	<b>\$76,115</b>
PCVP <sup>(5)</sup>	N/A	March 2026	Variable	18	55,523	54,843
Self-storage facilities <sup>(6)</sup>	114,700	May 2026	Variable	18	92,796	81,191
<b>Total loans issued to equity accounted investments</b>					<b>\$148,319</b>	<b>\$136,034</b>
Greenwin <sup>(7)</sup>	10,000	December 2025	10.00 %		10,000	10,077
<b>Total loans issued to unrelated parties</b>					<b>\$10,000</b>	<b>\$10,077</b>
					<b>\$235,005</b>	<b>\$222,226</b>

(1) The loan security includes a first or second charge on the property, assignments of rents and leases and general security agreements, and is guaranteed by Penguin. The loan bears a variable interest rate based on the Trust's operating line interest rate plus 20 basis points.

(2) The loan has a principal amount outstanding of \$67,005, is non-interest-bearing, and is repayable at the end of 10 years. As of March 31, 2025, the loan balance of \$55,698 is net of a cumulative fair value adjustment totalling \$11,307.

(3) The loan bears interest at: i) the Adjusted CORRA rate plus 220 basis points, up to 60% of the facility limit, and ii) the Adjusted CORRA rate plus 370 basis points, for the remainder. The loan was repaid during the year ended December 31, 2023.

(4) The loan bears a variable interest rate based on the Trust's operating line interest rate plus 10 basis points.

(5) The loan security includes a first or second charge on properties, assignments of rents and leases and general security agreements, and is guaranteed by Penguin up to its 50% share of the loan. The loan bears a variable interest rate based on the Trust's operating line interest rate plus 20 basis points.

(6) The Trust entered into a master credit loan agreement with its partner SmartStop to provide funding for the development of certain self-storage facilities. The master credit loan agreement bears interest at a variable rate based on the Adjusted CORRA rate plus 270 basis points.

(7) In December 2024, the Trust entered into a loan agreement with Greenwin secured by two investment properties.

Management considers all outstanding loans to be fully collectible.

b) The Trust is committed to lend up to \$116,993 (December 31, 2024 - \$116,993) to fund costs associated with both the original acquisition and development of five properties. The Trust holds a purchase option for these properties, exercisable upon achieving certain levels of development and leasing. As of March 31, 2025, management expects the Trust to exercise these purchase options. The Trust also holds a 50% interest in the Toronto (StudioCentre), ON, and Salmon Arm, BC, properties, with the other 50% owned by Penguin. These loans are secured by Penguin's interest in the properties.

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.

c) Notes receivable of \$2,924 (December 31, 2024 - \$2,924) have been granted to Penguin. As at March 31, 2025, these secured demand notes bear interest at the rate of 9.00% per annum (December 31, 2024 - 9.00%).

The estimated fair values of mortgages, loans and notes receivable are based on their respective current market rates, bearing similar terms and risks. This information is disclosed in Note 11, "Fair value measurement".

## 6. Other financial assets

The following table summarizes the components of other financial assets:

As at	March 31, 2025	December 31, 2024
Total return swap ("TRS") receivable (a)	\$84,607	\$81,831
Interest rate swap agreements	7,472	12,720
Currency swap agreements	803	423
	<b>\$92,882</b>	<b>\$94,974</b>
Current <sup>(1)</sup>	84,721	—
Non-current	8,161	94,974
	<b>\$92,882</b>	<b>\$94,974</b>

(1) Includes TRS receivable of \$84,607 (December 31, 2024 - \$nil), interest rate swap agreements maturing within 12 months of \$59 (December 31, 2024 - \$nil) and currency swap agreements maturing within 12 months of \$55 (December 31, 2024 - \$nil).

### a) TRS receivable

The following table summarizes the activities in the total return swap receivable:

	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Balance - beginning of period	\$81,831	\$127,820
Distributions received	(1,547)	(8,673)
Settlement <sup>(1)</sup>	—	(47,237)
Fair value adjustments	4,323	9,921
<b>Balance - end of period</b>	<b>\$84,607</b>	<b>\$81,831</b>

(1) The TRS receivable was settled on a non-cash basis with the corresponding TRS debt as referenced in Note 8(b)(iii).

## 7. Amounts receivable and other, prepaid expenses, deposits and deferred financing costs

The following table presents the components of amounts receivable and other, prepaid expenses, deposits and financing costs:

As at	March 31, 2025	December 31, 2024
Amounts receivable and other		
Tenant receivables	\$21,239	\$26,751
Unbilled other tenant receivables	22,635	8,164
Receivables from related party - excluding equity accounted investments	17,684	15,441
Receivables from related party - equity accounted investments	12,728	10,034
Other non-tenant receivables <sup>(1)</sup>	23,738	22,279
	<b>\$98,024</b>	<b>\$82,669</b>
Allowance for expected credit loss ("ECL")	(7,003)	(6,234)
Amounts receivable and other, net of allowance for ECL	<b>\$91,021</b>	<b>\$76,435</b>
Non-current portion of amounts receivable	(14,497)	(12,994)
	<b>\$76,524</b>	<b>\$63,441</b>
Prepaid expenses, deposits and deferred financing costs <sup>(2)</sup>	<b>\$18,934</b>	<b>\$12,696</b>

(1) The amount includes a related party amount of \$12,149 (December 31, 2024 - \$11,669).

(2) Includes prepaid realty tax of \$8,968 (December 31, 2024 - \$1,105).

The non-current portion of amounts receivable represents a related party receivable from Penguin of \$14,497 (December 31, 2024 - \$12,994), repayment of which is expected to be made by way of certain development fees payable to Penguin. The balance is also prepayable by Penguin at any time. The amount is related to services provided to Penguin by the Trust in accordance with the development service agreement. The receivable bears a variable interest rate based on the interest rate on the Trust's operating credit facility plus 20 basis points. See also Note 18, "Related party transactions".

### Allowance for ECL

The Trust records the ECL to comply with IFRS 9's simplified approach for amounts receivable where its allowance for ECL is measured at initial recognition and throughout the life of the amounts receivable at a total equal to lifetime ECL.

The following table summarizes the reconciliation of changes in the allowance for ECL on amounts receivable:

	Three Months Ended March 31	
	2025	2024
Balance - beginning of period	\$6,234	\$8,983
Net allowance	769	(219)
<b>Balance - end of period</b>	<b>\$7,003</b>	<b>\$8,764</b>



**8. Debt**

The following table presents debt balances:

As at	March 31, 2025	December 31, 2024
Secured debt (a)	\$649,811	\$716,495
Unsecured debt (b)	4,427,367	4,286,735
Revolving operating facilities (c)	11,041	43,049
	\$5,088,219	\$5,046,279
Current	825,883	986,915
Non-current	4,262,336	4,059,364
	\$5,088,219	\$5,046,279

**a) Secured debt**

As at March 31, 2025, the secured debt balance of \$649,811 (December 31, 2024 - \$716,495) bears a weighted average interest rate of 4.22% (December 31, 2024 - 3.97%), and comprises \$637,861 (December 31, 2024 - \$711,045) at fixed interest rate, and \$11,950 (December 31, 2024 - \$5,450) at variable interest rates of Adjusted CORRA rate plus 1.45%. The secured debt, maturing between 2025 and 2035, is secured by first or second registered mortgages over specific income properties and properties under development and first general assignments of leases, insurance and registered chattel mortgages.

**b) Unsecured debt**

The following table summarizes the components of unsecured debt:

As at	March 31, 2025	December 31, 2024
Unsecured debentures i)	\$3,142,462	\$3,003,193
Credit facilities ii)	1,074,754	1,073,524
TRS debt iii)	95,995	95,995
Other unsecured debt iv)	114,156	114,023
	\$4,427,367	\$4,286,735

**i) Unsecured debentures**

As at March 31, 2025, unsecured debentures totalled \$3,142,462 (December 31, 2024 - \$3,003,193). Unsecured debentures mature at various dates between 2025 and 2031, with interest rates ranging from 1.74% to 5.35%, and a weighted average interest rate of 3.68% as at March 31, 2025 (December 31, 2024 - 3.57%).

In February 2025, the Trust issued \$300,000 of 4.737% Series AB senior unsecured debentures (net proceeds of the issuance in aggregate after issuance costs - \$298,935). The Series AB debentures will mature on August 5, 2031. The debentures have semi-annual payments due on February 5 and August 5 of each year, commencing on August 5, 2025. Concurrently, the Trust repaid the \$160,000 aggregate principal of Series N senior unsecured debentures in full upon their maturity.

**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.

**ii) Credit facilities**

The following table summarizes the activity for unsecured credit facilities:

(Issued In)	Maturity Date	Annual Interest Rate	Facility Amount	Drawn Amount	
				March 31, 2025	December 31, 2024
<b>Non-revolving:</b>					
August 2018 <sup>(1)</sup>	August 31, 2026	2.98 %	\$80,000	<b>\$80,000</b>	\$80,000
March 2019 <sup>(1)</sup>	July 31, 2026	3.52 %	150,000	<b>150,000</b>	150,000
May 2019 <sup>(1)</sup>	June 24, 2026	3.15 %	170,000	<b>170,000</b>	170,000
December 2022 <sup>(1)</sup>	December 1, 2027	4.37 %	100,000	<b>100,000</b>	100,000
December 2022 <sup>(1)</sup>	December 1, 2027	4.88 %	100,000	<b>100,000</b>	100,000
December 2022 <sup>(2)</sup>	December 20, 2027	SOFR + 1.70%	150,000	<b>150,000</b>	150,000
January 2022 <sup>(1)</sup>	January 19, 2027	4.48 %	300,000	<b>300,000</b>	300,000
<b>Revolving:</b>					
March 2024	March 8, 2026	Adjusted CORRA + 1.45%	40,000	<b>27,067</b>	26,400
				<b>\$1,077,067</b>	\$1,076,400
Less:					
Unamortized financing costs, debt modification adjustments, and others				<b>(2,313)</b>	(2,876)
				<b>\$1,074,754</b>	\$1,073,524

(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 1.76 years. Hedge accounting has not been applied to the interest rate swap agreements.

(2) The Trust entered into cross currency swaps to exchange the U.S. dollar borrowings into Canadian dollar borrowings.

**iii) TRS debt**

The Trust borrowed TRS debt concurrent with entering the TRS agreement in February 2021. As at March 31, 2025, TRS unsecured debt of \$95,995 (December 31, 2024 - \$95,995) carries variable interest of Adjusted CORRA plus 145 basis points. The interest on this TRS debt includes floating amounts that are payable at each May, August, November and February.

**iv) Other unsecured debt**

Other unsecured debt net of fair value adjustments totalling \$114,156 (December 31, 2024 - \$114,023) 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.

The following table summarizes components of the Trust's other unsecured debt:

As at	March 31, 2025	December 31, 2024
PCVP (5.00% discount rate) <sup>(1)</sup>	<b>\$56,957</b>	\$56,726
PCVP (5.75% discount rate) <sup>(2)</sup>	<b>55,698</b>	55,382
Self-storage LP	<b>1,501</b>	1,915
	<b>\$114,156</b>	\$114,023

(1) In connection with the purchase of 700 Applewood in December 2019, the loan has a principal amount outstanding of \$67,005 (December 31, 2024 - \$67,475), is non-interest-bearing, and is repayable at the end of 10 years. As at March 31, 2025, the loan balance of \$56,957 is net of the unamortized fair value adjustment totalling \$10,048 (December 31, 2024 - the loan balance of \$56,726 is net of a fair value adjustment totalling \$10,749).

(2) In connection with the purchase of 700 Applewood in March 2020, the Trust assumed a loan payable to PCVP from Penguin. The loan has a principal amount outstanding of \$67,005 (December 31, 2024 - \$67,475), is non-interest-bearing, and is repayable at the end of 10 years. As at March 31, 2025, the loan balance of \$55,698 is net of the unamortized fair value adjustment totalling \$11,307 (December 31, 2024 - the loan balance of \$55,382 is net of a fair value adjustment totalling \$12,093). See also Note 5(a) reflecting offsetting loan receivable amount.

**c) Revolving operating facilities**

As at March 31, 2025, the Trust had two revolving operating facilities, aggregating to \$850,000 (December 31, 2024 - \$850,000).

**i) \$750,000 unsecured revolving operating facility**

A \$750,000 unsecured revolving operating facility bearing Adjusted CORRA plus 145 basis points. Additionally, the Trust has an accordion feature of \$250,000 whereby the Trust has an option to increase its facility amount with the lenders to sustain future operations as required.

**ii) \$100,000 revolving senior unsecured term facility**

A \$100,000 revolving senior unsecured term facility under which the Trust has the ability to draw funds based on bank prime rates and Adjusted CORRA rate for Canadian dollar-denominated borrowings, and SOFR rates or U.S. prime rates for U.S. dollar-denominated borrowings. Concurrently with the U.S. dollar draws, the Trust enters into cross currency swaps to exchange its U.S. dollar borrowings into Canadian dollar borrowings.

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

	Annual Interest Rate		Facility Amount	Undrawn Facilities	Outstanding Letters of Credit	Drawn Amount	
	Benchmark Rate	Spread				March 31, 2025	December 31, 2024
Revolving facility maturing June 2029	Adjusted CORRA	1.45 %	\$750,000	\$738,336	\$11,664	\$—	\$—
	Prime Rate	0.45 %					
Revolving facility maturing December 2025 <sup>(1)(2)</sup>	SOFR	1.55 %	100,000	88,959	—	11,041	43,049
				\$827,295	\$11,664	\$11,041	\$43,049

(1) The Trust has drawn in US\$7,681 which was translated to \$11,041 as at March 31, 2025 (December 31, 2024 - drawn in US\$29,930 which was translated to \$43,049).

(2) The Trust entered into cross currency swaps to exchange the U.S. dollar borrowings into Canadian dollar borrowings.

**d) Interest expense**

The following table summarizes interest expense:

	Three Months Ended March 31	
	2025	2024
Interest at stated rates	\$47,753	\$48,871
Amortization of acquisition date fair value adjustments on assumed debt	2	(42)
Amortization of deferred financing costs	1,064	959
Distributions on Units classified as liabilities, vested deferred units, and vested EIP	5,071	4,596
	\$53,890	\$54,384
Capitalized to properties under development	(7,575)	(9,392)
Capitalized to residential development inventory	(274)	(436)
	\$46,041	\$44,556

The following table presents a reconciliation between the interest expense and the cash interest paid:

	Three Months Ended March 31	
	2025	2024
Interest expense	\$46,041	\$44,556
Amortization of acquisition date fair value adjustments on assumed debt	(2)	42
Amortization of deferred financing costs	(1,064)	(959)
Distributions on Units classified as liabilities, vested deferred units, and vested EIP, net of amounts capitalized to properties under development	(5,071)	(4,596)
Change in accrued interest payable	(11,867)	(14,155)
<b>Cash interest paid</b>	<b>\$28,037</b>	<b>\$24,888</b>

For the three months ended March 31, 2025, total interest paid was \$35,886, (for the three months ended March 31, 2024 - \$34,716), which included cash interest paid of \$28,037 (for the three months ended March 31, 2024 - \$24,888), and interest capitalized to both properties under development and residential development inventory of \$7,849 (for the three months ended March 31, 2024 - \$9,828).

**e) Liquidity**

The Trust's liquidity position is monitored by management on a regular basis. The table below provides the contractual maturities of the Trust's material financial obligations, including debentures, mortgage receivable advances and development commitments:

	Total	2025	2026	2027	2028	2029	Thereafter
Secured debt	<b>\$650,753</b>	\$305,627	\$122,758	\$9,099	\$24,862	\$17,458	\$170,949
Unsecured debt	<b>4,367,938</b>	351,500	703,219	1,200,563	600,000	562,656	950,000
Revolving operating facilities	<b>11,041</b>	11,041	—	—	—	—	—
Interest obligations <sup>(1)</sup>	<b>573,930</b>	122,836	120,065	105,429	82,279	66,244	77,077
Accounts payable	<b>264,763</b>	264,763	—	—	—	—	—
Other payable	<b>36,832</b>	1,621	19,810	2,063	2,071	191	11,076
	<b>\$5,905,257</b>	<b>\$1,057,388</b>	<b>\$965,852</b>	<b>\$1,317,154</b>	<b>\$709,212</b>	<b>\$646,549</b>	<b>\$1,209,102</b>
Mortgage receivable advances (repayments) <sup>(2)</sup>	(2)	—	—	—	(2)	—	—
Development obligations (commitments)	<b>43,188</b>	43,188	—	—	—	—	—
<b>Total</b>	<b>\$5,948,443</b>	<b>\$1,100,576</b>	<b>\$965,852</b>	<b>\$1,317,154</b>	<b>\$709,210</b>	<b>\$646,549</b>	<b>\$1,209,102</b>

(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.

(2) Mortgages receivable of \$2 at March 21, 2025 mature over a period extending to 2028 if the Trust does not exercise its option to acquire the investment properties. Refer to Note 5, "Mortgages, loans and notes receivable", for timing of principal repayments.

**9. Other financial liabilities**

The following table summarizes the components of other financial liabilities:

As at	March 31, 2025	December 31, 2024
Units classified as liabilities (a)	<b>\$198,169</b>	\$191,665
Deferred unit plan (b)	<b>71,455</b>	63,550
Equity incentive plan ("EIP") (c)	<b>31,184</b>	29,010
Interest rate swap agreements	<b>7,099</b>	2,920
	<b>\$307,907</b>	\$287,145
Current <sup>(1)</sup>	<b>292,684</b>	274,526
Non-current	<b>15,223</b>	12,619
	<b>\$307,907</b>	\$287,145

(1) Includes units classified as liabilities of \$198,169 (December 31, 2024 - \$191,665), vested deferred units of \$66,904 (December 31, 2024 - \$57,107), vested and earned EIP units expected to vest within 12 months of \$27,611 (December 31, 2024 - \$25,754).

**a) Units classified as liabilities**

The following table represents the number and carrying value of Units classified as liabilities that are issued and outstanding. The fair value measurement of the Units classified as liabilities is described in Note 11, "Fair value measurement".

	Number of Units Issued and Outstanding	Carrying Value
<b>Balance - January 1, 2025</b>	<b>7,835,862</b>	<b>\$191,665</b>
Change in carrying value	N/A	6,504
<b>Balance - March 31, 2025</b>	<b>7,835,862</b>	<b>\$198,169</b>
Balance - January 1, 2024	7,897,571	\$196,571
Change in carrying value	N/A	(13,110)
Balance - March 31, 2024	7,897,571	\$183,461

**b) Deferred unit plan**

The following table summarizes the number of outstanding deferred units:

	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Balance - beginning of period	2,721,349	2,234,187
Granted	349,458	342,159
Reinvested units from distributions	54,914	205,596
Redeemed for cash	(22,725)	(48,359)
Redeemed for units	—	(1,227)
Forfeited	—	(11,007)
<b>Balance - end of period</b>	<b>3,102,996</b>	<b>2,721,349</b>

As at March 31, 2025, total outstanding deferred units included 2,645,491 vested units (December 31, 2024 - 2,334,704).

The following table summarizes the change in the carrying value of the deferred unit plan:

	Three Months Ended March 31	
	2025	2024
Carrying value - beginning of period	\$63,550	\$53,650
Deferred units granted	4,340	4,211
Reinvested distributions on vested deferred units	1,136	945
Compensation expense - reinvested distributions and amortization	860	894
Redeemed for cash	(578)	(134)
Fair value adjustment	2,147	(3,867)
<b>Carrying value - end of period</b>	<b>\$71,455</b>	<b>\$55,699</b>

**c) Equity incentive plan**

The Trust granted performance units in connection with the EIP, subject to the achievement of Unit price thresholds. The performance period for the EIP is specified in the participants' award notices. Distributions on performance units will accumulate on the performance units that have been granted. Performance units, including distributions on performance units, vest for the lesser of three years after they are earned or on the end of the applicable Performance Period. Upon vesting, performance units will be exchanged for Trust Units or paid out in cash at the option of the holders.

The following summarizes the outstanding number of performance units associated with the EIP:

	Three Months Ended March 31, 2025	Year Ended December 31, 2024
Balance - beginning of period <sup>(1) (2)</sup>	1,686,538	1,562,207
Reinvested units from distributions	31,550	124,331
<b>Balance - end of period</b>	<b>1,718,088</b>	<b>1,686,538</b>

(1) The beginning balance of 2025 and 2024 includes performance units that were granted to Mitchell Goldhar and eligible associates, as well as performance units that were reinvested from distributions.

(2) Under the EIP granted to Mitchell Goldhar in 2021 totalling 900,000 Units, 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 EIP 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, \$28.00, and \$30 Unit price thresholds have been vested on April 5, 2024, May 18, 2024, September 22, 2024, the remaining tranche has been vested on April 5, 2025.

As at March 31, 2025, total outstanding performance units included 682,286 vested units (December 31, 2024 - 669,757).

The following table summarizes the change in the carrying value of the EIP:

	Three Months Ended March 31	
Carrying Value	2025	2024
Balance - beginning of period	\$29,010	\$22,327
Compensation expense - reinvested distributions and amortization	1,091	2,080
Reinvested distributions on vested EIPs	312	—
Fair value adjustment	771	(639)
<b>Balance - end of period</b>	<b>\$31,184</b>	<b>\$23,768</b>

**d) Earnout options**

As part of the consideration paid for certain investment property acquisitions, the Trust has granted options in connection with the development management agreements (see also Note 3(e)).

The following table summarizes the number of Earnout options exercised and proceeds received:

For the three months ended March 31		2025		2024	
Options	Strike Price	Options Exercised	Amounts from Options Exercised	Options Exercised	Amounts from Options Exercised
Options to acquire Class B Smart LP III Units <sup>(1)</sup>	Market price	79,429	\$1,716	—	\$—
		79,429	\$1,716	—	\$—

(1) Each option is represented by a corresponding Class C Smart LP III Unit. For the three months ended March 31, 2025, 79,429 Earnout options on the amount of \$1,716 were converted into 66,602 Class B Smart LP III Units.

**10. Accounts and other payables**

The following table presents accounts payable and the current portion of other payables that are classified as current liabilities:

As at	March 31, 2025	December 31, 2024
Accounts payable <sup>(1)</sup>	\$87,540	\$99,601
Tenant prepaid rent, deposits, and other payables	84,456	90,652
Residential sales deposits	1,256	800
Accrued interest payable	33,584	21,719
Distributions payable	26,589	26,579
Realty taxes payable	13,591	1,753
Future land development obligations with Penguin	17,747	17,631
Current portion of other payables	1,745	1,791
	\$266,508	\$260,526

(1) Includes accounts payable to Penguin in the amount of \$1,866 as at March 31, 2025 (December 31, 2024 - \$4,252). See also Note 18, "Related party transactions".

The following table presents other payables that are classified as non-current liabilities:

As at	March 31, 2025	December 31, 2024
Lease liability - investment properties <sup>(1)</sup>	2,887	2,822
Lease liability - other	6,661	7,127
<b>Total other payables</b>	<b>\$9,548</b>	<b>\$9,949</b>
Less: Current portion of other payables	(1,745)	(1,791)
<b>Total non-current portion of other payables</b>	<b>\$7,803</b>	<b>\$8,158</b>

(1) A leasehold property with bargain purchase option is accounted for as lease.

**Future land development obligations**

The future land development obligations represent payments required to be made to Penguin (see also Note 18, "Related party transactions") for certain undeveloped lands acquired from 2006 to 2015, either on completion and rental of additional space on the undeveloped lands or, if no additional space is completed on the undeveloped lands, at the expiry of the development management agreement period ending up to 2027. The accrued future land development obligations are measured at their amortized values using imputed interest rates ranging from 4.50% to 5.50%. For the three months ended March 31, 2025, imputed interest of \$119 (for the three months ended March 31, 2024 - \$113), was capitalized to properties under development.

**11. Fair value measurement**

The fair value of financial instruments is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's-length transaction based on the current market for assets and liabilities with the same risks, principal and remaining maturity.

**Assets and liabilities carried at amortized cost**

The fair values of the Trust's accounts receivable and other, cash and cash equivalents and accounts and other payables approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments.

The fair values of certain mortgage receivables, secured debt and unsecured debt have been determined by discounting the cash flows of these financial obligations using market rates of debt of similar terms and credit risks.

**Fair value of assets and liabilities**

Assets and liabilities measured at fair value in the unaudited interim condensed consolidated balance sheets, or disclosed in the notes to the financial statements, are categorized using fair value hierarchy that reflects the significance of the inputs used in determining the fair values as follows:

The use of quoted market prices for identical assets or liabilities (Level 1), internal models using observable market information as inputs (Level 2) and internal models without observable market information as inputs (Level 3).

March 31, 2025	Carrying value	Fair Value		
		Level 1	Level 2	Level 3
<b>Assets measured at fair value:</b>				
Investment properties	\$10,617,787	\$—	\$—	\$10,617,787
TRS receivable	84,607	—	84,607	—
Interest rate swap agreements	7,472	—	7,472	—
Currency swap agreement	803	—	803	—
<b>Assets measured at amortized cost:</b>				
Mortgages, loans and notes receivable	\$237,931	\$—	\$237,931	\$—
<b>Liabilities measured at fair value:</b>				
Units classified as liabilities	\$198,169	\$—	\$198,169	\$—
DUP	71,455	—	71,455	—
EIP	31,184	—	31,184	—
Interest rate swap agreement	7,099	—	7,099	—
<b>Financial liabilities measured at amortized cost:</b>				
Secured debt	\$649,811	\$—	\$666,652	\$—
Unsecured debt	4,427,367	—	4,411,190	—
Revolving operating facilities	11,041	—	11,041	—

## 12. Unit equity

The following table presents the number of Units issued and outstanding and the related carrying value of Unit equity. The Limited Partnership Units are classified as non-controlling interests in the unaudited interim condensed consolidated balance sheets and the unaudited interim condensed consolidated statements of equity.

	Number of Units Issued and Outstanding			Carrying Value			
	Note	Trust Units	Smart LP Units	Total Units	Trust Units	Smart LP Units	Total
Balance - January 1, 2025		144,687,634	25,677,579	170,365,213	\$3,091,489	\$645,014	\$3,736,503
Options exercised	3(e), 9(d)	—	66,602	66,602	—	1,716	1,716
Balance - March 31, 2025		144,687,634	25,744,181	170,431,815	\$3,091,489	\$646,730	\$3,738,219
Balance - January 1, 2024		144,625,322	25,665,255	170,290,577	\$3,090,118	\$644,694	\$3,734,812
Balance - March 31, 2024		144,625,322	25,665,255	170,290,577	\$3,090,118	\$644,694	\$3,734,812

The following tables present the number and carrying values of LP Class B Units issued and outstanding:

LP Class B Unit Type	Number of Units Issued and Outstanding			Carrying Value		
	Balance - January 1, 2025	Options Exercised (Note 9(d))	Balance - March 31, 2025	Balance - January 1, 2025	Value From Options Exercised (Note 9(d))	Balance - March 31, 2025
Smart Limited Partnership	16,424,430	—	16,424,430	\$392,327	\$—	\$392,327
Smart Limited Partnership II	756,525	—	756,525	17,680	—	17,680
Smart Limited Partnership III	4,129,420	66,602	4,196,022	110,595	1,716	112,311
Smart Limited Partnership IV	3,112,565	—	3,112,565	89,429	—	89,429
Smart Oshawa South Limited Partnership	710,416	—	710,416	20,441	—	20,441
Smart Oshawa Taunton Limited Partnership	374,223	—	374,223	11,033	—	11,033
Smart Boxgrove Limited Partnership	170,000	—	170,000	3,509	—	3,509
	25,677,579	66,602	25,744,181	\$645,014	\$1,716	\$646,730

LP Class B Unit Type	Number of Units Issued and Outstanding			Carrying Value		
	Balance - January 1, 2024	Options Exercised (Note 9(d))	Balance - March 31, 2024	Balance - January 1, 2024	Value From Options Exercised (Note 9(d))	Balance - March 31, 2024
Smart Limited Partnership	16,424,430	—	16,424,430	\$392,327	\$—	\$392,327
Smart Limited Partnership II	756,525	—	756,525	17,680	—	17,680
Smart Limited Partnership III	4,117,096	—	4,117,096	110,275	—	110,275
Smart Limited Partnership IV	3,112,565	—	3,112,565	89,429	—	89,429
Smart Oshawa South Limited Partnership	710,416	—	710,416	20,441	—	20,441
Smart Oshawa Taunton Limited Partnership	374,223	—	374,223	11,033	—	11,033
Smart Boxgrove Limited Partnership	170,000	—	170,000	3,509	—	3,509
	25,665,255	—	25,665,255	\$644,694	\$—	\$644,694



**Authorized Units***Trust Units (authorized - unlimited)*

Each voting Trust Unit represents an equal undivided interest in the Trust. All Trust Units outstanding from time to time are entitled to participate pro rata in any distributions by the Trust and, in the event of termination or windup of the Trust, in the net assets of the Trust. All Trust Units rank among themselves equally and ratably without discrimination, preference or priority. Unitholders are entitled to require the Trust to redeem all or any part of their Trust Units at prices determined and payable in accordance with the conditions provided for in the Declaration of Trust. A maximum amount of \$50 may be redeemed in total in any one month unless otherwise waived by the Board of Trustees.

In accordance with the Declaration of Trust, distributions to Unitholders are declared at the discretion of the Trustees. The Trust endeavours to declare distributions in each taxation year in such an amount as is necessary 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*.

The Trust is authorized to issue an unlimited number of Special Voting Units that will be used to provide voting rights to holders of securities exchangeable, including all series of Class B Smart LP Units, Class D Smart LP Units, Class B Smart LP II Units, Class B Smart LP III Units, Class B Smart LP IV Units, Class B Smart Oshawa South LP Units, Class D Smart Oshawa South LP Units, Class B Smart Oshawa Taunton Units, Class D Oshawa Taunton Units, Class B Smart Boxgrove LP Units, Class B ONR LP Units and Class B ONR LP I Units, into Trust Units. Special Voting Units are not entitled to any interest or share in the distributions or net assets of the Trust. Each Special Voting Unit entitles the holder to the number of votes at any meeting of Unitholders of the Trust that is equal to the number of Trust Units into which the exchangeable security is exchangeable or convertible. Special Voting Units are cancelled on the issuance of Trust Units on exercise, conversion or cancellation of the corresponding exchangeable securities.

As at March 31, 2025, there were 33,571,335 (December 31, 2024 – 33,504,733) Special Voting Units outstanding, which are associated with those LP Units that have voting rights. There is no value assigned to the Special Voting Units. 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.

Pursuant to the Voting Top-Up Right agreement made in December 2020 between the Trust and Penguin, which was approved by Unitholders, the following amendments were made: i) extension of the Voting Top-Up Right for five years, ending December 31, 2025, ii) extension of the designation of Units as Variable Voting Units until December 31, 2025, and iii) an increase to the alternative ownership threshold from 20,000,000 Units to 22,800,000 Units, including exchangeable LP Units. The total number of Special Voting Units is adjusted for each annual meeting of the Unitholders based on changes in Penguin's ownership interest (see also Note 18, "Related party transactions").

**13. Unit distributions**

Pursuant to 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*. The following table presents Unit distributions declared:

Unit Type Subject to Distributions	Three Months Ended March 31	
	2025	2024
Trust Units	\$66,919	\$66,891
Limited Partnership Units	11,909	11,870
<b>Distributions on Units classified as equity</b>	<b>\$78,828</b>	\$78,761
<b>Distributions on Units classified as liabilities</b>	<b>3,622</b>	3,651
<b>Total Unit distributions</b>	<b>\$82,450</b>	\$82,412

On April 16, 2025, the Trust declared a distribution for the month of April 2025 of \$0.15417 per Unit, representing \$1.85 per Unit on an annualized basis, to Unitholders of record on April 30, 2025.

**14. Rentals from investment properties and other**

The following table presents rentals from investment properties and other:

	Three Months Ended March 31	
	2025	2024
Gross base rent	\$141,775	\$136,193
Less: Amortization of tenant incentives	(2,105)	(1,809)
Net base rent	\$139,670	\$134,384
Property tax and insurance recoveries	47,396	45,882
Property operating cost recoveries	33,634	29,364
	\$81,030	\$75,246
Miscellaneous revenue	3,699	2,795
<b>Rentals from investment properties</b>	<b>\$224,399</b>	<b>\$212,425</b>
Residential closing revenue	2,014	1,602
Service and other revenues	2,925	3,212
<b>Rentals from investment properties and other</b>	<b>\$229,338</b>	<b>\$217,239</b>

**15. Property operating costs and other**

The following table summarizes property operating costs and other:

	Three Months Ended March 31	
	2025	2024
Recoverable property operating costs <sup>(1)</sup>	\$84,482	\$78,759
Property management fees and costs	1,394	1,408
Expected credit loss	506	9
Non-recoverable costs	1,686	1,683
<b>Property operating costs</b>	<b>\$88,068</b>	<b>\$81,859</b>
Residential cost of sales and marketing costs	1,463	1,358
Other expenses relating to service and other revenues <sup>(2)</sup>	3,021	3,294
<b>Other expenses</b>	<b>\$4,484</b>	<b>\$4,652</b>
<b>Property operating costs and other</b>	<b>\$92,552</b>	<b>\$86,511</b>

(1) Includes recoverable property tax and insurance costs.

(2) Related to service and other revenues as disclosed in Note 14, "Rentals from investment properties and other".

**16. General and administrative expense**

The following table summarizes general and administrative expense:

	Three Months Ended March 31	
	2025	2024
Salaries and benefits	\$7,721	\$6,199
Professional fees	1,229	1,355
Public company costs	608	364
Amortization of intangible assets	333	333
Other costs including office rent, information technology, marketing, communications, and other employee expenses	639	351
<b>General and administrative expense</b>	<b>\$10,530</b>	<b>\$8,602</b>

**17. Supplemental cash flow information**

The following table presents items not affecting cash and other items relating to the Trust's operating activities:

	Three Months Ended March 31	
	2025	2024
Fair value adjustments	\$94,659	\$98,502
Loss (gain) on sale of investment properties	(7)	142
Loss (earnings) from equity accounted investments	(1,582)	4,030
Interest expense	46,041	44,556
Other financing costs	(333)	(442)
Interest income	(3,274)	(3,929)
Amortization of other assets and intangible assets	2,637	2,093
Lease obligation interest	65	60
Deferred unit compensation expense, net of cash redemptions	282	760
EIP amortization, net of payment	519	702
	<b>\$139,007</b>	<b>\$146,474</b>

The following table presents changes in other non-cash operating items:

	Three Months Ended March 31	
	2025	2024
Amounts receivable and other	\$(14,586)	\$(13,493)
Prepaid expenses, deposits and deferred financing costs	(6,238)	(6,073)
Accounts payable	(12,061)	(4,991)
Realty taxes payable	11,838	11,815
Tenant prepaid rent, deposits and other payables, and residential sales deposits	(5,740)	(9,875)
Other working capital changes	7,183	(8,713)
	<b>\$(19,604)</b>	<b>\$(31,330)</b>

The following table presents the Trust's non-cash investing and financing balances:

	Three Months Ended March 31	
	2025	2024
<b>Non-cash investing and financing balances</b>		
Total return swap receivable	\$84,607	\$119,295
Units issued on acquisition	1,716	—
Distributions payable at period end	26,589	26,577
Total return swap debt	95,995	143,232

**18. 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**

The Trust's largest Unitholder is Penguin, which as at March 31, 2025, held approximately 21.3% of the issued and outstanding Units (December 31, 2024 - 21.3%) of the Trust. The following table presents Units owned by Penguin:

Type	Class	Units owned by Penguin	
		March 31, 2025	December 31, 2024
Trust Units	N/A	15,896,863	15,896,863
Smart Limited Partnership	Class B	13,584,561	13,584,561
Smart Limited Partnership	Class F	8,708	8,708
Smart Limited Partnership III	Class B	4,196,022	4,129,420
Smart Limited Partnership IV	Class B	2,873,132	2,873,132
Smart Oshawa South Limited Partnership	Class B	630,880	630,880
Smart Oshawa Taunton Limited Partnership	Class B	374,223	374,223
Smart Boxgrove Limited Partnership	Class B	170,000	170,000
ONR Limited Partnership I	Class B	272,183	272,183
<b>Units owned by Penguin</b>		<b>38,006,572</b>	<b>37,939,970</b>

Pursuant to the Declaration of Trust, provided certain ownership thresholds are met, the Trust is required to issue or cancel 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 March 31, 2025, there were 8,755,838 additional Special Voting Units outstanding (December 31, 2024 - 9,191,230). 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.

Pursuant to its rights under the Declaration of Trust, at March 31, 2025, Penguin has appointed two Trustees out of eight.

The other non-controlling interest, which is included in equity, represents a 5.0% equity interest by Penguin in five consolidated investment properties.

**b) Distributions declared to Penguin**

During the three months ended March 31, 2025, distributions declared to Penguin totalled \$17,577 (year ended December 31, 2024 - \$69,848).

**c) Properties under development subject to development management agreements ("Earnout Agreements")**

Properties under development in the amount of \$23,787 (December 31, 2024 - \$22,766) are subject to various development management agreements with Penguin and Walmart. See Note 3(e).

The following table presents those Units which Penguin has Earnout options to acquire, upon completion of Earnout events:

Type	Class	March 31, 2025	December 31, 2024
Trust Units	N/A	1,286,833	1,286,833
Smart Limited Partnership	Class B	5,031,072	5,031,072
Smart Limited Partnership III	Class B	1,533,879	1,613,308
Smart Limited Partnership IV	Class B	353,135	353,135
Smart Oshawa South Limited Partnership	Class B	18,983	18,983
Smart Oshawa Taunton Limited Partnership	Class B	132,711	132,711
Smart Boxgrove Limited Partnership	Class B	267,179	267,179
ONR Limited Partnership I	Class B	429,599	429,599
		<b>9,053,391</b>	<b>9,132,820</b>

At March 31, 2025, Penguin's ownership would increase to 25.0% (December 31, 2024 - 25.0%) if Penguin were to exercise all remaining Earnout options pursuant to the Omnibus Agreement between the Trust and Penguin.

*Omnibus Agreement between the Trust and Penguin*

The Trust and Penguin amended the development management agreements in November 2020. 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.

**d) Leasehold property interest**

At March 31, 2025, the Trust had lease obligations for the 14 leasehold interests without bargain purchase options and one leasehold interest with bargain purchase option with Penguin. See Note 3(d).

**e) Loans receivable issued**

Four loans receivable were issued to Penguin, either pursuant to development management agreement or in connection with acquisitions of land parcels. See Note 5(a).

**f) Future land development obligations**

The future land development obligations represent payments required to be made to Penguin for certain undeveloped lands acquired. See Note 10, "Accounts and other payables".

**g) Other agreements with Penguin**

The Trust entered into various agreements with Penguin in November 2020 coincident with the extension of the term of the Voting Top-Up Right.

*Supplement to Development Services Agreement between the Trust and its Affiliates and Penguin ("Development and Services Agreement")*

The following represent the key elements of this agreement 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 \$1,000 (subject to inflation-related increments after 2018) and ii) an annual variable fee between \$1,500 and \$3,500 (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.

*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"). 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*

Effective November 2020, a non-competition agreement with Penguin 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 Deferred Unit Plan and the 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. See also Note 9, "Other financial liabilities".

**h) Summary of transactions and balances with Penguin**

The following tables summarize related party transactions and balances with Penguin:

	Note	Three Months Ended March 31	
		2025	2024
<b>Related party transactions with Penguin</b>			
<b>Acquisitions and Earnouts:</b>			
Earnouts	3(e)(ii)	\$4,500	\$—
<b>Revenues:</b>			
Service and other revenues:			
Management fee and other services revenue pursuant to the Development and Services Agreement		2,312	1,912
Support services		282	348
		<b>\$2,594</b>	\$2,260
Interest income from mortgages and loans receivable		481	708
Rents and operating cost recoveries included in rentals from income properties		696	619
		<b>\$3,771</b>	\$3,587
<b>Expenses and other payments:</b>			
Fees paid pursuant to the Penguin Services Agreement – capitalized to properties under development		1,526	1,706
EIP – capitalized to properties under development		572	1,378
Development fees and interest expense – capitalized to investment properties		274	74
Opportunity fees pursuant to the development management agreements – capitalized to properties under development <sup>(1)</sup>		15	15
Marketing and other costs – included in general and administrative expense and property operating costs		15	12
		<b>\$2,402</b>	\$3,185

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

As at	Note	March 31, 2025	December 31, 2024
<b>Related party balances with Penguin disclosed elsewhere in the financial statements</b>			
<b>Receivables:</b>			
Amounts receivable and other <sup>(1) (2)</sup>	7	\$29,833	\$27,110
Loans receivable	5(a)	76,686	76,115
Mortgages receivable	5(b)	2	2
Notes receivable	5(c)	2,924	2,924
<b>Total receivables</b>		<b>\$109,445</b>	\$106,151
<b>Payables and other accruals:</b>			
Accounts payable and accrued liabilities		1,866	4,252
Future land development obligations	10	17,747	17,631
<b>Total payables and other accruals</b>		<b>\$19,613</b>	\$21,883

(1) Excludes amounts receivable presented below as part of balances with equity accounted investments. This amount includes amounts receivable of \$17,684 and other of \$12,149 (December 31, 2024 – amounts receivable of \$15,441 and other of \$11,669).

(2) The non-current portion of amounts receivable represents a related party receivable from Penguin of \$14,497 (December 31, 2024 – \$12,994). The amount is related to services provided to Penguin by the Trust in accordance with the development service agreement (see Note 7).

**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".

**b) Loans receivable issued**

A loan receivable was provided to PCVP pursuant to a loan agreement. Loans receivable were issued to certain joint ventures partnered with SmartStop pursuant to a master credit loan agreement. See Note 5(a).

**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 8(b)(iv).

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

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

	Three Months Ended March 31	
	2025	2024
<b>Related party transactions with the Trust's equity accounted investments</b>		
<b>Revenues:</b>		
Supplemental Development Fee	\$899	\$1,738
Interest income from mortgages and loans receivable	2,026	1,955
<b>Expenses and other payments:</b>		
Rent and operating costs (included in general and administrative expense and property operating costs)	796	715

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

As at	Note	March 31, 2025	December 31, 2024
<b>Related party balances disclosed elsewhere in the financial statements</b>			
Amounts receivable <sup>(1)</sup>	7	\$12,728	\$10,034
Loans receivable <sup>(2)</sup>	5(a)	148,319	136,034
Other unsecured debt <sup>(3)</sup>	8(b)(iv)	114,156	114,023

(1) Amounts receivable includes Penguin's portion, which represents \$6,185 (December 31, 2024 - \$4,778) relating to Penguin's 50% investment in the PCVP and Residences (One) LP.

(2) Loans receivable includes Penguin's portion, which represents \$27,761 (December 31, 2024 - \$27,442) relating to Penguin's 50% investment in the PCVP.

(3) Other unsecured debt does not consist of Penguin's portion as at March 31, 2025 (December 31, 2024 - nil).

**Other related party transactions**

The following table summarizes other related party transactions:

	Three Months Ended March 31	
	2025	2024
<b>Legal fees incurred from a law firm in which a partner is a Trustee<sup>(1)</sup>:</b>		
Capitalized to investment properties	\$—	\$124
Included in general and administrative expense	—	211
	\$—	\$335

(1) Effective January 1, 2025, the Trustee is no longer a partner of the law firm.

**19. Key management and Trustees' compensation**

Key management personnel are those individuals having authority and responsibility for planning, directing and controlling the activities of the Trust, directly or indirectly. Currently, the Trust's key management personnel include the Executive Chairman and Chief Executive Officer (see also Note 18, "Related party transactions"), Chief Financial Officer, and Executive Vice Presidents. In addition, the Trustees have oversight responsibility for the Trust.

The following table presents the compensation relating to key management:

	Three Months Ended March 31	
	2025	2024
Salaries and other short-term employee benefits	\$797	\$787
Deferred unit plan	824	794
EIP	938	1,336
	<b>\$2,559</b>	<b>\$2,917</b>

The following table presents the compensation relating to Trustees:

	Three Months Ended March 31	
	2025	2024
Trustees' fees <sup>(1)</sup>	\$421	\$370

(1) Effective January 1, 2025, the trustees' compensation structure was changed to an all-inclusive retainer model, determined by each trustee's role and committee memberships.

**20. Segmented information**

As at March 31, 2025, the Trust has one reportable segment, which comprises the development, ownership, management and operation of investment properties located in Canada. In measuring performance, the Trust does not distinguish or group its operations on a geographical or any other basis and, accordingly, has a single reportable segment for disclosure purposes.

The Trust's major tenant is Walmart, accounting for 23.0% of the Trust's annualized rentals from investment properties for the three months ended March 31, 2025 (three months ended March 31, 2024 - 23.7%).



**21. Risk management**

The Trust analyzes its interest rate exposure on a regular basis. The Trust monitors the historical movement of 10-year Government of Canada bonds and performs a sensitivity analysis to identify the possible impact on net income of an interest rate shift. The simulation is performed on a regular basis to ensure the maximum loss potential is within the limit acceptable to management. Management performs the simulation for secured debt, unsecured debt, revolving operating facilities, and mortgages and loans receivable:

Change in interest rate of:	(1.50)%	(1.00)%	(0.50)%	0.50%	1.00%	1.50%
Net income increase (decrease) from variable-rate debt	\$4,449	\$2,966	\$1,483	\$(1,483)	\$(2,966)	\$(4,449)
Net income increase (decrease) from variable-rate mortgages and loans receivable	\$(1,497)	\$(998)	\$(499)	\$449	\$998	\$1,497

From time to time, the Trust may enter into interest rate swaps as part of its strategy for managing certain interest rate risks. The Trust recognizes any change in fair value associated with interest rate swap agreements in the unaudited interim condensed consolidated statements of income and comprehensive income.

The sensitivity analysis in the table below reflects the fair value gain (loss) on interest rate swap agreements from possible changes in interest rates.

Change in interest rate of:	(1.50)%	(1.00)%	(0.50)%	0.50%	1.00%	1.50%
Fair value gain (loss) on interest rate swap agreements	\$(35,843)	\$(23,150)	\$(10,523)	\$14,532	\$26,963	\$39,331

The Trust's exposure to interest rate risk is monitored by management on a regular basis (see also Note 8, "Debt").

**22. Commitments and contingencies**

The Trust has certain obligations and commitments pursuant to development management agreements to complete the purchase of Earnouts totalling approximately 139,000 square feet (December 31, 2024 - 139,000 square feet) of development space from Penguin and others, based on a pre-negotiated formula, as more fully described in Note 3, "Investment properties". As at March 31, 2025, the carrying value of these obligations and commitments included in properties under development was \$23,787 (December 31, 2024 - \$22,766). The timing of completion of the purchase of the Earnouts, and the final prices, cannot be readily determined because they are a function of future tenant leasing.

The Trust has also entered into various other development construction contracts totalling \$43,188 (December 31, 2024 - \$49,589).

The Trust entered into agreements with Penguin in which the Trust will lend funds in the form of mortgages receivable, as disclosed in Note 5(b). The maximum amount that may be provided under the agreements totals \$116,993 (December 31, 2024 - \$116,993) (see also Note 5, "Mortgages, loans and notes receivable"), of which \$2 has been provided as at March 31, 2025 (December 31, 2024 - \$2).

As at March 31, 2025, letters of credit totalling \$47,430 (December 31, 2024 - \$49,467) - including letters of credit drawn down under the revolving operating facilities described in Note 8(c) - have been issued on behalf of the Trust by financial institutions as security for debt and for maintenance and development obligations to municipal authorities.

The Trust carries insurance and indemnifies its Trustees and officers against any and all claims or losses reasonably incurred in the performance of their services to the Trust to the extent permitted by law.

The Trust, in the normal course of operations, is subject to a variety of legal and other claims. Management and the Trust's legal counsel evaluate all claims on their apparent merits and accrue 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 unaudited interim condensed consolidated financial statements.