

2025 FIRST QUARTER REPORT

MANAGEMENT'S DISCUSSION AND ANALYSIS
AND UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended
March 31, 2025

Canada's Shopping Centre



SMARTCENTRES[®]
REAL ESTATE INVESTMENT TRUST



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MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED MARCH 31, 2025

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 March 31, 2025, and for the three months ended March 31, 2025, 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 year ended December 31, 2024, and the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025, the notes contained therein, and the Trust's annual information form for the year ended December 31, 2024 ("AIF"). Such interim condensed consolidated financial statements 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 Canadian dollar is the functional and reporting currency for purposes of preparing the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025.

This MD&A is dated May 7, 2025, which is the date of the press release announcing the Trust's results for the three months ended March 31, 2025. 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)	March 31, 2025	December 31, 2024	March 31, 2024
Portfolio Information (Number of properties)			
Retail properties	155	155	155
Office properties	4	4	4
Self-storage properties	11	11	9
Residential properties	3	3	3
Industrial properties	1	1	1
Properties under development	22	21	21
Total number of properties with an ownership interest	196	195	193
Leasing and Operational Information⁽¹⁾			
Gross leasable retail, office and industrial area (in thousands of sq. ft.)	35,425	35,300	35,109
In-place and committed occupancy rate	98.4 %	98.7 %	97.7 %
Average lease term to maturity (in years)	4.3	4.2	4.3
In-place net retail rental rate excluding Anchors (per occupied sq. ft.)	\$23.89	\$23.48	\$23.07
Financial Information			
Total assets ⁽²⁾	11,921,325	11,939,689	11,850,182
Investment properties ⁽²⁾	10,617,787	10,659,783	10,491,638
Total unencumbered assets ⁽³⁾	9,592,521	9,464,521	9,176,421
NAV per Unit - diluted ⁽³⁾	\$35.51	\$36.03	\$35.71
Debt ⁽²⁾	5,088,219	5,046,279	5,043,206
Debt to Aggregate Assets ⁽³⁾⁽⁴⁾⁽⁵⁾	44.1 %	43.7 %	43.8 %
Adjusted Debt to Adjusted EBITDA ⁽³⁾⁽⁴⁾⁽⁵⁾	9.6X	9.6X	9.8X
Weighted average interest rate ⁽³⁾⁽⁴⁾	3.93 %	3.92 %	4.17 %
Weighted average term of debt (in years)	3.3	3.1	3.4
Interest coverage ratio ⁽³⁾⁽⁴⁾	2.5X	2.5X	2.6X
Units outstanding ⁽⁶⁾	178,267,677	178,201,075	178,188,148
Units outstanding - diluted ⁽⁷⁾	181,595,454	181,205,536	180,417,003

(1) Excluding residential and self-storage area.

(2) Represents a Generally Accepted Accounting Principles ("GAAP") measure.

MANAGEMENT'S DISCUSSION AND ANALYSIS

- (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 March 31, 2025, cash-on-hand of \$25.6 million was excluded for the purposes of calculating the applicable ratios (December 31, 2024 - \$34.9 million, March 31, 2024 - \$33.3 million).
- (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 unaudited interim condensed consolidated financial statements are presented as non-controlling interests.
- (7) Total diluted Units outstanding includes total Units outstanding, vested portion of the deferred units issued pursuant to the deferred unit plan, and vested EIPs granted pursuant to the equity incentive plan.

(in thousands of dollars, except per Unit information)	Three Months Ended	
	March 31, 2025	March 31, 2024
Financial Information		
Rentals from investment properties and other ⁽¹⁾	229,338	217,239
Net loss and comprehensive loss ⁽¹⁾	(9,581)	(21,175)
Cash flows provided by operating activities ⁽¹⁾	81,737	69,719
Net rental income and other ⁽¹⁾	136,786	130,728
NOI ⁽²⁾⁽³⁾	143,524	136,075
NOI from residential sales and other adjustments ⁽²⁾⁽³⁾	558	127
SPNOI ⁽²⁾⁽³⁾	142,490	136,808
Change in SPNOI ⁽²⁾⁽³⁾	4.1 %	3.0 %
Change in SPNOI excluding Anchors ⁽²⁾⁽³⁾	6.7 %	5.3 %
FFO ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	101,919	86,812
FFO with adjustments ⁽²⁾⁽³⁾⁽⁴⁾	97,087	92,762
AFFO ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	98,426	81,242
AFFO with adjustments ⁽²⁾⁽³⁾⁽⁴⁾	93,594	87,192
Distributions declared	82,450	82,412
Weighted average - basic	178,246,956	178,188,148
Weighted average - diluted ⁽⁶⁾	181,412,769	180,265,745
Per Unit Information (Basic/Diluted)		
Net loss and comprehensive loss ⁽¹⁾	\$(0.05)/\$(0.05)	\$(0.12)/\$(0.12)
FFO ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	\$0.57/\$0.56	\$0.49/\$0.48
FFO with adjustments ⁽²⁾⁽³⁾⁽⁴⁾	\$0.54/\$0.54	\$0.52/\$0.52
AFFO ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	\$0.55/\$0.54	\$0.46/\$0.45
AFFO with adjustments ⁽²⁾⁽³⁾⁽⁴⁾	\$0.53/\$0.52	\$0.49/\$0.48
Distributions declared	\$0.463	\$0.463
Payout Ratio Information		
Payout Ratio to AFFO ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	83.8 %	101.4 %
Payout Ratio to AFFO with adjustments ⁽²⁾⁽³⁾⁽⁴⁾	88.1 %	94.5 %
Payout Ratio to cash flows provided by operating activities	100.9 %	118.2 %

- (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) The diluted weighted average includes the vested portion of the deferred units 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 March 31, 2025 increased by 6.7% (4.1% including Anchors) compared to the same period in 2024.
- 178,408 square feet of vacant space leased during the quarter, resulting in an in-place and committed occupancy rate of 98.4% as of March 31, 2025 (December 31, 2024 - 98.7%). In addition, growing demand for new-build retail continues with approximately 28,620 square feet executed during the quarter.
- Extended or finalized 68.4% of all leases maturing in 2025, with a strong rent growth of 8.4% (excluding Anchors).
- In March 2025, Walmart took possession of 110,000 square feet at the South Oakville Centre property and has commenced fixturing with an opening planned for later this year.

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.
- 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 during the second quarter of 2025. Site preparation and demolition works have been completed for three additional self-storage facilities in Montreal (Notre Dame St. W), Laval E, Quebec, and Burnaby, British Columbia, with facilities opening expected in 2026.
- Construction of Phase I of the Vaughan NW townhomes is mostly completed, with 4 units closed in Q1 2025. As at March 31, 2025, a total of 89 out of the 120 units in Phase I have closed.
- Construction of the ArtWalk condo Tower A in the Vaughan Metropolitan Centre is continuing with siteworks and below-grade work nearing completion. Approximately 93% of the 340 units in Tower A have been pre-sold.
- Construction of the Trust's flagship 224,000 square foot Canadian Tire store on Laird Drive in Toronto continues on schedule, with possession expected in Q2 2026.

Financial

- Rentals from investment properties and other⁽²⁾ for the three months ended March 31, 2025, totalled \$229.3 million representing an increase of \$12.1 million or 5.6% compared to the same period in 2024. The increase was primarily due to lease-up activities for retail and mixed-use properties compared to the prior year period.
- Net rental income and other⁽²⁾ for the three months ended March 31, 2025 was \$136.8 million representing an increase \$6.1 million or 4.6% compared to the same period in 2024. This increase was primarily due to a lease-up and renewals activities.
- Net loss and comprehensive loss⁽¹⁾ improved by \$11.6 million for the three months ended March 31, 2025, compared to the same period in 2024. This improvement was driven by stronger operating performance, including a \$7.4 million increase in NOI from lease-up activity, and a \$42.0 million reduction in fair value losses on investment properties due to changes in market conditions. These gains were partially offset by a \$34.9 million lower fair value adjustment on financial instruments and higher G&A expenses related to a non-recurring severance cost. Net loss and comprehensive loss⁽²⁾ per Unit was \$0.05, compared to \$0.12 in the prior year.
- FFO per Unit⁽¹⁾ for the three months ended March 31, 2025, was \$0.56 compared to \$0.48 for the same period in 2024. This increase was primarily due to changes in fair value adjustment on TRS resulting from fluctuations in the Trust's Unit price, and an increase in NOI mainly due to lease-up activities, partially offset by a non-recurring severance cost and higher net interest expense compared to the prior year period. FFO with adjustments per Unit⁽¹⁾ for the three months ended March 31, 2025, was \$0.54 compared to \$0.52 for the same period in 2024.
- Payout Ratio to AFFO⁽¹⁾ for the three months ended March 31, 2025, was 83.8%, as compared to 101.4% for the same period in 2024. The Payout Ratio to AFFO⁽¹⁾ with adjustments for the three months ended March 31, 2025 was 88.1% as compared to 94.5% for the same period in 2024. The lower payout ratio is mainly due to the increase in FFO and lower sustaining capex spending, which is expected to be spent during the remainder of the year.
- Payout Ratio to cash flows provided by operating activities for the three months ended March 31, 2025, was 100.9% as compared to 118.2% for the same periods in 2024. The decrease was primarily attributable to stronger lease-up activity during the period compared to the same prior year period.
- As at March 31, 2025, the Trust's fixed rate/variable rate debt ratio⁽¹⁾⁽³⁾ was 90%/10% (December 31, 2024 - 89%/11%).
- As at March 31, 2025, the Trust's unencumbered portfolio of investment properties was valued at \$9.6 billion (December 31, 2024 - \$9.5 billion).

(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 \$25.6 million as at March 31, 2025 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 unaudited interim condensed consolidated financial statements of the Trust for the three months ended March 31, 2025 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	<p>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.</p> <p>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.</p>	Section VIII – Financing and Capital Resources, "Debt", "Financial Covenants"
Adjusted Debt to Adjusted EBITDA	<p>Adjusted Debt to Adjusted EBITDA is defined as Adjusted Debt divided by Adjusted EBITDA.</p> <p>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.</p>	Section VIII – Financing and Capital Resources, "Financial Covenants"
Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization Expense ("Adjusted EBITDA")	<p>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.</p> <p>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.</p>	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	<p>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.</p> <p>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.</p>	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	<p>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, actual 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.</p> <p>AFFO per Unit and AFFO with adjustments per Unit, are defined as AFFO and AFFO with adjustments divided by weighted average number of Units.</p> <p>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.</p> <p>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.</p>	Section V – Business Operations and Performance, "Other Measures of Performance"
Aggregate Assets and Gross Book Value	<p>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.</p> <p>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.</p>	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	<p>Annualized NOI is defined as estimated NOI for the next 12 months, based on the current period's NOI.</p> <p>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.</p>	Section VIII — Financing and Capital Resources, "Debt"
Debt to Aggregate Assets and	<p>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).</p>	Section VIII — Financing and Capital Resources, "Financial Covenants"
Debt to Aggregate Assets (excluding TRS debt and receivable)	<p>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.</p>	
Debt to Gross Book Value	<p>Debt to Gross Book Value is defined as Net Debt divided by Gross Book Value.</p> <p>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.</p>	Section VIII — Financing and Capital Resources, "Financial Covenants"
Fixed Charge Coverage Ratio	<p>Fixed Charge Coverage Ratio is defined as Adjusted EBITDA divided by Debt Service Expense.</p> <p>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.</p>	Section VIII — Financing and Capital Resources, "Financial Covenants"
Fixed Rate to Variable Rate Debt Ratio	<p>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.</p> <p>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.</p>	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	<p>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.</p> <p>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.</p> <p>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.</p> <p>FFO per Unit and FFO with adjustments per Unit, are defined as FFO, and FFO with adjustments, divided by weighted average number of Units.</p> <p>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.</p>	<p>Section V — Business Operations and Performance, “Other Measures of Performance”</p>
Interest Coverage Ratio	<p>Interest Coverage Ratio is defined as Adjusted EBITDA divided by Adjusted Interest Expense including Capitalized Interest.</p> <p>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.</p>	<p>Section VIII — Financing and Capital Resources, “Financial Covenants”</p>
Investment Properties – non-GAAP	<p>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.</p> <p>The measure is intended to be used by investors to measure the amount of the Trust's entire portfolio.</p>	<p>Section VII — Asset Profile, “Investment Properties”</p>
Net Asset Value (“NAV”) and NAV per Unit - diluted	<p>NAV is an alternative measurement of equity. It is defined as total equity adjusted for LP Units classified as liabilities. Management uses this measure to assess the Trust's intrinsic value.</p> <p>NAV per diluted unit is defined as NAV divided by diluted outstanding Units.</p>	<p>Section VIII — Financing and Capital Resources, “Net Asset Value”</p>
Net Operating Income (“NOI”)	<p>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 (loss) and comprehensive income (loss), NOI is presented as “net rental income and other”.</p> <p>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.</p>	<p>Section V — Business Operations and Performance, “Results of Operations”</p>

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	<p>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.</p> <p>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.</p>	Section V — Business Operations and Performance, "Other Measures of Performance"
Proportionate Share Reconciliation and Total Proportionate Share	<p>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.</p> <p>"Proportionate Share Reconciliation" represents the adjustment to account for the Trust's proportionate share of equity accounted investments.</p> <p>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.</p>	Section V — Business Operations and Performance, "Results of Operations"
Recovery Ratio	<p>The Recovery Ratio is defined as property operating cost recoveries divided by recoverable costs.</p> <p>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.</p>	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
<p>Same Properties NOI ("SPNOI")</p> <p>and</p> <p>SPNOI excluding Anchors</p>	<p>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.</p> <p>SPNOI is intended to be used by investors and management as profitability growth indicators on the Trust's existing investment property portfolio.</p>	<p>Section V — Business Operations and Performance, "Results of Operations"</p>
<p>Transactional FFO</p>	<p>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.</p> <p>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.</p> <p>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.</p>	<p>Section V — Business Operations and Performance, "Other Measures of Performance"</p>
<p>Unencumbered Assets</p>	<p>Unencumbered Assets is defined as the Trust's assets that are free and clear of any encumbrances.</p> <p>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.</p>	<p>Section VIII — Financing and Capital Resources, "Debt"</p>
<p>Unencumbered Assets to Unsecured Debt Ratio</p>	<p>Unencumbered Assets to Unsecured Debt Ratio is defined as the Trust's unencumbered assets divided by the Trust's unsecured debt.</p> <p>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.</p>	<p>Section VIII — Financing and Capital Resources, "Financial Covenants"</p>
<p>Unsecured to Secured Debt Ratio</p>	<p>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).</p> <p>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.</p>	<p>Section VIII — Financing and Capital Resources, "Financial Covenants"</p>

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”, “would”, “can”, “anticipate”, “expect”, “believe”, “plan”, “potential”, “propose”, “schedule”, “estimate”, “intend”, “project”, “will”, “may”, “continue”, “forecast”, “outlook”, “direction”, “come”, “seek”, “targets”, 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, risks associated with 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 sustained higher interest rate environment; a continuing trend toward land use intensification, including residential developments 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 and there not being a public health crisis that affects the ability of tenants to carry on business. 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, townhome units, self-storage rental facilities, and industrial facilities in Canada.

As of March 31, 2025, the Trust owned a mixed-use portfolio featuring 196 strategically located properties in communities across the country. The Trust has approximately \$11.9 billion in assets and owns 35.4 million square feet of income producing value-oriented retail and office properties at key intersections across Canada with a 98.4% 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 on existing owned properties with recurring revenue from two major sources:

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

The Trust remains focused on enhancing its core retail portfolio by attracting high-quality tenants, improving tenant mix, and opening new stores within existing properties. This strategy is designed to drive stable and growing cash flows, ensuring consistent income and long-term value creation. The Trust continues to improve and expand its retail portfolio in five ways:

- i) Expansion of existing stores;
- ii) Infill opportunities which include development of new stores on excess lands within existing shopping centres;
- iii) Acquisition of new lands to build high-quality, value-oriented shopping centres for tenants;
- iv) New store formats with existing tenants, and
- v) Leasing of vacant space and upcoming maturities.

As part of its commitment to maximizing the potential of its retail assets, the Trust continues to explore opportunities to strategically enhance and intensify its existing properties. The Trust prioritizes retail-led growth to support the evolving needs of consumers and retailers. In addition, mixed-use development is an important part of the Trust's strategy, particularly with the development of residential projects connected to transit infrastructure that is highly complementary to the retail portfolio.

In addition, the Trust is leveraging its land holdings to create long-term value through strategic development initiatives. 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. This transformative project reflects the Trust's ability to unlock value from its properties while maintaining its primary focus on retail.

The Trust maintains a disciplined financial approach, ensuring sufficient liquidity and a well-managed balance sheet. By maintaining leverage within target ranges and strategically staggering debt maturities with a balanced mix of unsecured and secured debt, the Trust upholds financial flexibility and stability, positioning itself for sustained growth and success.

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 90% 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. The core values of the Trust are to build value-oriented affordable centres in the midst of communities to help people live better lives.

ESG and sustainability principles are aligned with the Trust's core values. In addition to being the right thing to do, weaving ESG considerations into how we operate and maintain our properties create value for the business. The Trust continues to think about how it will operate in the future and respond to increased environmental concerns like climate change, especially with an eye to the evolving expectations of employees, tenants, and investors.

The Trust embeds ESG considerations into its business strategy to manage risk and create value, for today and 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 and future net zero commitments, through the development of its Net Zero Framework;
- 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 annually; and
- Maintaining a Diversity, Equity, Inclusion and Belonging Policy.

In this quarter, the Trust has made progress on its key sustainability and ESG initiatives, including:

- Incorporating environmental, social, and governance targets into the corporate Trust Targets for the 2025 fiscal year;
- Updating the Trust's ESG strategy and supporting 3-year roll-forward plan;
- Using the insights gained from completing scenario analysis, continued to prioritize business-related climate actions over the short, medium, and long term;
- Increasing alignment with internationally accepted sustainability disclosures frameworks and standards;
- Continuing to embed climate and sustainability considerations into future development decision-making processes;
- Improving data management processes through formalized controls and actioned review of ESG data collection processes;
- Maintaining enhanced employee training programs to improve orientation, engagement and retention, including offering Chartered Professional Accountant (“CPA”) training and mandatory ESG training;
- Increasing stakeholder engagement for tenants, associates, and the communities in which it operates, through creating a formal Engagement Framework; and
- Maintaining 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. In 2024, the Trust completed scenario analysis and continues to use the 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.

Utilizing industry-recognized external consultants, SmartCentres completed a comprehensive study to establish a Framework identifying the investment requirements needed 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 optimal path forward to create Unitholder value and reduce GHG emissions by working with tenants to meet mutual goals and targets.

The Trust continues to use the Global Real Estate Sustainability Benchmark ("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. This quarter, the Trust partnered with tenants and supported the North York Harvest Food Bank and Yorkgate Mall's March Break Bonanza event. The Trust also recognized International Women's Day and celebrated women's success across its organization.

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. Through its upgraded enterprise resource planning ("ERP") system, the Trust aims to support growth and increase processes productivity. The Trust also completed an enterprise risk management update to integrate sustainability-related risks and opportunities into its general risk management process. Governance was further enhanced through improved ERP system, including updated segregation of duties and authority levels.

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.

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 quarterly 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.

With the increasing focus on the importance of matters related to climate change, the Board of Trustees recognized the necessity of ensuring that Trustees are appropriately skilled in the oversight of these matters through ongoing training and education. In addition to the regular ESG and climate-related updates that are provided to the board quarterly through the ESG Subcommittee, all Trustees registered to participate in a climate change training presentation in April 2025. The training presentation was facilitated by an industry-leading external climate change consultant to address physical and transition risks and opportunities related to climate change. It was also attended by members of the executive management team.

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 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 information on the Trust's website does not form part of this MD&A.

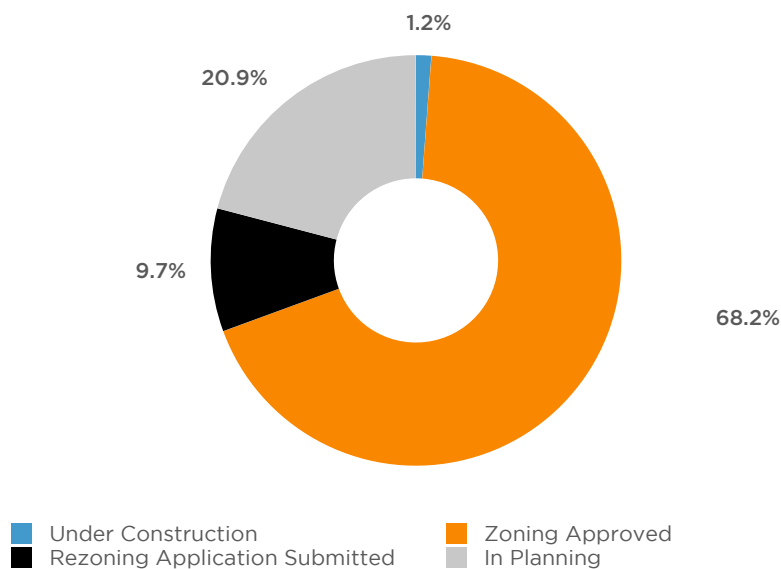
Section IV – Development Activities

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	68.0	58.1
Rezoning Application Submitted	9.3	8.3
In Planning	21.1	17.8
Total Square Feet	100.4	85.2

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 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	66 %	366,000	174
Gilbert Self-storage	Self-storage	50 %	Q2 2025	88 %	177,000	N/A
St-Regis Self-storage	Self-storage	50 %	Q2 2025	84 %	164,000	N/A
Jane Self-storage	Self-storage	50 %	Q2 2025	85 %	143,000	N/A
Notre-Dame Self-storage	Self-storage	50 %	Q2 2026	30 %	177,000	N/A
Laval East Self-storage	Self-storage	50 %	Q3 2026	19 %	178,000	N/A
Regent Self-storage	Self-storage	50 %	Q4 2026	32 %	133,000	N/A
Vaughan / ArtWalk	Condo	50 %	Q2 2027	38 %	295,000	340
Ottawa SW	Residential Apartments	50 %	Q3 2027	30 %	361,000	425
Total Mixed-use Developments					1,994,000	939
Retail Development						
Toronto (Laird)	Retail	50 %	Q2 2026	46 %	224,000	N/A

In millions of dollars

Total Capital Spend to Date at 100%⁽²⁾	\$480.8
Estimated Cost to Complete at 100%	550.0
Total Expected Capital Spend by Completion at 100%⁽²⁾	\$1,030.8
Total Capital Spend to Date at Trust's Share⁽²⁾	\$240.4
Estimated Cost to Complete at Trust's Share	275.0
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;
- iii) the 140,000 square foot new Walmart store;
- 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. During the reporting period, there have been no material changes to the Trust's mixed-use development pipeline. The status of ongoing projects and development initiatives remains consistent with previously disclosed plans.

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 March 31, 2025, 89 of the Phase I townhomes have closed. Construction of Phase I is mostly complete with 4 townhome closings completed in the quarter contributing \$0.6 million to FFO (the Trust's share). Closing of the remaining townhomes in Phase I is expected to be completed during the remainder of 2025 and into 2026.

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 2024	85
Townhomes closed in Q1 2025	4
Total units closed	89
Total units remaining	31
% of townhomes closed	74.2 %

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

(in thousands of dollars)	For the Three Months Ended March 31, 2025	
	Total	Trust's Share
Townhome sales closings revenue	\$4,034	\$2,017
Cost of sales	(2,259)	(1,130)
Net Profit from Co-Tenancy	1,775	887
Interest and other	(21)	(336)
Net profit	\$1,754	\$551

Properties Under Development

As at March 31, 2025, the fair value of properties under development, including properties under development recorded in equity accounted investments, totalled \$2.1 billion, resulting in a net decrease of \$121.2 million as compared to December 31, 2024, as presented in the following table. The net decrease was mainly driven by \$127.9 million decrease in fair value adjustment primarily due to changes in market conditions for certain future development properties during the three months ended March 31, 2025. See "Investment Properties" in this MD&A for further discussion.

(in thousands of dollars)	March 31, 2025	December 31, 2024	Variance
Developments	\$1,565,705	\$1,694,728	\$(129,023)
Earnouts subject to option agreements ⁽¹⁾	23,787	22,766	1,021
Total	\$1,589,492	\$1,717,494	\$(128,002)
Equity accounted investments	476,697	469,870	6,827
Total including equity accounted investments⁽²⁾	\$2,066,189	\$2,187,364	\$(121,175)

(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 9(d) of the unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025. 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 2.1 million square feet. With respect to the future pipeline, commitments have been negotiated on 0.4 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 March 31, 2025:

(in thousands of square feet)	Committed	Years 0-2	Years 3-5	Beyond Year 5	Total ⁽¹⁾
Developments	331	484	708	66	1,589
Earnouts	38	28	73	—	139
	369	512	781	66	1,728
Mezzanine Financing	—	—	387	—	387
	369	512	1,168	66	2,115

(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 three months ended March 31, 2025, the future retail properties under development pipeline increased by 81,000 square feet to a total of 1.7 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, 2025	1,647
Add:	
Net adjustment to project densities	282
Less:	
Completion of Earnouts and Developments	(201)
Net change	81
Future retail properties under development pipeline - March 31, 2025	1,728

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	\$147,501	\$280,595	\$28,942	\$457,038	\$143,097	\$313,941
Earnouts	11,751	21,321	—	33,072	2,896	30,176
	\$159,252	\$301,916	\$28,942	\$490,110	\$145,993	\$344,117

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 \$650.0 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 1.6 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 March 31, 2025, \$52.6 million of Earnouts and Developments (including Developments relating to equity accounted investments, and of which \$52.6 million at the Trust's share) were completed and transferred to income properties, as compared to \$63.4 million (\$52.3 million at the Trust's share) in the same period in 2024.

(in millions of dollars)	Three Months Ended March 31, 2025		Three Months Ended March 31, 2024	
	Area (sq. ft.)	Investment	Area (sq. ft.)	Investment
Earnouts	78,000	\$4.5	—	\$—
Development - transfers from properties under development to income properties	123,305	48.1	162,858	41.1
Self-storage facilities - equity accounted investments	—	—	126,000	22.3
Total Earnouts and Developments	201,305	\$52.6	288,858	\$63.4
Total Trust's share of Earnouts and Developments	201,305	\$52.6	225,858	\$52.3

The following table summarizes future retail developments, Earnouts and Mezzanine Financing as at March 31, 2025:

(in thousands of dollars)	Area (sq. ft.)	Total Area	Income	Gross Commitment	Invested To Date	Net Commitment	Yield / Cap Rate
Developments							
Committed Developments							
2025	137,736	8.0 %	\$3,096	\$40,828 ⁽²⁾	\$17,488 ⁽²⁾	\$23,340	7.6 % ⁽³⁾
2026 and beyond	193,692	11.2 %	5,643	104,905 ⁽²⁾	34,734 ⁽²⁾	70,171	5.4 % ⁽³⁾
Total Committed Developments	331,428	19.2 %	\$8,739	\$145,733	\$52,222	\$93,511	6.0 %
Uncommitted Developments							
2025	90,831	5.3 %	1,149	23,915 ⁽²⁾	13,377 ⁽²⁾	10,538	4.8 % ⁽³⁾
2026 and beyond	1,166,318	67.5 %	26,938	433,123 ⁽²⁾	129,720 ⁽²⁾	303,403	6.2 % ⁽³⁾
Total Uncommitted Developments	1,257,149	72.8 %	\$28,087	\$457,038	\$143,097	\$313,941	6.1 %
Total Developments	1,588,577	92.0 %	\$36,826	\$602,771	\$195,319 ⁽¹⁾	\$407,452	6.1 %
Earnouts							
Committed Earnouts							
2025	33,211	1.9 %	742	11,410	2,683	8,727	6.5 %
2026 and beyond	4,500	0.3 %	212	2,779	27	2,752	7.6 %
Total Committed Earnouts	37,711	2.2 %	\$954	\$14,189	\$2,710	\$11,479	6.7 %
Uncommitted Earnouts							
2025	10,979	0.6 %	248	3,591	950	2,641	6.9 %
2026 and beyond	90,439	5.2 %	2,059	29,481	1,945	27,536	7.0 %
Total Uncommitted Earnouts	101,418	5.8 %	\$2,307	\$33,072	\$2,895	\$30,177	7.0 %
Total Earnouts	139,129	8.0 %	\$3,261	\$47,261	\$5,605 ⁽¹⁾	\$41,656	6.9 %
Total Before Non-cash Development Cost	1,727,706	100.0 %	\$40,087	\$650,032	\$200,924	\$449,108	6.2 %
Non-cash development cost ⁽⁴⁾					70,414 ⁽¹⁾		
Land / Intensification projects					1,318,154 ⁽¹⁾		
Equity accounted investments					476,697 ⁽¹⁾		
Total	1,727,706	100.0 %	\$40,087	\$650,032	\$2,066,189 ⁽¹⁾	\$449,108	6.2 %
Options through Mezzanine Financing	386,575						
Total Potential Pipeline	2,114,281						

(1) Under "Completed and Future Earnouts and Developments on Existing Properties" in this MD&A, Earnouts of \$23.8 million, developments of \$1,565.7 million and equity accounted investments of \$476.7 million comprise the total amount of \$2,066.2 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 6.8%, 5.1%, 3.8%, and 5.2%, 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 three months ended March 31, 2025. This information should be read in conjunction with the Trust's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025.

Proportionately Consolidated Statements of Loss and Comprehensive Loss (including the Trust's Interests in Equity Accounted Investments)

The following tables present the proportionately consolidated statements of loss and comprehensive loss, which include a reconciliation of the Trust's proportionate share of equity accounted investments:

(in thousands of dollars)	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024			Variance of Total Proportionate Share ⁽¹⁾
	GAAP Basis	Proportionate Share Reconciliation	Total Proportionate Share ⁽¹⁾	GAAP Basis	Proportionate Share Reconciliation	Total Proportionate Share ⁽¹⁾	
Net rental income and other							
Rentals from investment properties and other	\$227,324	\$12,977	\$240,301	\$215,637	\$10,922	\$226,559	\$13,742
Property operating costs and other	(91,089)	(6,246)	(97,335)	(85,153)	(5,458)	(90,611)	(6,724)
	\$136,235	\$6,731	\$142,966	\$130,484	\$5,464	\$135,948	\$7,018
Residential sales revenue and other ⁽²⁾	2,014	9	2,023	1,602	29	1,631	392
Residential cost of sales and other	(1,463)	(2)	(1,465)	(1,358)	(146)	(1,504)	39
	\$551	\$7	\$558	\$244	\$(117)	\$127	\$431
NOI	\$136,786	\$6,738	\$143,524	\$130,728	\$5,347	\$136,075	\$7,449
Other income and expenses							
General and administrative expense, net	(10,530)	—	(10,530)	(8,602)	—	(8,602)	(1,928)
Earnings (Loss) from equity accounted investments	1,582	(1,582)	—	(4,030)	4,030	—	—
Fair value adjustment on investment properties	(80,134)	56	(80,078)	(118,868)	(3,185)	(122,053)	41,975
Gain (Loss) on sale of investment properties	7	—	7	(142)	—	(142)	149
Interest expense	(46,041)	(5,131)	(51,172)	(44,556)	(5,978)	(50,534)	(638)
Interest income	3,274	369	3,643	3,929	655	4,584	(941)
Supplemental costs	—	(450)	(450)	—	(869)	(869)	419
Fair value adjustment on financial instruments	(14,525)	—	(14,525)	20,366	—	20,366	(34,891)
Net loss and comprehensive loss	\$(9,581)	\$—	\$(9,581)	\$(21,175)	\$—	\$(21,175)	\$11,594

(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 March 31, 2025, net loss and comprehensive loss decreased by \$11.6 million as compared to the same period in 2024. This decrease was primarily attributable to the following:

- \$80.1 million fair value loss on investment properties for the period was lower by \$42.0 million, primarily due to changes in market conditions for certain future development properties, partially offset by improved leasing activities; and
- \$7.4 million increase in NOI primarily due to lease-up activities for retail and mixed-use properties compared to the prior year period;

Partially offset by the following:

- \$34.9 million decrease in fair value adjustment on financial instruments for the period, primarily due to mark-to-market adjustments for interest rate swaps and fair value change in units classified as liabilities due to an increase in the Trust's Unit price; and
- \$1.9 million increase in general and administrative expense including a non-recurring severance cost of \$1.4 million related to reduced staffing from deferred development activities.

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:

(in thousands of dollars)	Three Months Ended March 31, 2025			Three Months Ended March 31, 2024			Variance of Total Proportionate Share ^(b)
	Trust portion excluding EAI	Equity Accounted Investments	Total Proportionate Share ^(a)	Trust portion excluding EAI	Equity Accounted Investments	Total Proportionate Share ^(a)	
Net base rent	\$139,670	\$8,823	\$148,493	\$134,384	\$7,290	\$141,674	\$6,819
Property tax and insurance recoveries	47,396	683	48,079	45,882	656	46,538	1,541
Property operating cost recoveries	33,634	1,393	35,027	29,364	1,221	30,585	4,442
Miscellaneous revenue	3,699	1,982	5,681	2,795	1,674	4,469	1,212
Rentals from investment properties	\$224,399	\$12,881	\$237,280	\$212,425	\$10,841	\$223,266	\$14,014
Service and other revenues	3,021	—	3,021	3,293	—	3,293	(272)
Earnings from other	(96)	96	—	(81)	81	—	—
Rentals from investment properties and other ⁽²⁾	\$227,324	\$12,977	\$240,301	\$215,637	\$10,922	\$226,559	\$13,742
Recoverable tax and insurance costs	(48,094)	(772)	(48,866)	(46,938)	(750)	(47,688)	(1,178)
Recoverable CAM costs	(36,388)	(1,318)	(37,706)	(31,821)	(1,189)	(33,010)	(4,696)
Property management fees and costs	(1,394)	(467)	(1,861)	(1,408)	(390)	(1,798)	(63)
Non-recoverable operating costs	(1,686)	(3,543)	(5,229)	(1,683)	(3,093)	(4,776)	(453)
ECL	(506)	(146)	(652)	(9)	(36)	(45)	(607)
Property operating costs	\$(88,068)	\$(6,246)	\$(94,314)	\$(81,859)	\$(5,458)	\$(87,317)	\$(6,997)
Other expenses	(3,021)	—	(3,021)	(3,294)	—	(3,294)	273
Property operating costs and other ⁽²⁾	\$(91,089)	\$(6,246)	\$(97,335)	\$(85,153)	\$(5,458)	\$(90,611)	\$(6,724)
Net rental income and other	\$136,235	\$6,731	\$142,966	\$130,484	\$5,464	\$135,948	\$7,018
Residential sales closings revenue	2,014	9	2,023	1,602	29	1,631	392
Residential cost of sales and marketing costs	(1,463)	(2)	(1,465)	(1,358)	(146)	(1,504)	39
Net profit (loss) on residential sales	\$551	\$7	\$558	\$244	\$(117)	\$127	\$431
NOI⁽³⁾	\$136,786	\$6,738	\$143,524	\$130,728	\$5,347	\$136,075	\$7,449
Net rental income and other as a percentage of rentals from investment properties and other	59.9 %	51.9 %	59.5 %	60.5 %	50.0 %	60.0 %	(0.5)%
Recovery Ratio	95.9 %	99.3 %	96.0 %	95.5 %	96.8 %	95.6 %	0.4 %

(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 March 31, 2025, increased by \$7.4 million or 5.5% as compared to the same period in 2024. This increase was primarily attributable to a \$6.8 million increase in base rent, of which \$5.3 million relates to retail, due to lease up and renewals activities and \$1.4 million relates to self-storage facilities and apartment rentals.

Same Properties NOI

(in thousands of dollars)	Three Months Ended	
	March 31, 2025	March 31, 2024
Net rental income and other	\$136,786	\$130,728
NOI from equity accounted investments ⁽¹⁾	6,738	5,347
Total portfolio NOI before adjustments ⁽¹⁾	\$143,524	\$136,075
Adjustments:		
Lease termination	(327)	—
Net profit on condo and townhome closings	(558)	(127)
Other adjustments ⁽²⁾	1,907	1,175
Total portfolio NOI after adjustments ⁽¹⁾	\$144,546	\$137,123
NOI sourced from acquisitions, dispositions, Earnouts and developments	(2,056)	(315)
Same Properties NOI⁽¹⁾	\$142,490	\$136,808

(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 items such as adjustments relating to royalties, straight-line rent and amortization of tenant incentives.

The Same Properties NOI for the three months ended March 31, 2025, increased by \$5.7 million or 4.1%, as compared to the respective period in 2024, primarily due to a lease-up and renewals activities of which \$2.9 million relates to retail and \$1.7 million relates to Premium Outlets properties, and \$1.1 million relates to self-storage facilities and apartment rentals.

The Same Properties NOI excluding Anchors for the three months ended March 31, 2025, increased by 6.7% as compared to the respective period in 2024.

Adjusted EBITDA

The following table presents a reconciliation of net income and comprehensive income to Adjusted EBITDA:

(in thousands of dollars)	Rolling 12 Months Ended		
	March 31, 2025	March 31, 2024	Variance
Net income and comprehensive income	\$303,663	\$376,068	\$(72,405)
Add (Deduct) the following items:			
Net interest expense	194,196	166,958	27,238
Amortization of equipment, intangible assets and tenant improvements	12,367	11,500	867
Fair value adjustments on investment properties and financial instruments	39,993	(24,114)	64,107
Adjustment for supplemental costs	4,107	3,853	254
Gain (Loss) on sale of investment properties	(25)	120	(145)
Adjusted EBITDA⁽¹⁾	\$554,301	\$534,385	\$19,916

(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 unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025 and March 31, 2024, 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

(in thousands of dollars)	Three Months Ended March 31		
	2025	2024	Variance
Net loss and comprehensive loss	\$(9,581)	\$(21,175)	\$11,594
Add (Deduct):			
Fair value adjustment on investment properties and financial instruments ⁽¹⁾	94,659	98,502	(3,843)
Gain (Loss) on derivative – TRS	4,323	(6,150)	10,473
Gain (Loss) on sale of investment properties	(7)	142	(149)
Amortization of intangible assets and tenant improvement allowance	2,490	2,180	310
Distributions on Units classified as liabilities and vested deferred units and EIP	5,071	4,596	475
Salaries and related costs attributed to leasing activities ⁽²⁾	2,383	2,407	(24)
Adjustments relating to equity accounted investments ⁽³⁾	2,581	6,310	(3,729)
FFO⁽⁴⁾	\$101,919	\$86,812	\$15,107
Add (Deduct) non-recurring adjustments:			
Gain (Loss) on derivative – TRS	(4,323)	6,150	(10,473)
FFO sourced from condo and townhome closings	(551)	(200)	(351)
Transactional FFO – sale of land ⁽⁴⁾	42	–	42
FFO with adjustments⁽⁴⁾	\$97,087	\$92,762	\$4,325

(1) Includes fair value adjustments on investment properties and financial instruments. Fair value adjustment on investment properties is described in "Investment Properties" in the Trust's MD&A. Fair value adjustment on financial instruments comprises the following financial instruments: units classified as liabilities, Deferred Unit Plan ("DUP"), Equity Incentive Plan ("EIP"), TRS, and interest rate swap agreements. The significant assumptions made in determining the fair value are more thoroughly described in the Trust's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025. For details, please see discussion in "Results of Operations" section in this MD&A.

(2) Salaries and related costs attributed to leasing activities of \$2.4 million were incurred in the three months ended March 31, 2025 (three months ended March 31, 2024 – \$2.4 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 March 31, 2025, FFO increased by \$15.1 million or 17.4% to \$101.9 million as compared to the same period in 2024. This increase was primarily attributable to:

- \$10.5 million increase in fair value adjustment on TRS resulting from fluctuations in the Trust's Unit price; and
- \$7.4 million increase in NOI primarily due to lease-up activities for retail and mixed-use properties and net profits from townhome closings compared to the prior year period;

Partially offset by:

- \$1.4 million increase due to a non-recurring severance cost related to reduced staffing from deferred development activities; and
- \$1.5 million increase in net interest expense due to completion of development projects, partially offset by lower interest at stated rates mainly due to repayment of revolving operating facilities.

For the three months ended March 31, 2025, FFO with adjustments increased by \$4.3 million to \$97.1 million as compared to the same period in 2024. The increase was attributable to an increase in NOI primarily due to lease-up activities for retail and mixed-use properties and increase in townhome closings, partially offset by an increase in general administrative net interest expense compared to the prior year period.

Reconciliation of AFFO

(in thousands of dollars)	Three Months Ended March 31		
	2025	2024	Variance
FFO⁽¹⁾	\$101,919	\$86,812	\$15,107
Add (Deduct):			
Straight-line rents	(431)	(737)	306
Adjusted salaries and related costs attributed to leasing	(2,383)	(2,407)	24
Capital expenditures, leasing commissions, and tenant improvements ⁽²⁾⁽³⁾	(679)	(2,426)	1,747
AFFO⁽¹⁾	\$98,426	\$81,242	\$17,184
Add (Deduct) non-recurring adjustments:			
Gain (Loss) on derivative – TRS	(4,323)	6,150	(10,473)
FFO sourced from condo and townhome closings	(551)	(200)	(351)
Transactional FFO – sale of land ⁽¹⁾	42	—	42
AFFO with adjustments⁽¹⁾	\$93,594	\$87,192	\$6,402

(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 March 31, 2025 includes capital expenditures, leasing commissions, and tenant improvements related to equity accounted investments of \$0.1 million.

For the three months ended March 31, 2025, AFFO increased by \$17.2 million to \$98.4 million as compared to the same period in 2024. The increase was primarily due to the increase in FFO and lower sustaining capex spending, which is expected to be spent during the remainder of the year.

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

	Three Months Ended March 31		
	2025	2024	Variance
Per Unit – basic/diluted ⁽¹⁾ :			
FFO ⁽²⁾	\$0.57/\$0.56	\$0.49/\$0.48	\$0.08/\$0.08
FFO with adjustments ⁽²⁾	\$0.54/\$0.54	\$0.52/\$0.52	\$0.02/\$0.02
AFFO ⁽²⁾	\$0.55/\$0.54	\$0.46/\$0.45	\$0.09/\$0.09
AFFO with adjustments ⁽²⁾	\$0.53/\$0.52	\$0.49/\$0.48	\$0.04/\$0.04
Payout Ratio to AFFO ⁽²⁾	83.8 %	101.4 %	(17.6)%
Payout Ratio to AFFO with adjustments ⁽²⁾	88.1 %	94.5 %	(6.4)%

(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 March 31, 2025, 3,165,813 vested deferred and EIP units are added back to the weighted average Units outstanding (three months ended March 31, 2024 – 2,077,597 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 loss and comprehensive loss 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 three months ended March 31, 2025 and 2024, 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 loss and comprehensive loss per Unit calculations in this MD&A:

(number of Units)	Three Months Ended March 31	
	2025	2024
Trust Units	144,687,634	144,625,322
Class B LP Units	16,424,430	16,424,430
Class D LP Units	311,022	311,022
Class F LP Units	8,708	8,708
Class B LP II Units	756,525	756,525
Class B LP III Units	4,175,301	4,117,096
Class B LP IV Units	3,112,565	3,112,565
Class B Oshawa South LP Units	710,416	710,416
Class D Oshawa South LP Units	260,417	260,417
Class B Oshawa Taunton LP Units	374,223	374,223
Class D Series 1 VMC West LP Units	3,623,188	3,623,188
Class D Series 2 VMC West LP Units	2,173,913	2,173,913
Class B Boxgrove LP Units	170,000	170,000
Class B Series ONR LP Units	1,186,431	1,248,140
Class B Series 1 ONR LP I Units	132,881	132,881
Class B Series 2 ONR LP I Units	139,302	139,302
Total Exchangeable LP Units	33,559,322	33,562,826
Total Units - Basic	178,246,956	178,188,148
Vested deferred units	2,489,845	2,077,597
Vested EIP units	675,968	—
Total Units, vested EIP and deferred units - Diluted	181,412,769	180,265,745

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 March 31		
	2025	2024	Variance
Cash flows provided by operating activities	\$81,737	\$69,719	\$12,018
Distributions declared	82,450	82,412	38
AFFO ⁽¹⁾	98,426	81,242	17,184
AFFO with adjustments ⁽¹⁾	93,594	87,192	6,402
Shortfall of cash flows provided by operating activities over distributions declared	(713)	(12,693)	11,980
Surplus (Shortfall) of AFFO ⁽¹⁾ over distributions declared	15,976	(1,170)	17,146
Surplus of AFFO ⁽¹⁾ with adjustments over distributions declared	11,144	4,780	6,364

(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 ended March 31, 2025, there was an improvement of \$12.0 million in the shortfall of cash flows provided by operating activities over distribution declared as compared to the same period in 2024. The decrease in shortfall was primarily attributable to stronger lease-up activity during the period compared to the same prior year period.

For the three months ended March 31, 2025, there was an increase of \$17.1 million in the surplus of AFFO over distributions declared as compared to the same period in 2024. The surplus primarily resulted from an increase in fair value adjustment on TRS, increase in NOI due to lease-up activities, higher miscellaneous revenue, and a decrease in capital expenditures compared to prior year period.

For the three months ended March 31, 2025, there was an increase of \$6.4 million in the surplus of AFFO with adjustments over distributions declared as compared to the same period in 2024. The surplus primarily resulted from an increase in NOI due to lease-up activities, higher miscellaneous revenue, and a decrease in capital expenditures compared to prior year period.

The following tables illustrate: i) the annualized (shortfall)/surplus of cash flows provided by operating activities over distributions declared, ii) AFFO, and iii) AFFO-related payout ratios, for the rolling 12 months ended March 31, 2025 and March 31, 2024:

(in thousands of dollars)	Rolling 12 Months Ended	
	March 31, 2025	March 31, 2024
Cash flows provided by operating activities	\$386,226	\$318,641
Distributions declared	329,697	329,646
AFFO ⁽¹⁾	376,435	347,065
Surplus (Shortfall) of cash flows provided by operating activities over distributions declared	56,529	(11,005)
Surplus of AFFO ⁽¹⁾ over distributions declared	46,738	17,419
Payout Ratio to Cash flows provided by operating activities	85.4 %	103.5 %
Payout Ratio to AFFO ⁽¹⁾	87.6 %	95.0 %

(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 rolling 12 months ended March 31, 2025, there was a decrease of 18.1% in payout ratio to cash flows provided by operating activities as compared to the same period in 2024. The decrease in payout ratio was primarily attributable to stronger lease-up activity during the period compared to the same prior year period.

General and Administrative Expense

The following tables summarize general and administrative expense for the three months ended March 31, 2025:

(in thousands of dollars)	Three Months Ended March 31		
	2025	2024	Variance
Salaries and benefits	\$7,721	\$6,199	\$1,522
Professional fees	1,229	1,355	(126)
Public company costs	608	364	244
Amortization of intangible assets	333	333	—
Other costs including office rent, information technology, marketing, communications, and other employee expenses	639	351	288
General and administrative expense	\$10,530	\$8,602	\$1,928

For the three months ended March 31, 2025, general and administrative expense increased by \$1.9 million, as compared to 2024. This increase was primarily due to a non-recurring severance cost of \$1.4 million related to reduced staffing from deferred development activities.

Interest Income and Interest Expense

Interest Income

The following table summarizes the components of interest income:

(in thousands of dollars)	Three Months Ended March 31		
	2025	2024	Variance
Loan interest	\$2,706	\$3,002	\$(296)
Mortgage interest	—	303	(303)
Notes receivable interest	65	65	—
Bank interest	503	559	(56)
	\$3,274	\$3,929	\$(655)

Interest Expense

The following table summarizes the components of interest expense:

(in thousands of dollars)	Three Months Ended March 31		
	2025	2024	Variance
Mortgage interest	\$6,655	\$7,246	\$(591)
Debenture interest	28,358	23,083	5,275
Operating line interest and other	12,740	18,542	(5,802)
Interest at stated rates	\$47,753	\$48,871	\$(1,118)
Amortization of acquisition date fair value adjustments on assumed debt	2	(42)	44
Amortization of deferred financing costs	1,064	959	105
Distributions on Units classified as liabilities and vested deferred units	5,071	4,596	475
Total interest expense before capitalized interest	\$53,890	\$54,384	\$(494)
Less:			
Interest capitalized to properties under development	(7,575)	(9,392)	1,817
Interest capitalized to residential development inventory	(274)	(436)	162
Total capitalized interest	\$(7,849)	\$(9,828)	\$1,979
Interest expense net of capitalized interest expense	\$46,041	\$44,556	\$1,485
Capitalized interest as a percentage of interest expense	14.6 %	18.1 %	(3.5)%

For the three months ended March 31, 2025, interest expense net of capitalized interest increased by \$1.5 million, compared to the same period in 2024. The increase was mainly attributable to completion of development projects compared to the prior year period, partially offset by lower interest at stated rates mainly due to repayment of revolving operating facilities.

Quarterly Results and Trends

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

	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023
Results of operations								
Net income (loss) and comprehensive income (loss)	\$(9,581)	\$141,850	\$42,479	\$128,916	\$(21,175)	\$14,165	\$215,175	\$167,902
Per Unit								
Basic	\$(0.05)	\$0.80	\$0.24	\$0.72	\$(0.12)	\$0.08	\$1.21	\$0.94
Diluted ⁽³⁾	\$(0.05)	\$0.78	\$0.23	\$0.71	\$(0.12)	\$0.08	\$1.19	\$0.93
Net base rent ⁽¹⁾⁽²⁾	\$148,493	\$148,282	\$145,494	\$143,578	\$141,674	\$140,442	\$138,119	\$135,617
Rentals from investment properties and other	\$227,324	\$221,841	\$211,737	\$211,381	\$215,637	\$211,021	\$206,016	\$206,950
NOI ⁽¹⁾⁽²⁾	\$143,524	\$148,614	\$148,785	\$139,062	\$136,075	\$136,349	\$143,834	\$147,105
Other measures of performance								
FFO ⁽²⁾	\$101,919	\$96,645	\$128,174	\$90,780	\$86,812	\$106,893	\$98,405	\$98,534
Per Unit								
Basic ⁽²⁾	\$0.57	\$0.54	\$0.72	\$0.51	\$0.49	\$0.60	\$0.55	\$0.55
Diluted ⁽²⁾⁽³⁾	\$0.56	\$0.53	\$0.71	\$0.50	\$0.48	\$0.59	\$0.55	\$0.55
FFO with adjustments ⁽²⁾	\$97,087	\$101,361	\$96,355	\$92,421	\$92,906	\$91,362	\$96,969	\$97,247
Per Unit								
Basic ⁽²⁾	\$0.54	\$0.57	\$0.54	\$0.52	\$0.52	\$0.51	\$0.54	\$0.55
Diluted ⁽²⁾⁽³⁾	\$0.54	\$0.56	\$0.53	\$0.51	\$0.52	\$0.51	\$0.54	\$0.54
Cash flows provided by operating activities	\$81,737	\$122,118	\$105,380	\$76,991	\$69,719	\$93,745	\$93,855	\$61,322
AFFO ⁽²⁾	\$98,426	\$85,004	\$109,619	\$83,386	\$81,242	\$92,187	\$85,788	\$87,848
AFFO with adjustments ⁽²⁾	\$93,594	\$89,720	\$77,800	\$85,027	\$87,192	\$76,656	\$84,352	\$86,561
Distributions declared	\$82,450	\$82,419	\$82,415	\$82,413	\$82,412	\$82,413	\$82,411	\$82,410
Payout ratio to AFFO	83.8 %	97.0 %	75.2 %	98.8 %	101.4 %	89.4 %	96.1 %	93.8 %
Units outstanding ⁽⁴⁾	178,267,677	178,201,075	178,201,075	178,188,751	178,188,148	178,188,148	178,188,148	178,181,722
Weighted average Units outstanding								
Basic	178,246,956	178,201,075	178,189,287	178,178,870	178,188,148	178,188,148	178,184,795	178,179,652
Diluted ⁽³⁾	181,412,769	181,186,382	180,858,726	180,664,749	180,265,745	180,086,748	180,069,508	180,045,789
Total assets	\$11,921,325	\$11,939,689	\$11,909,410	\$11,953,142	\$11,850,182	\$11,905,422	\$12,013,103	\$11,833,262
Total unencumbered assets ⁽²⁾	\$9,592,521	\$9,464,521	\$9,366,921	\$9,309,221	\$9,176,421	\$9,170,121	\$9,067,121	\$8,844,821
Debt	\$5,088,219	\$5,046,279	\$5,027,500	\$5,093,321	\$5,043,206	\$4,999,522	\$5,052,722	\$5,010,331
Total leasable area (sq. ft.)	35,424,884	35,299,950	35,281,759	35,198,895	35,108,588	35,044,850	35,033,430	34,922,198
In-place occupancy rate	97.7 %	98.2 %	98.3 %	97.8 %	97.3 %	98.1 %	98.1 %	97.8 %
In-place and committed occupancy rate	98.4 %	98.7 %	98.5 %	98.2 %	97.7 %	98.5 %	98.5 %	98.2 %

(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 March 31, 2025, the Trust's in-place and committed occupancy rate was 98.4% (December 31, 2024 – 98.7%), with a strong interest remaining across all tenant categories, especially food stores, pharmacy, TJX banners, dollar stores, banks and QSR's.

Occupancy⁽¹⁾

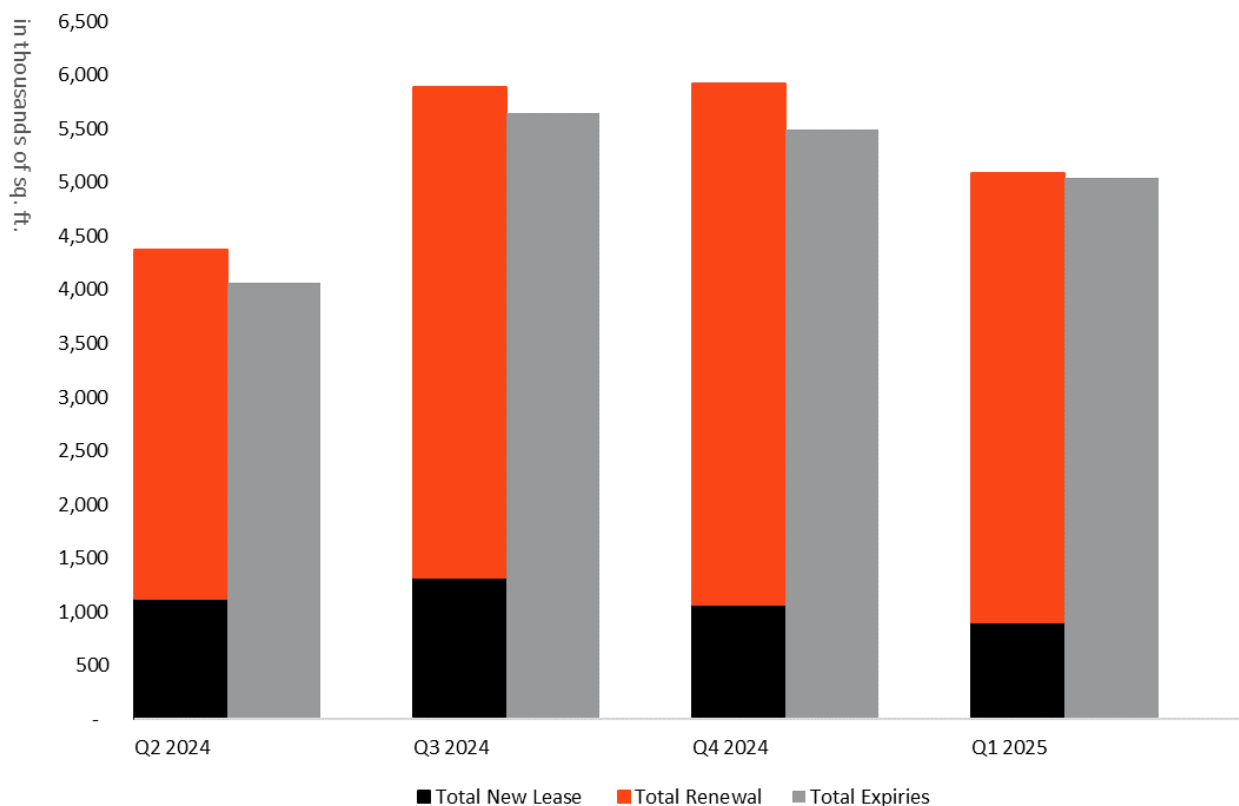
	March 31, 2025	December 31, 2024	Variance
Total leasable area (in sq. ft.)	35,424,884	35,299,950	124,934
In-place occupancy rate	97.7 %	98.2 %	(0.5)%
In-place and committed occupancy rate	98.4 %	98.7 %	(0.3)%

(1) Excluding residential and self-storage area.

New Leasing Activity

During the three months ended March 31, 2025, the Trust completed new leases with a wide array of tenants spanning diverse categories including specialty goods and services, leisure retail, pharmacies, personal services, apparel, grocery and liquor, restaurants, and more. Many of the Trust's existing tenants continued their growth plans with retailers in general merchandise, grocery and liquor, pharmacy and specialty stores expanding their brick-and-mortar footprint nationally. In the first quarter of 2025, the Trust executed 178,408 square feet of new leasing on existing vacant built space, demonstrating strong leasing momentum and tenant demand. In addition, during the three months ended March 31, 2025, the Trust executed 28,620 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 March 31, 2025⁽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 March 31, 2025:

(in square feet)	Vacant Area	Occupied Area	Leasable Area	Occupancy Rate
In place occupancy - January 1, 2025	643,235	34,656,715	35,299,950	98.2 %
New vacancies	281,310	(281,310)	—	
Taking Occupancy in the period	(117,638)	117,638	—	
Subtotal	806,907	34,493,043	35,299,950	
Transferred from properties under development to income properties	—	123,305	123,305	
Other including unit area remeasurements	(475)	2,104	1,629	
In place occupancy - March 31, 2025	806,432	34,618,452	35,424,884	97.7 %
Committed new leases for future occupancy	(247,325)	247,325	—	
Ending balance - March 31, 2025, including committed leases for future occupancy	559,107	34,865,777	35,424,884	98.4 %

Renewal Activity

For the three months ended March 31, 2025, the Trust's tenant renewal rate was 68.4% (three months ended March 31, 2024 - 81.7%) for tenants with expiring leases in 2025. The Trust made significant progress in extending 2025 maturities with over two-thirds completed by the end of the quarter and with 8.4% rental increases, excluding Anchors.

Renewal Summary⁽¹⁾

	March 31, 2025	March 31, 2024	Variance
Space expiring in calendar year (in sq. ft.)	5,323,055	5,424,326	(101,271)
Renewed (in sq. ft.)	3,314,826	3,944,419	(629,593)
Near completion (in sq. ft.)	326,411	486,003	(159,592)
Total renewed and near completion (in sq. ft.)	3,641,237	4,430,422	(789,185)
Renewal rate (including near completion)	68.4 %	81.7 %	(13.3)%
Renewed rental rate (per sq. ft.) - including Anchors	\$14.30	\$14.70	\$(0.40)
Renewed rental rate (per sq. ft.) - excluding Anchors	\$21.37	\$21.32	\$0.05
Change in renewed rental rate over expiring rate ⁽²⁾ (including Anchors)	6.3 %	6.3 %	— %
Change in renewed rental rate over expiring rate ⁽²⁾ (excluding Anchors)	8.4 %	8.9 %	(0.5)%

(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

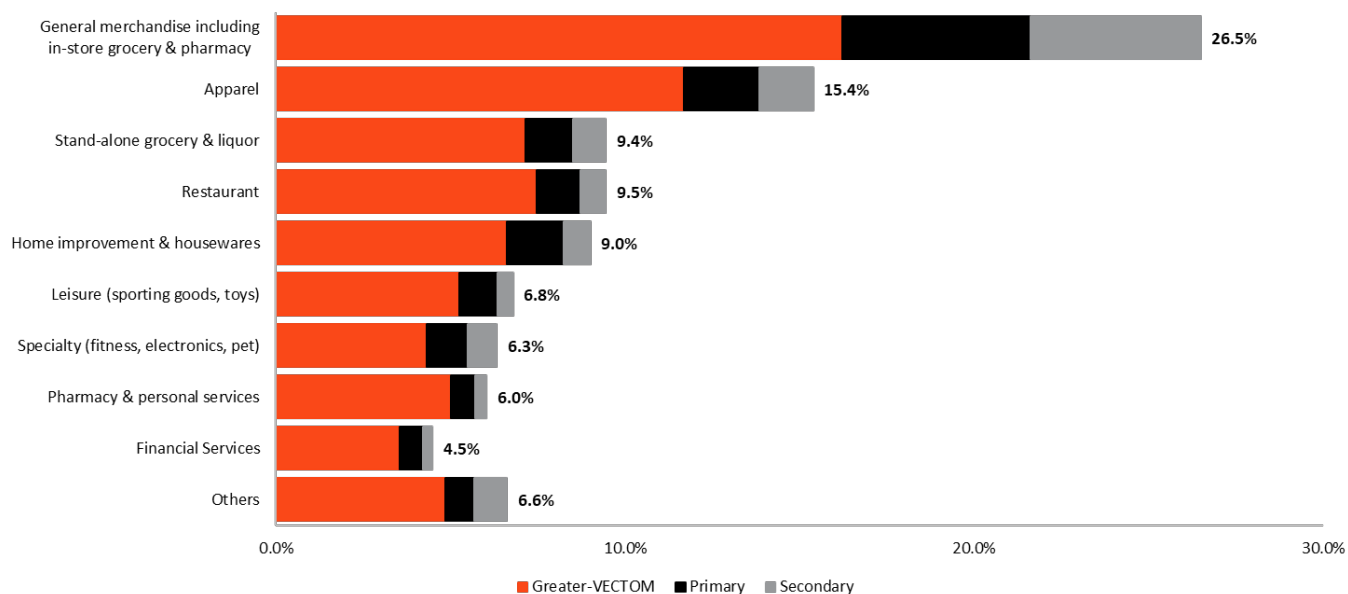
The Trust's portfolio is represented in all major markets across Canada particularly in the Greater-VECTOM markets (Vancouver, Edmonton, Calgary, Toronto, Ottawa and Montreal). The Greater-VECTOM and primary markets account for 88.4% of revenue and 89.7% of fair value, and have in-place occupancy of 97.5% and 97.3%, 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	23,629	72.1 %	76.5 %	97.5 %
Primary	31	6,807	16.3 %	13.2 %	97.3 %
Secondary	28	4,989	11.6 %	10.3 %	99.1 %
Total	174	35,425	100.0 %	100.0 %	97.7 %

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 March 31, 2025:



Top 25 Tenants

The 25 largest tenants (by annualized gross rental revenue among retail, office and industrial tenants) accounted for 59.7% of portfolio revenue as at March 31, 2025 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⁾	101	\$198.5	23.0%	14,291,780	40.3 %
2	Canadian Tire, Mark's and FGL Sports	77	39.1	4.5%	1,502,204	4.2 %
3	Winners, HomeSense and Marshalls	56	38.3	4.4%	1,464,401	4.1 %
4	Loblaws and Shoppers Drug Mart	27	24.1	2.8%	924,614	2.6 %
5	Dollarama	65	18.7	2.2%	629,563	1.8 %
6	Sobeys	16	18.2	2.1%	721,142	2.0 %
7	LCBO	40	14.6	1.7%	371,684	1.0 %
8	Lowe's and Rona	7	13.7	1.6%	773,106	2.2 %
9	Michaels	25	13.6	1.6%	493,851	1.4 %
10	Best Buy	18	12.4	1.4%	437,074	1.2 %
11	Recipe Unlimited	55	12.1	1.4%	272,330	0.8 %
12	Staples	21	10.9	1.3%	449,599	1.3 %
13	Reitmans	62	10.1	1.2%	315,910	0.9 %
14	Gap Inc.	25	9.4	1.1%	264,711	0.7 %
15	Restaurant Brands International	60	8.3	1.0%	162,515	0.5 %
16	Bulk Barn	49	8.3	1.0%	229,252	0.6 %
17	Bonnie Togs	41	7.7	0.9%	190,621	0.5 %
18	CIBC	27	7.6	0.9%	149,560	0.4 %
19	The Brick	9	7.5	0.9%	258,244	0.7 %
20	Dollar Tree and Dollar Giant	26	7.1	0.8%	217,286	0.6 %
21	Metro	9	7.1	0.8%	315,438	0.9 %
22	Sleep Country	38	7.0	0.8%	181,622	0.5 %
23	GoodLife Fitness Clubs	11	6.9	0.8%	255,759	0.7 %
24	PetSmart	16	6.8	0.8%	209,678	0.6 %
25	Bank of Nova Scotia	24	6.4	0.7%	129,061	0.4 %
		905	\$514.4	59.7%	25,211,005	70.9 %

(1) The Trust has a total of 101 Walmart locations under lease, of which 99 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 March 31, 2025:

Year of Expiry	Total Area (sq. ft.)	Percentage of Total Area	Annualized Base Rent	Average Base Rent psf ⁽¹⁾
Month-to-month and holdovers	632,702	1.8 %	\$16,748	\$26.47
2025	1,537,690	4.3 %	24,034	15.63
2026	4,060,002	11.5 %	62,082	15.29
2027	5,459,918	15.4 %	79,413	14.54
2028	4,803,575	13.6 %	83,711	17.43
2029	6,304,573	17.8 %	98,291	15.59
2030	3,775,827	10.7 %	57,427	15.21
2031	1,294,389	3.7 %	23,559	18.20
2032	1,908,720	5.4 %	31,697	16.61
2033	1,222,830	3.5 %	25,913	21.19
2034	1,269,573	3.6 %	26,552	20.91
2035	853,173	2.4 %	14,791	17.34
Beyond	907,937	2.4 %	13,722	15.11
Vacant	806,432	2.3 %	—	—
Total retail	34,837,341	98.4 %	\$557,940	\$16.40
Total office	359,018	1.0 %		
Total industrial	228,525	0.6 %		
Total retail, office and industrial	35,424,884	100.0 %		

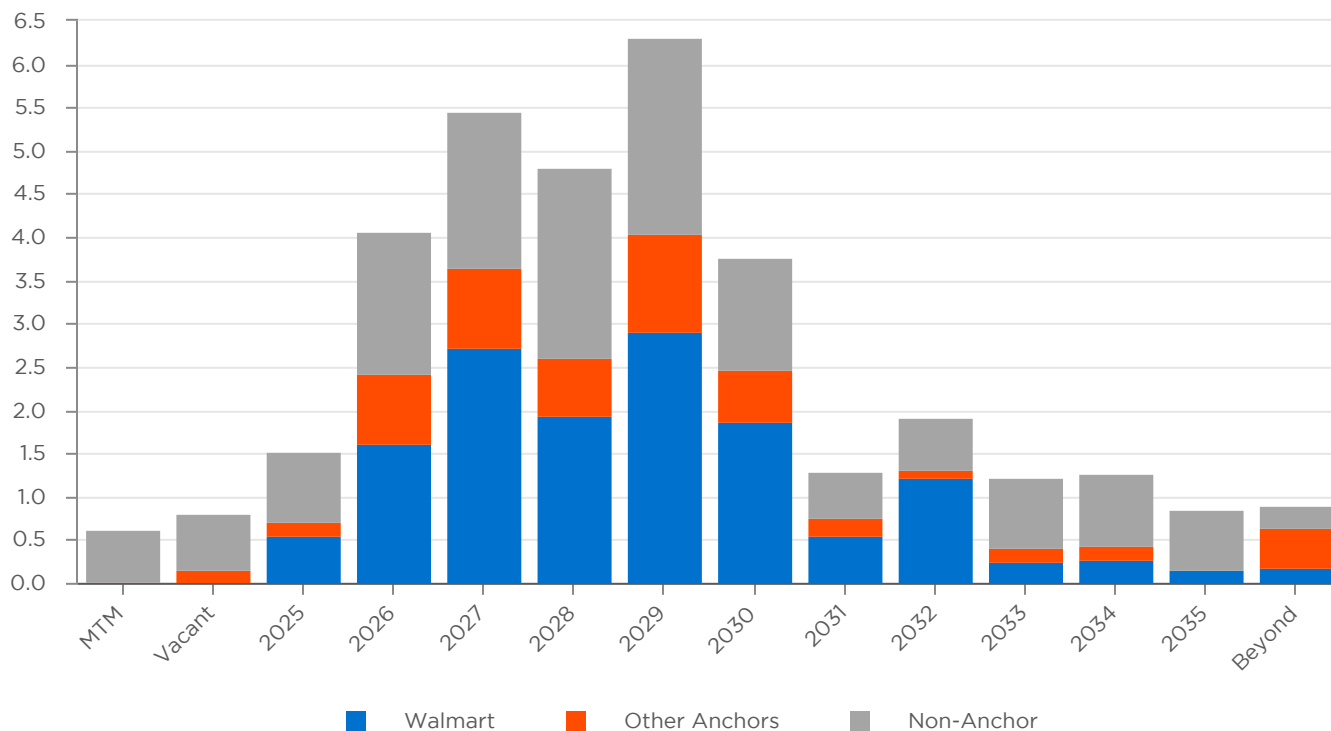
(1) The total average base rent per square foot excludes vacant space of 806,432 square feet.

The following table presents total retail and office expiries for the portfolio excluding Anchor tenants as at March 31, 2025:

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	614,924	1.7 %	4.0 %	\$16,455	\$26.76
2025	825,786	2.3 %	5.4 %	17,935	21.72
2026	1,639,219	4.6 %	10.8 %	37,495	22.87
2027	1,804,502	5.1 %	11.8 %	42,414	23.50
2028	2,196,352	6.2 %	14.4 %	53,981	24.58
2029	2,261,649	6.4 %	14.8 %	54,544	24.12
2030	1,302,190	3.7 %	8.5 %	31,033	23.83
2031	521,346	1.5 %	3.4 %	13,386	25.68
2032	590,059	1.7 %	3.9 %	14,780	25.05
2033	798,628	2.3 %	5.2 %	20,774	26.01
2034	835,306	2.4 %	5.5 %	21,506	25.75
2035	698,663	2.0 %	4.6 %	12,694	18.17
Beyond	251,480	0.7 %	1.8 %	5,633	22.40
Vacant	638,197	1.8 %	4.2 %	—	—
Total retail	14,978,301	42.4 %	98.3 %	\$342,630	\$23.89
Total office	266,485	0.8 %	1.7 %		
Total retail and office	15,244,786	43.2 %	100.0 %		

(1) The total average base rent per square foot excludes vacant space of 638,197 square feet.

Retail Lease Expiries (in millions of square feet)



Self-storage Rental Facilities

The following table provides information on the self-storage rental facilities completed as at March 31, 2025:

Self-storage location	Open date	Number of units ⁽¹⁾	Leasable area ⁽¹⁾	Total rental revenue YTD ⁽²⁾
Toronto (Dupont)	October 2019	730	46,100	\$300
Toronto (Leaside)	June 2020	1,000	99,500	369
Brampton (Bramport)	November 2020	1,050	100,200	302
Vaughan NW	January 2021	880	84,900	258
Oshawa South	August 2021	950	92,700	270
Scarborough East	November 2021	1,000	98,000	308
Aurora	December 2022	960	99,500	275
Brampton (Kingspoint Plaza)	March 2023	1,070	97,000	264
Whitby	January 2024	870	84,500	118
Markham	May 2024	930	95,000	116
Stoney Creek	October 2024	970	99,000	34
		10,410	996,400	\$2,614

(1) Figures are shown at 100% ownership.

(2) Total rental figures are for the three months ended March 31, 2025 and shown at the Trust's share.

As at March 31, 2025, the average occupancy rate for self-storage rental facilities that have been operational for over one year was 93%.

Residential Rentals

The following table provides information on the in-place and committed occupancy rate for residential rentals as at March 31, 2025:

Project	Location	Ownership Interest	Number of units ⁽¹⁾	In-place and committed occupancy rate
Laval Centre	Laval, QC	50 %	382	99.0 %
Mascouche N	Mascouche, QC	80 %	238	99.2 %
The Millway	Vaughan, ON	50 %	458	96.5 %
			1,078	98.0 %

(1) Figures are shown at 100% ownership.

As at March 31, 2025, the weighted average occupancy rate for the residential rentals was 98.0%, 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)	March 31, 2025			December 31, 2024		
	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	\$10,617,787	\$1,174,586	\$11,792,373	\$10,659,783	\$1,167,597	\$11,827,380
Equity accounted investments	753,499	(753,499)	—	749,619	(749,619)	—
Mortgages, loans and notes receivable	151,421	(74,159)	77,262	208,130	(68,017)	140,113
Other financial assets	8,161	—	8,161	94,974	—	94,974
Other assets	9,794	2,331	12,125	10,453	2,460	12,913
Amounts receivable	14,497	—	14,497	12,994	—	12,994
Intangible assets	40,812	—	40,812	41,145	—	41,145
	\$11,595,971	\$349,259	\$11,945,230	\$11,777,098	\$352,421	\$12,129,519
Current assets						
Residential development inventory	30,034	78,980	109,014	31,738	76,111	107,849
Current portion of mortgages, loans and notes receivable	86,510	—	86,510	17,022	—	17,022
Current portion of other financial assets	84,721	—	84,721	—	—	—
Amounts receivable and other	76,524	(15,925)	60,599	63,441	(12,615)	50,826
Prepaid expenses, deposits and deferred financing costs	18,934	24,074	43,008	12,696	21,908	34,604
Cash and cash equivalents	28,631	37,983	66,614	37,694	34,539	72,233
	\$325,354	\$125,112	\$450,466	\$162,591	\$119,943	\$282,534
Total assets	\$11,921,325	\$474,371	\$12,395,696	\$11,939,689	\$472,364	\$12,412,053
Liabilities						
Non-current liabilities						
Debt	4,262,336	297,851	4,560,187	4,059,364	296,909	4,356,273
Other financial liabilities	15,223	—	15,223	12,619	—	12,619
Other payables	7,803	—	7,803	8,158	—	8,158
	\$4,285,362	\$297,851	\$4,583,213	\$4,080,141	\$296,909	\$4,377,050
Current liabilities						
Current portion of debt	825,883	84,404	910,287	986,915	83,957	1,070,872
Current portion of other financial liabilities	292,684	—	292,684	274,526	—	274,526
Accounts payable and current portion of other payables	266,508	92,116	358,624	260,526	91,498	352,024
	\$1,385,075	\$176,520	\$1,561,595	\$1,521,967	\$175,455	\$1,697,422
Total liabilities	\$5,670,437	\$474,371	\$6,144,808	\$5,602,108	\$472,364	\$6,074,472
Equity						
Trust Unit equity	5,168,049	—	5,168,049	5,242,830	—	5,242,830
Non-controlling interests	1,082,839	—	1,082,839	1,094,751	—	1,094,751
	\$6,250,888	\$—	\$6,250,888	\$6,337,581	\$—	\$6,337,581
Total liabilities and equity	\$11,921,325	\$474,371	\$12,395,696	\$11,939,689	\$472,364	\$12,412,053

(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:

(in thousands of dollars)	Three Months Ended March 31, 2025			Year Ended December 31, 2024		
	Income Properties	Properties Under Development	Total Investment Properties	Income Properties	Properties Under Development	Total Investment Properties
Investment properties						
Opening balance	\$8,942,289	\$1,717,494	\$10,659,783	\$8,743,808	\$1,820,461	\$10,564,269
Transfer from properties under development to income properties	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)
Acquisitions, Earnouts, and related adjustments of investment properties	—	16,224	16,224	—	23,378	23,378
Straight-line rents and tenant incentives	(634)	—	(634)	10,171	—	10,171
Dispositions	—	(2,700)	(2,700)	—	(16,630)	(16,630)
Capital expenditures and other	1,959	23,289	25,248	36,815	115,951	152,766
Fair value adjustment	47,730	(127,864)	(80,134)	89,141	(158,812)	(69,671)
Ending balance	\$9,028,295	\$1,589,492	\$10,617,787	\$8,942,289	\$1,717,494	\$10,659,783
Opening balance	697,727	469,870	1,167,597	635,419	448,446	1,083,865
Transfer from properties under development to income properties	—	—	—	37,470	(37,470)	—
Transfer from properties under development to equity accounted investments	—	—	—	—	2,250	2,250
Acquisitions, Earnouts, and related adjustments of investment properties	—	—	—	—	11,381	11,381
Straight-line rents and tenant incentives	31	—	31	(416)	—	(416)
Capital expenditures and other	75	6,827	6,902	4,676	43,684	48,360
Fair value adjustment	56	—	56	20,578	1,579	22,157
Ending balance	\$697,889	\$476,697	\$1,174,586	\$697,727	\$469,870	\$1,167,597
Total balance (including investment properties classified as equity accounted investments) – end of period (Investment Properties – non-GAAP)⁽¹⁾	\$9,726,184	\$2,066,189	\$11,792,373	\$9,640,016	\$2,187,364	\$11,827,380

(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 35.4 million square feet. In addition, the Trust may acquire 1.7 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 unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025, with a total carrying value of \$0.6 billion (December 31, 2024 - \$3.1 billion) were valued by external national appraisers, and investment properties with a total carrying value of \$10.0 billion (December 31, 2024 - \$7.6 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 March 31, 2025 was 6.53% (December 31, 2024 - 6.53%) and the weighted average terminal capitalization rate as at March 31, 2025 was 6.01% (December 31, 2024 - 6.01%).

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 \$80.1 million (excluding investment properties recorded in equity accounted investments) for the three months ended March 31, 2025, 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

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
Acquisitions							
Toronto, Ontario	March 2025	Property under development	27,000 sq. ft.	\$11,724	\$11,824	\$—	\$(100)
Earnouts							
	January 2025	Land parcel	78,000 sq. ft.	4,500	2,573	1,716	211

Dispositions of Investment Properties

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

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

(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.

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.

(in thousands of dollars)	Three Months Ended March 31		
	2025	2024	Variance
Leasing commissions	\$591	\$346	\$245
Tenant improvements	(169)	(395)	226
Sustaining capital expenditures (recoverable and non-recoverable)	257	2,475	(2,218)
AFFO adjustment for sustaining capital expenditures, leasing commissions, and tenant improvements	\$679	\$2,426	\$(1,747)
Value enhancing capital expenditures	2,482	2,602	(120)
Total capital expenditures, leasing commissions, and tenant improvements	\$3,161	\$5,028	\$(1,867)
Adjusted salaries and related costs attributed to leasing	\$2,383	\$2,407	\$(24)

For the three months ended March 31, 2025, the total capital expenditures, leasing commissions, and tenant improvements were \$3.2 million as compared to \$5.0 million for the same period in 2024, representing a decrease of \$1.9 million. This decrease was primarily due to timing and lower costs associated with tenant improvements, landlord's work, roof replacements and building improvements compared to prior year period. 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:

	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)
Investment - end of period	\$437,138	\$316,361	\$753,499	\$436,437	\$313,182	\$749,619

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

As at March 31, 2025	Income Properties	Properties Under Development	Residential Development Inventory	Other Assets	Total Assets
(in thousands of dollars)					
Rental					
Residential	\$539,283	\$126,458	\$—	\$11,825	\$677,566
Self-storage facilities	367,374	139,313	—	14,824	521,511
Retail	152,827	—	—	2,903	155,730
Office	192,409	—	—	17,227	209,636
Mixed-use	146,016	653,690	—	117,994 ⁽¹⁾	917,700
Condo and townhome residential development inventory	—	—	158,655	52,753	211,408
	\$1,397,909	\$919,461	\$158,655	\$217,526	\$2,693,551

(1) Consists of loans receivable of \$112.7 million in connection with the purchase of 700 Applewood (see also Note 8, "Debt", in the Trust's unaudited interim condensed consolidated financial statements), and cash and cash equivalents of \$2.6 million.

As at December 31, 2024	Income Properties	Properties Under Development	Residential Development Inventory	Other Assets	Total Assets
(in thousands of dollars)					
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 8, "Debt", in the Trust's unaudited interim condensed consolidated financial statements), and cash and cash equivalents of \$1.1 million.

(2) Consists of cash and cash equivalents of \$51.1 million.

Summary of development credit facilities

Investment in associates

As at March 31, 2025, Penguin-Calloway Vaughan Partnership ("PCVP") had credit facilities in the amount of \$550.0 million (December 31, 2024 - \$550.0 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 March 31, 2025, deducting amount drawn on such development credit facilities of \$462.1 million (December 31, 2024 - \$458.1 million) and outstanding letters of credit of \$28.9 million (December 31, 2024 - \$29.1 million), the remaining unused development credit facilities were \$59.0 million (December 31, 2024 - \$62.8 million), of which the Trust's share was \$29.5 million (December 31, 2024 - \$31.4 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 March 31, 2025, the Trust's joint ventures had credit facilities in the amount of \$163.5 million (December 31, 2024 - \$163.5 million), bearing annual interest rates based on the Adjusted CORRA rate plus 1.35% to 2.70%, with maturity dates 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. As at March 31, 2025, deducting amount drawn on such credit facilities of \$141.6 million (December 31, 2024 - \$130.0 million), and no outstanding letters of credit (December 31, 2024 - \$nil), the remaining unused development credit facilities were \$21.9 million (December 31, 2024 - \$33.5 million), of which the Trust's share was \$11.0 million (December 31, 2024 - 16.8 million).

Development financing includes credit facilities relating to Laval C Apartments, 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)	March 31, 2025	December 31, 2024	Variance
Amounts receivable and other			
Tenant receivables	\$21,239	\$26,751	\$(5,512)
Unbilled other tenant receivables	22,635	8,164	14,471
Receivables from related party - excluding equity accounted investments	17,684	15,441	2,243
Receivables from related party - equity accounted investments	12,728	10,034	2,694
Other non-tenant receivables	2,954	3,069	(115)
Other ⁽¹⁾	20,784	19,210	1,574
	\$98,024	\$82,669	\$15,355
Allowance for ECL	(7,003)	(6,234)	(769)
Amounts receivable and other, net of allowance for ECL	\$91,021	\$76,435	\$14,586
Prepaid expenses, deposits and deferred financing costs ⁽²⁾	18,934	12,696	6,238
	\$109,955	\$89,131	\$20,824

(1) The amount includes a related party amount of \$12.1 million (December 31, 2024 - \$11.7 million).

(2) Includes prepaid realty tax of \$9.0 million (December 31, 2024 - \$1.1 million).

As at March 31, 2025, total amounts receivable and other, net of allowance for ECL, prepaid expenses, deposits and deferred financing costs increased by \$20.8 million as compared to December 31, 2024. This increase was primarily attributed to the following:

- \$14.5 million increase in unbilled other tenant receivables, primarily due to the timing of CAM and tax recovery billing from the prior year; and
- \$6.2 million increase in prepaid expenses, deposits and deferred financing costs, mainly due to prepaid realty tax.

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 March 31, 2025 and December 31, 2024:

(in thousands of dollars)	March 31, 2025	December 31, 2024
Tenant receivables	\$21,239	\$26,751
Unbilled other tenant receivables	22,635	8,164
Total tenant receivables	\$43,874	\$34,915
Allowance for ECL	(7,003)	(6,234)
Total tenant receivables net of allowance for ECL	\$36,871	\$28,681

Mortgages, Loans and Notes Receivable

The following table summarizes mortgages, loans and notes receivable:

(in thousands of dollars)	March 31, 2025	December 31, 2024	Variance
Mortgages, loans and notes receivable			
Loans receivable	\$235,005	\$222,226	\$12,779
Mortgages receivable (Mezzanine Financing)	2	2	—
Notes receivable	2,924	2,924	—
	\$237,931	\$225,152	\$12,779

Loans Receivable

The following table summarizes loans receivable:

(in thousands of dollars)	March 31, 2025	December 31, 2024
Issued to		
Penguin	\$76,686	\$76,115
Equity accounted investments	148,319	136,034
Unrelated parties	10,000	10,077
	\$235,005	\$222,226

See also Note 5(a) in the Trust's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025 for more details about loans receivable, including committed facilities, maturity dates and interest rates.

The following table illustrates the activity in loans receivable:

(in thousands of dollars)	Three Months Ended March 31	
	2025	2024
Balance - beginning of period	\$222,226	\$189,837
Loans issued	—	7,939
Principal advances	10,257	2,438
Interest accrued	2,205	2,177
Fair value adjustments ⁽¹⁾	787	791
Repayments	(470)	(2,261)
Balance - end of period	\$235,005	\$200,921

(1) \$0.8 million recorded during the three months ended March 31, 2025 (three months ended March 31, 2024 - \$0.8 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)	Committed	Maturity Date including Extension Period	Annualized Variable Interest Rate at Year End	Potential Area Upon Exercising Purchase Option (sq. ft.)	Amount Outstanding
Property					
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 March 31, 2025, 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%.

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:

(in thousands of dollars)	Three Months Ended March 31	
	2025	2024
Balance - beginning of period	\$2	\$17,548
Interest accrued	—	303
Balance - end of period	\$2	\$17,851

Notes Receivable

Notes receivable of \$2.9 million (December 31, 2024 - \$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, 2024 - 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)	March 31, 2025	December 31, 2024	Variance
Cash and cash equivalents	\$28,631	\$37,694	\$(9,063)
Remaining operating facilities ⁽¹⁾	827,295	795,270	32,025
	\$855,926	\$832,964	\$22,962
Operating facility – accordion feature	250,000	250,000	—
	\$1,105,926	\$1,082,964	\$22,962

(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 March 31, 2025, the Trust's capital resources available increased by \$23.0 million as compared to December 31, 2024. The increase was mainly attributable to the repayment of outstanding floating rate debt on its operating lines.

The Trust manages its cash flow from operating activities by maintaining a conservative debt level. As at March 31, 2025, the Debt to Gross Book Value was 52.3% (December 31, 2024 – 52.2%).

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 March 31, 2025.

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 used 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 March 31, 2025:

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

(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 March 31, 2025:

(in thousands of dollars)	Total	2025	2026	2027	2028	2029	Thereafter
Secured and unsecured debt	\$871,406	\$170,743	\$8,006	\$514,416	\$5,584	\$54,227	\$118,430
Development obligations (commitments) ⁽¹⁾	84,075	36,619	30,685	16,028	701	42	—
Total	\$955,481	\$207,362	\$38,691	\$530,444	\$6,285	\$54,269	\$118,430

(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 March 31, 2025:

(in thousands of dollars)	Total	2025	2026	2027	2028	2029	Thereafter
Secured and unsecured debt	\$440,713	\$85,125	\$3,606	\$247,960	\$2,973	\$41,834	\$59,215
Development obligations (commitments) ⁽¹⁾	42,180	16,512	16,615	8,675	358	20	—
Total Trust's share	\$482,893	\$101,637	\$20,221	\$256,635	\$3,331	\$41,854	\$59,215

(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 surplus (deficiency):

(in thousands of dollars)	March 31, 2025	December 31, 2024
Current assets	\$325,354	\$162,591
Less: Current liabilities	(1,385,075)	(1,521,967)
Working capital deficiency	\$(1,059,721)	\$(1,359,376)
Adjusted by:		
Current portion of debt	(825,883)	(986,915)
Current portion of other financial liabilities	(292,684)	(274,526)
Net working capital surplus (deficiency)	\$58,846	\$(97,935)

As at March 31, 2025, the Trust had a working capital deficiency of \$1.1 billion (December 31, 2024 - \$1.4 billion deficiency), primarily due to timing differences and interest accruals reported under cash flows from operating activities.

After adjusting for \$825.9 million (December 31, 2024 - \$986.9 million) of debt and \$292.7 million (December 31, 2024 - \$274.5 million) of other financial liabilities due within 12 months, the Trust reported a net working capital surplus of \$58.8 million (December 31, 2024 - \$97.9 million deficiency). These adjustments relate to mortgages, unsecured debentures, operating lines of credit, and liabilities such as Units classified as liabilities, vested deferred units, and earned EIP units expected to vest.

Management plans to address these maturities through a combination of cash on hand, new secured or unsecured financing, equity issuance, or, in limited cases, asset dispositions. A significant portion of the other financial liabilities is not expected to require settlement in cash within the next 12 months.

As at March 31, 2025, the Trust has unencumbered assets (a non-GAAP financial measure) with an approximate fair value totalling \$9.6 billion (December 31, 2024 - \$9.5 billion). 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	March 31, 2025			December 31, 2024		
	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
(in thousands of dollars)						
Secured debt	\$649,811	3.1	4.22 %	\$716,495	2.4	3.97 %
Unsecured debt	4,313,211	3.2	3.87 %	4,172,712	3.0	3.84 %
Unsecured loan from equity accounted investments	114,156	N/A	— %	114,023	N/A	— %
Revolving operating facilities	11,041	0.7	4.27 %	43,049	1.0	4.75 %
Total debt before equity accounted investments	\$5,088,219	N/A	3.83 %	\$5,046,279	N/A	3.78 %
Less: Unsecured loan from equity accounted investments ⁽¹⁾	(58,458)	N/A	— %	(58,642)	N/A	— %
Subtotal	\$5,029,761	3.2	3.87 %	\$4,987,637	3.0	3.82 %
Share of secured debt (equity accounted investments)	209,750	6.2	4.49 %	210,551	6.5	4.58 %
Share of unsecured debt (equity accounted investments)	230,963	2.2	4.76 %	228,957	2.4	5.53 %
Share of debt classified as equity accounted investments	\$440,713	4.1	4.63 %	\$439,508	4.4	5.07 %
Total debt including equity accounted investments	\$5,470,474	3.3	3.93 %	\$5,427,145	3.1	3.92 %

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

Approximately 10% 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 three months ended March 31, 2025:

(in thousands of dollars)	Secured Debt	Unsecured Debt	Revolving Operating Facilities	Equity Accounted Investments	Loan from Equity Accounted Investments	Total
Balance - January 1, 2025	\$716,495	\$4,172,712	\$43,049	\$439,508	\$55,381	\$5,427,145
Borrowings	6,500	300,667	59,000	2,000	—	368,167
Scheduled amortization	(8,042)	—	—	(853)	—	(8,895)
Repayments	(65,225)	(160,000)	(91,049)	—	(470)	(316,744)
Amortization of acquisition fair value adjustments	—	—	—	—	787	787
Financing costs incurred, net of additions	83	(558)	—	58	—	(417)
Currency translation	—	390	41	—	—	431
Balance - March 31, 2025	\$649,811	\$4,313,211	\$11,041	\$440,713	\$55,698	\$5,470,474

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	\$16,369	\$289,258	\$305,627	47.0 %	3.71 %
2026	13,927	108,831 ⁽¹⁾	122,758	18.9 %	4.07 %
2027	9,099	—	9,099	1.4 %	— %
2028	9,109	15,753	24,862	3.8 %	5.39 %
2029	9,215	8,243	17,458	2.7 %	5.09 %
Thereafter	19,259	151,690	170,949	26.2 %	4.80 %
Total	\$76,978	\$573,775	\$650,753	100.0 %	4.13 %
Acquisition date fair value adjustment			158		
Unamortized financing costs			(1,100)		
			\$649,811		4.22 %

(1) Includes construction loans in the amount of \$12.0 million, which bear interest at Adjusted CORRA rate plus 145 basis points.

Unsecured Debt

The following table summarizes the components of unsecured debt:

(in thousands of dollars)	March 31, 2025	December 31, 2024
Unsecured debentures (a)	\$3,142,462	\$3,003,193
Credit facilities (b)	1,074,754	1,073,524
	\$4,217,216	\$4,076,717
TRS debt	95,995	95,995
Other unsecured debt from equity accounted investments (c)	114,156	114,023
	\$4,427,367	\$4,286,735

a) Unsecured debentures

As at March 31, 2025, unsecured debentures totalled \$3,142.5 million (December 31, 2024 – \$3,003.2 million). The 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%).

The following table summarizes the components of unsecured debentures:

Series	Maturity Date	Annual Interest Rate	Interest Payment Dates	March 31, 2025	December 31, 2024
Series N ⁽²⁾	February 06, 2025	3.56 %	February 6 and August 6	\$—	\$160,000
Series X	December 16, 2025	1.74 %	June 16 and December 16	350,000	350,000
Series P	August 28, 2026	3.44 %	February 28 and August 28	250,000	250,000
Series V	June 11, 2027	3.19 %	June 11 and December 11	300,000	300,000
Series S	December 21, 2027	3.83 %	June 21 and December 21	250,000	250,000
Series Z	May 29, 2028	5.35 %	May 29 and November 29	300,000	300,000
Series Y	December 18, 2028	2.31 %	June 18 and December 18	300,000	300,000
Series U	December 20, 2029	3.53 %	June 20 and December 20	450,000	450,000
Series AA	August 1, 2030	5.16 %	February 1 and August 1	350,000	350,000
Series W	December 11, 2030	3.65 %	June 11 and December 11	300,000	300,000
Series AB	August 5, 2031	4.74 %	February 5 and August 5	300,000	—
		3.68 % ⁽¹⁾		\$3,150,000	\$3,010,000
		Unamortized financing costs		(7,538)	(6,807)
				\$3,142,462	\$3,003,193

(1) Represents the weighted average annual interest rate and excludes deferred financing costs.

(2) The Series N debentures were repaid 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.

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	March 31, 2025	December 31, 2024
Non-revolving:					
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⁾	January 19, 2027	4.48 %	300,000	300,000	300,000
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	150,000
Revolving:					
March 2024	March 8, 2026	Adjusted CORRA + 1.45%	40,000	27,067	26,400
				\$1,077,067	\$1,076,400
Less:					
				(2,313)	(2,876)
				\$1,074,754	\$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. 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.

The following table summarizes the fair value gain (loss) as at March 31, 2025 and December 31, 2024, relating to the mark to market adjustments associated with the interest rate swap agreements:

Facility Amount	Maturity Date	Fixed Interest Rate	Variable Interest Rate	March 31, 2025	December 31, 2024
\$11,403	November 3, 2025	3.47 %	Adjusted CORRA + 1.50%	\$59	\$118
170,000	June 24, 2026	3.15 %	Adjusted CORRA + 1.20%	4,639	7,310
150,000	July 31, 2026	3.52 %	Adjusted CORRA + 1.20%	1,556	3,303
80,000	August 31, 2026	2.98 %	Adjusted CORRA + 1.20%	1,217	1,989
300,000	January 19, 2027	4.48 %	Adjusted CORRA + 1.45%	(2,163)	(50)
100,000	December 1, 2027	4.37 %	Adjusted CORRA + 1.20%	(2,858)	(1,609)
100,000	December 1, 2027	4.88 %	Adjusted CORRA + 1.45%	(2,077)	(1,261)
				\$373	\$9,800

c) Other unsecured debt from equity accounted investments

Other unsecured debt net of fair value adjustments totalling \$114.2 million (December 31, 2024 - \$114.0 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		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 ⁽¹⁾⁽²⁾	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\$7.7 million which was translated to \$11.0 million as at March 31, 2025 (December 31, 2024 - drawn in \$29.9 million, which was translated to \$43.0 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 March 31, 2025, the Trust also had \$35.8 million of letters of credit outstanding with other financial institutions (December 31, 2024 - \$37.8 million).

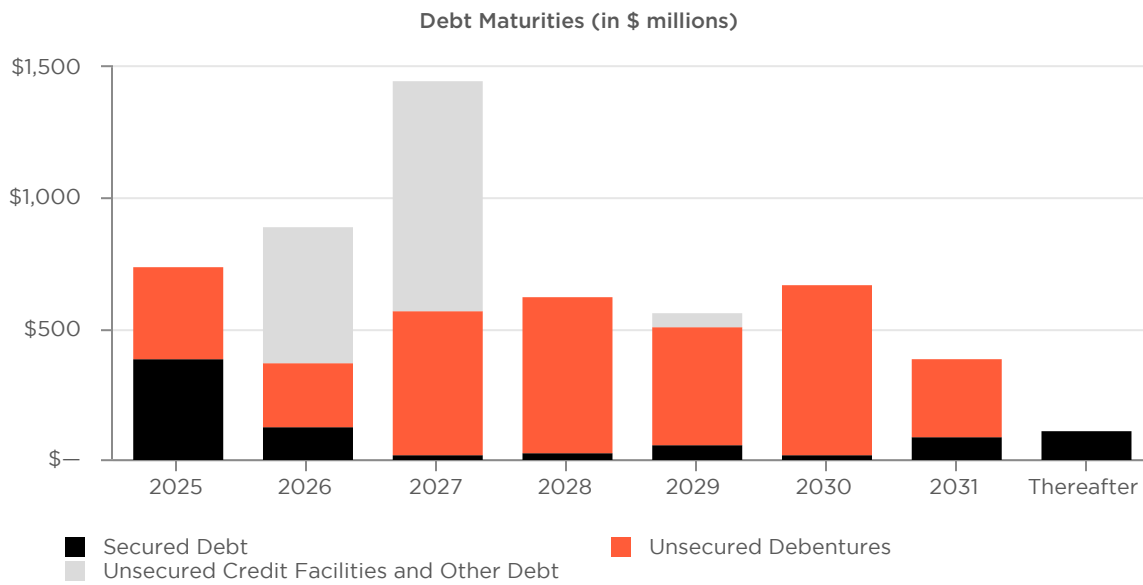
Unencumbered Assets

As at March 31, 2025, the Trust had \$9.6 billion of unencumbered assets (a non-GAAP financial measure) (December 31, 2024 - \$9.5 billion), which reflects the Trust's share of the value of investment properties. Expressed as a percentage, the Trust earned approximately 77.5% of its NOI from unencumbered assets (December 31, 2024 - 74.6%).

In connection with this pool of unencumbered assets, management estimates the total Annualized NOI for 2025 to be \$444.8 million (December 31, 2024 - \$427.2 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 March 31, 2025:



(1) Includes the Trust's proportionate share of debt in equity accounted investments.
 (2) Excludes revolving operating facility of \$11.0 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 three months ended March 31, 2025, the Trust was in compliance with all financial covenants.

Ratio	Calculation	Threshold	March 31, 2025	December 31, 2024
Interest coverage ratio ⁽¹⁾	<i>Adjusted EBITDA / Adjusted interest expense including capitalized interest⁽⁶⁾</i>	≥ 1.65X	2.5X	2.5X
Fixed charge coverage ratio ⁽³⁾	<i>Adjusted EBITDA / Debt service expense⁽⁷⁾</i>	≥ 1.5X	2.2X	2.1X
Debt to aggregate assets ⁽³⁾⁽⁴⁾⁽⁵⁾	<i>Net debt / Aggregate assets⁽⁸⁾</i>	≤ 65%	44.1 %	43.7 %
Debt to aggregate assets (excluding TRS debt and receivable) ⁽²⁾⁽⁵⁾	<i>Net debt (excluding TRS debt) / Aggregate assets (excluding TRS receivable)⁽⁸⁾</i>	≤ 65%	43.6 %	43.2 %
Debt to Gross Book Value ⁽¹⁾⁽⁴⁾⁽⁵⁾	<i>Net debt / Gross book value⁽⁹⁾</i>	≤ 60%	52.3 %	52.2 %
Adjusted Debt to Adjusted EBITDA ⁽²⁾⁽⁵⁾	<i>Adjusted debt / Adjusted EBITDA⁽¹⁰⁾</i>	N/A	9.6X	9.6X
Secured debt to aggregate assets ⁽³⁾⁽⁵⁾	<i>Secured debt including EAI / Aggregate assets⁽¹¹⁾</i>	≤ 40%	7.0 %	7.5 %
Unsecured to secured debt ratio ⁽²⁾⁽⁵⁾	<i>Unsecured debt including EAI / Secured debt including EAI⁽¹²⁾</i>	N/A	84%/16%	83%/17%
Unencumbered assets to unsecured debt ⁽⁵⁾⁽⁵⁾	<i>Unencumbered assets / Unsecured debt including EAI⁽¹³⁾</i>	≥ 1.3X	2.1X	2.1X
Unitholders' equity (in thousands) ⁽¹⁾⁽³⁾		≥ \$2,000,000	\$6,250,888	\$6,337,581
Units classified as liabilities (in thousands)		N/A	\$198,169	\$191,665
Total Unitholders' equity including Units classified as liabilities (in thousands)		N/A	\$6,449,057	\$6,529,246

(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 March 31, 2025, cash-on-hand of \$25.6 million (December 31, 2024 - \$34.9 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	March 31, 2025	December 31, 2024	Variance
Trust Units	N/A	144,687,634	144,687,634	—
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	4,196,022	4,129,420	66,602
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		170,431,815	170,365,213	66,602
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	1,186,431	—
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	7,835,862	—
Total Units		178,267,677	178,201,075	66,602

As of May 7, 2025, the Trust has 170,431,815 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)	Three Months Ended	Year Ended
	March 31, 2025	December 31, 2024
Unitholders' Equity – beginning of period	\$6,337,581	\$6,359,304
Issuance of LP Units classified as equity	1,716	1,691
Net loss and comprehensive loss	(9,581)	292,070
Distributions	(78,828)	(315,484)
Unitholders' Equity – end of period	\$6,250,888	\$6,337,581
LP Units classified as liabilities – beginning of period	191,665	196,571
Change in carrying value	6,504	(3,549)
Conversion of LP exchangeable units	—	(1,357)
LP Units classified as liabilities – end of period	\$198,169	\$191,665
Unitholders' Equity and LP Units classified as liabilities – end of period	\$6,449,057	\$6,529,246

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 three months ended March 31, 2025, the Trust paid \$82.5 million in cash distributions (for the three months ended March 31, 2024 - \$82.4 million in cash distributions). The following table summarizes declared distributions:

(in thousands of dollars)	Three Months Ended March 31	
	2025	2024
Distributions declared on:		
Trust Units	\$66,919	\$66,891
LP Units	11,909	11,870
Distributions on Units classified as equity	\$78,828	\$78,761
Distributions on LP Units classified as liabilities - excluding SmartVMC West	941	970
Distributions on LP Units classified as liabilities - SmartVMC West	2,681	2,681
Distributions on LP Units classified as liabilities	\$3,622	\$3,651
Total distributions declared	\$82,450	\$82,412

Net Asset Value

The following table summarizes NAV and NAV per diluted unit as at March 31, 2025 and December 31, 2024:

(in thousands of dollars, except per Unit information)	March 31, 2025	December 31, 2024
Total equity	\$6,250,888	\$6,337,581
LP Units classified as liabilities	198,169	191,665
NAV⁽¹⁾	\$6,449,057	\$6,529,246
Units outstanding - diluted ⁽²⁾	181,595,454	181,205,536
NAV per Unit - diluted⁽¹⁾	\$35.51	\$36.03

(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) Total diluted Units outstanding includes total Units outstanding, vested portion of the deferred units issued pursuant to the deferred unit plan and vested EIPs granted pursuant to the equity incentive plan.

The decrease in NAV per diluted unit from \$36.03 to \$35.51 was primarily attributable to the decrease in fair value of investment properties due to changes in market conditions for certain future development properties.

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 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. For further discussion, see the Trust's management information circular dated November 6, 2020, filed on SEDAR+.

As at March 31, 2025, 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 March 31, 2025, 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 unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025). 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 18, "Related party transactions", in the Trust's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025). 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 vested on April 5, 2025.

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

(in thousands of dollars)	Three Months Ended March 31	
	2025	2024
Balance - beginning of period	\$22,609	\$17,917
Amortization costs capitalized to properties under development ⁽¹⁾	572	1,378
Reinvested distributions on vested EIPs	275	—
Fair value adjustment to financial instruments	815	(357)
Balance - end of period	\$24,271	\$18,938

(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:

(in thousands of dollars)	Three Months Ended March 31	
	2025	2024
Related party transactions with Penguin		
Acquisitions and Earnouts:		
Earnouts	\$4,500	\$—
Revenues:		
Service and other revenues:		
Management fee and other services revenue pursuant to the Development Services Agreement	2,312	1,912
Support services	282	348
	\$2,594	\$2,260
Interest income from mortgages and loans receivable	481	708
Rents and operating cost recoveries included in rentals from income properties	696	619
	\$3,771	\$3,587
Expenses and other payments:		
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 ⁽¹⁾	15	15
Marketing and other costs – included in general and administrative expense and property operating costs	15	12
	\$2,402	\$3,185

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

(in thousands of dollars)	March 31, 2025	December 31, 2024
Related party balances with Penguin disclosed elsewhere in the financial statements		
Receivables:		
Amounts receivable and other ^{(1) (2)}	\$29,833	\$27,110
Loans receivable	76,686	76,115
Mortgages receivable	2	2
Notes receivable	2,924	2,924
Total receivables	\$109,445	\$106,151
Payables and other accruals:		
Accounts payable and accrued liabilities	1,866	4,252
Future land development obligations	17,747	17,631
Total payables and other accruals	\$19,613	\$21,883

(1) Excludes amounts receivable presented below as part of balances with equity accounted investments. This amount includes amounts receivable of \$17.7 million and other of \$12.1 million (December 31, 2024 – amounts receivable of \$15.4 million and other of \$11.7 million).

(2) The non-current portion of amounts receivable represents a related party receivable from Penguin of \$14.5 million (December 31, 2024 – \$13.0 million). 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 unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025.

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 unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025.

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) in the Trust's unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025.

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:

(in thousands of dollars)	Three Months Ended March 31	
	2025	2024
Related party transactions with the Trust's equity accounted investments		
Revenues:		
Supplemental Development Fee	\$899	\$1,738
Interest income from mortgages and loans receivable	2,026	1,955
Expenses and other payments:		
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:

(in thousands of dollars)	March 31, 2025	December 31, 2024
Related party balances disclosed elsewhere in the financial statements		
Amounts receivable ⁽¹⁾	\$12,728	\$10,034
Loans receivable ⁽²⁾	148,319	136,034
Other unsecured debt ⁽³⁾	114,156	114,023

(1) Amounts receivable includes Penguin's portion, which represents \$6.2 million (December 31, 2024 - \$4.8 million) relating to Penguin's 50% investment in the PCVP and Residences (One) LP.

(2) Loans receivable includes Penguin's portion, which represents \$27.8 million (December 31, 2024 - \$27.4 million) relating to Penguin's 50% investment in 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
Legal fees incurred from a law firm in which a partner is a Trustee⁽¹⁾:		
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.

Section X – Accounting Policies, Risk Management and Compliance

Material Accounting Estimates and Policies

In preparing the Trust's unaudited interim condensed 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 unaudited interim condensed consolidated financial statements for the three months ended March 31, 2025, and the Notes contained therein.

The Trust's MD&A for the year ended December 31, 2024 also contains a discussion of the significant accounting policies most affected by estimates and judgments used in the preparation of the audited consolidated financial statements for the year ended December 31, 2024. Management determined that as at March 31, 2025, there is no change to the assessment of significant accounting policies most affected by estimates and judgments described in the Trust's MD&A for the year ended December 31, 2024.

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 comprehensive list of risks and uncertainties pertinent to the Trust, please see the risk factors disclosed in the Trust's Annual Information Form for the year ended December 31, 2024 under the headings "Risk Factors" and the Trust's MD&A for the year ended December 31, 2024 under the heading "Risks and Uncertainties".

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 March 31, 2025.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

The Trust's Chief Executive Officer and Chief Financial Officer are responsible for establishing and maintaining disclosure controls and procedures and internal control over financial reporting, as defined in Canadian Securities Administrators' National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings.

No changes were made to the Trust's internal controls over financial reporting during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, internal controls over financial reporting.

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.



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
Assets			
Non-current assets			
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
		\$11,595,971	\$11,777,098
Current assets			
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
		\$325,354	\$162,591
Total assets		\$11,921,325	\$11,939,689
Liabilities			
Non-current liabilities			
Debt	8	\$4,262,336	\$4,059,364
Other financial liabilities	9	15,223	12,619
Other payables	10	7,803	8,158
		\$4,285,362	\$4,080,141
Current liabilities			
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
		\$1,385,075	\$1,521,967
Total liabilities		\$5,670,437	\$5,602,108
Equity			
Trust Unit equity		\$5,168,049	\$5,242,830
Non-controlling interests		1,082,839	1,094,751
		\$6,250,888	\$6,337,581
Total liabilities and equity		\$11,921,325	\$11,939,689

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
Net rental income and other			
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
Other income and expenses			
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
Net loss and comprehensive loss		\$(9,581)	\$(21,175)
Net loss and comprehensive loss attributable to:			
Trust Units		\$(7,862)	\$(17,278)
Non-controlling interests		(1,719)	(3,897)
		\$(9,581)	\$(21,175)

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
Cash provided by (used in)			
Operating activities			
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)
Cash flows provided by operating activities		\$81,737	\$69,719
Financing activities			
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)
Cash flows used in financing activities		\$(43,118)	\$(13,255)
Investing activities			
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
Cash flows used in investing activities		\$(47,682)	\$(51,795)
Increase (decrease) in cash and cash equivalents during the period		(9,063)	4,669
Cash and cash equivalents – beginning of period		37,694	34,743
Cash and cash equivalents – end of period		\$28,631	\$39,412

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		
Equity - January 1, 2025	\$3,091,489	\$2,151,341	\$5,242,830	\$645,014	\$446,020	\$1,091,034	\$3,717	\$6,337,581
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)	(66,919)	—	(11,909)	(11,909)	—	(78,828)
Equity - March 31, 2025	\$3,091,489	\$2,076,560	\$5,168,049	\$646,730	\$432,287	\$1,079,017	\$3,822	\$6,250,888
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)	(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 ⁽¹⁾		(634)	—	(634)	10,171	—	10,171
Fair value adjustment on investment properties		47,730	(127,864)	(80,134)	89,141	(158,812)	(69,671)
Balance - end of period		\$9,028,295	\$1,589,492	\$10,617,787	\$8,942,289	\$1,717,494	\$10,659,783

(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%
Valuation Method	December 31, 2024			
	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
Acquisitions							
Toronto, Ontario	March 2025	Property under development	27,000 sq. ft.	\$11,724	\$11,824	\$—	\$(100)
Earnouts	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
Investments in Associates:⁽¹⁾					
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%
Investments in Joint Ventures:					
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)
Investment - end of period	\$437,138	\$316,361	\$753,499	\$436,437	\$313,182	\$749,619

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 ⁽¹⁾	Joint Ventures	Total	PCVP	VMC Residences ⁽¹⁾	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
Total assets	\$1,479,479	\$166,641	\$1,047,431	\$2,693,551	\$1,475,244	\$164,764	\$1,031,280	\$2,671,288
Non-current liabilities	\$558,950	\$—	\$234,194	\$793,144	\$610,676	\$—	\$223,576	\$834,252
Current liabilities ⁽²⁾	102,269	110,800	191,174	404,243	48,095	107,955	191,722	347,772
Total liabilities	\$661,219	\$110,800	\$425,368	\$1,197,387	\$658,771	\$107,955	\$415,298	\$1,182,024
Net assets	\$818,260	\$55,841	\$622,063	\$1,496,164	\$816,473	\$56,809	\$615,982	\$1,489,264
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
Trust's share of net assets	\$409,760	\$27,378	\$316,361	\$753,499	\$408,952	\$27,485	\$313,182	\$749,619

(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 ⁽¹⁾	\$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)
Revenue net of operating expense	\$6,731	\$54	\$7,065	\$13,850	\$5,328	\$(293)	\$6,012	\$11,047
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)
Earnings (Losses)	\$1,565	\$481	\$2,030	\$4,076	\$(9,294)	\$793	\$3,307	\$(5,194)
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)
Trust's share of earnings (losses)	\$475	\$263	\$844	\$1,582	\$(5,341)	\$470	\$841	\$(4,030)

(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
		\$237,931	\$225,152
Current		86,510	17,022
Non-current		151,421	208,130
		\$237,931	\$225,152

a) The following table presents loans receivable:

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

(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
	\$92,882	\$94,974
Current ⁽¹⁾	84,721	—
Non-current	8,161	94,974
	\$92,882	\$94,974

(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 ⁽¹⁾	—	(47,237)
Fair value adjustments	4,323	9,921
Balance - end of period	\$84,607	\$81,831

(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 ⁽¹⁾	23,738	22,279
	\$98,024	\$82,669
Allowance for expected credit loss ("ECL")	(7,003)	(6,234)
Amounts receivable and other, net of allowance for ECL	\$91,021	\$76,435
Non-current portion of amounts receivable	(14,497)	(12,994)
	\$76,524	\$63,441
Prepaid expenses, deposits and deferred financing costs ⁽²⁾	\$18,934	\$12,696

(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)
Balance - end of period	\$7,003	\$8,764

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
Non-revolving:					
August 2018 ⁽¹⁾	August 31, 2026	2.98 %	\$80,000	\$80,000	\$80,000
March 2019 ⁽¹⁾	July 31, 2026	3.52 %	150,000	150,000	150,000
May 2019 ⁽¹⁾	June 24, 2026	3.15 %	170,000	170,000	170,000
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	150,000
January 2022 ⁽¹⁾	January 19, 2027	4.48 %	300,000	300,000	300,000
Revolving:					
March 2024	March 8, 2026	Adjusted CORRA + 1.45%	40,000	27,067	26,400
				\$1,077,067	\$1,076,400
Less:					
Unamortized financing costs, debt modification adjustments, and others				(2,313)	(2,876)
				\$1,074,754	\$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) ⁽¹⁾	\$56,957	\$56,726
PCVP (5.75% discount rate) ⁽²⁾	55,698	55,382
Self-storage LP	1,501	1,915
\$114,156		\$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 ⁽¹⁾⁽²⁾	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)
Cash interest paid	\$28,037	\$24,888

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

(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)	\$198,169	\$191,665
Deferred unit plan (b)	71,455	63,550
Equity incentive plan ("EIP") (c)	31,184	29,010
Interest rate swap agreements	7,099	2,920
	\$307,907	\$287,145
Current ⁽¹⁾	292,684	274,526
Non-current	15,223	12,619
	\$307,907	\$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
Balance - January 1, 2025	7,835,862	\$191,665
Change in carrying value	N/A	6,504
Balance - March 31, 2025	7,835,862	\$198,169
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)
Balance - end of period	3,102,996	2,721,349

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)
Carrying value - end of period	\$71,455	\$55,699

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 ^{(1) (2)}	1,686,538	1,562,207
Reinvested units from distributions	31,550	124,331
Balance - end of period	1,718,088	1,686,538

(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)
Balance - end of period	\$31,184	\$23,768

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 ⁽¹⁾	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 ⁽¹⁾	\$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 ⁽¹⁾	2,887	2,822
Lease liability - other	6,661	7,127
Total other payables	\$9,548	\$9,949
Less: Current portion of other payables	(1,745)	(1,791)
Total non-current portion of other payables	\$7,803	\$8,158

(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
Assets measured at fair value:				
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	—
Assets measured at amortized cost:				
Mortgages, loans and notes receivable	\$237,931	\$—	\$237,931	\$—
Liabilities measured at fair value:				
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	—
Financial liabilities measured at amortized cost:				
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
Distributions on Units classified as equity	\$78,828	\$78,761
Distributions on Units classified as liabilities	3,622	3,651
Total Unit distributions	\$82,450	\$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
Rentals from investment properties	\$224,399	\$212,425
Residential closing revenue	2,014	1,602
Service and other revenues	2,925	3,212
Rentals from investment properties and other	\$229,338	\$217,239

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 ⁽¹⁾	\$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
Property operating costs	\$88,068	\$81,859
Residential cost of sales and marketing costs	1,463	1,358
Other expenses relating to service and other revenues ⁽²⁾	3,021	3,294
Other expenses	\$4,484	\$4,652
Property operating costs and other	\$92,552	\$86,511

(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
General and administrative expense	\$10,530	\$8,602

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
	\$139,007	\$146,474

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)
	\$(19,604)	\$(31,330)

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

	Three Months Ended March 31	
	2025	2024
Non-cash investing and financing balances		
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
Units owned by Penguin		38,006,572	37,939,970

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
		9,053,391	9,132,820

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
Related party transactions with Penguin			
Acquisitions and Earnouts:			
Earnouts	3(e)(ii)	\$4,500	\$—
Revenues:			
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
		\$2,594	\$2,260
Interest income from mortgages and loans receivable		481	708
Rents and operating cost recoveries included in rentals from income properties		696	619
		\$3,771	\$3,587
Expenses and other payments:			
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 ⁽¹⁾		15	15
Marketing and other costs – included in general and administrative expense and property operating costs		15	12
		\$2,402	\$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
Related party balances with Penguin disclosed elsewhere in the financial statements			
Receivables:			
Amounts receivable and other ^{(1) (2)}	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
Total receivables		\$109,445	\$106,151
Payables and other accruals:			
Accounts payable and accrued liabilities		1,866	4,252
Future land development obligations	10	17,747	17,631
Total payables and other accruals		\$19,613	\$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
Related party transactions with the Trust's equity accounted investments		
Revenues:		
Supplemental Development Fee	\$899	\$1,738
Interest income from mortgages and loans receivable	2,026	1,955
Expenses and other payments:		
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
Related party balances disclosed elsewhere in the financial statements			
Amounts receivable ⁽¹⁾	7	\$12,728	\$10,034
Loans receivable ⁽²⁾	5(a)	148,319	136,034
Other unsecured debt ⁽³⁾	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
Legal fees incurred from a law firm in which a partner is a Trustee⁽¹⁾:		
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
	\$2,559	\$2,917

The following table presents the compensation relating to Trustees:

	Three Months Ended March 31	
	2025	2024
Trustees' fees ⁽¹⁾	\$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.

Corporate Information

Trustees

Mitchell Goldhar ²
Executive Chairman and CEO SmartCentres
Real Estate Investment Trust, Owner
The Penguin Group of Companies

Janet Bannister ^{1, 3, 5}
Managing Partner
Real Ventures

Garry Foster ^{1, 2, 4}
Chief Executive Officer
Cortleigh Capital Inc.

Gregory Howard ²
Trustee

Sylvie Lachance ^{1, 2, 5}
Managing Director
Tribal Partners Canada Inc.

Neil Cunningham ^{3, 4}
Trustee

Sharm Powell ^{2, 3, 4}
Trustee

Michael Young ^{2, 3, 4}
Principal
Quadrant Capital Partners Inc.

1 Audit Committee
2 Investment Committee
3 Corporate Governance and Compensation Committee
4 Independent Committee
5 ESG Subcommittee

Executive Officers

Mitchell Goldhar
Executive Chairman and CEO

Peter Slan
Chief Financial Officer

Rudy Gobin
Executive Vice President
Portfolio Management & Investments

Paula Bustard
Executive Vice President of Development

Allan Scully
Executive Vice President of Development

Dan Markou
Executive Vice President & Chief People
and Culture Officer

Bankers

BMO Capital Markets
CIBC World Markets
Desjardins Securities Inc.
Mizuho Bank, Ltd.
National Bank of Canada
RBC Capital Markets
Scotia Capital
TD Bank Financial Group

Auditors

PricewaterhouseCoopers LLP
Toronto, Ontario

Legal Counsel

Osler Hoskin & Harcourt LLP
Toronto, Ontario

Davies Ward Phillips & Vineberg LLP
Toronto, Ontario

Registrar & Transfer Agent

Computershare Trust Company of Canada
Toronto, Ontario

Investor Relations

Hammad Rawra
Vice President, Corporate Finance
& Investor Relations

T: 905 326 6400 x7166
E: investorrelations@smartcentres.com
smartcentres.com/investing
TSX: SRU.UN

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