

2025 ANNUAL REPORT

Canada's Shopping Centre



SMARTCENTRES[®]
REAL ESTATE INVESTMENT TRUST

Table of Contents

Management’s Discussion and Analysis	7
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Section I – Introduction	9
Section II – Business Overview, Strategic Direction and Outlook	21
Section III – Environmental, Social and Governance (“ESG”)	22
Section IV – Development Activities	25
Section V – Business Operations and Performance	33
Section VI – Leasing Activities and Lease Expiries	45
Section VII – Asset Profile	53
Section VIII – Financing and Capital Resources	61
Section IX – Related Party Transactions	71
Section X – Accounting Policies, Risk Management and Compliance	75
Section XI – Glossary of Terms	83
Consolidated Financial Statements	85
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SmartCentres at a Glance

SmartCentres is one of Canada's largest fully integrated REITs, with a national portfolio of 198 well-located properties serving communities across the country. The portfolio represents approximately \$12.1 billion in assets, including value-oriented retail, purpose-built rental, office, and self-storage properties. In total, SmartCentres owns 35.6 million square feet of leasable space with 98.6% committed and in-place occupancy, supported by more than 3,500 acres of owned land across Canada.

KEY OPERATIONAL & FINANCIAL STATISTICS

SmartCentres' portfolio includes ownership interests in retail shopping centres, mixed-use properties, and development lands across Canada. More than 90 percent of the Canadian population lives within 10 kilometres of a SmartCentres property.

The portfolio continues to demonstrate steady financial and operational performance, supported by sustained demand for retail space.



198

Properties at Key
Intersections Across Canada



35.6 MILLION

Square Feet of
Income-Producing Properties



88.4%

Of revenue from Greater-VETCOM
and primary markets



98.6%

In-place and Committed
Occupancy Rate



87.4 MILLION

Square Feet of Future
Mixed-use Development Pipeline



\$12.1 BILLION

Total Assets

2025 Highlights

SmartCentres continued its strong financial and operational performance with increased demand for retail space.



Anchor-driven Growth Pipeline

Welcomed new locations for **Walmart, Costco** and **Mapletri Supermarket**. Continued construction of a **200,000 sq. ft. Canadian Tire** flagship store in Leaside neighbourhood of Toronto and secured approval for **expansion of Toronto Premium Outlets**.

Robust Leasing Activity

Resilient leasing momentum with an industry leading in place and committed occupancy of **98.6%**. **430,000 sq. ft.** of existing vacant space leased and **125,000 sq. ft.** of new build executed during the year. Strong rental growth of **8.4%** (excluding anchors) and **6.3%** (including anchors)

Self-Storage Expansion

Opened **three new facilities in Ontario**, bringing the total number of operating self-storage properties to **14**. **Undergoing construction at four additional sites** in QC and BC and in process of **obtaining municipal approvals for four new sites** in ON, BC and AB.

Townhomes Closings

98% of the 120 units in phase 1 of Vaughan Northwest Townhomes closed, with 33 units closed in 2025, contributing **\$5.0 million to 2025 FFO**.

FINANCIAL HIGHLIGHTS

	2025	2024
In-place and Committed Occupancy Rate	98.6%	98.7%
Same Property NOI Growth (YoY Change)	3.7%	2.8%
Renewal Rent Change (incl. Anchors)	6.3%	6.1%
FFO / unit (diluted)	\$0.54	\$0.53
AFFO / unit (diluted)	\$0.48	\$0.47

Walmart

SOUTH OAKVILLE CENTRE

A new 110,000 sq. ft. Walmart flagship strengthens merchandising alignment and reinforces South Oakville Centre as a convenient family destination.

OCTOBER 2025



Mapletri Supermarket

SMARTVMC, VAUGHAN

Mapletri Supermarket's 136,703 sq. ft. opening adds a high-traffic international grocery anchor, accelerating SmartVMC's growth and community vibrancy.

DECEMBER 2025



Costco Business Centre

WINSTON CHURCHILL & 401

The 125,000 sq. ft. Costco Business Centre introduces a distinct B2B anchor, diversifying traffic and strengthening the retail node's commercial appeal alongside established anchors such as Walmart and Real Canadian Superstore.

OCTOBER 2025



Stable Tenants and Cash Flow

99+%

rental receipts

95+%

of tenants are national or regional

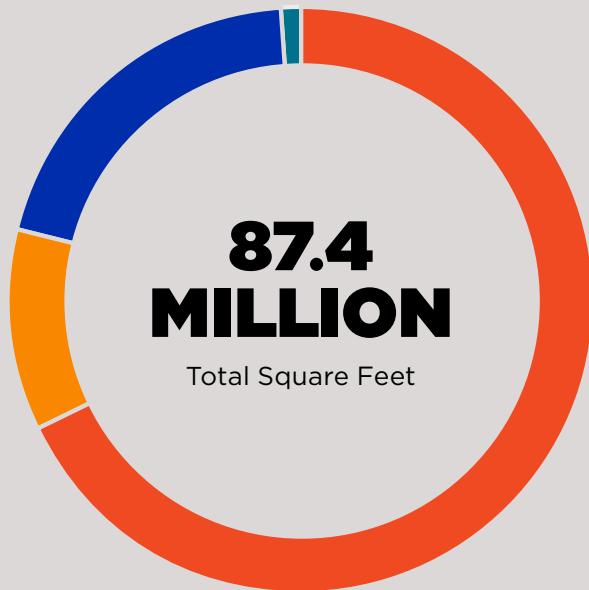
44+%

of rental income from top 10 tenants

60+%

of tenants provide consumers with essential services

TOP 10 TENANTS



Future Mixed-use Development Pipeline

The Trust's pipeline consists principally of residential projects but also includes self-storage, office and industrial projects as part of the portfolio's expected future buildout.

- **Under Construction | 1%**
0.8 Million sq.ft.
- **Zoning Approved | 68%**
59.4 Million sq.ft.
- **Rezoning Application Submitted | 9%**
8.3 Million sq.ft.
- **In Planning | 22%**
18.9 Million sq.ft.

Market Statistics

7.0%

Distribution Yield¹

**SmartCentres has never cut a distribution since its inception*

\$35.93

Net Asset Value per Unit

**As of Q4 2025*

\$26.54

Unit Price¹

26.1%

Discount to Net Asset Value¹

¹ Market data as of March 27, 2026



SmartStop Self Storage

25,000 storage units

1.9 Million sq.ft. of operating GFA

With 4 under construction (2 BC, 2 QC)

4 anticipated construction starts in 2026 and beyond



2990 Sunnybrooke Blvd. Dorval, QC



1480 Jane St. Toronto, ON



494 Gilbert Ave. Toronto, ON

ESG Highlights¹

ESG and sustainability considerations are woven into the fabric of SmartCentres.



¹ As of December 31, 2025 unless otherwise noted. The trust publishes an annual ESG report to provide details on its ESG activities and commitments from the previous year.

96%

of retail properties achieved BOMA Best certification*

*As of December 31, 2024

55%

of retail tenant portfolio committed to net zero by 2050

302

Electric vehicle charging stations across the portfolio

1,340

Volunteer hours donated to local charities

52%

Associates are women

75%

of Board Trustees are independent

Message from the Executive Chairman & CEO



DEAR FELLOW UNITHOLDERS,

SmartCentres continues to focus on the long term and the strong 2025 results are indeed an outcome of this approach throughout the years. Core Retail, Residential, Office and Storage platforms are in superior health. For your ease of reading below is a summary:

2025

198 Properties under ownership

Financial performance in 2025 reflects operational execution, and balance sheet discipline, liquidity and flexibility:

- Same Property NOI growth of 3.7% (5.6% excluding anchors)
- Portfolio wide rental growth of 6.3% (8.4% excluding anchors)
- Unencumbered asset pool exceeding \$10 billion

2025 Occupancy and Tenant Retention

Retail:

- 98.6% in place and committed occupancy
- 430,000 square feet of vacant space leased
- 125,000 square feet of new build retail space leased

Residential:

- 1,078 units at 100% ownership
- 98.1% in place and committed occupancy
- 5 towers located in Laval, Mascouche and Vaughan Metropolitan Centre

Office:

- 4 properties located in Vaughan Metropolitan Centre, Pointe Claire, and Ottawa
- 400,000 square feet of leasable area
- Average occupancy of 92.6%

Storage:

- 4,310 new units for a total of 14,720 units at 100% ownership
- 3 new facilities in Toronto (x2) and Dorval - opened April/May/June 2025
- Average occupancy ahead of budget

Demand for new space remains strong:

- New Walmart at South Oakville Centre - opened October 2025
- New Costco at SmartCentres Meadowvale - opened October 2025
- New large format grocery at Vaughan Metropolitan Centre - opened December 2025

2026 Outlook

2026 Retail:

- 696,626 square feet new space under development
- 209,730 square feet of which is in the grocery category

2026 Residential:

- 35-storey ArtWalk condo at Vaughan Metropolitan Centre - 93% pre-sold, initial closing expected late 2027
- Phase 2 of the Vaughan NW townhomes - preparing for release of new lots

2026 Office:

- Anticipate a possible 200,000 square feet build-to-suit commencing construction
- 92.6% occupancy expected to be maintained

2026 Storage:

- 2 new facilities in Montreal (Notre-Dame) and Laval - opening mid-2026
- Commencing construction on 3 new facilities in Edmonton (x2) and New Westminster in 2026

Beyond 2026:

- 87.4 million square feet of mixed-use permissions on SmartCentres owned properties for future development

Environmental, Social, and Governance initiatives remain integrated into operations. Progress continues in building efficiency, emissions reduction, and governance oversight.

With our 198 strategically located properties SmartCentres remains focused on delivering value and convenience to all Canadians coast-to-coast.

Sincerely,

Mitchell Goldhar
Executive Chairman and CEO
SmartCentres REIT

Management's Discussion and Analysis

**Section I —
Introduction**

About this Management’s Discussion and Analysis	9
Key Operational, Development and Financial Information	9
Highlights for the Three Months and Year ended December 31, 2025	11
Presentation of Certain Terms Including Non-GAAP Measures	13
Forward-Looking Statements	20

Section II — Business Overview, Strategic Direction and Outlook

Business Overview	21
Strategic Direction	21
Outlook	21

Section III — Environmental, Social and Governance (“ESG”)

Section IV — Development Activities

Mixed-Use Development Initiatives	25
Residential Development Inventory	29
Properties Under Development	29
Completed and Future Developments and Earnouts on Existing Properties	31

Section V — Business Operations and Performance

Results of Operations - Income Statements, NOI, SPNOI, Adjusted EBITDA	33
Other Measures of Performance - FFO, AFFO, Weighted Average Number of Units, Distributions	38
General and Administrative Expense	42
Interest Income and Interest Expense	43
Quarterly Results and Trends	44

Section VI — Leasing Activities and Lease Expiries

Retail, Office and Industrial	45
Self-Storage Rental Facilities	51
Residential Rentals	52

Section VII — Asset Profile

Proportionately Consolidated Balance Sheets	53
Investment Properties	54
Maintenance Capital Requirements	56
Equity Accounted Investments	57
Amounts Receivable and Other, Prepaid Expenses, Deposits and Deferred Financing Costs	59
Mortgages, Loans and Notes Receivable	60

Section VIII — Financing and Capital Resources

Capital Resources and Liquidity	61
Debt	63
Financial Covenants	68
Unitholders’ Equity	69
Net Asset Value	70

Section IX — Related Party Transactions

Section X — Accounting Policies, Risk Management and Compliance

Material Accounting Estimates and Policies	75
Risks and Uncertainties	76
Income Taxes and the REIT Exception	82
Disclosure Controls and Procedures and Internal Controls Over Financial Reporting	82

Section XI — Glossary of Terms

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 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 December 31, 2025, and for the year ended December 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 years ended December 31, 2025 and December 31, 2024, and the notes contained therein, and the Trust's annual information form ("AIF"). Such consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). The Canadian dollar is the functional and reporting currency for purposes of preparing the consolidated financial statements for the years ended December 31, 2025 and December 31, 2024.

This MD&A is dated February 11, 2026, which is the date of the press release announcing the Trust's results for the year ended December 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)	December 31, 2025	December 31, 2024	December 31, 2023
Portfolio Information (Number of properties)			
Retail properties	155	155	155
Office properties	4	4	4
Self-storage properties	14	11	8
Residential properties	3	3	3
Industrial properties	1	1	1
Properties under development	21	21	20
Total number of properties with an ownership interest	198	195	191
Leasing and Operational Information⁽¹⁾			
Gross leasable retail, office and industrial area (in thousands of sq. ft.)	35,585	35,300	35,045
In-place and committed occupancy rate	98.6 %	98.7 %	98.5 %
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.)	\$24.23	\$23.48	\$22.59
Financial Information			
Investment properties ⁽²⁾	10,852,939	10,659,783	10,564,269
Total unencumbered assets ⁽³⁾	10,030,521	9,464,521	9,170,121
NAV per Unit – diluted ⁽³⁾	\$35.93	\$36.03	\$36.40
Debt to Aggregate Assets ⁽³⁾⁽⁴⁾⁽⁵⁾	44.4 %	43.7 %	43.1 %
Adjusted Debt to Adjusted EBITDA ⁽³⁾⁽⁴⁾⁽⁵⁾	9.7X	9.6X	9.6X
Weighted average interest rate ⁽³⁾⁽⁴⁾	4.00 %	3.92 %	4.15 %
Weighted average term of debt (in years)	3.4	3.1	3.6
Interest coverage ratio ⁽³⁾⁽⁴⁾	2.6X	2.5X	2.7X
Units outstanding ⁽⁶⁾	178,325,977	178,201,075	178,188,148
Units outstanding – diluted ⁽⁷⁾	182,242,010	181,205,536	180,108,234

(1) Excluding residential and self-storage areas.

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

(3) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

(4) Includes the Trust's proportionate share of equity accounted investments.

(5) As at December 31, 2025, cash-on-hand of \$44.6 million was excluded for the purposes of calculating the applicable ratios (December 31, 2024 - \$34.9 million, December 31, 2023 - \$31.4 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 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 ("DUP"), and vested equity incentive plan units ("EIP units") granted pursuant to the Equity Incentive Plan ("EIP").

(in thousands of dollars, except per Unit information)	Three Months Ended		Year Ended	
	December 31, 2025	December 31, 2024	December 31, 2025	December 31, 2024
Financial Information				
Rentals from investment properties and other ⁽¹⁾	234,170	229,743	913,913	918,359
Net income and comprehensive income ⁽¹⁾	130,113	141,850	310,755	292,070
Cash flows provided by operating activities ⁽¹⁾	127,344	122,118	377,441	374,208
Net rental income and other ⁽¹⁾	143,574	141,580	563,042	547,508
NOI ⁽²⁾⁽³⁾	150,697	148,614	592,551	572,536
SPNOI ⁽²⁾⁽³⁾	148,166	144,030	576,630	556,320
Change in SPNOI ⁽²⁾⁽³⁾	2.9 %	3.8 %	3.7 %	2.8 %
Change in SPNOI excluding Anchors ⁽²⁾⁽³⁾	5.1 %	6.0 %	5.6 %	4.6 %
FFO ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	98,435	96,645	413,838	402,556
FFO with adjustments ⁽²⁾⁽³⁾⁽⁴⁾	99,007	101,361	397,922	383,043
AFFO ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	86,999	85,004	369,989	359,396
AFFO with adjustments ⁽²⁾⁽³⁾⁽⁴⁾	87,571	89,720	354,073	339,883
Weighted average units outstanding – diluted ⁽⁶⁾	182,234,484	181,186,382	181,970,462	180,749,027
Per Unit Information (Basic/Diluted)				
Net income and comprehensive income ⁽¹⁾	\$0.73/\$0.71	\$0.80/\$0.78	\$1.74/\$1.71	\$1.64/\$1.62
FFO ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	\$0.55/\$0.54	\$0.54/\$0.53	\$2.32/\$2.27	\$2.26/\$2.23
FFO with adjustments ⁽²⁾⁽³⁾⁽⁴⁾	\$0.56/\$0.54	\$0.57/\$0.56	\$2.23/\$2.19	\$2.15/\$2.12
AFFO ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	\$0.49/\$0.48	\$0.48/\$0.47	\$2.08/\$2.03	\$2.02/\$1.99
AFFO with adjustments ⁽²⁾⁽³⁾⁽⁴⁾	\$0.49/\$0.48	\$0.50/\$0.50	\$2.00/\$1.95	\$1.91/\$1.88
Payout Ratio Information				
Payout Ratio to AFFO ⁽²⁾⁽³⁾⁽⁴⁾⁽⁵⁾	94.8 %	97.0 %	89.2 %	91.7 %
Payout Ratio to AFFO with adjustments ⁽²⁾⁽³⁾⁽⁴⁾	94.2 %	91.9 %	93.2 %	97.0 %
Payout Ratio to cash flows provided by operating activities	64.8 %	67.5 %	87.4 %	88.1 %

- (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 units outstanding includes the vested portion of the deferred units issued pursuant to the DUP, and vested EIP units granted pursuant to the EIP.

Key Operational, Development and Financial Highlights for the Three Months and Year ended December 31, 2025

Operational

- Industry-leading in-place and committed occupancy rate of 98.6% as of December 31, 2025.
- Robust customer traffic and a solid tenant base continued to drive Same Properties NOI⁽¹⁾ growth for the three months and year ended December 31, 2025, which increased by 2.9% and 3.7% (5.1% and 5.6% excluding Anchors), respectively, compared to the same periods in 2024, primarily due to lease-up and renewal activities mainly from retail properties, as well as stabilization of occupancy levels in self-storage facilities and apartment rentals, partially offset by a higher provision for ECL.
- Leasing momentum remained resilient, with approximately 35,500 square feet of vacant space leased during the quarter, resulting in a total of approximately 430,000 square feet leased in 2025. In addition, growing demand for new-build retail continues with approximately 33,000 square feet executed during the quarter, resulting in a total of approximately 125,000 square feet executed during the year.
- Lease renewals continued to perform well, with strong rent growth of 8.4% (excluding Anchors) and 6.3% (including Anchors).

Development

- The Trust opened three new self-storage facilities in 2025 at Toronto (Gilbert Ave.), Toronto (Jane St.), and Dorval (St-Regis Blvd.), bringing the total number of operating self-storage properties in the portfolio to 14. Construction of self-storage facilities is underway at Montreal (Notre Dame St. W) and Laval E, Quebec, and at Burnaby and Victoria, British Columbia. The Montreal and Laval E facilities are expected to open in Q2 2026. Both British Columbia projects are expected to open in 2027. In addition to the above, the Trust is in the process of obtaining municipal approval for four sites in Ontario, British Columbia and Alberta.
- Construction of Phase I of the Vaughan NW townhomes is now virtually complete, with 7 units closed in Q4 2025. As at December 31, 2025, a total of 118 out of the 120 units in Phase I have closed.
- Construction of the ArtWalk condo Tower A in the Vaughan Metropolitan Centre continues to advance as planned, with approximately 93% of the 340 units pre-sold. The underground parking structure is progressing, the slab-on-grade has been completed, and the first section of the ground floor slab was completed during the quarter. Initial closings on completed units are expected to commence in 2027.
- Construction of the Trust's 200,000 square foot Canadian Tire flagship store on Laird Drive in Toronto continues on schedule, with possession expected in Q3 2026.
- Submitted for Site Plan approval in 2025, for a net new 85,000 square feet (17%) increase in the square footage of Toronto Premium Outlets, for which construction is planned to commence this summer and includes a new four-storey parking garage.

Financial

- Rentals from investment properties and other⁽²⁾ for the three months ended December 31, 2025, totalled \$234.2 million, representing an increase of \$4.4 million or 1.9% as compared to the same period in 2024. The increase was primarily from lease-up activities and higher recoveries, partially offset by lower residential sales caused by fewer townhomes closing.
- Rentals from investment properties and other⁽²⁾ for the year ended December 31, 2025, totalled \$913.9 million, representing a decrease of \$4.4 million or 0.5% as compared to 2024. The decrease was primarily due to lower residential sales caused by fewer townhomes closing, partially offset by lease-up activities, and higher recoveries.
- Net rental income and other⁽²⁾ for the three months and year ended December 31, 2025 was \$143.6 million and \$563.0 million, respectively, representing an increase of \$2.0 million or 1.4% and \$15.5 million or 2.8% as compared to the same periods in 2024. The increases were primarily from lease-up activities and higher net recoveries, partially offset by lower residential sales caused by fewer townhomes closing.
- Net income and comprehensive income⁽²⁾ for the three months ended December 31, 2025, decreased by \$11.7 million as compared to the same period in 2024. The decrease was mainly attributable to a \$6.3 million decrease in fair value adjustment on financial instruments for the period, primarily due to mark-to-market adjustments for interest rate swaps and a fair value change in units classified as liabilities due to a decrease in the Trust's Unit price and a \$4.1 million decrease in the fair value gain on investment properties.
- Net income and comprehensive income⁽²⁾ for the year ended December 31, 2025, increased by \$18.7 million compared to 2024, primarily driven by lower fair value losses on investment properties and higher NOI. The increase was partially offset by lower earnings from equity accounted investments, fair value adjustments on financial instruments and units classified as liabilities, and higher interest and general and administrative expenses.

- FFO per Unit⁽¹⁾ for the three months ended December 31, 2025, was \$0.54 compared to \$0.53 for the same period in 2024. The increase was primarily due to changes in fair value adjustment on TRS resulting from fluctuations in the Trust's Unit price, higher NOI from lease-up activities and higher net recoveries, partially offset by higher interest expense, and higher general and administrative expense. FFO with adjustments per Unit⁽¹⁾ for the three months ended December 31, 2025, was \$0.54 compared to \$0.56 for the same period in 2024. The decrease was mainly attributable to higher net interest expense and general and administrative expense, partially offset by higher NOI.
- FFO per Unit⁽¹⁾ for the year ended December 31, 2025, was \$2.27 compared to \$2.23 in 2024. The increase was primarily due to higher NOI from lease-up activities, higher net recoveries, and higher miscellaneous revenue, partially offset by lower residential sales caused by fewer townhomes closing, higher interest expense, and general and administrative expenses. FFO with adjustments per Unit⁽¹⁾ for the year ended December 31, 2025, was \$2.19 compared to \$2.12 in 2024. The increase was mainly attributable to higher NOI primarily due to lease-up activities and higher net recoveries, partially offset by higher net interest expense, and general and administrative expense.
- The payout ratio to AFFO⁽¹⁾ for the three months and year ended December 31, 2025, was 94.8% and 89.2%, respectively, compared to 97.0% and 91.7% for the same periods in 2024. The improvement primarily reflects higher adjusted FFO as compared to the same periods in 2024.
- For the three months ended December 31, 2025, the payout ratio to AFFO with adjustment⁽¹⁾ was 94.2% compared to 91.9%, mainly due to lower adjusted FFO for the same period in 2024. For the year ended December 31, 2025, the payout ratio to AFFO with adjustment⁽¹⁾ was 93.2% compared to 97.0%, representing an improvement as a result of higher adjusted FFO compared to 2024.
- The payout ratio to cash flows provided by operating activities for the three months and year ended December 31, 2025, was 64.8% and 87.4% as compared to 67.5% and 88.1% for the same periods in 2024. The increases in surpluses were primarily attributable to higher NOI due to lease-up activities and higher net recoveries as compared to the same periods in 2024.
- As at December 31, 2025, the Trust's fixed rate/variable rate debt ratio⁽¹⁾⁽³⁾ was 90%/10% (December 31, 2024 - 89%/11%).
- As at December 31, 2025, the Trust's unencumbered portfolio of investment properties was valued at \$10.0 billion (December 31, 2024 - \$9.5 billion).
- In October 2025, Penguin-Calloway Vaughan Partnership ("PCVP") secured a \$188.8 million CMHC mortgage on its purpose-built rental development. The mortgage bears a fixed interest rate of 3.45% and matures in December 2030. The proceeds from the mortgage were used to repay existing indebtedness.
- In October 2025, the self-storage facility joint venture (the "JV") entered into a \$160.0 million five-year mortgage. The mortgage is secured by ten self-storage facilities and bears a fixed interest of approximately 3.87%. The JV used the proceeds to repay a \$116.0 million mortgage secured by eight self-storage facilities upon its maturity and other existing indebtedness.
- In November 2025, the Trust issued \$250.0 million principal amount of Series AC unsecured debentures bearing interest at 3.599% per annum, maturing on June 12, 2029, and \$250.0 million principal amount of Series AD unsecured debentures bearing interest at 4.318% per annum, maturing on June 12, 2032. Net proceeds were used to repay the \$350.0 million Series X debentures upon maturity in December 2025, with the balance applied toward debt repayment and general corporate purposes.

Subsequent event

- On January 2, 2026, the Trust announced that several key arrangements with Penguin that were originally scheduled to expire on December 31, 2025 have been extended under their existing terms until February 28, 2026, while negotiations for new five-year terms are ongoing. The extensions apply to the Executive Employment Agreement for Mitchell Goldhar, Executive Chairman and Chief Executive Officer ("CEO") of SmartCentres, the Development Services Agreement supplements, the Penguin Services Agreement (as defined below), and the Non-Competition Agreement. The Trust also announced that, in accordance with the Declaration of Trust (as defined below), the Voting Top-Up Right expired on December 31, 2025. As negotiations remain ongoing, the Trust is not in a position to provide further commentary on these matters at this time and will update unitholders when there is material information to disclose.

(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 \$44.6 million as at December 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 consolidated financial statements of the Trust for the year ended December 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 ("EAI"), 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 and comprehensive income, 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 a profitability growth indicator 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, “Key Operational, Development and Financial Highlights for the Three Months and Year ended December 31, 2025”, “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 Developments and Earnouts 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 risk; potential conflicts of interest; cybersecurity 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, rental residences, and industrial facilities in Canada. The Trust also develops condos, townhomes and self-storage facilities throughout the country.

As of December 31, 2025, the Trust owned a mixed-use portfolio featuring 198 strategically located properties in communities across the country. The Trust has approximately \$12.1 billion in assets and owns 35.6 million square feet of income producing value-oriented retail and office properties at key intersections across Canada with a 98.6% 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 revenue from two types of property:

- i) core retail, and
- ii) mixed-use including self-storage, residential, office and industrial properties

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 2026 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 2026, 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.

Through ESG-specific Trust Targets, tied to compensation for all associates, we ensure material ESG issues are integrated across the retail platform, developments, and communities. The Trust embeds ESG considerations into its business strategy to manage risk and create long-term value for stakeholders, for today and into the future.

That strategy underpins the Trust's decision-making processes across all levels of 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 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;
- Completing double materiality assessments to identify material sustainability issues from both financial and impact perspectives;
- Investigating how ESG initiatives, including geothermal, solar power, district energy, and green bond issuance, could support the business;
- Utilizing its “Net Zero Framework” developed in 2024, SmartCentres continues to assess the best path forward to net zero in partnership with our tenants;
- Identifying and implementing best pathways to increase collaboration with tenants to meet mutual climate and ESG-related goals, through the leasing and development processes;
- Engaging with investors to identify material ESG topics and corresponding framework alignments and reporting requirements;
- Reporting on ESG progress annually informed by internationally accepted sustainability disclosures frameworks and standards;
- Utilizing the insights gained from completing scenario analysis to prioritize business-related climate actions over the short, medium, and long term;
- Maintaining a cross-functional, internal risk committee to identify current and future company-wide potential risks, as well as mitigation strategies;
- Requiring ESG-related training for all associates annually;
- Maintaining a Diversity, Equity, Inclusion and Belonging Policy; and
- Enhanced governance through upgrading key system applications and tools to allow higher level of automation and reporting accuracy.

In 2025, the Trust achieved its ESG targets, including:

- Incorporated annual ESG Trust Targets into corporate strategy action plans for completion by year-end;
- Continued utilization of the Net Zero Framework, to develop a detailed plan to reach net zero GHG emissions by 2050, with interim targets, credible asset-level transition strategies and allocating supporting capital investment requirements;
- Improved Global Real Estate Sustainability Benchmark (“GRESB”) score relative to the previous year, and achieved Sector Leader status with a score of 84/100;
- Used the ESG Development Framework to further embed ESG considerations in the development process, including assessing solar applicability, consideration of heat pumps and improved energy efficiency;
- Established a cross-functional, internal risk committee to identify current and future potential risks, as well as mitigation strategies;
- Established an Artificial Intelligence (“AI”) Committee to support best practices, innovation, and scalable AI adoption across departments, and to serve as an internal think tank;
- Maintained enhanced employee training programs to improve orientation, engagement and retention;
- Maintained its diversity target of 30% female independent Trustees with 50% of its current independent Trustees and 37.5% of 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, supporting its tenants through effective collaboration, and meeting market expectations for sustainability disclosures.

To support alignment with the Canadian Sustainability Disclosure Standards (“CSDS”), the Trust completed Scenario Analysis in 2024. The Trust continued in 2025 to use the results from Scenario Analysis to identify, assess, prioritize, and monitor climate-related risks and opportunities, and incorporates the results into the Trust’s ESG future strategy and the entity’s overall risk management process.

In 2025, SmartCentres conducted a Double Materiality Assessment (“DMA”) to identify material sustainability risks and opportunities from both financial and impact perspectives.

Through continued utilization of the Net Zero Framework, the Trust continues to seek to create Unitholder value by embedding net zero considerations throughout its operations, leasing and development procedures.

The Trust continues to use the GRESB, a global benchmark for sustainability for real estate companies, as a tool to provide value to the advancement of the Trust’s ESG strategy and to measure its ESG progress relative to its peers. This quarter, the Trust submitted its fourth submission to the GRESB and achieved a score of 84/100. This achievement resulted in the Trust being ranked first in the American, Retail Sector.

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.

SmartCentres actively supports the health and well-being of our associates through a comprehensive wellness program designed to promote healthy lifestyles across its workforce. In 2025, the REIT expanded its wellness program to include financial literacy, physical health and mental health as part of its weekly wellness activities.

Through the SmartCentres volunteer program called “Helping People, Changing Lives”, associates across Canada are encouraged to donate volunteer hours to local charities. This year, the Trust supported the British Columbia Food Bank, the Princess Margaret Hospital Road Hockey to Conquer Cancer event, and the York Region School Board and Ignite Durham Back to School backpack drive to provide school supplies to low-income communities.

To increase awareness and understanding of ESG-related matters that are material to its business, the Trust requires all associates to undertake ESG education and has included ESG training as part of the onboarding process for new associates.

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 mature ERP system, the Trust aims to support growth and increase process productivity. The Trust integrates sustainability-related risks and opportunities into its general risk management process. Governance is further enhanced through an improved ERP system, including an updated segregation of duties and authorization levels.

To demonstrate the importance of oversight of ESG-related matters to the Trust, the Board of Trustees is responsible for governance and oversight of the ESG strategy, through the ESG Sub-committee. The ESG Sub-committee meets 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.

Managing technology-related risk, including cybersecurity, AI, and safeguarding privacy data and reputation of our associates, tenants, and residents, is a high priority at SmartCentres. To ensure adequate controls are in place to manage technology-related risk, SmartCentres created an internal AI Committee to support the enablement of AI throughout the organization to ensure responsible and effective adoption of AI technologies. It also benchmarks itself against recognized industry frameworks, including the National Institute of Standards and Technology and Centre for Internet Security control guidelines. The Trust completes an annual tabletop cybersecurity exercise with its Cyber Security Incident Response Team and Board of Trustees.

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 of Trustees quarterly through the ESG Sub-committee, the Trust hosted a presentation in April 2025, for all Trustees and the executive management team on climate change risk and opportunities as related to SmartCentres’ business. The presentation was facilitated by an industry-leading external climate change consultant to address physical and transition risks and opportunities related to climate change.

In support of the voluntary Canadian Sustainability Standards Board (“CSSB”) Sustainability Disclosure Standards, including the General Requirements for Disclosure of Sustainability-related Financial Information, and Climate-related Disclosures as issued in December 2024, the Trust reports its sustainability and climate information on an annual basis. The CSSB sustainability disclosures are the Canadian application of the IFRS S1 and S2 climate-related disclosures issued by the International Sustainability Standards Board, which were established by the IFRS foundation, based on the Taskforce on Climate-related Financial Disclosures recommendations and are supported by the Sustainability Accounting Standards Board Standards.

For additional information on the Trust's ESG commitments and activities, see its most recent annual ESG report, which 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.

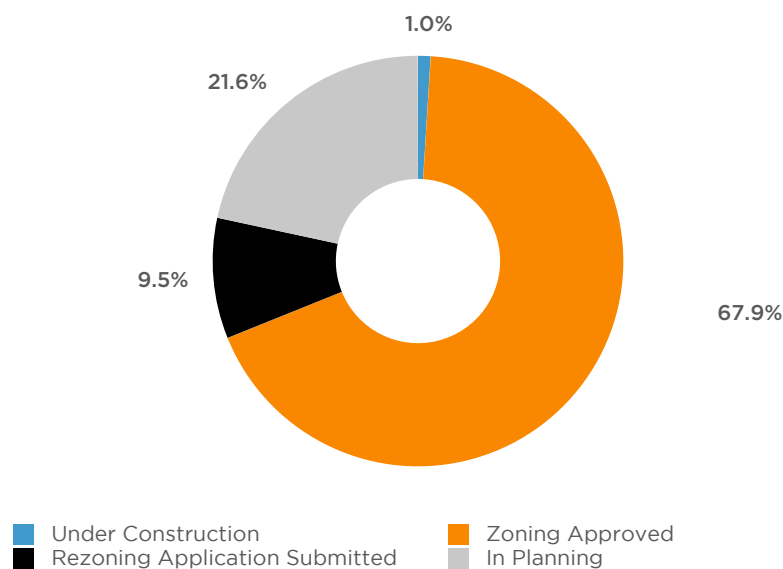
Section IV – Development Activities

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 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	1.7	0.8
Zoning Approved	69.9	59.4
Rezoning Application Submitted	9.3	8.3
In Planning	22.2	18.9
Total Square Feet	103.1	87.4

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 currently underway. This includes construction at: i) SmartVMC; ii) a retail project in Toronto (Laird), Ontario; iii) residential apartments in Ottawa, Ontario; iv) self-storage locations in Quebec and British Columbia; and v) a townhome project in Vaughan, Ontario.

The following table provides additional details on the Trust's eight 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 (Phase I & II)	Townhomes	50 %	Q1 2024	68 %	366,000	174
Montreal (Notre-Dame)	Self-storage	50 %	Q2 2026	64 %	184,000	N/A
Laval East	Self-storage	50 %	Q2 2026	50 %	176,000	N/A
Burnaby	Self-storage	50 %	Q2 2027	27 %	137,000	N/A
Victoria	Self-storage	50 %	Q3 2027	31 %	164,000	N/A
Vaughan / ArtWalk	Condo	50 %	Q4 2027	40 %	300,000	340
Ottawa SW	Residential Apartments	50 %	Q1 2028	30 %	361,000	425
Total Mixed-use Developments					1,688,000	939
Retail Development						
Toronto (Laird)	Retail	50 %	Q3 2026	68 %	225,000	N/A

In millions of dollars

Total Capital Spend to Date at 100%⁽²⁾	\$465.9
Estimated Cost to Complete at 100%	510.3
Total Expected Capital Spend by Completion at 100%⁽²⁾	\$976.2
Total Capital Spend to Date at Trust's Share⁽²⁾	\$232.9
Estimated Cost to Complete at Trust's Share	255.1
Total Expected Capital Spend by Completion at Trust's Share⁽²⁾	\$488.0

(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, 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 100 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 world-class YMCA facility and municipal library;
- iii) the 140,000 square foot 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. 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; and

- 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.

Residential and Other Mixed-Use Development Initiatives

In addition to the Trust's eight 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	Total Leasable Area (sq. ft./units)	Year of Construction Completion ⁽¹⁾	Trust's Share
Pickering (Seaton Lands) (ON)	Industrial	229,000 sq. ft.	2024	100 %
Whitby SmartStop (ON)	Self-storage facility	87,200 sq. ft. (870 units)	2024	50 %
Markham Boxgrove SmartStop (ON)	Self-storage facility	94,800 sq. ft. (930 units)	2024	50 %
Stoney Creek SmartStop (ON)	Self-storage facility	99,000 sq. ft. (970 units)	2024	50 %
Toronto (Gilbert Ave.) SmartStop (ON)	Self-storage facility	121,000 sq. ft. (1,590 units)	2025	50 %
Toronto (Jane St.) SmartStop (ON)	Self-storage facility	101,900 sq. ft. (1,430 units)	2025	50 %
Dorval (St-Regis Blvd.) SmartStop (QC)	Self-storage facility	115,200 sq. ft. (1,290 units)	2025	50 %

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

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

Residential

- i. the development of a new residential block consisting of three phases totalling 500 units at Laval Centre in Quebec. Phase I (163 units) and Phase 2 (178 units) are zoned, and site plan approved;
- ii. the development of a 35-storey high-rise purpose-built residential rental tower containing 442 units, on Balliol Street in midtown Toronto, Ontario, with zoning approval received in July 2022 and site plan approval expected in Q2 2026;
- iii. the development of residential units in various forms in Mascouche, Quebec, with the first phase consisting of 238 units in two 10-storey rental towers, which opened in July 2022. Up to 1,000 residential units can be developed on the remaining site;
- iv. the development of up to 5.3 million square feet of predominantly residential space, in various forms, at Highway 400 & Highway 7, in Vaughan, Ontario, with a rezoning application previously submitted and a site plan application for the first four residential buildings totalling 1,742 units. Currently working with the City of Vaughan on the advancement of the Weston & Highway 7 Secondary Plan, as a path to achieving these permissions;
- v. the development of up to 5.5 million square feet of predominantly residential space, in various forms, at Oakville North in Oakville, Ontario, with an initial two-tower 587-unit residential phase, with 6,000 square feet of retail, which is now permitted following a decision by the Ontario Land Tribunal in settlement of our zoning appeal;
- vi. the development of up to 1.5 million square feet of residential space in various forms on the Trust's undeveloped lands at the Vaughan NW property in Vaughan, Ontario. The municipal approval on draft plan was received for 174 townhomes to be developed in two phases. Construction of the first phase comprising 120 townhomes is complete, with 118 units closed, as at the end of 2025. Official Plan and Zoning Approval have been obtained for five mid-rise buildings, of which site plan approval was obtained for the Phase I development of two mid-rise buildings;
- vii. the development of up to 1.5 million square feet of residential space, in various forms, in Pointe-Claire, Quebec, with the first phase, a two-tower rental project, being actively pursued, but subject to the urban planning revision process by the city of Pointe-Claire;
- viii. the development of residential density at the Trust's shopping centre at 1900 Eglinton Avenue East in Scarborough, Ontario, with Official Plan Approval obtained for 4.65 million square feet of density. Approval was also obtained for a Phase I development to include two residential towers (46 and 48 storeys), permitting 975 residential units comprising up to 806,000 square feet. Site plan application and approvals for Phase I are ongoing. In addition, applications for Phase 2, consisting of approximately 1.4 million square feet, were submitted in September 2022 and continue to be processed with the City;
- ix. the Q4 2020 acquisition of an additional 33.33% interest (new ownership structure of 66.66% held by the Trust and 33.33% held by Penguin) in 50 acres of adjacent land to the Trust's Premium Outlets Montreal in Mirabel, Quebec, for the development of a mixed-use project. Master plan of development for the site is subject to municipal approval;
- x. the development of up to 900,000 square feet of predominantly residential space on Yonge St. in Aurora, Ontario, with zoning approval obtained;

- xi. the development of 1.5 million square feet of residential density adjacent to the new South Keys light rail train station at the Trust's Ottawa South Keys Centre, consistent with current zoning permissions. Zoning by-law amendment for the first four phases was approved by the municipal council in December 2025;
- xii. the Trust is currently evaluating various strategic alternatives for the 402 units development project at Ottawa SW, which has remained on hold since the completion of the structure in Q1 2024, following the bankruptcy of the former joint venture partner. Among the options under consideration is a potential repositioning of the project from senior housing to a 425-unit multi-residential development. Municipal approvals and permits for the revised project scope are expected by Q2 2026;
- xiii. the redevelopment of the Trust's property in downtown Markham, Ontario, with a zoning by-law approved by Ontario Land Tribunal permitting the development of a residential mixed-use project (apartment or condo) of approximately 260,000 square feet as-of-right;
- xiv. the development of approximately 980,000 square feet of mixed-use density on the Trust's Parkway Plaza Centre in Stoney Creek, Ontario, with a Phase I development consisting of two towers (each 20 storeys), totalling approximately 390,000 square feet and 462 residential units. The 980,000 square foot proposal was approved by Hamilton City Council. Site plan approval for Phase I was obtained in Q2 2025;
- xv. the development of four high-rise purpose-built residential rental buildings comprising approximately 1,700 units with Greenwin, in Barrie, Ontario, for which a zoning application was approved by Barrie City Council, followed by the site plan approved for Phase I. Approval was obtained for the Environmental Risk Assessment for the entire site and the Certificate of Property Use;
- xvi. the development of up to 2.6 million square feet of predominantly residential space, in various forms, at the Westside Mall in Toronto, Ontario. The Official Plan and zoning for Phase I were approved by City Council. The zoning by-law permits a high-rise mixed-use tower with up to 397 units;
- xvii. the Trust is planning the redevelopment of a portion of its 73-acre Cambridge, Ontario, retail property (includes 68 acres that are subject to a leasehold interest with Penguin) which now allows various forms of residential, retail, office, institutional and commercial uses, providing for the creation of a vibrant urban community with the potential for over 12.0 million square feet of development on the overall property once completed. Conditional site plan approval of an initial mid-rise apartment was obtained in Q4 2025;
- xviii. the development of up to 5.0 million square feet of predominantly residential space, in various forms over the long term, in Pickering, Ontario, with the initial zoning for five towers with a gross floor area of approximately 1,400,000 square feet and site plan application for a three-tower mixed-use phase, approximating 700,000 square feet, approved by the City Council;

Office Buildings / Industrial

- xix. the development of approximately 38 acres of industrial land in Pickering, Ontario, adjacent to Highway 407, comprising a completed and fully occupied 229,000-square-foot Phase 1 industrial building, with zoning approved for the development of an additional 371,000 square feet in the subsequent phase;
- xx. the intensification of the Toronto StudioCentre in Toronto, Ontario (zoning allows for up to 1.2 million square feet);

Self-storage

- xxi. the Trust's portfolio of 14 operating self-storage facilities has been very well received by their local communities and performing ahead of expectations. Current combined occupancy exceeds 86% for facilities which have been operating for more than one year; and
- xxii. four self-storage facilities are currently under construction in Montreal (Notre Dame St. W), Laval E, Quebec, and Burnaby, Victoria, British Columbia. The Trust is in the process of obtaining municipal approvals for one site in Toronto, one site in New Westminster, British Columbia and two sites in Edmonton, Alberta.

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 of 120 townhomes. As of December 31, 2025, 118 of the Phase I townhomes have closed. Construction of Phase I is mostly complete with seven townhome closings completed in the quarter, contributing \$1.3 million to FFO (at the Trust's share). Closing of the remaining townhomes in Phase I is expected to be completed early 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 2025	33
Total units closed	118
Total units remaining	2
% of townhomes closed	98.3 %

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

(in thousands of dollars)	For the Three Months Ended December 31, 2025		For the Year Ended December 31, 2025	
	Total	Trust's Share	Total	Trust's Share
Townhome sales closings revenue	\$6,981	\$3,490	\$34,714	\$17,357
Cost of sales	(3,737)	(1,868)	(21,428)	(10,714)
Net Profit from Co-Tenancy	\$3,244	\$1,622	\$13,286	\$6,643
Interest and other	—	(311)	—	(1,618)
Net profit	\$3,244	\$1,311	\$13,286	\$5,025

Properties Under Development

As at December 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 \$118.1 million as compared to December 31, 2024, as presented in the following table. The net decrease was mainly driven by \$151.8 million decrease in fair value adjustment primarily due to changes in market conditions for certain future development properties during the year ended December 31, 2025. See "Investment Properties" in this MD&A for further discussion.

(in thousands of dollars)	December 31, 2025	December 31, 2024	Variance
Developments	\$1,647,831	\$1,694,728	\$(46,897)
Earnouts subject to option agreements ⁽¹⁾	15,756	22,766	(7,010)
Total	\$1,663,587	\$1,717,494	\$(53,907)
Equity accounted investments	405,641	469,870	(64,229)
Total including equity accounted investments⁽²⁾	\$2,069,228	\$2,187,364	\$(118,136)

(1) Earnout development costs during the development period are paid by the Trust and funded through interest-bearing secured debt provided by the vendors to the Trust. On completion of the development and the commencement of lease payments by a tenant, the Earnouts will be acquired from the vendors based on predetermined or formula-based capitalization rates, net of land and development costs incurred. Penguin has contractual options to acquire Trust Units and LP Units on completion of Earnouts as shown in Note 11(d) of the consolidated financial statements for the year ended December 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 3.0 million square feet. With respect to the future pipeline, commitments have been negotiated on 0.3 million square feet. The Trust continues to revise its estimates and adjust its plans towards mixed-use developments.

The following table summarizes the expected potential future retail pipeline in properties under development as at December 31, 2025:

(in thousands of square feet)	Committed	Years 0-2	Years 3-5	Beyond Year 5	Total ⁽¹⁾
Developments	293	1,018	1,041	61	2,413
Earnouts	10	5	81	—	96
	303	1,023	1,122	61	2,509
Mezzanine Financing	—	—	498	—	498
	303	1,023	1,620	61	3,007

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

During the year ended December 31, 2025, the future retail properties under development pipeline increased by 862,000 square feet to a total of 2.5 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	1,502
Less:	
Completion of Earnouts and Developments	(640)
Net change	862
Future retail properties under development pipeline - December 31, 2025	2,509

Uncommitted Retail Pipeline

The following table summarizes the estimated future investment by the Trust in retail properties under development. It is expected that 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	\$383,342	\$456,945	\$31,412	\$871,699	\$211,918	\$659,781
Earnouts	2,274	24,991	—	27,265	659	26,606
	\$385,616	\$481,936	\$31,412	\$898,964	\$212,577	\$686,387

Approximately 3.1% of the retail properties under development, representing a proportion of gross investment cost (committed and uncommitted) relating to Earnouts (\$32.5 million, divided by total estimated costs of \$1.1 billion), representing 96,000 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 a 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 2.4 million square feet of future space will be developed as the Trust leases space and finances the related construction costs.

Completed and Future Developments and Earnouts on Existing Properties

For the three months ended December 31, 2025, \$12.2 million of developments and Earnouts (including developments recorded in equity accounted investments, and of which \$12.2 million at the Trust's share) were completed and transferred to income properties, as compared to \$39.4 million (\$26.3 million at the Trust's share) in the same period in 2024.

	Three Months Ended December 31, 2025		Three Months Ended December 31, 2024	
	Area (sq. ft.)	Investment (in millions)	Area (sq. ft.)	Investment (in millions)
Development - transfers from properties under development to income properties	24,026	\$10.0	39,443	\$14.1
Developments - equity accounted investments	—	—	3,283	2.2
Self-storage facilities - equity accounted investments	—	—	99,000	23.1
Earnouts	9,000	2.2	—	—
Total Developments and Earnouts	33,026	\$12.2	141,726	\$39.4
Total Trust's share of Developments and Earnouts	33,026	\$12.2	89,928	\$26.3

For the year ended December 31, 2025, \$217.9 million of developments and Earnouts (including developments recorded in equity accounted investments, and of which \$155.3 million at the Trust's share) were completed and transferred to income properties, as compared to \$173.8 million (\$133.8 million at the Trust's share) in the same period in 2024.

	Year Ended December 31, 2025		Year Ended December 31, 2024	
	Area (sq. ft.)	Investment (in millions)	Area (sq. ft.)	Investment (in millions)
Development - transfers from properties under development to income properties	338,036	\$100.6	317,008	\$95.0
Developments - equity accounted investments	—	—	8,593	5.6
Self-storage facilities - equity accounted investments	480,696	104.8	278,500	72.2
Earnouts	117,000	12.5	2,232	1.0
Total Developments and Earnouts	935,732	\$217.9	606,333	\$173.8
Total Trust's share of Developments and Earnouts	640,244	\$155.3	461,068	\$133.8

The following table summarizes future retail developments, Earnouts and Mezzanine Financing as at December 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							
2026	228,072	9.1 %	\$7,520	\$121,529 ⁽²⁾	\$63,293 ⁽²⁾	\$58,236	6.2 % ⁽³⁾
2027 and beyond	64,886	2.6 %	1,685	31,874 ⁽²⁾	3,101 ⁽²⁾	28,773	5.3 % ⁽³⁾
Total Committed Developments	292,958	11.7 %	\$9,205	\$153,403	\$66,394	\$87,009	6.0 %
Uncommitted Developments							
2026	338,229	13.5 %	7,085	116,785 ⁽²⁾	49,451 ⁽²⁾	67,334	6.1 % ⁽³⁾
2027 and beyond	1,782,490	71.0 %	49,811	754,914 ⁽²⁾	162,467 ⁽²⁾	592,447	6.6 % ⁽³⁾
Total Uncommitted Developments	2,120,719	84.5 %	\$56,896	\$871,699	\$211,918	\$659,781	6.5 %
Total Developments	2,413,677	96.2 %	\$66,101	\$1,025,102	\$278,312 ⁽¹⁾	\$746,790	6.4 %
Earnouts							
Committed Earnouts							
2026	9,142	0.4 %	369	5,279	358	4,921	7.0 %
Total Committed Earnouts	9,142	0.4 %	\$369	\$5,279	\$358	\$4,921	7.0 %
Uncommitted Earnouts							
2027 and beyond	86,200	3.4 %	1,890	27,265	659	26,606	6.9 %
Total Uncommitted Earnouts	86,200	3.4 %	\$1,890	\$27,265	\$659	\$26,606	6.9 %
Total Earnouts	95,342	3.8 %	\$2,259	\$32,544	\$1,017 ⁽¹⁾	\$31,527	6.9 %
Total Before Non-cash Development Cost	2,509,019	100.0 %	\$68,360	\$1,057,646	\$279,329	\$778,317	6.5 %
Non-cash development cost					58,465 ⁽¹⁾		
Land / Intensification projects					1,325,793 ⁽¹⁾		
Equity accounted investments					405,641 ⁽¹⁾		
Total	2,509,019	100.0 %	\$68,360	\$1,057,646	\$2,069,228 ⁽¹⁾	\$778,317	6.5 %
Options through Mezzanine Financing	498,396						
Total Potential Pipeline	3,007,415						

(1) Under "Completed and Future Developments and Earnouts on Existing Properties" in this MD&A, Earnouts of \$15.8 million, developments of \$1,647.8 million and equity accounted investments of \$405.6 million comprise the total amount of \$2,069.2 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 5.96%, 5.06%, 5.36%, and 5.78%, respectively.

Section V – Business Operations and Performance

Results of Operations

Below is a summary of selected financial information concerning the Trust's operations for the year ended December 31, 2025. This information should be read in conjunction with the Trust's consolidated financial statements for the year ended December 31, 2025.

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

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

Quarterly Comparison to Prior Year

(in thousands of dollars)	Three Months Ended December 31, 2025			Three Months Ended December 31, 2024		
	GAAP Basis	Proportionate Share Reconciliation ⁽¹⁾	Total Proportionate Share ⁽²⁾	GAAP Basis	Proportionate Share Reconciliation ⁽¹⁾	Total Proportionate Share ⁽²⁾
Net operating income						
Rentals from investment properties and other	\$230,680	\$13,140	\$243,820	\$221,841	\$12,528	\$234,369
Property operating costs and other	(88,417)	(6,031)	(94,448)	(82,885)	(5,503)	(88,388)
	\$142,263	\$7,109	\$149,372	\$138,956	\$7,025	\$145,981
Residential sales revenue and other ⁽³⁾	3,490	8	3,498	7,902	10	7,912
Residential cost of sales and other	(2,179)	6	(2,173)	(5,278)	(1)	(5,279)
	\$1,311	\$14	\$1,325	\$2,624	\$9	\$2,633
NOI	\$143,574	\$7,123	\$150,697	\$141,580	\$7,034	\$148,614
Other income and expenses						
General and administrative expense, net	(12,357)	—	(12,357)	(10,794)	—	(10,794)
Earnings from equity accounted investments	10,165	(10,165)	—	9,576	(9,576)	—
Fair value adjustment on investment properties	18,536	8,559	27,095	22,632	9,992	32,624
Gain (Loss) on sale of investment properties	15	—	15	(3)	—	(3)
Interest expense	(48,428)	(5,232)	(53,660)	(45,345)	(5,850)	(51,195)
Interest income	3,763	237	4,000	3,016	391	3,407
Supplemental costs	—	(522)	(522)	—	(1,991)	(1,991)
Fair value adjustment on financial instruments	14,845	—	14,845	21,188	—	21,188
Net income and comprehensive income	\$130,113	\$—	\$130,113	\$141,850	\$—	\$141,850

(1) Represents the Trust's proportionate share of income and expenses 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".

(3) Includes additional partnership profit and other revenues.

For the three months ended December 31, 2025, net income and comprehensive income decreased by \$11.7 million as compared to the same period in 2024. This decrease was primarily attributable to the following:

- \$14.8 million fair value gain on financial instruments was \$6.3 million lower than the prior year period, primarily due to mark-to-market adjustments for interest rate swaps and a fair value change in units classified as liabilities due to a decrease in the Trust's Unit price; and
- \$18.5 million fair value gain on investment properties was \$4.1 million lower than the prior year period, primarily driven by improved leasing activities.

Year-to-Date Comparison to Prior Year

(in thousands of dollars)	Year Ended December 31, 2025			Year Ended December 31, 2024		
	GAAP Basis	Proportionate Share Reconciliation ⁽¹⁾	Total Proportionate Share ⁽²⁾	GAAP Basis	Proportionate Share Reconciliation ⁽¹⁾	Total Proportionate Share ⁽²⁾
Net operating income						
Rentals from investment properties and other	\$896,556	\$52,422	\$948,978	\$860,091	\$46,723	\$906,814
Property operating costs and other	(338,539)	(23,752)	(362,291)	(324,269)	(21,576)	(345,845)
	\$558,017	\$28,670	\$586,687	\$535,822	\$25,147	\$560,969
Residential sales revenue and other ⁽³⁾	17,357	159	17,516	58,268	92	58,360
Residential cost of sales and other	(12,332)	680	(11,652)	(46,582)	(211)	(46,793)
	\$5,025	\$839	\$5,864	\$11,686	\$(119)	\$11,567
NOI	\$563,042	\$29,509	\$592,551	\$547,508	\$25,028	\$572,536
Other income and expenses						
General and administrative expense, net	(40,612)	—	(40,612)	(37,672)	—	(37,672)
Earnings from equity accounted investments	7,716	(7,716)	—	20,589	(20,589)	—
Fair value adjustment on investment properties	(39,292)	738	(38,554)	(69,671)	22,157	(47,514)
Gain (Loss) on sale of investment properties	1,053	52	1,105	(123)	—	(123)
Interest expense	(189,106)	(21,067)	(210,173)	(183,099)	(24,282)	(207,381)
Interest income	13,366	1,114	14,480	14,101	2,212	16,313
Supplemental costs	—	(2,630)	(2,630)	—	(4,526)	(4,526)
Fair value adjustment on financial instruments	(5,412)	—	(5,412)	437	—	437
Net income and comprehensive income	\$310,755	\$—	\$310,755	\$292,070	\$—	\$292,070

(1) Represents the Trust's proportionate share of income and expenses 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".

(3) Includes additional partnership profit and other revenues.

For the year ended December 31, 2025, net income and comprehensive income increased by \$18.7 million as compared to 2024. This increase was primarily attributable to the following:

- \$39.3 million fair value loss on investment properties was improved by \$30.4 million compared to the prior year, primarily due to higher loss incurred in the prior year related to changes in market conditions for certain future development properties and improved leasing activities; and
- \$15.5 million increase in NOI compared to the prior year, primarily due to lease-up activities for retail properties, partially offset by lower net profit on residential sales due to fewer townhomes closed as compared to 2024;

partially offset by the following:

- \$12.9 million decrease in earnings from equity accounted investments, primarily due to a fair value loss on investment properties;
- \$6.0 million increase in interest expense, primarily due a higher number of development projects completed compared to the prior year and an increase in distributions on vested deferred units, reflecting a higher number of vested units outstanding;
- \$5.8 million decrease in fair value adjustment on financial instruments, 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
- \$2.9 million increase in general and administrative expense, primarily due to transactional cost adjustments related to development initiatives, and non-recurring severance costs associated with 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:

Quarterly Comparison to Prior Year

(in thousands of dollars)	Three Months Ended December 31, 2025			Three Months Ended December 31, 2024		
	GAAP Basis	Proportionate Share Reconciliation ⁽¹⁾	Total Proportionate Share ⁽²⁾	GAAP Basis	Proportionate Share Reconciliation ⁽¹⁾	Total Proportionate Share ⁽²⁾
Net base rent	\$142,904	\$9,862	\$152,766	\$139,531	\$8,751	\$148,282
Property tax and insurance recoveries	47,044	757	47,801	45,547	618	46,165
Property operating cost recoveries	32,002	1,161	33,163	28,231	1,218	29,449
Miscellaneous revenue	5,269	1,857	7,126	5,544	1,853	7,397
Rentals from investment properties	\$227,219	\$13,637	\$240,856	\$218,853	\$12,440	\$231,293
Service and other revenues	2,964	—	2,964	3,076	—	3,076
Earnings (Loss) from other	497	(497)	—	(88)	88	—
Rentals from investment properties and other ⁽³⁾	\$230,680	\$13,140	\$243,820	\$221,841	\$12,528	\$234,369
Recoverable tax and insurance costs	(47,122)	(811)	(47,933)	(45,358)	(767)	(46,125)
Recoverable CAM costs	(32,557)	(1,179)	(33,736)	(31,144)	(1,192)	(32,336)
Property management fees and costs	(1,510)	(584)	(2,094)	(1,501)	(474)	(1,975)
Non-recoverable operating costs	(1,670)	(3,393)	(5,063)	(1,312)	(3,024)	(4,336)
ECL	(2,611)	(64)	(2,675)	(494)	(46)	(540)
Property operating costs	\$(85,470)	\$(6,031)	\$(91,501)	\$(79,809)	\$(5,503)	\$(85,312)
Other expenses	(2,947)	—	(2,947)	(3,076)	—	(3,076)
Property operating costs and other	\$(88,417)	\$(6,031)	\$(94,448)	\$(82,885)	\$(5,503)	\$(88,388)
Net rental income and other	\$142,263	\$7,109	\$149,372	\$138,956	\$7,025	\$145,981
Residential sales closings revenue	3,490	8	3,498	7,902	10	7,912
Residential cost of sales and marketing costs	(2,179)	6	(2,173)	(5,278)	(1)	(5,279)
Net profit on residential sales	\$1,311	\$14	\$1,325	\$2,624	\$9	\$2,633
NOI⁽³⁾	\$143,574	\$7,123	\$150,697	\$141,580	\$7,034	\$148,614
Net rental income and other as a percentage of rentals from investment properties and other (%)	61.7 %	54.1 %	61.3 %	62.6 %	56.1 %	62.3 %

(1) Represents the Trust's proportionate share of income and expenses 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".

(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".

NOI on a GAAP Basis for the three months ended December 31, 2025, increased by \$2.0 million or 1.4% as compared to the same period in 2024. This increase was primarily attributable to:

- \$3.3 million increase in net base rent due to lease-up and renewal activities for retail properties; and
- \$2.1 million increase in net recoveries due to higher lease-ups;

partially offset by the following:

- \$1.3 million decrease in net profit on residential sales due to fewer townhomes closed as compared to the same period in 2024; and
- \$2.1 million increase in ECL provision.

Year-to-Date Comparison to Prior Year

(in thousands of dollars)	Year Ended December 31, 2025			Year Ended December 31, 2024		
	GAAP Basis	Proportionate Share Reconciliation ⁽¹⁾	Total Proportionate Share ⁽²⁾	GAAP Basis	Proportionate Share Reconciliation ⁽¹⁾	Total Proportionate Share ⁽²⁾
Net base rent	\$565,657	\$37,906	\$603,563	\$546,878	\$32,150	\$579,028
Property tax and insurance recoveries	187,081	2,939	190,020	180,372	2,596	182,968
Property operating cost recoveries	113,661	5,029	118,690	102,882	4,770	107,652
Miscellaneous revenue	17,673	7,822	25,495	17,208	6,890	24,098
Rentals from investment properties	\$884,072	\$53,696	\$937,768	\$847,340	\$46,406	\$893,746
Service and other revenues	11,210	—	11,210	13,068	—	13,068
Earnings (Loss) from other	1,274	(1,274)	—	(317)	317	—
Rentals from investment properties and other ⁽³⁾	\$896,556	\$52,422	\$948,978	\$860,091	\$46,723	\$906,814
Recoverable tax and insurance costs	(189,836)	(3,174)	(193,010)	(183,709)	(3,073)	(186,782)
Recoverable CAM costs	(122,546)	(5,066)	(127,612)	(115,026)	(4,719)	(119,745)
Property management fees and costs	(5,156)	(2,043)	(7,199)	(5,825)	(1,728)	(7,553)
Non-recoverable operating costs	(6,413)	(13,151)	(19,564)	(6,247)	(11,959)	(18,206)
ECL	(3,378)	(318)	(3,696)	(394)	(97)	(491)
Property operating costs	\$(327,329)	\$(23,752)	\$(351,081)	\$(311,201)	\$(21,576)	\$(332,777)
Other expenses	(11,210)	—	(11,210)	(13,068)	—	(13,068)
Property operating costs and other	\$(338,539)	\$(23,752)	\$(362,291)	\$(324,269)	\$(21,576)	\$(345,845)
Net rental income and other	\$558,017	\$28,670	\$586,687	\$535,822	\$25,147	\$560,969
Residential sales closings revenue	17,357	159	17,516	58,268	92	58,360
Residential cost of sales and marketing costs	(12,332)	680	(11,652)	(46,582)	(211)	(46,793)
Net profit (loss) on residential sales	\$5,025	\$839	\$5,864	\$11,686	\$(119)	\$11,567
NOI⁽³⁾	\$563,042	\$29,509	\$592,551	\$547,508	\$25,028	\$572,536
Net rental income and other as a percentage of rentals from investment properties and other	62.2 %	54.7 %	61.8 %	62.3 %	53.8 %	61.9 %

(1) Represents the Trust's proportionate share of income and expenses 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.

(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 on a GAAP Basis for the year ended December 31, 2025, increased by \$15.5 million or 2.8% as compared to 2024. This increase was primarily attributable to the following:

- \$18.8 million increase in base rent due to lease-up and renewal activities for retail properties; and
- \$3.8 million increase in net recoveries due to higher lease-ups;

partially offset by the following:

- \$6.7 million of lower residential sales due to fewer townhomes closed as compared to 2024; and
- \$3.0 million increase in ECL provision.

Same Properties NOI

(in thousands of dollars)	Three Months Ended December 31		Year Ended December 31	
	2025	2024	2025	2024
NOI	\$143,574	\$141,580	\$563,042	\$547,508
NOI from equity accounted investments ⁽¹⁾	7,123	7,034	29,509	25,028
Total portfolio NOI before adjustments ⁽¹⁾	\$150,697	\$148,614	\$592,551	\$572,536
Adjustments:				
Lease termination	(57)	(172)	(1,466)	(1,240)
Net profit on condo and townhome closings	(1,325)	(2,633)	(5,864)	(11,567)
Other adjustments ⁽²⁾	323	(21)	2,190	4,113
Total portfolio NOI after adjustments ⁽¹⁾	\$149,638	\$145,788	\$587,411	\$563,842
NOI sourced from acquisitions, dispositions, Earnouts and developments	(1,472)	(1,758)	(10,781)	(7,522)
Same Properties NOI⁽¹⁾	\$148,166	\$144,030	\$576,630	\$556,320

(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 and year ended December 31, 2025, increased by \$4.1 million or 2.9% and \$20.3 million or 3.7%, respectively, as compared to the respective periods in 2024, primarily due to lease-up and renewal activities mainly from retail properties, as well as stabilization of occupancy levels in self-storage facilities and apartment rentals, partially offset by a higher provision for ECL.

The Same Properties NOI excluding Anchors for the three months and year ended December 31, 2025, increased by 5.1% and 5.6% as compared to the respective periods 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		
	December 31, 2025	December 31, 2024	Variance
Net income and comprehensive income	\$310,755	\$292,070	\$18,685
Add (Deduct) the following items:			
Net interest expense	196,549	192,938	3,611
Amortization of equipment, intangible assets and tenant improvements	12,444	12,072	372
Fair value adjustments on investment properties and financial instruments	43,966	47,077	(3,111)
Adjustment for supplemental costs	2,630	4,526	(1,896)
Loss (Gain) on sale of investment properties	(1,105)	123	(1,228)
Adjusted EBITDA⁽¹⁾	\$565,239	\$548,806	\$16,433

(1) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

Other Measures of Performance

The following measures of performance are sometimes used by Canadian REITs and other reporting entities as indicators of financial performance. Because these measures are not standardized as prescribed by IFRS, they may not be comparable to similar measures presented by other reporting entities. Management uses these measures to analyze operating performance. Because one of the factors that may be considered relevant by prospective investors is the cash distributed by the Trust relative to the price of the Units, management believes these measures are useful supplemental measures that may assist prospective investors in assessing an investment in Units. The Trust analyzes its cash distributions against these measures to assess the stability of the monthly cash distributions to Unitholders. These measures are not intended to represent operating profits for the year; nor should they be viewed as an alternative to net income and comprehensive income, cash flows from operating activities or other measures of financial performance calculated in accordance with IFRS. The calculations are derived from the consolidated financial statements for the years ended December 31, 2025 and December 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 December 31			Year Ended December 31		
	2025	2024	Variance	2025	2024	Variance
Net income and comprehensive income	\$130,113	\$141,850	\$(11,737)	\$310,755	\$292,070	\$18,685
Add (Deduct):						
Fair value adjustment on investment properties and financial instruments ⁽¹⁾	(33,381)	(43,820)	10,439	44,704	69,234	(24,530)
Loss (Gain) on derivative – TRS	(1,798)	(5,645)	3,847	10,505	10,027	478
Gain (Loss) on sale of investment properties	(15)	3	(18)	(1,053)	123	(1,176)
Amortization of intangible assets and tenant improvement allowance	2,482	2,387	95	9,643	9,208	435
Distributions on Units classified as liabilities and vested deferred units and EIP units	5,423	5,000	423	21,241	19,218	2,023
Salaries and related costs attributed to leasing activities ⁽²⁾	2,020	2,279	(259)	8,579	9,549	(970)
Adjustments relating to equity accounted investments ⁽³⁾	(6,409)	(5,409)	(1,000)	9,464	(6,873)	16,337
FFO⁽⁴⁾	\$98,435	\$96,645	\$1,790	\$413,838	\$402,556	\$11,282
Add (Deduct) non-recurring adjustments:						
Loss (Gain) on derivative – TRS	1,798	5,645	(3,847)	(10,505)	(10,027)	(478)
FFO sourced from condo and townhome closings	(1,325)	(2,147)	822	(5,864)	(10,704)	4,840
Transactional FFO – sale of land ⁽⁴⁾	99	1,218	(1,119)	453	1,218	(765)
FFO with adjustments⁽⁴⁾	\$99,007	\$101,361	\$(2,354)	\$397,922	\$383,043	\$14,879

(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, DUP, EIP, TRS, and interest rate swap agreements. The significant assumptions made in determining the fair value are more thoroughly described in the Trust's consolidated financial statements for the year ended December 31, 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 \$8.6 million were incurred in the year ended December 31, 2025 (year ended December 31, 2024 – \$9.5 million) and were eligible to be added back to FFO based on the definition of FFO, in the REALPAC White Paper, which provided for an adjustment to incremental leasing expenses for the cost of salaried staff. This adjustment to FFO results in more comparability between Canadian publicly traded real estate entities that expensed their internal leasing departments and those that capitalized external leasing expenses.

(3) Includes tenant improvement amortization, indirect interest with respect to the development portion, fair value adjustment on investment properties, loss (gain) on sale of investment properties, and adjustment for supplemental costs.

(4) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

For the three months ended December 31, 2025, FFO increased by \$1.8 million or 1.9% to \$98.4 million as compared to the same period in 2024. This increase was primarily attributable to:

- \$3.8 million fair value adjustment on the TRS resulting from fluctuations in the Trust's Unit price; and
- \$3.4 million increase in net rental income primarily due to lease-up activities and higher net recoveries;

partially offset by the following:

- \$3.0 million increase in interest expense primarily attributable to the issuance of unsecured debentures;
- \$1.6 million increase in general and administrative expense primarily attributable to transactional cost adjustments related to development initiatives; and
- \$0.8 million decrease in net profits from Vaughan NW townhome closings, as the majority of units were completed and closed in the prior year.

For the three months ended December 31, 2025, FFO with adjustments decreased by \$2.4 million to \$99.0 million, as compared to the same period in 2024. The decrease was mainly attributable to an increase in net interest expense, and general and administrative expense, partially offset by higher NOI.

For the year ended December 31, 2025, FFO increased by \$11.3 million or 2.8% to \$413.8 million as compared to 2024. This increase was primarily attributable to:

- \$25.7 million increase in net rental income primarily due to lease-up activities from retail properties and rental apartments, higher net recoveries and higher miscellaneous revenue;

partially offset by the following:

- \$4.8 million decrease in net profits from townhome closings at Vaughan NW, as the majority of units were completed and closed in the prior year;
- \$4.0 million increase in interest expense primarily attributable to a higher number of development projects completed compared to the prior year and an increase in distributions on vested deferred units, reflecting a higher number of vested units outstanding;
- \$3.9 million increase in general and administrative expense primarily attributable to transactional cost adjustments related to development initiatives and non-recurring severance costs, associated with reduced staffing from deferred development activities; and
- \$1.8 million decrease in interest income mainly as a result of the repayment of mortgage receivables.

For the year ended December 31, 2025, FFO with adjustments increased by \$14.9 million to \$397.9 million as compared to 2024. The increase was mainly attributable to an increase in NOI primarily due to lease-up activities from retail properties and rental apartments, partially offset by higher net interest expense, and general and administrative expense.

Reconciliation of AFFO

(in thousands of dollars)	Three Months Ended December 31			Year Ended December 31		
	2025	2024	Variance	2025	2024	Variance
FFO⁽¹⁾	\$98,435	\$96,645	\$1,790	\$413,838	\$402,556	\$11,282
Add (Deduct):						
Straight-line rents	(425)	(1,273)	848	(4,186)	(4,127)	(59)
Adjusted salaries and related costs attributed to leasing	(2,020)	(2,279)	259	(8,579)	(9,549)	970
Capital expenditures, leasing commissions, and tenant improvements ⁽²⁾⁽³⁾	(8,991)	(8,089)	(902)	(31,084)	(29,484)	(1,600)
AFFO⁽¹⁾	\$86,999	\$85,004	\$1,995	\$369,989	\$359,396	\$10,593
Add (Deduct) non-recurring adjustments:						
Loss (Gain) on derivative – TRS	1,798	5,645	(3,847)	(10,505)	(10,027)	(478)
FFO sourced from condo and townhome closings	(1,325)	(2,147)	822	(5,864)	(10,704)	4,840
Transactional FFO – sale of land ⁽¹⁾	99	1,218	(1,119)	453	1,218	(765)
AFFO with adjustments⁽¹⁾	\$87,571	\$89,720	\$(2,149)	\$354,073	\$339,883	\$14,190

(1) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

(2) Please see the "Maintenance Capital Requirements" section in this MD&A for details of actual capital expenditures, actual leasing commissions and actual tenant improvements.

(3) Balance as of December 31, 2025 includes capital expenditures, leasing commissions, and tenant improvements related to equity accounted investments of \$0.5 million.

For the three months and year ended December 31, 2025, AFFO increased by \$2.0 million and \$10.6 million, respectively, as compared to the same periods in 2024. These increases were primarily due to higher FFO, partially offset by higher capital expenditures incurred in 2025.

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

	Three Months Ended December 31			Year Ended December 31		
	2025	2024	Variance	2025	2024	Variance
Per Unit – basic/diluted ⁽¹⁾ :						
FFO ⁽²⁾	\$0.55/\$0.54	\$0.54/\$0.53	\$0.01/\$0.01	\$2.32/\$2.27	\$2.26/\$2.23	\$0.06/\$0.04
FFO with adjustments ⁽²⁾	\$0.56/\$0.54	\$0.57/\$0.56	(\$0.01)/(\$0.02)	\$2.23/\$2.19	\$2.15/\$2.12	\$0.08/\$0.07
AFFO ⁽²⁾	\$0.49/\$0.48	\$0.48/\$0.47	\$0.01/\$0.01	\$2.08/\$2.03	\$2.02/\$1.99	\$0.06/\$0.04
AFFO with adjustments ⁽²⁾	\$0.49/\$0.48	\$0.50/\$0.50	(\$0.01)/(\$0.02)	\$2.00/\$1.95	\$1.91/\$1.88	\$0.09/\$0.07
Payout Ratio to AFFO ⁽²⁾	94.8 %	97.0 %	(2.2)%	89.2 %	91.7 %	(2.5)%
Payout Ratio to AFFO with adjustments ⁽²⁾	94.2 %	91.9 %	2.3 %	93.2 %	97.0 %	(3.8)%

(1) Diluted FFO and AFFO are adjusted for the dilutive effect of vested deferred and EIP units, which are not dilutive for net income purposes. The calculation of diluted FFO and AFFO is a non-GAAP measure and does not consider the impact of unvested deferred units. To calculate diluted FFO and AFFO for the three months ended December 31, 2025, 3,908,507 vested deferred and EIP units are added back to the weighted average Units outstanding (three months ended December 31, 2024 – 2,985,307 vested deferred units). To calculate diluted FFO and AFFO for the year ended December 31, 2025, 3,675,103 vested deferred and EIP units are added back to the weighted average Units outstanding (year ended December 31, 2024 – 2,557,290 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 years ended December 31, 2025 and 2024, vested EIP units 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 December 31		Year Ended December 31	
	2025	2024	2025	2024
Trust Units	144,691,313	144,687,634	144,688,561	144,659,062
Class B LP Units	16,424,430	16,424,430	16,424,430	16,424,430
Class D LP Units	311,022	311,022	311,022	311,022
Class F LP Units	8,708	8,708	8,708	8,708
Class B LP II Units	756,525	756,525	756,525	756,525
Class B LP III Units	4,254,322	4,129,420	4,223,704	4,120,329
Class B LP IV Units	3,112,565	3,112,565	3,112,565	3,112,565
Class B Oshawa South LP Units	710,416	710,416	710,416	710,416
Class D Oshawa South LP Units	260,417	260,417	260,417	260,417
Class B Oshawa Taunton LP Units	374,223	374,223	374,223	374,223
Class D Series 1 VMC West LP Units	3,623,188	3,623,188	3,623,188	3,623,188
Class D Series 2 VMC West LP Units	2,173,913	2,173,913	2,173,913	2,173,913
Class B Boxgrove LP Units	170,000	170,000	170,000	170,000
Class B Series ONR LP Units	1,182,752	1,186,431	1,185,504	1,214,756
Class B Series 1 ONR LP I Units	132,881	132,881	132,881	132,881
Class B Series 2 ONR LP I Units	139,302	139,302	139,302	139,302
Total Exchangeable LP Units	33,634,664	33,513,441	33,606,798	33,532,675
Total Units - Basic	178,325,977	178,201,075	178,295,359	178,191,737
Vested deferred units	2,772,913	2,321,453	2,669,304	2,237,683
Vested EIP units	1,135,594	663,854	1,005,799	319,607
Total Units, vested EIP units and deferred units - Diluted	182,234,484	181,186,382	181,970,462	180,749,027

Determination of 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* (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. The Board of Trustees anticipates that distributions declared will, in the foreseeable future, continue to vary from net income and comprehensive income because net income and comprehensive income include fair value adjustments to investment properties, fair value changes in financial instruments, and other adjustments, and also because distributions are determined based on non-GAAP cash flow measures, which include consideration of the maintenance capital requirements. Accordingly, the Trust does not use IFRS net income and comprehensive income as a proxy for distributions.

Distributions and AFFO Highlights

(in thousands of dollars)	Three Months Ended December 31			Year Ended December 31		
	2025	2024	Variance	2025	2024	Variance
Cash flows provided by operating activities	\$127,344	\$122,118	\$5,226	\$377,441	\$374,208	\$3,233
Distributions declared	82,476	82,419	57	329,866	329,659	207
AFFO ⁽¹⁾	86,999	85,004	1,995	369,989	359,396	10,593
AFFO with adjustments ⁽¹⁾	87,571	89,720	(2,149)	354,073	339,883	14,190
Surplus of cash flows provided by operating activities over distributions declared	44,868	39,699	5,169	47,575	44,549	3,026
Surplus of AFFO ⁽¹⁾ over distributions declared	4,523	2,585	1,938	40,123	29,737	10,386
Surplus of AFFO ⁽¹⁾ with adjustments over distributions declared	5,095	7,301	(2,206)	24,207	10,224	13,983

(1) Represents a non-GAAP measure. The Trust's method of calculating non-GAAP measures may differ from other reporting issuers' methods and, accordingly, may not be comparable. For definitions and basis of presentation of the Trust's non-GAAP measures, refer to "Presentation of Certain Terms Including Non-GAAP Measures" and "Non-GAAP Measures" in this MD&A.

For the three months and year ended December 31, 2025, the surplus of cash flows provided by operating activities over distributions declared increased by \$5.2 million and \$3.0 million, respectively, as compared to the same periods in 2024. The increases in surpluses were primarily attributable to higher NOI due to lease-up activities and higher net recoveries.

For the three months and year ended December 31, 2025, the surplus of AFFO over distributions declared increased by \$1.9 million and \$10.4 million, respectively, as compared to the same periods in 2024. The increases in surpluses primarily resulted from higher NOI due to lease-up activities, higher net recoveries, and increase in fair value adjustment on TRS, partially offset by lower townhomes profits, higher general and administrative expenses and higher net interest expense.

For the three months and year ended December 31, 2025, the AFFO with adjustments over distributions declared decreased by \$2.2 million and increased by \$14.0 million, respectively, as compared to the same periods in 2024. The changes in surpluses were primarily attributable to higher NOI due to lease-up activities and higher miscellaneous revenue, partially offset by higher general and administrative expenses and higher net interest expense.

General and Administrative Expense

The following tables summarize general and administrative expense for the year ended December 31, 2025:

(in thousands of dollars)	Year Ended December 31		
	2025	2024	Variance
Salaries and benefits	\$28,401	\$26,075	\$2,326
Professional fees	5,158	5,634	(476)
Public company costs	2,378	1,372	1,006
Amortization of intangible assets	1,331	1,331	—
Other costs including office rent, information technology, marketing, communications, and other employee expenses	3,344	3,260	84
General and administrative expense	\$40,612	\$37,672	\$2,940

For the year ended December 31, 2025, general and administrative expense increased by \$2.9 million, as compared to 2024. This increase was primarily attributable to transactional cost adjustments related to development initiatives and non-recurring severance costs, associated with 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 December 31			Year Ended December 31		
	2025	2024	Variance	2025	2024	Variance
Loan interest	\$2,582	\$2,527	\$55	\$10,746	\$10,436	\$310
Bank interest	1,115	423	692	2,357	2,679	(322)
Notes receivable interest	66	66	—	263	263	—
Mortgage interest	—	—	—	—	723	(723)
	\$3,763	\$3,016	\$747	\$13,366	\$14,101	\$(735)

For the three months ended December 31, 2025, interest income increased by \$0.7 million as compared to the same period in 2024, primarily due to higher interest-bearing cash balances arising from the proceeds of the issuance of Series AC and AD debentures, which were temporarily invested prior to the repayment of the existing Series X debenture.

For the year ended December 31, 2025, interest income decreased by \$0.7 million as compared to 2024, mainly as a result of the repayment of mortgage receivables.

Interest Expense

The following table summarizes the components of interest expense:

(in thousands of dollars)	Three Months Ended December 31			Year Ended December 31		
	2025	2024	Variance	2025	2024	Variance
Mortgage interest	\$5,837	\$6,753	\$(916)	\$25,636	\$29,363	\$(3,727)
Debenture interest	31,678	26,852	4,826	118,002	98,843	19,159
Operating line interest and other	13,414	13,779	(365)	52,645	68,843	(16,198)
Interest at stated rates	\$50,929	\$47,384	\$3,545	\$196,283	\$197,049	\$(766)
Amortization of acquisition date fair value adjustments on assumed debt	2	1	1	7	(113)	120
Amortization of deferred financing costs	1,028	1,058	(30)	4,179	4,015	164
Distributions on Units classified as liabilities and vested deferred units	5,423	5,000	423	21,241	19,218	2,023
Total interest expense before capitalized interest	\$57,382	\$53,443	\$3,939	\$221,710	\$220,169	\$1,541
Less:						
Interest capitalized to properties under development	(8,768)	(7,800)	(968)	(31,623)	(35,587)	3,964
Interest capitalized to residential development inventory	(186)	(298)	112	(981)	(1,483)	502
Total capitalized interest	\$(8,954)	\$(8,098)	\$(856)	\$(32,604)	\$(37,070)	\$4,466
Interest expense net of capitalized interest expense	\$48,428	\$45,345	\$3,083	\$189,106	\$183,099	\$6,007
Capitalized interest as a percentage of interest expense	15.6 %	15.2 %	0.4 %	14.7 %	16.8 %	(2.1)%

For the three months ended December 31, 2025, interest expense net of capitalized interest increased by \$3.1 million as compared to the same period in 2024. The increase was primarily attributable to the issuance of unsecured debentures.

For the year ended December 31, 2025, interest expense net of capitalized interest increased by \$6.0 million as compared to 2024. The increase was primarily attributable to a higher number of development projects completed compared to the prior year and an increase in distributions on vested deferred units, reflecting a higher number of vested units outstanding.

Quarterly Results and Trends

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

	Q4 2025	Q3 2025	Q2 2025	Q1 2025	Q4 2024	Q3 2024	Q2 2024	Q1 2024
Results of operations								
Net income (loss) and comprehensive income (loss)	\$310,755	\$180,642	\$99,605	\$(9,581)	\$141,850	\$42,479	\$128,916	\$(21,175)
Per Unit								
Basic	\$1.74	\$1.01	\$0.56	\$(0.05)	\$0.80	\$0.24	\$0.72	\$(0.12)
Diluted ⁽³⁾	\$1.71	\$0.99	\$0.55	\$(0.05)	\$0.78	\$0.23	\$0.71	\$(0.12)
Net base rent ⁽¹⁾⁽²⁾	\$152,766	\$152,163	\$150,141	\$148,493	\$148,282	\$145,494	\$143,578	\$141,674
Rentals from investment properties and other	\$230,680	\$219,782	\$218,770	\$227,324	\$221,841	\$211,737	\$211,381	\$215,637
NOI ⁽¹⁾⁽²⁾	\$150,697	\$149,051	\$149,279	\$143,524	\$148,614	\$148,785	\$139,062	\$136,075
Other measures of performance								
FFO ⁽²⁾	\$98,435	\$107,364	\$106,119	\$101,919	\$96,645	\$128,174	\$90,780	\$86,812
Per Unit								
Basic ⁽²⁾	\$0.55	\$0.60	\$0.60	\$0.57	\$0.54	\$0.72	\$0.51	\$0.49
Diluted ⁽²⁾⁽³⁾	\$0.54	\$0.59	\$0.58	\$0.56	\$0.53	\$0.71	\$0.50	\$0.48
FFO with adjustments ⁽²⁾	\$99,007	\$101,278	\$100,556	\$97,087	\$101,361	\$96,355	\$92,421	\$92,906
Per Unit								
Basic ⁽²⁾	\$0.56	\$0.57	\$0.56	\$0.54	\$0.57	\$0.54	\$0.52	\$0.52
Diluted ⁽²⁾⁽³⁾	\$0.54	\$0.56	\$0.55	\$0.54	\$0.56	\$0.53	\$0.51	\$0.52
Cash flows provided by operating activities	\$127,344	\$90,905	\$77,455	\$81,737	\$122,118	\$105,380	\$76,991	\$69,719
AFFO ⁽²⁾	\$86,999	\$86,754	\$97,809	\$98,426	\$85,004	\$109,619	\$83,386	\$81,242
AFFO with adjustments ⁽²⁾	\$87,571	\$80,668	\$92,246	\$93,594	\$89,720	\$77,800	\$85,027	\$87,192
Distributions declared	\$82,476	\$82,476	\$82,464	\$82,450	\$82,419	\$82,415	\$82,413	\$82,412
Payout ratio to AFFO	94.8 %	95.1 %	84.3 %	83.8 %	97.0 %	75.2 %	98.8 %	101.4 %
Payout ratio to AFFO with adjustment	94.2 %	102.2 %	89.4 %	88.1 %	91.9 %	105.9 %	96.9 %	94.5 %
Units outstanding ⁽⁴⁾	178,325,977	178,325,977	178,320,290	178,267,677	178,201,075	178,201,075	178,188,751	178,188,148
Weighted average Units outstanding								
Basic	178,325,977	178,320,599	178,286,756	178,246,956	178,201,075	178,189,287	178,178,870	178,188,148
Diluted ⁽³⁾	182,234,484	182,172,590	182,050,755	181,412,769	181,186,382	180,858,726	180,664,749	180,265,745
Total assets	\$12,141,139	\$12,086,628	\$12,022,827	\$11,921,325	\$11,939,689	\$11,909,410	\$11,953,142	\$11,850,182
Total unencumbered assets ⁽²⁾	\$10,030,521	\$9,847,321	\$9,646,721	\$9,592,521	\$9,464,521	\$9,366,921	\$9,309,221	\$9,176,421
Debt	\$5,209,032	\$5,183,764	\$5,140,298	\$5,088,219	\$5,046,279	\$5,027,500	\$5,093,321	\$5,043,206
NAV per Unit – diluted⁽²⁾	\$35.93	\$35.70	\$35.65	\$35.51	\$36.03	\$35.79	\$35.86	\$35.71
Total leasable area (sq. ft.)	35,584,637	35,593,078	35,565,775	35,424,884	35,299,950	35,281,759	35,198,895	35,108,588
In-place occupancy rate	98.4 %	98.4 %	98.2 %	97.7 %	98.2 %	98.3 %	97.8 %	97.3 %
In-place and committed occupancy rate	98.6 %	98.6 %	98.6 %	98.4 %	98.7 %	98.5 %	98.2 %	97.7 %

(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 units 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

Strong tenant demand, driven by improving customer traffic, continues to drive store growth across all markets. In addition to the regular staple of value-oriented tenants continuing to seek more space in Walmart-anchored sites, new uses are also enhancing each centre's offering with entertainment/experiential, pet supplies, furniture, specialty and takeout food all growing their store counts. U.S.-based tenants are also re-engaging their search for new store openings in Canada.

As at December 31, 2025, the Trust's in-place and committed occupancy rate remained strong at 98.6% (September 30, 2025 - 98.6%), with a strong interest remaining across all tenant categories, especially general merchandise, grocery and liquor, pharmacies, apparel, TJX banners, specialty retail and QSRs.

Occupancy⁽¹⁾

	December 31, 2025	September 30, 2025	Variance
Total leasable area (in sq. ft.)	35,584,637	35,593,078	-8,441
In-place occupancy rate	98.4 %	98.4 %	— %
In-place and committed occupancy rate	98.6 %	98.6 %	— %

(1) Excluding residential and self-storage areas.

The following table presents a continuity of the Trust's in-place and committed occupancy rate (excluding residential and self-storage area) for the three months ended December 31, 2025:

(in square feet)	Vacant Area	Occupied Area	Leasable Area	Occupancy Rate
In place occupancy - October 1, 2025	564,951	35,028,127	35,593,078	98.4 %
New vacancies	30,965	(30,965)	—	
Taking Occupancy in the period	(34,416)	34,416	—	
Subtotal	561,500	35,031,578	35,593,078	
Earnouts	—	9,181	9,181	
Transferred from properties under development to income properties	—	24,026	24,026	
Other including unit area remeasurements	19	(41,667)	(41,648)	
In place occupancy - December 31, 2025	561,519	35,023,118	35,584,637	98.4 %
Committed new leases for future occupancy	(56,689)	56,689	—	
Ending balance - December 31, 2025, including committed leases for future occupancy	504,830	35,079,807	35,584,637	98.6 %

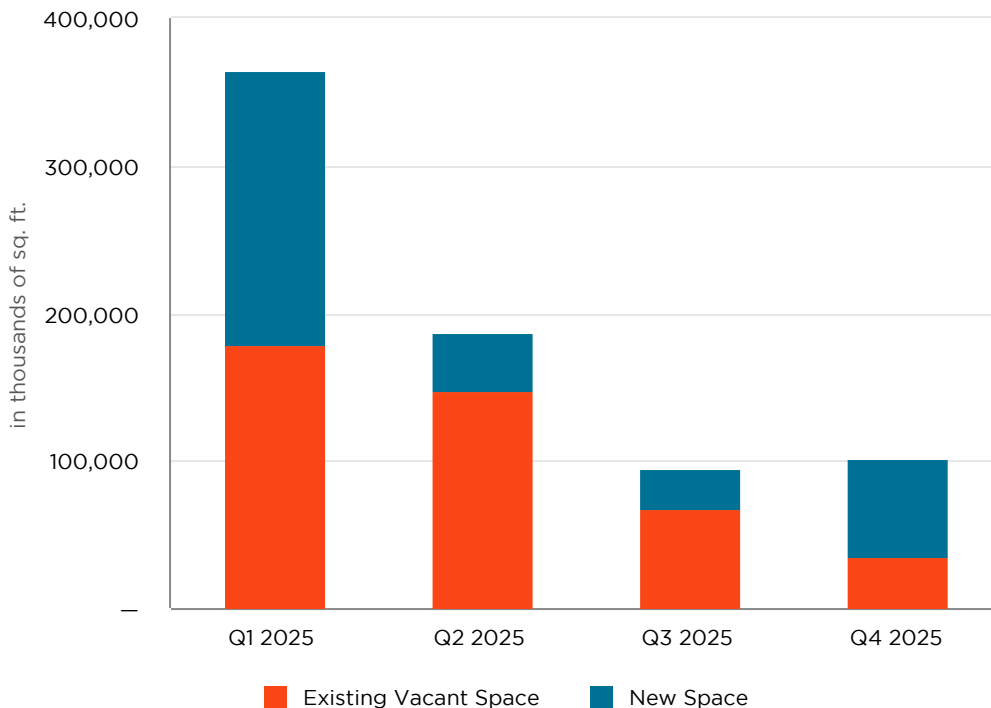
The following table presents a continuity of the Trust's in-place and committed occupancy rate (excluding residential and self-storage area) for the year ended December 31, 2025:

(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	490,441	(490,441)	—	
Taking Occupancy in the period	(573,380)	573,380	—	
Subtotal	560,296	34,739,654	35,299,950	
Earnouts	—	39,193	39,193	
Transferred from properties under development to income properties	—	283,013	283,013	
Other including unit area remeasurements	1,223	(38,742)	(37,519)	
In place occupancy - December 31, 2025	561,519	35,023,118	35,584,637	98.4 %
Committed new leases for future occupancy	(56,689)	56,689	—	
Ending balance - December 31, 2025, including committed leases for future occupancy	504,830	35,079,807	35,584,637	98.6 %

New Leasing Activity

During the year ended December 31, 2025, the Trust completed new leases with a wide array of tenants spanning diverse categories including grocery, specialty goods and services, leisure retail, personal services, apparel, 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 fourth quarter of 2025, the Trust executed 35,511 square feet of new leasing on existing vacant space, reflecting continued tenant interest. In addition, during the three months ended December 31, 2025, the Trust executed 33,009 square feet of new leasing for new space.

The following graph presents the Trust's executed lease deals by quarter for the year ended December 31, 2025:



Renewal Activity

For the year ended December 31, 2025, the Trust achieved a tenant renewal rate of 88.0% (year ended December 31, 2024 - 91.7%) for tenants with expiring leases in 2025. The Trust made significant progress in extending 2025 maturities by the end of the quarter and with 8.4% rental increases, excluding Anchors.

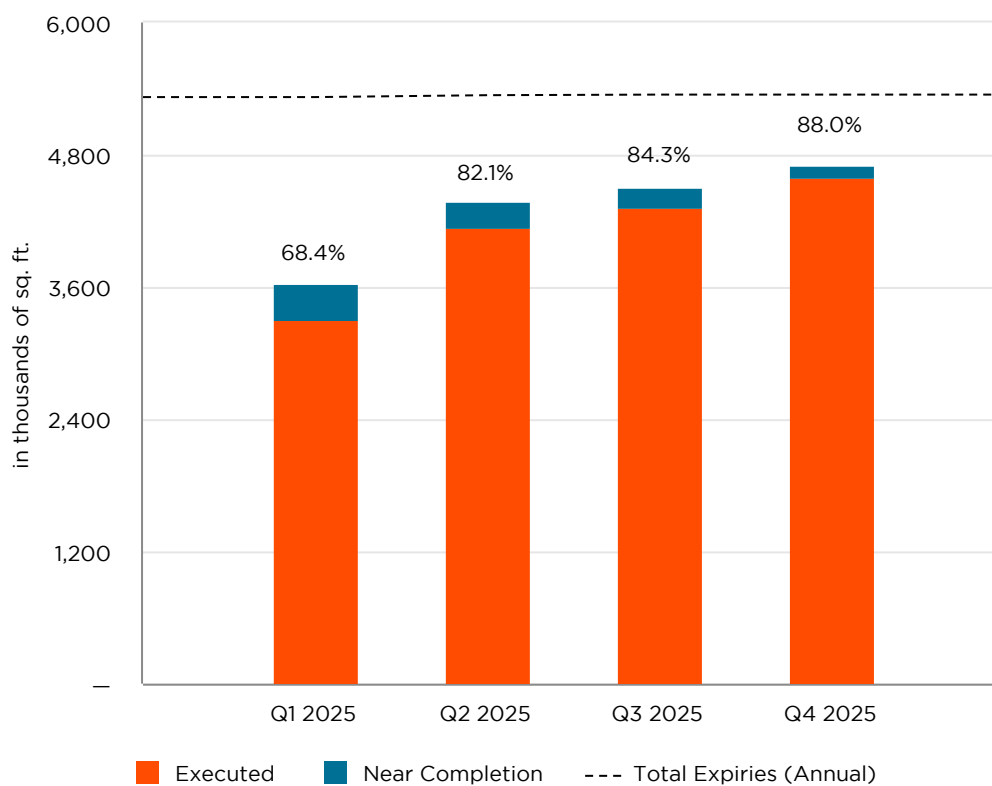
Renewal Summary⁽¹⁾

	December 31, 2025	December 31, 2024	Variance
Space expiring in calendar year (in sq. ft.)	5,345,640	5,488,557	(142,917)
Renewed (in sq. ft.)	4,597,749	4,852,561	(254,812)
Near completion (in sq. ft.)	106,025	179,223	(73,198)
Total renewed and near completion (in sq. ft.)	4,703,774	5,031,784	(328,010)
Renewal rate (including near completion)	88.0 %	91.7 %	(3.7)%
Renewed rental rate (per sq. ft.) - including Anchors	\$14.52	\$15.17	\$(0.65)
Renewed rental rate (per sq. ft.) - excluding Anchors	\$22.28	\$22.40	\$(0.12)
Change in renewed rental rate over expiring rate ⁽²⁾ (including Anchors)	6.3 %	6.1 %	0.2 %
Change in renewed rental rate over expiring rate ⁽²⁾ (excluding Anchors)	8.4 %	8.8 %	(0.4)%

(1) Excluding residential and self-storage areas.

(2) Represents the change in rental rates for properties with lease renewals completed during the period.

The following graph presents the Trust's cumulative renewal activities for the year ended December 31, 2025:



Tenant Profile

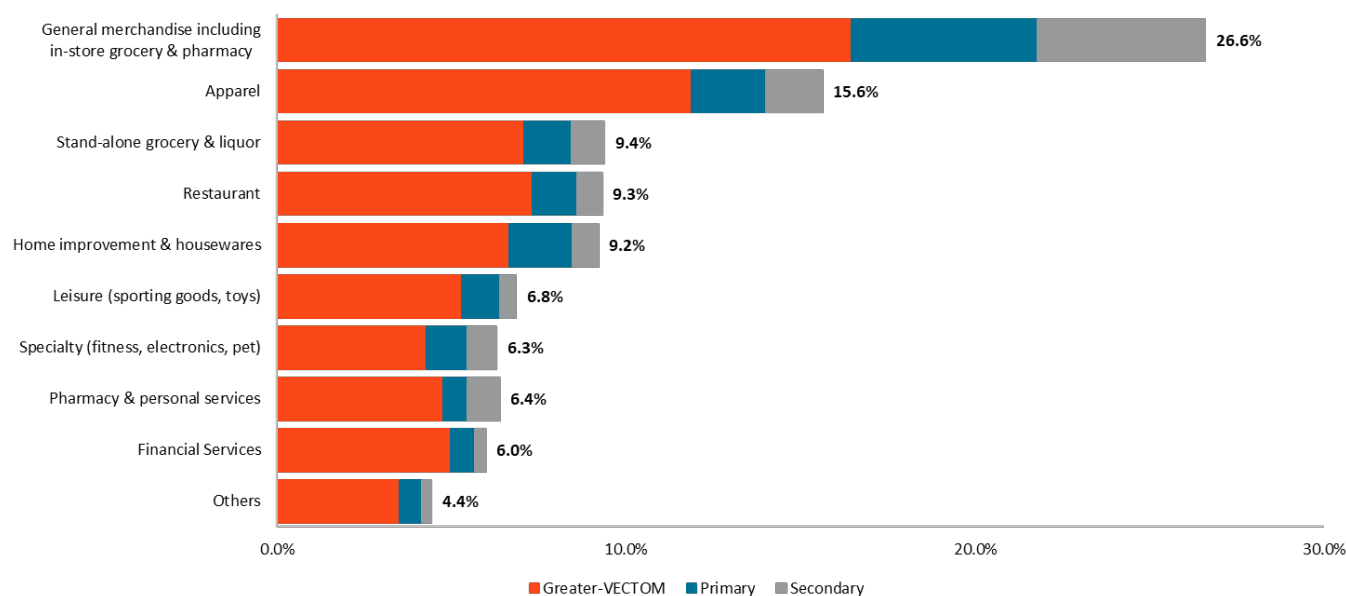
The Trust's portfolio is represented in all major markets across Canada particularly in the Greater-VECTOM markets (Vancouver, Edmonton, Calgary, Toronto, Ottawa and Montreal). The Greater-VECTOM and primary markets account for 88.4% of revenue and 89.9% of fair value, and have in-place occupancy of 98.4% and 97.7%, 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	101	23,762	72.2 %	76.9 %	98.4 %
Primary	31	6,810	16.2 %	13.0 %	97.7 %
Secondary	28	5,013	11.6 %	10.1 %	99.4 %
Total	160	35,585	100.0 %	100.0 %	98.4 %

Tenant Categories

The portfolio is represented by strong individual shopping centres strategically located in every major market in Canada, offering a diverse mix of tenants and services, reflecting almost every retail category. The following graph represents the Trust's portfolio exposure by annualized gross rent by category as at December 31, 2025:



Top 25 Tenants

The 25 largest tenants (by annualized gross rental revenue among retail, office and industrial tenants) accounted for 59.1% of portfolio revenue as at December 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	\$202.0	22.8%	14,291,780	40.2 %
2	Winners, HomeSense and Marshalls	56	40.2	4.5%	1,488,908	4.2 %
3	Canadian Tire, Mark's and FGL Sports	77	39.5	4.5%	1,514,188	4.3 %
4	Loblaws and Shoppers Drug Mart	27	23.9	2.7%	938,644	2.6 %
5	Dollarama	65	18.9	2.1%	638,813	1.8 %
6	Sobeys	16	18.3	2.1%	721,142	2.0 %
7	LCBO	40	15.0	1.7%	377,796	1.1 %
8	Lowes and Rona	7	13.7	1.5%	773,106	2.2 %
9	Michaels	25	13.7	1.5%	493,851	1.4 %
10	Best Buy	18	12.3	1.4%	437,074	1.2 %
11	Recipe Unlimited	55	12.2	1.4%	272,330	0.8 %
12	Staples	21	11.1	1.3%	449,599	1.3 %
13	Reitmans	62	10.2	1.2%	315,910	0.9 %
14	Gap Inc.	25	9.5	1.1%	264,711	0.7 %
15	Bulk Barn	48	8.4	0.9%	229,252	0.6 %
16	Restaurant Brands International	57	8.3	0.9%	160,402	0.5 %
17	Dollar Tree and Dollar Giant	27	7.7	0.9%	237,177	0.7 %
18	CIBC	27	7.7	0.9%	149,560	0.4 %
19	Bonnie Togs	41	7.7	0.9%	190,621	0.5 %
20	The Brick	9	7.5	0.8%	258,244	0.7 %
21	Metro	9	7.1	0.8%	315,438	0.9 %
22	Sleep Country	38	7.1	0.8%	181,622	0.5 %
23	GoodLife Fitness Clubs	11	6.9	0.8%	255,759	0.7 %
24	Bank of Nova Scotia	24	6.8	0.8%	129,061	0.4 %
25	PetSmart	15	6.8	0.8%	209,678	0.6 %
		901	\$522.5	59.1%	25,294,666	71.2 %

(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 December 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	685,611	1.9 %	\$14,436	\$21.06
2026	2,139,631	6.0 %	36,911	17.25
2027	5,250,749	14.8 %	79,701	15.18
2028	4,832,261	13.6 %	84,804	17.55
2029	6,321,189	17.8 %	99,747	15.78
2030	4,662,438	13.1 %	72,737	15.60
2031	3,104,413	8.7 %	44,243	14.25
2032	2,232,596	6.3 %	34,190	15.31
2033	1,272,314	3.6 %	27,051	21.26
2034	1,253,708	3.5 %	27,363	21.83
2035	1,197,841	3.4 %	27,374	22.85
2036	397,398	1.1 %	7,758	19.52
Beyond	1,074,809	3.0 %	15,571	14.49
Vacant	561,519	1.6 %	—	—
Total retail	34,986,477	98.4 %	\$571,886	\$16.61
Total office	369,635	1.0 %		
Total industrial	228,525	0.6 %		
Total retail, office and industrial	35,584,637	100.0 %		

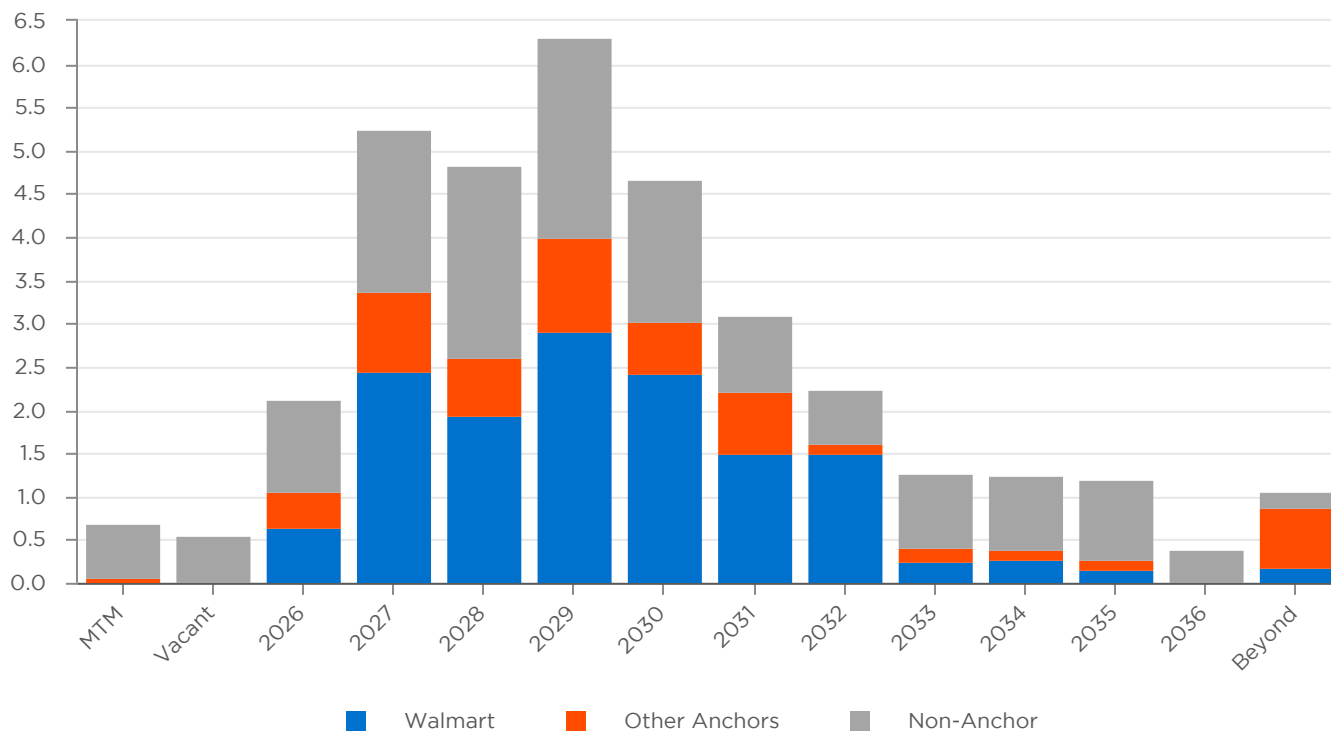
(1) The total average base rent per square foot excludes vacant space of 561,519 square feet.

The following table presents total retail and office expiries for the portfolio excluding Anchor tenants as at December 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	627,690	1.8 %	4.1 %	\$13,935	\$22.20
2026	1,073,290	3.0 %	7.0 %	24,887	23.19
2027	1,877,561	5.3 %	12.3 %	44,240	23.56
2028	2,225,038	6.3 %	14.5 %	55,131	24.78
2029	2,318,451	6.5 %	15.1 %	56,722	24.47
2030	1,626,754	4.6 %	10.6 %	41,898	25.76
2031	881,968	2.5 %	5.8 %	20,148	22.84
2032	622,644	1.7 %	4.1 %	15,666	25.16
2033	848,112	2.4 %	5.5 %	21,912	25.84
2034	861,108	2.4 %	5.6 %	22,418	26.03
2035	908,983	2.6 %	5.9 %	22,295	24.53
2036	397,398	1.1 %	2.6 %	7,758	19.52
Beyond	202,177	0.6 %	1.4 %	3,597	17.79
Vacant	561,519	1.6 %	3.7 %	—	—
Total retail	15,032,693	42.4 %	98.2 %	\$350,607	\$24.23
Total office	277,102	0.8 %	1.8 %		
Total retail and office	15,309,795	43.2 %	100.0 %		

(1) The total average base rent per square foot excludes vacant space of 561,519 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 December 31, 2025:

Self-storage location	Open date	Number of units ⁽¹⁾	Leasable area ⁽¹⁾	Total rental revenue YTD ⁽²⁾
Toronto (Dupont) (ON)	October 2019	730	46,100	\$1,230
Toronto (Leaside) (ON)	June 2020	1,000	99,500	1,551
Brampton (Bramport) (ON)	November 2020	1,050	100,200	1,235
Vaughan NW (ON)	January 2021	880	85,000	1,082
Oshawa South (ON)	August 2021	950	92,700	1,133
Scarborough East (ON)	November 2021	1,000	98,000	1,301
Aurora (ON)	December 2022	960	99,500	1,201
Brampton (Kingspoint Plaza) (ON)	March 2023	1,070	97,000	1,126
Whitby (ON)	January 2024	870	87,200	641
Markham Boxgrove (ON)	May 2024	930	94,800	658
Stoney Creek (ON)	October 2024	970	99,000	292
Toronto (Gilbert Ave.) (ON)	April 2025	1,590	121,600	160
Toronto (Jane St.) (ON)	May 2025	1,430	101,900	111
Dorval (St-Regis Blvd.) (QC)	June 2025	1,290	115,200	58
		14,720	1,337,700	\$11,779

(1) Figures are shown at 100% ownership.

(2) Total rental figures are for the year ended December 31, 2025 and shown at the Trust's share in thousands of dollars.

As at December 31, 2025, the average occupancy rate for self-storage rental facilities that have been operational for over one year and over two years were 86% and 91%, respectively.

Residential Rentals

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

Project	Location	Ownership Interest	Number of units ⁽¹⁾	In-place and committed occupancy rate
Laval Centre	Laval, QC	50 %	382	98.2 %
Mascouche N	Mascouche, QC	80 %	238	98.3 %
The Millway	Vaughan, ON	50 %	458	98.0 %
			1,078	98.1 %

(1) Figures are shown at 100% ownership.

As at December 31, 2025, the weighted average occupancy rate for the residential rentals was 98.1% (December 31, 2024 - 96.4%), based on the number of units.

Section VII – Asset Profile

Proportionately Consolidated Balance Sheets (including the Trust's interests in equity accounted investments)

The following table presents the proportionately consolidated balance sheets, which includes a reconciliation of the Trust's proportionate share of equity accounted investments:

(in thousands of dollars)	December 31, 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	\$10,852,939	\$1,168,304	\$12,021,243	\$10,659,783	\$1,167,597	\$11,827,380
Equity accounted investments	723,637	(723,637)	—	749,619	(749,619)	—
Other financial assets	94,376	—	94,376	94,974	—	94,974
Mortgages, loans and notes receivable	58,740	—	58,740	208,130	(68,017)	140,113
Intangible assets	39,813	—	39,813	41,145	—	41,145
Amounts receivable	17,935	—	17,935	12,994	—	12,994
Other assets	11,825	1,916	13,741	10,453	2,460	12,913
	\$11,799,265	\$446,583	\$12,245,848	\$11,777,098	\$352,421	\$12,129,519
Current assets						
Current portion of mortgages, loans and notes receivable	180,070	(74,179)	105,891	17,022	—	17,022
Amounts receivable and other	74,830	(19,966)	54,864	63,441	(12,615)	50,826
Cash and cash equivalents	51,551	38,913	90,464	37,694	34,539	72,233
Residential development inventory	21,154	90,535	111,689	31,738	76,111	107,849
Prepaid expenses, deposits and deferred financing costs	14,269	30,168	44,437	12,696	21,908	34,604
	\$341,874	\$65,471	\$407,345	\$162,591	\$119,943	\$282,534
Total assets	\$12,141,139	\$512,054	\$12,653,193	\$11,939,689	\$472,364	\$12,412,053
Liabilities						
Non-current liabilities						
Debt	4,453,606	420,332	4,873,938	4,059,364	296,909	4,356,273
Other financial liabilities	17,876	—	17,876	12,619	—	12,619
Other payables	11,774	—	11,774	8,158	—	8,158
	\$4,483,256	\$420,332	\$4,903,588	\$4,080,141	\$296,909	\$4,377,050
Current liabilities						
Current portion of debt	755,426	6,099	761,525	986,915	83,957	1,070,872
Current portion of other financial liabilities	302,067	—	302,067	274,526	—	274,526
Accounts payable and current portion of other payables	254,085	85,623	339,708	260,526	91,498	352,024
	\$1,311,578	\$91,722	\$1,403,300	\$1,521,967	\$175,455	\$1,697,422
Total liabilities	\$5,794,834	\$512,054	\$6,306,888	\$5,602,108	\$472,364	\$6,074,472
Equity						
Trust Unit equity	5,227,500	—	5,227,500	5,242,830	—	5,242,830
Non-controlling interests	1,118,805	—	1,118,805	1,094,751	—	1,094,751
	\$6,346,305	\$—	\$6,346,305	\$6,337,581	\$—	\$6,337,581
Total liabilities and equity	\$12,141,139	\$512,054	\$12,653,193	\$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)	Year Ended December 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
Acquisitions, Earnouts, and related adjustments of investment properties	—	35,264	35,264	—	23,378	23,378
Earnout Fees on properties subject to development management agreements	7,971	—	7,971	998	—	998
Transfer from properties under development to income properties	97,666	(97,666)	—	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)
Recognition of properties under development from equity accounted investments as a result of change in control	—	52,150	52,150	—	—	—
Capital expenditures and other	36,257	102,079	138,336	35,817	115,951	151,768
Dispositions	—	(5,750)	(5,750)	—	(16,630)	(16,630)
Straight-line rents and tenant incentives	4,477	—	4,477	10,171	—	10,171
Fair value adjustment	100,692	(139,984)	(39,292)	89,141	(158,812)	(69,671)
Ending balance	\$9,189,352	\$1,663,587	\$10,852,939	\$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
Acquisitions, Earnouts, and related adjustments of investment properties	—	9,802	9,802	—	11,381	11,381
Transfer from properties under development to income properties	52,600	(52,600)	—	37,470	(37,470)	—
Transfer from properties under development to equity accounted investments	—	—	—	—	2,250	2,250
Recognition of properties under development from equity accounted investments as a result of change in control	—	(39,113)	(39,113)	—	—	—
Capital expenditures and other	332	29,483	29,815	4,676	43,684	48,360
Straight-line rents and tenant incentives	(535)	—	(535)	(416)	—	(416)
Fair value adjustment	12,539	(11,801)	738	20,578	1,579	22,157
Ending balance	\$762,663	\$405,641	\$1,168,304	\$697,727	\$469,870	\$1,167,597
Total balance (including investment properties classified as equity accounted investments) - end of year (Investment Properties - non-GAAP)⁽¹⁾	\$9,952,015	\$2,069,228	\$12,021,243	\$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 35.6 million square feet. In addition, the Trust may acquire 2.5 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 (0.5 million square feet) on their completion pursuant to the terms of Mezzanine Financing. The portfolio is located across Canada, with assets in each of the ten provinces. By selecting well-located centres, the Trust seeks to attract high-quality tenants at market rental rates.

Valuation Methodology

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

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

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

Investment properties as recorded in the Trust's consolidated financial statements for the year ended December 31, 2025, with a total carrying value of \$2.4 billion (December 31, 2024 - \$3.1 billion) were valued by external national appraisers, and investment properties with a total carrying value of \$8.4 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 December 31, 2025 was 6.53% (December 31, 2024 - 6.53%) and the weighted average terminal capitalization rate as at December 31, 2025 was 6.00% (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 \$39.3 million (excluding investment properties recorded in equity accounted investments) for the year ended December 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.

Recognition of properties under development from equity accounted investments as a result of change in control

Pursuant to the limited partnership agreement between the Trust and one of its residential apartment joint venture partners, the Trust's option to acquire the remaining 25% interest in the limited partnership became exercisable. As a result, the Trust obtained control, as defined under IFRS 10, over the limited partnership and consolidated its assets and liabilities. A non-controlling interest of \$10.0 million was recognized in respect of the partner's retained ownership interest.

Acquisitions and Earnouts

Acquisitions and Earnouts completed during the year ended December 31, 2025

The following table summarizes the Acquisitions and Earnouts completed during the year ended December 31, 2025:

(in thousands of dollars)	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)
Stoney Creek, Ontario	October 2025	Land parcel	0.7 acres	1,527	1,637	—	(110)
Bolton, Ontario	November 2025	Land parcel	14.3 acres	17,513	17,928	—	(415)
Earnouts	Varies	Land parcel / Retail	117,000 sq. ft.	12,471	9,406	3,209	(144)

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

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

(in thousands of dollars)	Date of Acquisition	Type	Area	Purchase Proceeds	Satisfied through			
					Cash	Issuance of LP Units	Debt	Other Adjustments
Acquisitions								
51 Yonge Street, Toronto, Ontario	February 2024	Property under development	10,650 sq. ft.	\$21,555	\$11,536	\$—	\$10,000	\$19
London, Ontario	July 2024	Land parcel	6.1 acres	1,823	816	—	—	1,007
Earnouts	September 2024	Retail	2,232 sq. ft.	1,071	751	320	—	—

Dispositions of Investment Properties

Dispositions of investment properties during the year ended December 31, 2025

The following table summarizes the dispositions completed during the year ended December 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	
Jonquiere, Quebec	September 2025	Property under development	9.1 acres	100 %	3,050	

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

The following table summarizes the dispositions on investment properties completed during the year ended December 31, 2024:

(in thousands of dollars)						
Location	Date of Disposition	Type	Area	Ownership Interest	Disposition Proceeds	
Bradford, Ontario	January 2024	Land parcel	3.3 acres	100 %	\$6,786	
Laval, Quebec ⁽¹⁾	April 2024	Land parcel	1.8 acres	100 %	4,500	
Mascouche, Quebec	October 2024	Land parcel	4.7 acres	100 %	9,893	

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

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 December 31			Year Ended December 31		
	2025	2024	Variance	2025	2024	Variance
Leasing commissions	\$786	\$992	\$(206)	\$2,741	\$2,906	\$(165)
Tenant improvements	427	122	305	497	122	375
Sustaining capital expenditures (recoverable and non-recoverable)	7,778	6,975	803	27,846	26,456	1,390
AFFO adjustment for sustaining capital expenditures, leasing commissions, and tenant improvements	\$8,991	\$8,089	\$902	\$31,084	\$29,484	\$1,600
Value enhancing capital expenditures	3,596	4,159	(563)	12,514	14,732	(2,218)
Total capital expenditures, leasing commissions, and tenant improvements	\$12,587	\$12,248	\$339	\$43,598	\$44,216	\$(618)
Adjusted salaries and related costs attributed to leasing	\$2,020	\$2,279	\$(259)	\$8,579	\$9,549	\$(970)

For the three months and year ended December 31, 2025, the total capital expenditures, leasing commissions, and tenant improvements remained relatively flat with an increase of \$0.3 million for the quarter and a decrease of \$0.6 million year-to-date, as compared to the same periods in 2024.

Equity Accounted Investments

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

(in thousands of dollars)	Year Ended December 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 year	\$436,437	\$313,182	\$749,619	\$466,089	\$290,830	\$756,919
Operating Activities:						
Earnings	7,318	398	7,716	5,352	15,237	20,589
Distributions - VMC Residences condo unit closings	—	—	—	(37,886)	—	(37,886)
Distributions - operating activities	(3,789)	(4,815)	(8,604)	(4,204)	(3,180)	(7,384)
Financing Activities:						
Fair value adjustment on loan	2,847	—	2,847	2,833	—	2,833
Investing Activities:						
Cash contribution	2,259	29,903	32,162	7,471	39,309	46,780
Derecognition of equity accounted investments as a result of change in control	—	(39,119)	(39,119)	—	—	—
Property contribution	—	—	—	—	4,500	4,500
Development distributions	(3,220)	(17,764)	(20,984)	(3,218)	(33,514)	(36,732)
Investment - end of year	\$441,852	\$281,785	\$723,637	\$436,437	\$313,182	\$749,619

Pursuant to the limited partnership agreement between the Trust and one of its residential apartment joint venture partners, the Trust's option to acquire the remaining 25% interest in the limited partnership became exercisable. As a result, the Trust obtained control, as defined under IFRS 10, over the limited partnership and consolidated its assets and liabilities. A non-controlling interest of \$10.0 million was recognized in respect of the partner's retained ownership interest.

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

As at December 31, 2025	Income Properties	Properties Under Development	Residential Development Inventory	Other Assets	Total Assets
(in thousands of dollars)					
Rental					
Residential	\$546,146	\$59,091	\$—	\$15,179	\$620,416
Self-storage facilities	480,746	94,692	—	16,429	591,867
Office	263,268	—	—	14,717	277,985
Retail	152,820	—	—	2,258	155,078
Mixed-use	80,581	657,497	—	119,264 ⁽¹⁾	857,342
Condo and townhome residential development inventory	—	—	181,629	48,425	230,054
	\$1,523,561	\$811,280	\$181,629	\$216,272	\$2,732,742

(1) Consists of loans receivable of \$112.6 million, cash and cash equivalents of \$2.8 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
Office	192,561	—	—	19,864	212,425
Retail	154,097	—	—	2,621	156,718
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, 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 December 31, 2025, 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 December 31, 2025, deducting amount drawn on such development credit facilities of \$316.4 million (December 31, 2024 – \$458.1 million) and outstanding letters of credit of \$29.2 million (December 31, 2024 – \$29.1 million), the remaining unused development credit facilities were \$204.4 million (December 31, 2024 – \$62.8 million), of which the Trust's share was \$102.2 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.

In October 2025, PCVP secured a \$188.8 million CMHC mortgage on one of its purpose-built rental developments. The mortgage bears a fixed interest rate of 3.45% and matures in December 2030. The proceeds from the mortgage were used to repay existing indebtedness.

Investment in joint ventures

As at December 31, 2025, the Trust's joint ventures had credit facilities in the amount of \$95.9 million (December 31, 2024 – \$163.5 million), bearing annual interest rates based on the Adjusted CORRA rate plus 2.70%, maturing 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 December 31, 2025, deducting amount drawn on such credit facilities of \$90.9 million (December 31, 2024 – \$130.0 million), and no outstanding letters of credit (December 31, 2024 – \$nil), the remaining unused development credit facilities were \$5.0 million (December 31, 2024 – \$33.5 million), of which the Trust's share was \$2.5 million (December 31, 2024 – \$16.8 million).

Development financing includes 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.

In October 2025, the self-storage facility joint venture (“the “JV”) entered into a \$160.0 million five-year mortgage. The mortgage is secured by ten self-storage facilities and bears a fixed interest of approximately 3.87%. The JV used the proceeds to repay a \$116.0 million mortgage secured by eight self-storage facilities upon its maturity and other existing indebtedness.

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

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

(in thousands of dollars)	December 31, 2025	December 31, 2024	Variance
Amounts receivable and other			
Tenant receivables	\$31,434	\$26,751	\$4,683
Unbilled other tenant receivables	11,997	8,164	3,833
Receivables from related party – excluding equity accounted investments	21,794	15,441	6,353
Receivables from related party – equity accounted investments	11,027	10,034	993
Other non-tenant receivables ⁽¹⁾	26,383	22,279	4,104
	\$102,635	\$82,669	\$19,966
Allowance for ECL	(9,870)	(6,234)	(3,636)
Amounts receivable and other, net of allowance for ECL	\$92,765	\$76,435	\$16,330
Prepaid expenses, deposits and deferred financing costs ⁽²⁾	14,269	12,696	1,573
	\$107,034	\$89,131	\$17,903

(1) The amount includes a related party amount of \$13.4 million (December 31, 2024 – \$11.7 million).

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

As at December 31, 2025, total amounts receivable and other, net of allowance for ECL, prepaid expenses, deposits and deferred financing costs increased by \$17.9 million as compared to December 31, 2024. This increase was primarily attributed to services provided to Penguin by the Trust in accordance with the development service agreement. See Note 9, "Amounts receivable and other, prepaid expenses, deposits and deferred financing costs", in the Trust's consolidated financial statements for the year ended December 31, 2025.

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 efficient rent collections and payment solutions for its existing tenants.

The table below represents a summary of total tenant receivables and ECL balances as at December 31, 2025 and December 31, 2024:

(in thousands of dollars)	December 31, 2025	December 31, 2024
Tenant receivables	\$31,434	\$26,751
Unbilled other tenant receivables	11,997	8,164
Total tenant receivables	\$43,431	\$34,915
Allowance for ECL	(9,870)	(6,234)
Total tenant receivables net of allowance for ECL	\$33,561	\$28,681

Mortgages, Loans and Notes Receivable

The following table summarizes mortgages, loans and notes receivable:

(in thousands of dollars)	December 31, 2025	December 31, 2024
Loans receivable	\$235,884	\$222,226
Mortgages receivable (Mezzanine Financing)	2	2
Notes receivable ⁽¹⁾	2,924	2,924
	\$238,810	\$225,152

(1) These secured demand notes bear interest at 9.00% per annum (December 31, 2024 – 9.00%).

Loans Receivable

The following table summarizes loans receivable:

(in thousands of dollars)	December 31, 2025	December 31, 2024
Issued to		
Penguin	\$77,525	\$76,115
Equity accounted investments	148,359	136,034
Unrelated parties	10,000	10,077
	\$235,884	\$222,226

See also Note 5(a) in the Trust's consolidated financial statements for the year ended December 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)	Year Ended December 31	
	2025	2024
Balance – beginning of year	\$222,226	\$189,837
Loans issued	—	56,258
Principal advances	23,801	36,218
Interest accrued	9,000	8,814
Fair value adjustments ⁽¹⁾	3,206	3,169
Repayments	(22,349)	(72,070)
Balance – end of year	\$235,884	\$222,226

(1) \$3.2 million recorded during the year ended December 31, 2025 (year ended December 31, 2024 – \$3.2 million) in connection with the loan issued as part of the 700 Applewood purchase.

Mortgages Receivable (Mezzanine Financing)

The Trust is committed to lend up to \$117.0 million (December 31, 2024 – \$117.0 million) 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 at December 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.

Section VIII – Financing and Capital Resources

Capital Resources and Liquidity

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

(in thousands of dollars)	December 31, 2025	December 31, 2024	Variance
Cash and cash equivalents	\$51,551	\$37,694	\$13,857
Remaining operating facilities ⁽¹⁾	815,119	795,270	19,849
	\$866,670	\$832,964	\$33,706
Operating facility – accordion feature	250,000	250,000	—
	\$1,116,670	\$1,082,964	\$33,706

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

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

As at December 31, 2025, the Trust's available capital resources increased by \$33.7 million compared to December 31, 2024. The increase was primarily attributable to the execution of a \$100.0 million revolving senior unsecured term facility in June 2025.

The Trust manages its cash flow from operating activities by maintaining a conservative debt level. As at December 31, 2025, the Debt to Gross Book Value was 52.8% (December 31, 2024 – 52.2%). Other than contractual maturity dates, the timing of payments related to these obligations reflects management's best estimate based on assumptions with respect to the timing of leasing, construction completion, occupancy and Earnout dates at December 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 issuance to fully repay the \$160.0 million aggregate principal of Series N senior unsecured debentures upon their maturity and to repay existing debt.

The revolving senior unsecured term facility entered into in June 2025, bears interest at Adjusted CORRA plus 120 basis points and further strengthens the Trust's liquidity position.

In November 2025, the Trust issued \$250.0 million principal amount of Series AC and \$250.0 million principal amount of Series AD senior unsecured debentures by way of a private placement (the "Series AC Debentures" and "Series AD Debentures"). The Series AC Debentures bear interest at a rate of 3.599% per annum, with a maturity date of June 12, 2029. The Series AD Debentures bear interest at a rate of 4.318% per annum, with a maturity date of June 12, 2032. The Trust used the net proceeds from the issuance to fully repay the \$350.0 million Series X unsecured debentures upon their maturity, with the balance to be applied toward debt repayment and general corporate purpose.

The following table presents the estimated amount and timing of certain of the Trust's future obligations, including development obligations as at December 31, 2025:

(in thousands of dollars)	Total	2026	2027	2028	2029	2030	Thereafter
Secured debt	\$512,212	\$122,025	\$35,740	\$26,371	\$19,037	\$87,105	\$221,934
Unsecured debt	4,518,312	509,000	1,050,000	776,700	982,612	650,000	550,000
Revolving operating facilities	125,000	125,000	—	—	—	—	—
Interest obligations ⁽¹⁾	600,400	151,456	133,434	109,462	88,857	67,377	49,814
Accounts payable	252,220	252,220	—	—	—	—	—
Other payable	36,818	17,352	4,793	2,177	299	279	11,918
	\$6,044,962	\$1,177,053	\$1,223,967	\$914,710	\$1,090,805	\$804,761	\$833,666
Mortgage receivable advances (repayments)	(2)	—	—	(2)	—	—	—
Development obligations (commitments)	30,240	30,240	—	—	—	—	—
Total	\$6,075,200	\$1,207,293	\$1,223,967	\$914,708	\$1,090,805	\$804,761	\$833,666

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

The following table presents the estimated amount and timing of certain of the equity accounted investments' future obligations, including development obligations, as at December 31, 2025:

(in thousands of dollars)	Total	2026	2027	2028	2029	2030	Thereafter
Secured and unsecured debt	\$955,470	\$12,995	\$373,764	\$10,950	\$60,435	\$382,131	\$115,195
Development obligations (commitments) ⁽¹⁾	142,264	84,637	55,316	2,302	9	—	—
Total	\$1,097,734	\$97,632	\$429,080	\$13,252	\$60,444	\$382,131	\$115,195

(1) The Trust is in the process of refining its estimates of development obligations for the years subsequent to 2025. This total does not include expected costs associated with the Trust's mixed-use development initiatives except for current amounts outstanding for active projects currently underway.

The following table presents the estimated amount and timing of certain of the Trust's proportionate share of equity accounted investments' future obligations, including development obligations, as at December 31, 2025:

(in thousands of dollars)	Total	2026	2027	2028	2029	2030	Thereafter
Secured and unsecured debt	\$483,230	\$6,099	\$177,686	\$5,654	\$45,128	\$191,065	\$57,598
Development obligations (commitments) ⁽¹⁾	71,248	42,377	27,716	1,150	5	—	—
Total Trust's share	\$554,478	\$48,476	\$205,402	\$6,804	\$45,133	\$191,065	\$57,598

(1) The Trust is in the process of refining its estimates of development obligations for the years subsequent to 2025. 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)	December 31, 2025	December 31, 2024
Current assets	\$341,874	\$162,591
Less: Current liabilities	(1,311,578)	(1,521,967)
Working capital deficiency	\$(969,704)	\$(1,359,376)
Adjusted by:		
Current portion of debt	(755,426)	(986,915)
Current portion of other financial liabilities	(302,067)	(274,526)
Net working capital surplus (deficiency)	\$87,789	\$(97,935)

As at December 31, 2025, the Trust had a working capital deficiency of \$969.7 million (December 31, 2024 - \$1,359.4 million deficiency).

After adjusting for \$755.4 million (December 31, 2024 - \$986.9 million) of debt and \$302.1 million (December 31, 2024 - \$274.5 million) of other financial liabilities due within 12 months, the Trust reported a net working capital surplus of \$87.8 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 December 31, 2025, the Trust has unencumbered assets (a non-GAAP financial measure) with an approximate fair value totalling \$10.0 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	December 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	\$511,188	4.7	4.53 %	\$716,495	2.4	3.97 %
Unsecured debt	4,460,233	3.1	4.01 %	4,172,712	3.0	3.84 %
Unsecured loan from equity accounted investments	112,611	N/A	— %	114,023	N/A	— %
Revolving operating facilities	125,000	2.4	3.81 %	43,049	1.0	4.75 %
Total debt before equity accounted investments	\$5,209,032	N/A	3.97 %	\$5,046,279	N/A	3.78 %
Less: Unsecured loan from equity accounted investments ⁽¹⁾	(56,799)	N/A	— %	(58,642)	N/A	— %
Subtotal	\$5,152,233	3.2	4.01 %	\$4,987,637	3.0	3.82 %
Share of secured debt (equity accounted investments)	325,045	6.5	3.87 %	210,551	6.5	4.58 %
Share of unsecured debt (equity accounted investments)	158,185	1.4	4.00 %	228,957	2.4	5.53 %
Share of debt classified as equity accounted investments	\$483,230	4.8	3.92 %	\$439,508	4.4	5.07 %
Total debt including equity accounted investments	\$5,635,463	3.4	4.00 %	\$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 year ended December 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	48,224	802,600	395,000	163,731	—	1,409,555
Scheduled amortization	(25,136)	—	—	(3,742)	—	(28,878)
Repayments	(228,396)	(510,000)	(312,954)	(111,459)	(2,775)	(1,165,584)
Amortization of acquisition fair value adjustments	—	—	—	—	3,206	3,206
Financing costs incurred, net of additions	1	(813)	—	(4,808)	—	(5,620)
Currency translation	—	(4,266)	(95)	—	—	(4,361)
Balance - December 31, 2025	\$511,188	\$4,460,233	\$125,000	\$483,230	\$55,812	\$5,635,463

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
2026	\$15,305	\$106,720	\$122,025	23.8 %	4.04 %
2027	10,540	25,200 ⁽¹⁾	35,740	7.0 %	4.14 %
2028	10,618	15,753	26,371	5.2 %	5.03 %
2029	10,794	8,243	19,037	3.7 %	4.74 %
2030	9,723	77,382	87,105	17.0 %	3.95 %
Thereafter	13,845	208,089	221,934	43.3 %	4.80 %
Total	\$70,825	\$441,387	\$512,212	100.0 %	4.44 %
Acquisition date fair value adjustment			163		
Unamortized financing costs			(1,187)		
			\$511,188		4.53 %

(1) Includes construction loans in the amount of \$25.2 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)	December 31, 2025	December 31, 2024
Unsecured debentures (a)	\$3,292,159	\$3,003,193
Credit facilities (b)	1,072,079	1,073,524
	\$4,364,238	\$4,076,717
TRS debt	95,995	95,995
Other unsecured debt from equity accounted investments (c)	112,611	114,023
	\$4,572,844	\$4,286,735

a) Unsecured debentures

As at December 31, 2025, unsecured debentures totalled \$3,292.2 million (December 31, 2024 - \$3,003.2 million). The unsecured debentures mature at various dates between 2026 and 2032, with interest rates ranging from 2.31% to 5.35%, and a weighted average interest rate of 3.93% as at December 31, 2025 (December 31, 2024 - 3.57%).

The following table summarizes the components of unsecured debentures:

Series	Maturity Date	Annual		December 31, 2025	December 31, 2024
		Interest Rate	Interest Payment Dates		
Series N ⁽¹⁾	February 06, 2025	3.56 %	February 6 and August 6	\$—	\$160,000
Series X ⁽¹⁾	December 16, 2025	1.74 %	June 16 and December 16	—	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 AC	June 12, 2029	3.60 %	June 12 and December 12	250,000	—
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	—
Series AD	June 12, 2032	4.32 %	June 12 and December 12	250,000	—
		3.93 % ⁽²⁾		\$3,300,000	\$3,010,000
		Unamortized financing costs		(7,841)	(6,807)
				\$3,292,159	\$3,003,193

(1) The Series N and Series X debentures were repaid in full on the maturity date.

(2) Represents the weighted average annual interest rate and excludes unamortized financing costs.

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 August 2025, DBRS kept the Trust's credit rating at BBB and maintained a stable trend.

b) Credit facilities

The following table summarizes the activity for unsecured credit facilities:

(in thousands of dollars) (Issued in)	Maturity Date	Annual Interest Rate	Facility Amount	December 31, 2025	December 31, 2024
Non-revolving:					
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⁾	January 8, 2028	SOFR + 1.70%	150,000	145,906	150,000
May 2019 ⁽¹⁾	June 24, 2029	3.15 %	170,000	170,000	170,000
Revolving:					
March 2024	March 8, 2026	Adjusted CORRA + 1.45%	40,000	29,000	26,400
				\$1,074,906	\$1,076,400
Less:					
Unamortized financing costs, debt modification adjustments, and others				(2,827)	(2,876)
				\$1,072,079	\$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 3.97% per annum. The weighted average term to maturity of the interest rate swaps is 1.59 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 as at December 31, 2025 and December 31, 2024, relating to the mark to market adjustments associated with the interest rate swap agreements:

(in thousands of dollars)		Fixed		Variable	
Facility Amount	Maturity Date	Interest Rate	Interest Rate	December 31, 2025	December 31, 2024
\$11,403	November 3, 2025	3.47 %	Adjusted CORRA + 1.50%	\$—	\$118
150,000	July 31, 2026	3.52 %	Adjusted CORRA + 1.20%	1,935	3,303
80,000	August 31, 2026	2.98 %	Adjusted CORRA + 1.20%	717	1,989
300,000	January 19, 2027	4.48 %	Adjusted CORRA + 1.45%	(1,333)	(50)
100,000	December 1, 2027	4.37 %	Adjusted CORRA + 1.20%	(1,558)	(1,609)
100,000	December 1, 2027	4.88 %	Adjusted CORRA + 1.45%	(1,271)	(1,261)
170,000	June 24, 2029	3.15 %	Adjusted CORRA + 1.20%	5,577	7,310
				\$4,067	\$9,800

c) Other unsecured debt from equity accounted investments

Other unsecured debt net of fair value adjustments totalling \$112.6 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:

(in thousands of dollars)	Annual Interest Rate		Facility Amount	Undrawn Facilities	Outstanding Letters of Credit	Drawn Amount	
	Benchmark Rate	Spread				December 31, 2025	December 31, 2024
Revolving facility maturing June 2029	Adjusted CORRA	1.45 %	\$750,000	\$740,119	\$9,881	\$—	\$—
	Prime Rate	0.45 %					
Revolving facility maturing January 2027 ⁽¹⁾	SOFR	1.55 %	100,000	75,000	—	25,000	43,049
Revolving facility maturing June 2027	Adjusted CORRA	1.20 %	100,000	—	—	100,000	—
				\$815,119	\$9,881	\$125,000	\$43,049

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

In addition to the letters of credit outstanding on the Trust's revolving operating facilities (see above), as at December 31, 2025, the Trust also had \$30.0 million of letters of credit outstanding with other financial institutions (December 31, 2024 - \$37.8 million).

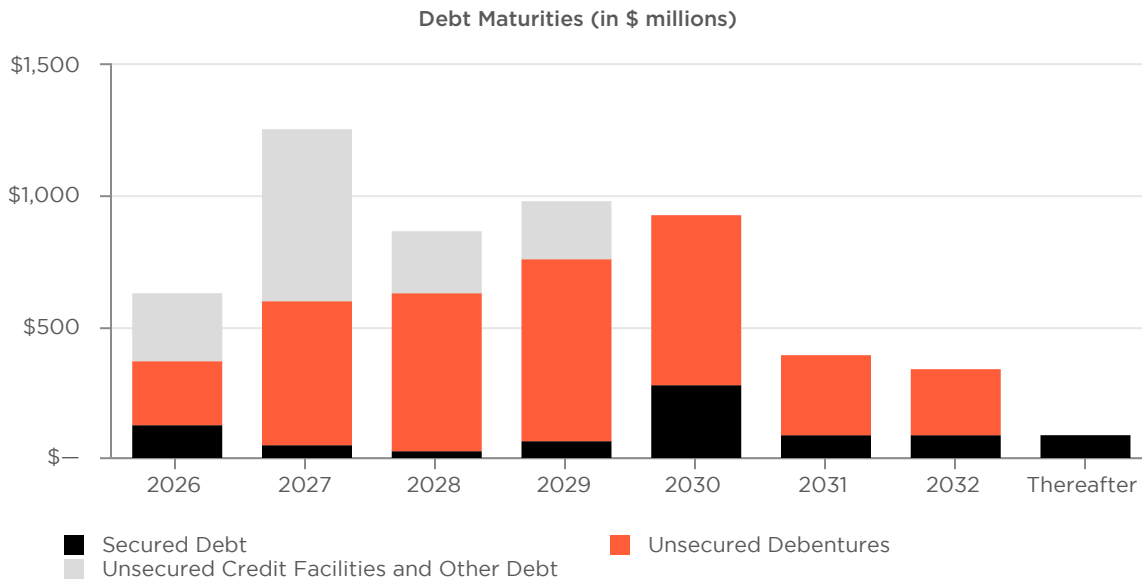
Unencumbered Assets

As at December 31, 2025, the Trust had \$10.0 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 82.6% 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 2026 to be \$489.3 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 December 31, 2025:



- (1) Includes the Trust's proportionate share of debt in equity accounted investments.
- (2) Excludes revolving operating facility of \$125.0 million, which matures between January 2027 and June 2029.
- (3) For facilities where the initial maturity date can be extended at the sole option of the Trust, the final maturity date is assumed.

Financial Covenants

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

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

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

As at and for the year ended December 31, 2025, the Trust was in compliance with all financial covenants.

Ratio	Calculation	Threshold	December 31, 2025	December 31, 2024
Interest coverage ratio ⁽¹⁾	<i>Adjusted EBITDA / Adjusted interest expense including capitalized interest⁽⁶⁾</i>	≥ 1.65X	2.6X	2.5X
Fixed charge coverage ratio ⁽³⁾	<i>Adjusted EBITDA / Debt service expense⁽⁷⁾</i>	≥ 1.5X	2.3X	2.1X
Debt to aggregate assets ⁽³⁾⁽⁴⁾⁽⁵⁾	<i>Net debt / Aggregate assets⁽⁸⁾</i>	≤ 65%	44.4 %	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%	44.0 %	43.2 %
Debt to Gross Book Value ⁽¹⁾⁽⁴⁾⁽⁵⁾	<i>Net debt / Gross book value⁽⁹⁾</i>	≤ 60%	52.8 %	52.2 %
Adjusted Debt to Adjusted EBITDA ⁽²⁾⁽⁵⁾	<i>Adjusted debt / Adjusted EBITDA⁽¹⁰⁾</i>	N/A	9.7X	9.6X
Secured debt to aggregate assets ⁽³⁾⁽⁵⁾	<i>Secured debt including EAI / Aggregate assets⁽¹¹⁾</i>	≤ 40%	6.6 %	7.5 %
Unsecured to secured debt ratio ⁽²⁾⁽⁵⁾	<i>Unsecured debt including EAI / Secured debt including EAI⁽¹²⁾</i>	N/A	85%/15%	83%/17%
Unencumbered assets to unsecured debt ⁽³⁾⁽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	\$6,346,305	\$6,337,581
Units classified as liabilities (in thousands)		N/A	\$201,229	\$191,665
Total Unitholders' equity including Units classified as liabilities (in thousands)		N/A	\$6,547,534	\$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 December 31, 2025, cash-on-hand of \$44.6 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	December 31, 2025	December 31, 2024	Variance
Trust Units	N/A	144,708,787	144,687,634	21,153
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	4,254,322	4,129,420	124,902
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		170,511,268	170,365,213	146,055
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	1,165,278	1,186,431	(21,153)
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		7,814,709	7,835,862	(21,153)
Total Units		178,325,977	178,201,075	124,902

As of February 11, 2026, the Trust has 170,511,268 Units outstanding which are classified as equity, and 7,814,709 Units outstanding which are classified as liabilities.

The following table is a summary of the activities having an impact on Unitholders' equity:

(in thousands of dollars)	Year Ended December 31	
	2025	2024
Unitholders' Equity – beginning of year	\$6,337,581	\$6,359,304
Issuance of Units classified as equity	3,745	1,691
Net income and comprehensive income	310,755	292,070
Change in non-controlling interests	10,015	—
Distributions	(315,791)	(315,484)
Unitholders' Equity – end of year	\$6,346,305	\$6,337,581
LP Units classified as liabilities – beginning of year	191,665	196,571
Change in carrying value	10,100	(3,549)
Conversion of LP exchangeable units	(536)	(1,357)
LP Units classified as liabilities – end of year	\$201,229	\$191,665
Unitholders' Equity and LP Units classified as liabilities – end of year	\$6,547,534	\$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 year ended December 31, 2025, the Trust paid \$330.3 million in cash distributions (for the year ended December 31, 2024 - \$330.0 million in cash distributions). The following table summarizes declared distributions:

(in thousands of dollars)	Year Ended December 31	
	2025	2024
Distributions declared on:		
Trust Units	\$267,681	\$267,630
LP Units	47,696	47,489
Other non-controlling interest	414	365
Distributions on Units classified as equity	\$315,791	\$315,484
Distributions on LP Units classified as liabilities - excluding SmartVMC West	3,764	3,815
Distributions on LP Units classified as liabilities - SmartVMC West	10,725	10,725
Distributions on LP Units classified as liabilities	\$14,489	\$14,540
Total distributions declared	\$330,280	\$330,024

Net Asset Value

The following table presents NAV and NAV per Unit diluted:

(in thousands of dollars, except per Unit information)	Year Ended December 31	
	2025	2024
Total equity	\$6,346,305	\$6,337,581
LP Units classified as liabilities	201,229	191,665
NAV⁽¹⁾	\$6,547,534	\$6,529,246
Units outstanding - diluted ⁽²⁾	182,242,010	181,205,536
NAV per Unit - diluted⁽¹⁾	\$35.93	\$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 (as defined in the "Key Operational, Development and Financial Information" section in this MD&A), vested portion of the deferred units issued pursuant to the DUP and vested EIP units granted pursuant to the EIP.

Section IX – Related Party Transactions

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

Transactions and Agreements with Penguin

a) Penguin's Ownership Interest and Voting Right

Pursuant to the Declaration of Trust, provided certain ownership thresholds are met, the Trust is required to issue such number of additional Special Voting Units to Penguin that will entitle Penguin to cast 25.0% of the aggregate votes eligible to be cast at a meeting of the Unitholders and Special Voting Unitholders ("Voting Top-Up Right"). As at December 31, 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 December 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 24.9% if Penguin exercised all remaining options to purchase Units pursuant to existing development and exchange agreements (Earnouts). In addition, the Trust has entered into property management, leasing, development and exchange, and co-ownership agreements with Penguin. Pursuant to its rights under the Declaration of Trust, as at December 31, 2025, Penguin has appointed two of the eight trustees on the Board of Trustees.

See "Key Operational, Development and Financial Highlights for the Year Ended December 31, 2025 - Subsequent event" of this MD&A for details regarding the Voting Top-Up Right.

b) Agreements with Penguin entered into on November 6, 2020

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

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

The following represent the key elements of the Development and Services Agreement with Penguin which is effective from July 1, 2020 until December 31, 2025:

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

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

Penguin Services Agreement

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

Omnibus Agreement between the Trust and Penguin

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

Mezzanine Loan Amending Agreements between the Trust and its Affiliates and Penguin ("Mezzanine Loan Agreements")

Effective November 5, 2020, all loan maturity dates have been extended to August 31, 2028, with a new rate structure for the extension period of each mortgage receivable (see also Note 5, "Mortgages, loans and notes receivable" in the Trust's consolidated financial statements for the year ended December 31, 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 20, "Related party transactions", in the Trust's consolidated financial statements for the year ended December 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, \$28.00, \$30.00, and \$32.00 Unit price thresholds have been vested on April 5, 2024, May 18, 2024, September 22, 2024, and 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)	Year Ended December 31	
	2025	2024
Balance - beginning of year	\$22,609	\$17,917
Amortization costs capitalized to properties under development ⁽¹⁾	1,368	3,726
Reinvested distributions on vested EIPs	1,515	527
Fair value adjustment to financial instruments	(205)	439
Balance - end of year	\$25,287	\$22,609

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

See "Key Operational, Development and Financial Highlights for the Year Ended December 31, 2025 - Subsequent event" of this MD&A for details regarding the extension of certain related party agreements.

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)	Year Ended December 31	
	2025	2024
Related party transactions with Penguin		
Acquisitions and Earnouts:		
Earnouts	\$12,471	\$1,071
Revenues:		
Service and other revenues:		
Management fee and other services revenue pursuant to the Development Services Agreement	8,137	7,749
Support services	1,128	1,371
	\$9,265	\$9,120
Interest income from mortgages and loans receivable	1,897	2,357
Rents and operating cost recoveries included in rentals from income properties	2,038	2,226
	\$13,200	\$13,703
Expenses and other payments:		
Fees paid pursuant to the Penguin Services Agreement - capitalized to properties under development	7,574	7,671
EIP - capitalized to properties under development	1,368	3,726
Development fees and interest expense - capitalized to investment properties	926	741
Opportunity fees pursuant to the development management agreements - capitalized to properties under development ⁽¹⁾	60	60
Marketing and other costs - included in general and administrative expense and property operating costs	55	69
Disposition fees pursuant to the Development and Services Agreement - included in general and administrative expense	18	412
	\$10,001	\$12,679

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

(in thousands of dollars)	December 31, 2025	December 31, 2024
Related party balances with Penguin disclosed elsewhere in the financial statements		
Receivables:		
Amounts receivable and other ^{(1) (2)}	\$35,194	\$27,110
Loans receivable	77,525	76,115
Mortgages receivable	2	2
Notes receivable	2,924	2,924
Total receivables	\$115,645	\$106,151
Payables and other accruals:		
Accounts payable and accrued liabilities	3,995	4,252
Future land development obligations	17,864	17,631
Total payables and other accruals	\$21,859	\$21,883

(1) Excludes amounts receivable presented below as part of balances with equity accounted investments. This amount includes amounts receivable of \$21.8 million and other of \$13.4 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 \$17.9 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 consolidated financial statements for the year ended December 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 consolidated financial statements for the year ended December 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 10(b)(iv) in the Trust's consolidated financial statements for the year ended December 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)	Year Ended December 31	
	2025	2024
Related party transactions with the Trust's equity accounted investments		
Revenues:		
Supplemental Development Fee	\$5,260	\$9,052
Interest income from mortgages and loans receivable	8,096	7,773
Expenses and other payments:		
Rent and operating costs (included in general and administrative expense and property operating costs)	3,152	3,197

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

(in thousands of dollars)	December 31, 2025	December 31, 2024
Related party balances disclosed elsewhere in the financial statements		
Amounts receivable ⁽¹⁾	\$11,027	\$10,034
Loans receivable ⁽²⁾	148,359	136,034
Other unsecured debt ⁽³⁾	112,611	114,023

(1) Amounts receivable includes Penguin's portion, which represents \$5.3 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 \$28.7 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 December 31, 2025 (December 31, 2024 - nil).

Other related party transactions

The following table summarizes other related party transactions:

(in thousands of dollars)	Year Ended December 31	
	2025	2024
Legal fees incurred from a law firm in which a partner is a Trustee⁽¹⁾:		
Capitalized to investment properties	\$—	\$801
Included in general and administrative expense	—	480
	\$—	\$1,281

(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

A summary of material accounting policies is described in Note 2 of the Trust's consolidated financial statements and accompanying notes for the year ended December 31, 2025.

In preparing the Trust's consolidated financial statements and accompanying notes, it is necessary for management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue and expenses during the period. The significant items requiring estimates are discussed in the Trust's consolidated financial statements for the year ended December 31, 2025, and the Notes contained therein.

Critical accounting estimates and assumptions

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

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

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

a) *Investment properties*

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

The Trust also applies judgment in determining whether the properties it acquires are considered to be asset acquisitions or business combinations. The Trust considers all the properties it has acquired to date to be asset acquisitions. Earnout options are exercisable upon completion and rental of additional space on acquired properties. Judgment is applied in determining whether Earnout options are considered to be contingent consideration relating to the acquisition of the acquired properties or additional cost of services during the construction period. The Trust considers the Earnout options it has issued to date to represent contingent considerations relating to the acquisitions and is considered to be a financial liability measured at fair value (see Note 2.14(a) in the Trust's consolidated financial statements for the year ended December 31, 2025).

The valuation of the investment properties is the main area of judgment exercised by the Trust. The valuations of investment properties are dependent on: i) projected future cash flows for income properties and properties under development, and ii) land, development and construction costs for properties under development, and discount rates applicable to those assets. The projected cash flows for each property are based on the location, type and quality of the property and supported by the terms of any existing leases, other contracts or external evidence such as current market rents for similar properties, and adjusted for estimated vacancy rates and estimated maintenance costs. Discount rate is based on the location, size and condition of the properties and take into account market data at the valuation date. These assumptions may not ultimately be achieved. The critical estimates and assumptions underlying the valuation of investment properties are set out in Note 3, "Investment properties", in the Trust's consolidated financial statements for the year ended December 31, 2025.

b) *Joint arrangements*

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

c) *Intangible assets*

The Trust makes judgments with respect to the amortization period relating to the joint venture relationships and trademarks that have finite useful lives, while also reviewing for impairment when an indication of impairment exists. In addition, on an

annual basis or more frequently if there are any indications of impairment, the Trust evaluates whether goodwill may be impaired by determining whether the recoverable amount is less than the carrying amount for the smallest identified cash-generating unit.

d) Income taxes

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

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

e) EIP

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

Future Changes in Accounting Policies

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

IFRS 18, Presentation and Disclosure in Financial Statements

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

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

Risks and Uncertainties

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

Real Property Ownership and Leasing/Tenant Risk

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

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

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

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

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

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

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

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

Liquidity Risk

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

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to lease out vacant units. In the next 12 months, \$1,311.6 million of liabilities (including \$755.4 million of secured and unsecured debt, \$302.1 million of other financial liabilities and \$254.1 million of accounts and other payable amounts) will mature and will need to be settled by means of renewal or payment.

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

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

Capital Requirements and Access to Capital

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

Environmental and Climate Change Risk

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

requires compliance with environmental laws and regulations and restricts tenants from carrying on environmentally hazardous activities or having environmentally hazardous substances on site. The Trust has obtained environmental insurance on certain assets to further manage risk.

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

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

Potential Conflicts of Interest

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

Cybersecurity

Cybersecurity has become increasingly challenging for issuers and businesses in Canada and around the world, including for the Trust and the real estate industry. Cyber attacks against large organizations are increasing in frequency and sophistication and are often focused on financial fraud, compromising sensitive data for inappropriate use or disrupting business operations. Such an attack could compromise the Trust's confidential information as well as that of the Trust's employees, tenants and third parties with whom the Trust interacts and may result in negative consequences, including remediation costs, loss of revenue, additional regulatory scrutiny, litigation and reputational damage. Further, the use of AI tools may also increase the risk of cyber attacks or data breaches as a result of the use of AI to launch more automated, targeted, and coordinated attacks to the Trust's technology infrastructure. The Trust currently uses AI tools in only a limited capacity, making specified general AI resources available to Associates but without AI being integrated into the Trust's work flows or permitting independent decision making. The Trust continually monitors for malicious threats and adapts accordingly in an effort to ensure it maintains high privacy and security standards. The Trust invests in cyber-defence technologies to support its business model and to protect its systems, employees and tenants and seeks to employ industry best practices. The Trust's investments continue to manage the risks it faces today and position the Trust for the evolving threat landscape, however, given the increasing sophistication of hackers and other malicious actors, there can be no certainty that the Trust's defensive measures will be sufficient to prevent unauthorized intrusions or harm arising from cyber attacks. The Trust also follows certain protocols when it engages software and hardware vendors concerning data security and access controls.

Debt Financing

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

The Trust's credit facilities provide lenders with first charge security interests on most of the income-producing properties in its portfolio. These credit facilities contain numerous terms and covenants that limit the discretion of management with respect to certain business matters. These covenants place restrictions on, among other things, the ability of the Trust to create liens or other encumbrances, to make certain payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the credit facilities contain a number of financial covenants that require the Trust to meet certain financial ratios and financial condition tests. For example, certain of the Trust's loans require specific loan to value and debt service coverage ratios which must be maintained by the Trust. A failure to comply with the obligations in the credit facilities could result in a default which, if not cured or waived, could result in acceleration of the

relevant indebtedness. If the indebtedness under the credit facilities were to be accelerated, there can be no assurance that the assets of the Trust would be sufficient to repay that indebtedness in full.

Interest and Financing Risk

As a means of curbing inflation, the Bank of Canada increased interest rates through 2023 and interest rates remained higher in 2024, until the second half of the year at which time the Bank of Canada began to reduce the overnight interest rate. In 2025, the Bank of Canada continued reducing the overnight interest rate. A change in policy, increases in interest rates, sustained higher interest costs or a downgrade in the Trust's credit rating could significantly affect the Trust's ability to meet its financial obligations. Circumstances that may impair the Trust's credit rating include an inability of the Trust to maintain its cash flow from operating activities, an inability to meet covenants for both secured and unsecured debentures, an inability to meet expectations of credit rating agencies, and/or a higher interest rate environment in the Canadian economy. In order to minimize this risk, the Trust's policy is to negotiate fixed rate secured debt and unsecured debt with staggered maturities on the portfolio and, where appropriate, seek to match average lease maturity to average debt maturity. Derivative financial instruments may be utilized by the Trust in the management of its interest rate exposure. The Trust's policy is not to utilize derivative financial instruments for trading or speculative purposes. In addition, the Declaration of Trust restricts total indebtedness permitted on the portfolio.

Interest rate changes will also affect the Trust's development portfolio. The Trust has entered into development agreements that obligate the Trust to acquire up to approximately 96,000 square feet of additional income properties at a cost determined by capitalizing the rental income at predetermined rates. Subject to the ability of the Trust to obtain financing on acceptable terms, the Trust anticipates that it will finance these acquisitions by issuing additional debt and equity. Changes in interest rates will have an impact on the return from these acquisitions should the rate exceed the capitalization rate used and could result in a purchase not being accretive. This risk is mitigated as management has certain rights of approval over the developments and acquisitions.

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

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

Inflation Risk

Canada's inflation rate peaked at a historically high level in 2022 and began to decline in 2023 and 2024 and inflation rates at the end of 2025 remained within the Bank of Canada's target inflation range. Recent inflationary pressures experienced domestically and globally, external supply constraints, tight labour markets and strong demand for goods and resources, together with recently higher interest rates targeted at curbing inflationary increases, will put pressure on the Trust's development, financing, operation and labour costs and could negatively impact levels of demand for real property. Changes in economic conditions, including supply chain constraints, logistics challenges, labour shortages, imposition of or adverse amendments to duties, tariffs and other trade protection mechanisms (including any retaliation to such measures) and steps taken by governments and central banks, including stimulus and spending programs, have, in some instances in the past, led to (and could, in the future lead to) heightened inflation, resulting in an increase in costs and changes in fiscal and monetary policy, including increased interest rates. As a result of potential changes to U.S. policy, especially in light of recent developments with the new U.S. administration, it is feasible that there may be changes to existing trade agreements, the imposition of new tariffs and restrictions on certain trade. Accordingly, continued inflationary pressures and the resulting economic impacts may adversely affect the Trust's financial condition and results of operations. If inflationary pressures return or interest rates remain higher than recent norms, an economic contraction could be possible. Higher inflation and the prospect of moderated growth also negatively impacts the debt and equity markets in which the Trust seeks capital, and in turn might impact the Trust's ability to obtain capital in the future on favourable terms, or at all. While the Trust's portfolio and market position, as well as its strong and stable tenant base, provide the Trust with flexibility to navigate volatile economic conditions, there can be no assurances regarding the impact of a significant economic contraction on the business, operations, and financial performance of the Trust and its tenants.

Joint Venture Risk

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

Development and Construction Risk

Development and construction risk arises from the possibility that completed developed space will not be leased or that costs of development and construction will exceed original estimates, resulting in an uneconomic return from the leasing of such

developments. The Trust mitigates this risk by limiting construction of any development until sufficient lease-up has occurred and by entering into fixed price contracts for a large proportion of both development and construction costs.

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

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

Credit Risk

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

Litigation and Regulatory Risks

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

In addition, the Trust's estimates and judgments could also be affected by various risks and uncertainties, which in turn could have a significant risk on the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements for the year ended December 31, 2025 and the reported amounts of revenues and expenses during the reporting period and may potentially result in a material adjustment in a subsequent period.

Potential Volatility of Trust Unit Prices

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

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

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

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

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

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

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

Availability of Cash Flow

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

Significant Unitholder Risk

According to reports filed under applicable Canadian securities legislation, as at December 31, 2025, Mitchell Goldhar, the Trust's Executive Chairman and CEO, beneficially owned or controlled a number of the outstanding Units which, together with the securities he beneficially owned or controlled that are exchangeable at his option for Trust Units for no additional consideration and the associated Special Voting Units, represented an approximate 21.30% voting interest in the Trust. Further, as at December 31, 2025, Mr. Goldhar beneficially owned or controlled additional rights to acquire Trust Units which, if exercised or converted, would result in him increasing his beneficial economic and voting interest in the Trust to as much as approximately 24.94%. In addition, pursuant to the Voting Top-Up Right, until December 31, 2025, Mr. Goldhar was entitled to additional Special Voting Units that entitled him (directly or indirectly through Penguin) to cast 25% of the votes attached to voting Units at a meeting of the holders of voting Units.

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

Succession of Key Personnel Risk

The management of the Trust depends on the services of certain key personnel, particularly its executive officers. The unexpected loss of services from key personnel or a limitation in their availability could have a significant impact to the business, financial condition and results of operations. The Trust's ability to retain its senior management team or attract suitable replacements in the event of a departure is dependent on, among other things, the competitive nature of the employment market and the strength of our people and culture programs. The Trust engages in ongoing succession planning for its key personnel and other senior management and periodically conducts broader reviews of its management structure and succession plans. The Trust does not have key-personnel insurance on any of its key employees.

Tax-Related Risks

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

If the Trust fails to qualify for the REIT Exception (as defined below), the Trust will be subject to the taxation regime under the SIFT Rules (as defined below). The Trust qualifies for the REIT Exception as at December 31, 2025. In the event that the REIT Exception did not apply to the Trust, the corresponding application of the SIFT Rules to the Trust could impact the level of cash distributions which would otherwise be made by the Trust and the taxation of such distributions to Unitholders. The REIT Exception is based upon revenues of the REIT and the value of the REIT's assets that may fluctuate during the year. The Trust intends to monitor its revenues and the value of its assets and take all necessary steps to continue to qualify for the REIT Exception. However, there can be no assurance that Canadian federal income tax laws with respect to the REIT Exception will not be changed, or that administrative and assessment practices of the Canada Revenue Agency will not develop in a manner that adversely affects the Trust or its Unitholders. Furthermore, the determination as to whether the Trust qualifies for the REIT Exception in a particular taxation year can only be made at the end of such taxation year. Accordingly, no assurance can be given that the Trust will continue to qualify for the REIT Exception.

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

Public Health Crises Risks

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

tenant traffic, mobility restrictions and other quarantine measures, supply shortages, increased government regulations, and the quarantine or contamination of one or more of the Trust's properties.

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

Income Taxes and the REIT Exception

In accordance with the Declaration of Trust, distributions to Unitholders are declared at the discretion of the Board of Trustees. The Trust endeavours to distribute to Unitholders, in cash or in Units, in each taxation year its taxable income to such an extent that the Trust will not be liable to income tax under Part I of the *Income Tax Act* (Canada) (the "Tax Act"). For specified investment flow-through trusts (each a "SIFT"), the Tax Act imposes a special taxation regime (the "SIFT Rules"). A SIFT includes a trust resident in Canada with publicly traded units that holds one or more "non-portfolio properties". "Non-portfolio properties" include certain investments in real properties situated in Canada and certain investments in corporations and trusts resident in Canada and in partnerships with specified connections in Canada. Under the SIFT Rules, a SIFT is subject to tax in respect of certain distributions that are attributable to the SIFT's "non-portfolio earnings" (as defined in the Tax Act), at a rate substantially equivalent to the combined federal and provincial corporate tax rate on certain types of income. The SIFT Rules are not applicable to a SIFT that meets certain specified criteria relating to the nature of its revenues and investments in order to qualify as a real estate investment trust for purposes of the Tax Act (the "REIT Exception"). The Trust qualifies for the REIT Exception as at December 31, 2025.

Disclosure Controls and Procedures and Internal Controls Over Financial Reporting

Disclosure Controls and Procedures ("DCP")

The Trust's CEO and Chief Financial Officer (CFO) have designed or caused to be designed under their direct supervision, the Trust's DCP (as defined in National Instrument 52-109 - Certification of Disclosure in Issuers' Annual and Interim Filings, adopted by the Canadian Securities Administrators) to provide reasonable assurance that: i) material information relating to the Trust, including its consolidated subsidiaries, is made known to them by others within those entities, particularly during the period in which the annual filings are being prepared, and ii) material information required to be disclosed in the annual filings is recorded, processed, summarized and reported on a timely basis. The Trust continues to evaluate the effectiveness of DCP, and changes are implemented to adjust to the needs of new processes and enhancements as required. There were no changes in the Trust's internal controls over financial reporting in the year ended December 31, 2025 that materially affected, or are reasonably likely to materially affect, the Trust's internal controls over financial reporting. Further, the Trust's CEO and CFO have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of the Trust's DCP as at December 31, 2025, and concluded that it was effective.

Internal Controls Over Financial Reporting ("ICFR")

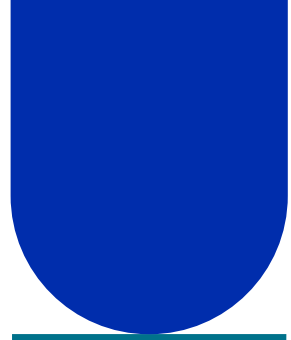
The Trust's CEO and CFO have also designed, or caused to be designed under their direct supervision, the Trust's ICFR to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS. Using the criteria established by the Committee of Sponsoring Organizations of the Treadway Commission 2013 (COSO 2013), the Trust's CEO and CFO have evaluated, or caused to be evaluated under their direct supervision, the effectiveness of the Trust's ICFR as at December 31, 2025, and concluded that it was effective.

Inherent Limitations

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

Section XI – Glossary of Terms

Term	Definition
Adjusted CORRA	Adjusted CORRA refers to the rate per annum comprising the Canadian Overnight Repo Rate Average (“CORRA”) plus the applicable CORRA Adjustment. CORRA is administered and published by the Bank of Canada or its successor.
Anchors or Anchor tenants	Anchors or Anchor tenants are defined as tenants within a retail or office property with gross leasable area greater than 30,000 square feet.
CAM	Defined as common area maintenance expenses.
ECL	Refers to expected credit losses (recovery).
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.
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. See “Key Operational, Development, and Financial Highlights for the Year Ended December 31, 2025 - Subsequent event” of this MD&A for details regarding the Voting Top-Up Right.



Consolidated Financial Statements

Consolidated Financial Statements

Independent Auditor's Report	87
Consolidated Balance Sheets	93
Consolidated Statements of Income and Comprehensive Income	94
Consolidated Statements of Cash Flows	95
Consolidated Statements of Equity	96
Notes to Consolidated Financial Statements	97



Independent auditor's report

To the Unitholders of SmartCentres Real Estate Investment Trust

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of SmartCentres Real Estate Investment Trust and its subsidiaries (together, the Trust) as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Trust's consolidated financial statements comprise:

- the consolidated balance sheets as at December 31, 2025 and 2024;
- the consolidated statements of income and comprehensive income for the years ended December 31, 2025 and 2024;
- the consolidated statements of cash flows for the years ended December 31, 2025 and 2024;
- the consolidated statements of equity for the years ended December 31, 2025 and 2024; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

PricewaterhouseCoopers LLP
Vaughan Metropolitan Centre, 200 Apple Mill Road
Vaughan, Ontario, Canada L4K 0J8
T.: +1 905 326 6800, F.: +1 905 326 5339
Fax to mail: ca_vaughan_office_faxes@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
------------------	--

Valuation of investment properties

Refer to note 2 – Material accounting policy information and note 3 – Investment properties to the consolidated financial statements.

The Trust measures its investment properties at fair value and, as at December 31, 2025, total investment properties were valued at \$10.853 million and include income properties and properties under development (PUD). Fair values of investment properties are determined using valuations prepared by management, with reference to available external data. PUD is valued using the discounted cash flow valuation method, or land, development and construction costs recorded at

Our approach to addressing the matter included the following procedures, among others:

- For a sample of investment properties, tested how management determined the fair value, which included the following:
 - Tested the underlying data used in the valuations.
 - Evaluated the reasonableness of the estimated future cash flows over an average period of

Key audit matter

market value, and income properties are valued using the discounted cash flow valuation method. Management applied significant judgment in determining the fair values of investment properties using the two methods described above (the valuation methods). The significant assumptions in the land, development and construction costs recorded at market value include the market value per acre for land. The significant assumptions used in the discounted cash flow valuation method include estimated future cash flows over an average period of 10 years, discount rates and terminal capitalization rates. The determination of estimated future cash flows incorporates significant assumptions including expectations of changes in rental rates, occupancy rates, lease renewal rates and downtime on existing lease expires.

We considered this a key audit matter due to the significant judgments by management when determining the fair values of the income properties and PUD, and the high degree of complexity in assessing audit evidence related to the significant assumptions used by management. In addition, the audit effort involved the use of professionals with specialized skill and knowledge in the field of real estate valuations.

How our audit addressed the key audit matter

10 years used in the discounted cash flow valuation method by comparing assumptions, such as expected changes in occupancy rates, to external market and industry data and comparing components of the year one cash flows to the underlying accounting records.

- Professionals with specialized skill and knowledge in the field of real estate valuations assisted us in evaluating the appropriateness of the valuation methods and in evaluating the reasonableness of the discount rates, terminal capitalization rates, changes in rental rates, lease renewal rates and downtime on existing lease expires.
- Assessed the market value of land per acre used by management by comparing it to external market and industry data.

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially

inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Trust as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Manisha Chen.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Ontario

February 11, 2026

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

CONSOLIDATED BALANCE SHEETS

(in thousands of Canadian dollars)

As at	Note	December 31, 2025	December 31, 2024
Assets			
Non-current assets			
Investment properties	3	\$10,852,939	\$10,659,783
Equity accounted investments	4	723,637	749,619
Other financial assets	6	94,376	94,974
Mortgages, loans and notes receivable	5	58,740	208,130
Intangible assets	7	39,813	41,145
Amounts receivable	9	17,935	12,994
Other assets		11,825	10,453
		\$11,799,265	\$11,777,098
Current assets			
Current portion of mortgages, loans and notes receivable	5	180,070	17,022
Amounts receivable and other	9	74,830	63,441
Cash and cash equivalents		51,551	37,694
Residential development inventory	8	21,154	31,738
Prepaid expenses, deposits and deferred financing costs	9	14,269	12,696
		\$341,874	\$162,591
Total assets		\$12,141,139	\$11,939,689
Liabilities			
Non-current liabilities			
Debt	10	\$4,453,606	\$4,059,364
Other financial liabilities	11	17,876	12,619
Other payables	12	11,774	8,158
		\$4,483,256	\$4,080,141
Current liabilities			
Current portion of debt	10	755,426	986,915
Current portion of other financial liabilities	11	302,067	274,526
Accounts payable and current portion of other payables	12	254,085	260,526
		\$1,311,578	\$1,521,967
Total liabilities		\$5,794,834	\$5,602,108
Equity			
Trust Unit equity		\$5,227,500	\$5,242,830
Non-controlling interests		1,118,805	1,094,751
		\$6,346,305	\$6,337,581
Total liabilities and equity		\$12,141,139	\$11,939,689

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

Approved by the Board of Trustees.



Michael Young
Trustee



Garry Foster
Trustee

SMARTCENTRES REAL ESTATE INVESTMENT TRUST
CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
(in thousands of Canadian dollars)

	Note	2025	2024
Net rental income and other			
Rentals from investment properties and other	16	\$913,913	\$918,359
Property operating costs and other	17	(350,871)	(370,851)
Net rental income and other		563,042	547,508
Other income and expenses			
General and administrative expense, net	18	(40,612)	(37,672)
Earnings from equity accounted investments	4	7,716	20,589
Fair value adjustment on investment properties	3	(39,292)	(69,671)
Gain (Loss) on sale of investment properties		1,053	(123)
Interest expense	10(d)	(189,106)	(183,099)
Interest income		13,366	14,101
Fair value adjustment on financial instruments		(5,412)	437
Net income and comprehensive income		\$310,755	\$292,070
Net income and comprehensive income attributable to:			
Trust Units		\$251,815	\$236,755
Non-controlling interests		58,940	55,315
		\$310,755	\$292,070

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

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars)

	Note	2025	2024
Cash provided by (used in)			
Operating activities			
Net income and comprehensive income		\$310,755	\$292,070
Items not affecting cash and other items	19	219,154	225,661
Cash interest paid	10(d)	(157,049)	(152,952)
Interest received		6,548	7,300
Distributions from equity accounted investments	4	8,604	7,384
Expenditures on direct leasing costs and tenant incentives		(8,781)	(10,673)
Expenditures on tenant incentives for properties under development		(562)	(5,509)
Changes in other non-cash operating items	19	(1,228)	10,927
Cash flows provided by operating activities		\$377,441	\$374,208
Financing activities			
Proceeds from issuance of unsecured debentures, net of issuance costs	10(b)	797,393	348,758
Proceeds from secured debt		48,224	5,450
Proceeds from unsecured debt		10,754	65,138
Proceeds from revolving operating facilities		480,971	155,109
Repayments of unsecured debentures		(510,000)	(100,000)
Repayments of secured debt		(253,364)	(80,332)
Repayments of unsecured debt		(19,885)	(15,666)
Repayments of revolving operating facility		(399,020)	(261,997)
Distributions paid on Trust Units		(267,681)	(267,630)
Distributions paid on non-controlling interests and Units classified as liabilities		(62,599)	(62,394)
Payment of lease liability		(2,174)	(2,168)
Cash flows used in financing activities		\$(177,381)	\$(215,732)
Investing activities			
Acquisitions and Earnouts of investment properties		(40,795)	(13,122)
Additions to investment properties		(133,651)	(145,222)
Additions to equity accounted investments	4	(32,162)	(46,780)
Additions to equipment		(1,958)	(547)
Advances of mortgages and loans receivable		(23,801)	(92,476)
Repayments of mortgages and loans receivable		19,437	89,279
Development distributions from equity accounted investments	4	20,984	36,732
Net proceeds from sale of investment properties		5,743	16,611
Cash flows used in investing activities		\$(186,203)	\$(155,525)
Increase (decrease) in cash and cash equivalents during the year		13,857	2,951
Cash and cash equivalents – beginning of year		37,694	34,743
Cash and cash equivalents – end of year		\$51,551	\$37,694

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

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

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 20)	Total Equity	
	Trust Units (Note 14)	Retained Earnings	Trust Unit Equity	LP Units (Note 14)	Retained Earnings	LP Unit Equity			
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 and comprehensive income	—	236,755	236,755	—	54,881	54,881	434	292,070	
Units issued on exercise of deferred units	11,14	14	—	14	—	—	—	14	
Conversion of LP exchangeable units	11,14	1,357	—	1,357	—	—	—	1,357	
Issuance of Units	14	—	—	320	—	320	—	320	
Distributions	15	—	(267,630)	(267,630)	—	(47,489)	(47,489)	(365)	(315,484)
Equity - December 31, 2024	\$3,091,489	\$2,151,341	\$5,242,830	\$645,014	\$446,020	\$1,091,034	\$3,717	\$6,337,581	
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 and comprehensive income	—	251,815	251,815	—	58,521	58,521	419	310,755	
Conversion of LP exchangeable units	11,14	536	—	536	—	—	—	536	
Issuance of Units	14	—	—	3,209	—	3,209	—	3,209	
Distributions	15	—	(267,681)	(267,681)	—	(47,696)	(47,696)	(414)	(315,791)
Change in Non-Controlling Interest	3,4	—	—	—	—	—	10,015	10,015	
Equity - December 31, 2025	\$3,092,025	\$2,135,475	\$5,227,500	\$648,223	\$456,845	\$1,105,068	\$13,737	\$6,346,305	

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

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2025 and December 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, condos and rental residences, 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 14. 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 consolidated financial statements have been approved for issue by the Board of Trustees on February 11, 2026. The Board of Trustees has the power to amend the consolidated financial statements after issue.

As at December 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 20, “Related party transactions”).

2. Material accounting policy information

2.1 *Statement of Compliance*

The consolidated financial statements of the Trust are prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) and using the accounting policies described herein.

2.2 *Basis of presentation*

The Trust’s consolidated financial statements are prepared on a going concern basis and have been presented in Canadian dollars, which is the Trust’s functional currency, rounded to the nearest thousands unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

2.3 *Principles of consolidation*

Subsidiaries are all entities over which the Trust has control. The Trust controls an entity when the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Trust. They are deconsolidated from the date that control ceases.

Inter-entity transactions, balances, unrealized losses and unrealized gains on transactions between the Trust and its subsidiaries are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Trust.

Non-controlling interests represent equity interests in subsidiaries not attributable to the Trust. The share of net assets of subsidiaries attributable to non-controlling interests is presented as a component of equity. Net income and comprehensive income are attributed to Trust Units and non-controlling interests.

2.4 *Investment property acquisitions*

When an investment is acquired, the Trust considers the substance of the assets and activities of the acquisition in determining whether the acquisition represents an asset acquisition or a business combination. The transaction is considered to be a business combination if the acquired investment meets the definition of a business, being an integrated set of activities and assets that are capable of being managed for the purposes of providing a return to Unitholders. The Trust elected to consistently use a concentration test that results in an asset acquisition conclusion when substantially all of the fair value of the gross assets is concentrated in a single identifiable asset or group of similar identifiable assets.

When acquisition of an investment does not represent a business, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values at the acquisition date, and no goodwill is recognized. Acquisition-related costs are capitalized to the investment at the time the acquisition is completed.

2.5 *Investment in associates*

Investment in associates includes entities over which the Trust has significant influence but not control or joint control, generally accompanying an ownership of between 20% and 50% of the voting rights. Investment in associates is accounted for using the equity method of accounting and recorded as equity accounted investments on the consolidated balance sheets. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee, including the Trust's pro rata share of changes in fair value of investment property held by the associate from the previous reporting period, after the date of acquisition. The Trust's investment in associates includes any notional goodwill identified on acquisition.

When the Trust's share of losses in an investment in associate equals or exceeds its interest in the investment in associate, including any other unsecured receivables, the Trust does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the investment in associate.

The Trust determines at each reporting date whether there is any objective evidence that the investment in associate is impaired. If this is the case, the Trust calculates the amount of impairment as the difference between the recoverable amount of the investment in associate and its carrying value and recognizes the amount in the consolidated statements of income and comprehensive income.

2.6 *Joint arrangements*

Joint arrangements are arrangements of which two or more parties have joint control. Joint control is the contractual sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. Joint arrangements are classified as either joint operations or joint ventures depending on the Trust's rights and obligations in the arrangement based on factors such as the structure, legal form and contractual terms of the arrangement.

a) *Investment in joint ventures*

A joint venture is a joint arrangement whereby the parties that have joint control only have rights to the net assets of the arrangement. Investment in joint ventures is accounted for using the equity method of accounting and recorded as equity accounted investments on the consolidated balance sheets. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee, including the Trust's pro rata share of changes in fair value of investment property held by the equity accounted investment from the previous reporting period, after the date of acquisition. The Trust's investment in joint ventures includes any notional goodwill identified on acquisition.

When the Trust's share of losses in an investment in joint venture equals or exceeds its interest in the investment in joint venture, including any other unsecured receivables, the Trust does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the investment in joint venture.

The Trust determines at each reporting date whether there is any objective evidence that the investment in joint venture is impaired. If this is the case, the Trust calculates the amount of impairment as the difference between the recoverable amount of the investment in joint venture and its carrying value and recognizes the amount in the consolidated statement of income and comprehensive income.

Investment in associates and investment in joint ventures, collectively, are referred to as "equity accounted investments".

b) *Investment in joint operations*

A joint operation is a joint arrangement whereby the parties that have joint control have rights to the assets and obligations for the liabilities relating to the arrangement. The Trust is a co-owner in several properties that are subject to joint control and has determined that certain current joint arrangements are joint operations as the Trust, through its subsidiaries, is the direct beneficial owner of the Trust's interests in the properties. For these properties, the Trust recognizes its proportionate share of the assets, liabilities, revenue and expenses of these co-ownerships in the respective lines in the consolidated financial statements (see Note 22, "Co-owned property interests").

2.7 *Investment properties*

Investment properties include income properties and properties under development (land or building, or part of a building, or both) that are held by the Trust, or leased by the Trust as a lessee, to earn rentals or for capital appreciation or both.

Acquired investment properties are measured initially at cost, including related transaction costs in connection with asset acquisitions. Certain properties are developed by the Trust internally, and other properties are developed and leased to third parties under development management agreements with Penguin and other vendors ("Earnouts"). Earnouts occur when the vendors retain responsibility for managing certain developments on land acquired by the Trust for additional proceeds paid on completion calculated based on a predetermined, or formula-based, capitalization rate, net of land and development costs incurred by the Trust. The completion of an Earnout is reflected as an additional purchase within investment properties. Costs capitalized to properties under development include direct development and construction costs, Earnout Fees ("Earnout Fees"), borrowing costs, property taxes and other carrying costs, as well as capitalized staff compensation and other costs directly attributable to property under development.

Borrowing costs that are incurred for the purpose of, and are directly attributable to, acquiring or constructing a qualifying investment property are capitalized as part of its cost. The amount of borrowing costs capitalized is determined first by reference to borrowings specific to the project, where relevant, and otherwise by applying a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Borrowing costs are capitalized while acquisition or construction is actively underway and cease once the asset is ready for use as intended by management, or suspended if the development of the asset is suspended, as identified by management.

After the initial recognition, investment properties are recorded at fair value, determined based on comparable transactions, if any. If comparable transactions are not available, the Trust uses alternative valuation methods such as: i) the discounted cash flow valuation method, and ii) land, development and construction costs recorded at market value. Valuations, where obtained externally, are performed during the year with quarterly updates on capitalization rates by professional valuers who hold recognized and relevant professional qualifications and have recent experience in the location and category of the investment property being valued. Related fair value gains and losses are recorded in the consolidated statements of income and comprehensive income in the period in which they arise.

Investment property held by the Trust under a lease is classified as investment property when the definition of an investment property is met and the Trust accounts for the lease as a right-of-use asset. The Trust accounts for all leasehold property interests that meet the definition of investment property held by the Trust as right-of-use assets.

Subsequent expenditure is capitalized to the investment property's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Trust and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognized.

Initial direct leasing costs incurred by the Trust in negotiating and arranging tenant leases are added to the carrying amount of investment properties.

2.8 Assets held for sale

An investment property is classified as held for sale when it is expected that its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For an investment property to be classified as held for sale: i) it must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such property, and ii) the sale must be highly probable, management must be committed to a plan to sell the assets, and the sale is expected generally within one year of classification. Upon designation as held for sale, the investment property continues to be measured at fair value and is presented separately on the consolidated balance sheets.

2.9 Residential development inventory

Residential development inventory, which is developed for sale in the ordinary course of business within the normal operating cycle, is stated at the lower of cost and estimated net realizable value. Residential development inventory is reviewed for impairment at each reporting date. An impairment loss is recognized as an expense when the carrying value of the property exceeds its net realizable value. Net realizable value is based on projections of future cash flows, which take into account the development plans for each project and management's best estimate of the most probable set of anticipated economic conditions.

The cost of residential development inventory includes borrowing costs directly attributable to projects under active development. The amount of borrowing costs capitalized is determined first by reference to borrowings specific to the project, where relevant, and otherwise by applying a weighted average interest rate for the Trust's other borrowings to eligible expenditures. Borrowing costs are not capitalized on residential development inventory where no development activity is taking place. Residential development inventory is presented separately on the consolidated balance sheets as current assets, as the Trust intends to sell these assets in the ordinary course of business within the normal operating cycle.

2.10 Intangible assets

The Trust's intangible assets comprise key joint venture relationships, trademarks and goodwill. The joint venture relationships and trademarks have finite useful lives, and as such are amortized over a period of 30 years and reviewed for impairment when an indication of impairment exists. Goodwill is not amortized but tested for impairment at least annually, or more frequently if there are indicators of impairment.

2.11 Classification of Units as equity and liabilities

a) Trust Units

The Trust Units meet the definition of a financial liability under IFRS as the redemption feature of the Trust Units creates an unavoidable contractual obligation to pay cash. Therefore, the Trust Units are considered to be "puttable instruments" and are presented as equity.

To be presented as equity, a puttable instrument must meet all of the following conditions: i) it must entitle the holder to a pro rata share of the entity's net assets in the event of the entity's dissolution; ii) it must be in the class of instruments that is subordinate to all other instruments; iii) all instruments in the class in ii) must have identical features;

iv) other than the redemption feature, there can be no other contractual obligations that meet the definition of a liability; and v) the expected cash flows for the instrument must be based substantially on the profit or loss of the entity or change in fair value of the instrument. This is called the “Puttable Instrument Exemption”.

The Trust Units meet the Puttable Instrument Exemption criteria and, accordingly, are presented as equity in the consolidated financial statements. The distributions on Trust Units are deducted from retained earnings.

b) Limited Partnership Units

The Class B General Partnership Units and Class D Limited Partnership Units of Smart Limited Partnership (referred to herein as “Smart LP Units”), Class B Limited Partnership Units of Smart Limited Partnership II (referred to herein as “Smart LP II Units”), Class B General Partnership Units of Smart Limited Partnership III (referred to herein as “Smart LP III Units”), Class B General Partnership Units of Smart Limited Partnership IV (referred to herein as “Smart LP IV Units”), Class B General Partnership Units and Class D Limited Partnership Units of Smart Oshawa South Limited Partnership (referred to herein as “Smart Oshawa South LP Units”), Class B General Partnership Units and Class D Limited Partnership Units of Smart Oshawa Taunton Limited Partnership (referred to herein as “Smart Oshawa Taunton LP Units”), Class B Limited Partnership Units of ONR Limited Partnership (referred to herein as “ONR LP Units”), Class B Limited Partnership Units of ONR Limited Partnership I (referred to herein as “ONR LP I Units”), Class B Limited Partnership Units of Smart Boxgrove Limited Partnership (referred to herein as “Smart Boxgrove LP Units”), and Class D Limited Partnership Units of SmartVMC West Limited Partnership (referred to herein as “SmartVMC West LP Units”) are exchangeable into Trust Units at the partners’ option. All limited partnership units that are presented as equity are referred to herein as “LP Units” (individually, each of these limited partnerships are referred to herein as an LP).

Each respective LP Unit meets the Puttable Instrument Exemption conditions and, as such, are presented in equity as non-controlling interests in the Trust’s consolidated financial statements.

The Class D Smart LP Units, Class F Smart LP Units, Class D Smart Oshawa South LP Units, Class D Smart Oshawa Taunton LP Units, Class B ONR LP Units, Class B ONR LP I Units, and Class D SmartVMC West LP Units (collectively referred to herein as “Units classified as liabilities”), are considered puttable instruments and are classified as financial liabilities at FVTPL. The distributions on such Units are classified as interest expense in the consolidated statement of income and comprehensive income. The Trust considers distributions on such Units classified as interest expense to be a financing activity in the consolidated statement of cash flows.

2.12 Financial assets and liabilities – Recognition and measurement

The Trust recognizes a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument.

Initial Recognition

Such financial assets or financial liabilities are initially recognized at their fair value, including directly attributable transaction costs in the case of a financial asset or financial liability not subsequently measured at fair value through profit or loss. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Subsequent measurement depends on the initial classification of the financial asset or financial liability.

Classification

The classification of financial assets depends on the Trust’s business model for managing the financial assets and their contractual cash flows characteristics. Financial assets are classified and measured based on the following categories:

- amortized cost;
- fair value through other comprehensive income (“FVTOCI”); and
- fair value through profit or loss (“FVTPL”).

The following table summarizes the Trust's classification and measurement of financial assets and liabilities:

	Note	Classification under IFRS 9
Financial assets		
Mortgages, loans and notes receivable		Amortized cost
Amounts receivable and other		Amortized cost
Cash and cash equivalents		Amortized cost
Total return swap receivable		FVTPL
Other financial assets		FVTPL
Financial liabilities		
Accounts payable and other payables		Amortized cost
Secured debt		Amortized cost
Revolving operating facilities		Amortized cost
Unsecured debt		Amortized cost
Units classified as liabilities	2.11	FVTPL
Earnout options	2.14	FVTPL
Deferred unit plan ("DUP")	2.14	FVTPL
Equity incentive plan ("EIP")	2.14	FVTPL
Other financial liabilities		FVTPL

The following table describes the valuation techniques used in the determination of the fair values of the financial assets and liabilities:

Type	Valuation approach
Mortgages, loans and notes receivable	The fair value of each mortgage, loan and note receivable is based on the current market conditions for financing with similar terms and risks.
Accounts receivable, cash and cash equivalents, and trade payables and other liabilities	The carrying amount approximates fair value due to the short-term maturity of these instruments.
Total return swap receivable	Fair value is determined by reference to the value of the underlying notional Trust Units at each reporting date.
Currency swap agreement	Fair value is determined as the difference between the foreign exchange rate between Canadian dollars and U.S. dollars as per the swap agreement and the foreign exchange rate at the reporting date on the specified notional amount.
Interest rate swap agreements	The fair value is determined using the discounted cash flow valuation technique on the expected cash flows of the derivatives. The future fixed cash payments and the expected variable cash receipts are discounted to the reporting date, and then netted to determine the fair value of each interest rate swap agreement.
Units classified as liabilities	The fair value is based on closing market trading price of the Trust's Units.
Earnout options	The fair value is valued using a Black-Scholes option pricing model.
DUP	The fair value is based on closing market trading price of the Trust's Units.
EIP	The fair value is valued using a Monte Carlo simulation pricing model.
Long-term debt	Fair value is based on the present value of contractual cash flows, discounted at the Trust's current incremental borrowing rate for similar types of borrowing arrangements or, where applicable, quoted market prices.

Impairment

The Trust assesses, on a forward-looking basis, the expected credit losses ("ECL") associated with its debt instruments carried at amortized cost. The impairment is dependent on whether there has been a significant increase in credit risk.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets ("Unbilled other tenant receivables") relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Trust has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets. The Trust applies the simplified approach permitted by IFRS 9 to record the expected credit loss for tenant receivables where its loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime expected credit loss.

All of the Trust's loans receivable and mortgages receivable at amortized cost are considered to have low credit risk, and the loss allowance recognized during the period was therefore limited to 12 months expected losses. These financial assets are considered by management to be "low credit risk" when these financial assets have a low risk of default and the borrower has a strong capacity to meet its contractual cash flow obligations in the near term.

2.13 **Cash and cash equivalents**

Cash and cash equivalents comprise cash and short-term investments with original maturities of three months or less.

2.14 **Trust and Limited Partnership Unit based arrangements**

a) *Unit options issued to non-employees on acquisitions (the "Earnout options")*

In connection with certain acquisitions and the associated development agreements, the Trust may grant options to acquire Units of the Trust or Limited Partnerships to Penguin or other vendors. These options are exercisable only at the time of completion and rental of additional space on acquired properties at strike prices determined on the date of grant. Earnout options that have not vested expire at the end of the term of the corresponding development management agreement.

The Earnout options are considered to be a financial liability because there is a contractual obligation for the Trust to deliver Trust or Limited Partnership Units upon exercise of the Earnout options. The Earnout options are considered to be contingent consideration with respect to the acquisitions they relate to, and are initially recognized at their fair value. The Earnout options are subsequently carried at fair value with changes in fair value recognized in the fair value adjustment on financial instruments in the consolidated statements of income and comprehensive income.

b) *Unit based compensation*

i. *DUP*

Deferred units granted to Trustees with respect to their Trustee fees, as well as the matching deferred units, vest immediately and are considered to be with respect to past services and are recognized as compensation expense upon grant. Deferred units granted to eligible associates with respect to their bonuses vest immediately, and the matching deferred units vest 50% on the third anniversary and 25% on each of the fourth and fifth anniversaries. Deferred units granted relating to amounts matched by the Trust are considered to be with respect to future services and are recognized as compensation expense based upon the fair value of Trust Units over the vesting period of each deferred unit.

The deferred units earn additional deferred units for the distributions that would otherwise have been paid on the deferred units as if they instead had been issued as Trust Units on the date of grant. The deferred units are considered to be a financial liability because there is a contractual obligation for the Trust to deliver Trust Units or settle in cash upon conversion or redemption of the deferred units.

The deferred units are measured at fair value using the market price of the Trust Units on each reporting date, with changes in fair value recognized in the consolidated statements of income and comprehensive income as additional compensation expense over their vesting period and as a gain or loss on financial instruments once vested. The additional deferred units are recorded in the consolidated statements of income and comprehensive income as compensation expense over their vesting period and as interest expense once vested.

ii. *EIP*

The Trust's EIP awards officers and key employees of the Trust with performance units when the daily volume weighted average price ("VWAP") of all Trust Units traded on the TSX for 20 consecutive trading days meets or exceeds certain Unit price thresholds set by the Board. Performance units vest over a performance period of three years and are settled for cash or exchanged for Trust Units based on the 10-day VWAP of Trust Units at the redemption date.

At each reporting date, the performance units are measured based on the performance of Trust Units relative to the Unit price threshold targets, the market value of Trust Units and the total performance units granted including additional units for distributions (see also Note 2.21(e)).

2.15 **Revenue recognition**

a) *Rentals from investment properties*

The Trust's rental from investment properties and other comes from different sources and is accounted for in accordance with IFRS 15, "Revenue from Contracts with Customers" ("IFRS 15") and IFRS 16, "Leases" ("IFRS 16").

The Trust's lease agreements may contain both lease and non-lease elements. IFRS 16 requires lessors to allocate consideration in the contracts between lease and non-lease components based on their relative standalone prices. Rentals from investment properties accounted for using IFRS 16 (lease components) include rents from tenants under leases, recoveries of property tax and operating costs that do not relate to additional services provided to lessees, percentage participation rents, lease cancellation fees, parking income and some incidental lease-related income. Rents from tenants may include free rent periods and rental increases over the term of the lease and are recognized in revenue on a straight-line basis over the term of the lease. The difference between revenue income recognized and the cash received is included in investment properties as straight-line rents receivable. Lease

incentives provided to tenants are deferred and amortized against revenue rental income over the term of the lease. Percentage participation rents are recognized after the minimum sales level has been achieved with each lease. Lease cancellation fees are recognized as revenue income once an agreement is completed with the tenant to terminate the lease and the collectibility is probable.

Rentals from investment properties also include certain amounts accounted for under IFRS 15 (non-lease components) where the Trust provides lessees or others with a distinct service. Non-lease components include revenue in a form of recoveries of operating costs where services are provided to tenants (common area maintenance recoveries, chargeback recoveries and administrative recoveries), parking revenue and revenue from other services that are distinct. The respective performance obligations are satisfied as services are rendered and revenue is recognized over time. See also Note 16, "Rentals from investment properties and other", for details on amounts related to lease and non-lease components.

Typically, revenue from operating costs recoveries and other services is collected from tenants on a monthly basis and parking revenue is collected at the day when the respective service has been provided. This results in immaterial contract balances as at each reporting date.

b) Service and other revenues

The Trust provides asset and property management services to co-owners, partners and third parties for which it earns market-based construction, development and other fees. These fees are recognized over time in accordance with IFRS 15 as the service or activity is performed. Where a contract has multiple deliverables, the Trust identifies the different performance obligations of the contract and recognizes the revenue allocated to each obligation as the respective obligation is met.

The Trust recognizes non-lease component revenue to depict the transfer of goods or services to customers in amounts that reflect the consideration to which the Trust expects to be entitled in exchange for those goods or services. It applies to all contracts with customers, excluding leases, financial instruments and insurance contracts.

c) Residential development inventory

The revenue generated from contracts with customers on the sale of townhomes is recognized at a point in time when control of the asset (i.e., townhome) has transferred to the purchaser (i.e., generally, when the purchaser takes possession of the townhome) as the purchaser has the ability to direct the use of and obtain substantially all of the remaining benefits from the asset. The amount of revenue recognized is based on the transaction price included in the purchasers' contracts. Any funds received prior to the purchasers taking possession of their respective assets are recognized as deferred revenue (contractual liability).

d) Interest income

Interest income is recognized as interest accrues using the effective interest method. When a loan and receivable are impaired, the Trust reduces the carrying amount to its recoverable amount, which is the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loans and receivables is recognized using the original effective interest rate.

2.16 Tenant receivables

Tenant receivables are recognized initially at fair value and subsequently are measured at amortized cost using the effective interest method, less impairment provision. The carrying amount receivable from tenants is net of the allowance for expected credit losses. Increases in (or reversals of) expected credit losses are recorded as a charge (recovery) in the consolidated statements of income and comprehensive income within "Property operating costs". The Trust records the expected credit loss to comply with IFRS 9's simplified approach for tenant receivables where its loss allowance is measured at initial recognition and throughout the life of the receivable at an amount equal to lifetime expected credit loss.

2.17 Current and deferred income tax

The Trust is taxed as a mutual fund trust for Canadian income tax purposes. In accordance with the Declaration of Trust, distributions to Unitholders are declared at the discretion of the Trustees. The Trust endeavours to distribute a sufficient amount in each taxation year to ensure that the Trust will not be subject to tax on its net income and net capital gains under Part I of the *Income Tax Act* (Canada) ("Tax Act").

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

2.18 Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the person or group that allocates resources to and assesses the performance of the operating segments of an entity. The Trust has determined that its chief operating decision-maker is the Executive Chairman and Chief Executive Officer.

2.19 Leases

Upon lease commencement where the Trust is the lessee, the Trust records a right-of-use asset at the amount equal to the lease liability. The lease liability is initially measured at the present value of lease payments payable over the lease term, discounted at the Trust's incremental borrowing rate. The lease liability is subsequently measured at amortized cost using the effective interest method.

However, as and when rent changes as a result of lease payments being linked to a rate or index, leased assets and liabilities have to be remeasured. A lease modification is accounted for as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the standalone price for the increase in scope.

With respect to tenant improvements in connection with the sublease, under IFRS 16, tenant improvements provided by the Trust are not included in the cost of the right-of-use asset. However, when the leased property meets the definition of investment property under IAS 40 (see Note 2.7), the Trust presents tenant improvements that enhance the value of the leased property as an adjustment together with right-of-use assets or incentives resulting in an adjustment to revenue within investment.

2.20 Foreign currency translation

The Trust records foreign currency transactions initially at the rate of exchange at the date of the transaction. If the transaction spans over a period of time, the Trust records the foreign currency transaction at the average rate of exchange for the transaction period.

At each reporting date, foreign currency monetary amounts are reported using the closing rate, which is the spot exchange rate at the end of the reporting period.

2.21 Critical accounting judgments and estimates

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

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

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

a) Investment properties

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

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

The valuation of the investment properties is the main area of judgment exercised by the Trust. The valuations of investment properties are dependent on: i) projected future cash flows for income properties and properties under development, and ii) land, development and construction costs for properties under development, and discount rates applicable to those assets. The projected cash flows for each property are based on the location, type and quality of the property and supported by the terms of any existing leases, other contracts or external evidence such as current market rents for similar properties, and adjusted for estimated vacancy rates and estimated maintenance costs. Discount rate is based on the location, size and condition of the properties and takes into account market data at the valuation date. These assumptions may not ultimately be achieved. The

critical estimates and assumptions underlying the valuation of investment properties are set out in Note 3 “Investment properties”.

Management internally values the entire portfolio of investment properties, taking into account available external data. In addition, the Trust endeavours to obtain external valuations of approximately 15%–20% (by value) of the portfolio annually carried out by professionally qualified valuers in accordance with the Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors. Properties are rotated annually to ensure that approximately 50% (by value) of the portfolio is appraised externally over a three-year period. Judgment is applied in determining the extent and frequency of independent appraisals.

b) *Joint arrangements*

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

c) *Intangible assets*

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

d) *Income taxes*

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

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

e) *EIP*

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

2.22 *Future changes in accounting policies*

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

IFRS 18, Presentation and Disclosure in Financial Statements (“IFRS 18”)

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

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

3. Investment properties

The following table summarizes the activities in investment properties:

	Note	Year Ended December 31, 2025			Year Ended December 31, 2024		
		Income Properties	Properties Under Development	Total	Income Properties	Properties Under Development	Total
Balance – beginning of year		\$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		–	35,264	35,264	–	23,378	23,378
Earnout Fees on properties subject to development management agreements	3(f)(ii)	7,971	–	7,971	998	–	998
Transfer from properties under development to income properties		97,666	(97,666)	–	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)
Recognition of properties under development from equity accounted investments as a result of change in control	3(c)	–	52,150	52,150	–	–	–
Capital and development expenditures		36,257	70,456	106,713	35,817	80,364	116,181
Capitalized interest	10(d)	–	31,623	31,623	–	35,587	35,587
Dispositions	3(d)	–	(5,750)	(5,750)	–	(16,630)	(16,630)
Straight-line rents and tenant incentives ⁽¹⁾		4,477	–	4,477	10,171	–	10,171
Fair value adjustment on investment properties		100,692	(139,984)	(39,292)	89,141	(158,812)	(69,671)
Balance – end of year		\$9,189,352	\$1,663,587	\$10,852,939	\$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 \$7,679 and \$7,757, respectively (year ended December 31, 2024 – \$8,063 and \$7,422, respectively).

Secured debt with a carrying value of \$511,188 (December 31, 2024 – \$716,495) is secured by investment properties with a fair value of \$1,990,722 (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.

Using the discounted cash flow valuation method, the fair value of income properties is estimated based on assumptions of the asset's benefits and liabilities over its life, over an average period of 10 years in addition to its terminal value. The 10 years of annual net cash flows and the terminal cash flows are projected for each property, and then a discount rate is applied to each of these cash flows to establish the present value of future cash flows for each property. Annual net cash flows are estimated as rental revenue, less operating expenses, a vacancy allowance and other adjustments. The terminal value is estimated based on the application of a terminal capitalization rate to each property's stabilized net operating income ("NOI"). The sum of the present value of future cash flows, including its discounted terminal value, represents the estimated fair value of each property.

The significant areas of estimation uncertainty in determining the fair value of income properties include among other things the projected cash flows and the discount rate for each property. The projected cash flows for each property are based on expected inflows and outflows, and are based on the location, type and quality of the property and supported by the terms of any existing leases, other contracts or external evidence such as current market rents for similar properties, and adjusted for estimated vacancy rates based on current and expected future market conditions after expiry of any current leases and expected maintenance costs. The discount rate for each property is based on the location, size and quality of the property, taking into account market data at the valuation date.

ii) Properties under development

Properties under development are valued using two primary methods: i) discounted cash flow valuation 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.

Using the discounted cash flow valuation method, the fair value of properties under development is estimated based on assumptions of the asset's benefits and liabilities over its life, over an average period of 10 years in addition to its terminal value. The 10 years of annual net cash flows and the terminal cash flows are projected for each property, and then a discount rate is applied to each of these cash flows to establish the present value of future cash flows for each property. Annual net cash flows are estimated as rental revenue, less operating expenses, construction costs, a vacancy allowance and other adjustments. The terminal value is estimated based on the application of a terminal capitalization rate to each property's stabilized NOI. The sum of the present value of future cash flows, including its discounted terminal value, represents the estimated fair value of each property.

The following table summarizes significant assumptions in Level 3 valuations:

Valuation Method	December 31, 2025			
	Terminal Capitalization Rate		Discount Rate	
	Weighted Average	Range	Weighted Average	Range
<i>Income properties</i>				
Discounted cash flow	6.00 %	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	5.98 %	4.20% - 7.40%	6.58 %	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 December 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 %	\$11,165,191	\$1,975,839	5.58 %	\$133,670	\$18,700
(0.50)%	6.03 %	\$10,139,091	\$949,739	6.08 %	\$123,670	\$8,700
(0.25)%	6.28 %	\$9,693,191	\$503,839	6.33 %	\$119,270	\$4,300
—%	6.53 %	\$9,189,352	\$—	6.58 %	\$114,970	\$—
0.25%	6.78 %	\$8,912,991	\$(276,361)	6.83 %	\$111,270	\$(3,700)
0.50%	7.03 %	\$8,568,891	\$(620,461)	7.08 %	\$107,870	\$(7,100)
1.00%	7.53 %	\$7,956,791	\$(1,232,561)	7.58 %	\$101,870	\$(13,100)

b) Acquisitions and Earnouts**Acquisitions and Earnouts completed during the year ended December 31, 2025**

The following table summarizes the Acquisitions and Earnouts completed during the year ended December 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)
Stoney Creek, Ontario	October 2025	Land parcel	0.7 acres	1,527	1,637	—	(110)
Bolton, Ontario	November 2025	Land parcel	14.3 acres	17,513	17,928	—	(415)
Earnouts	Varies	Land parcel / Retail	117,000 sq. ft.	12,471	9,406	3,209	(144)

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

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

	Date of Acquisition	Type	Area	Purchase Proceeds	Satisfied through			
					Cash	Issuance of LP Units	Debt	Other Adjustments
Acquisitions								
51 Yonge Street, Toronto, Ontario	February 2024	Property under development	10,650 sq. ft.	\$21,555	\$11,536	\$—	\$10,000	\$19
London, Ontario	July 2024	Land parcel	6.1 acres	1,823	816	—	—	1,007
Earnouts	September 2024	Retail	2,232 sq. ft.	1,071	751	320	—	—

See also Note 4, "Equity accounted investments", for additional details on acquisitions reflected in equity accounted investments.

c) Recognition of properties under development from equity accounted investments as a result of change in control

Pursuant to the limited partnership agreement between the Trust and one of its residential apartment joint venture partners, the Trust's option to acquire the remaining 25% interest in the limited partnership became exercisable. As a result, the Trust obtained control, as defined under IFRS 10, over the limited partnership and consolidated its assets and liabilities. A non-controlling interest of \$10,000 was recognized in respect of the partner's retained ownership interest.

d) Dispositions**Dispositions of investment properties during the year ended December 31, 2025**

The following table summarizes the dispositions on investment properties completed during the year ended December 31, 2025:

Location	Date of Disposition	Type	Area	Ownership Interest	Disposition Proceeds
Mascouche, Quebec	February 2025	Land parcel	1.3 acres	100 %	\$2,700
Jonquiere, Quebec	September 2025	Property under development	9.1 acres	100 %	3,050

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

The following table summarizes the dispositions on investment properties completed during the year ended December 31, 2024:

Location	Date of Disposition	Type	Area	Ownership Interest	Disposition Proceeds
Bradford, Ontario	January 2024	Land parcel	3.3 acres	100 %	\$6,786
Laval, Quebec ⁽¹⁾	April 2024	Land parcel	1.8 acres	100 %	4,500
Mascouche, Quebec	October 2024	Land parcel	4.7 acres	100 %	9,893

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

e) Leasehold property interests

At December 31, 2025, 15 (December 31, 2024 - 15) investment properties with a fair value of \$965,505 (December 31, 2024 - \$960,323) are leasehold property interests accounted for as leases with Penguin (see also Note 20, "Related party transactions").

One of these leasehold properties, with a fair value of \$93,863 (December 31, 2024 – \$91,807), was entered into in 2003 under a 35-year lease with Penguin and includes a purchase option exercisable at the end of the lease term in 2038 for a payment of \$10,000, which is considered to be a bargain purchase option. As the Trust expects to exercise this option, the related purchase option amount and remaining lease obligation are recognized in accounts and other payables in accordance with IFRS 16 (see also Note 12, “Accounts and other payables”).

f) Properties under development

i) Properties under development not subject to development management agreements

During the year ended December 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 year ended December 31, 2025, the land and development costs transferred for completed projects totalled \$92,342 (year ended December 31, 2024 – \$81,566).

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

At December 31, 2025, properties under development with a carrying value of \$15,756 (December 31, 2024 – \$22,766) are subject to development management 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 11, “Other financial liabilities”.

The following table summarizes the development costs incurred (exclusive of the cost of land previously acquired) and Earnout Fees paid to vendors relating to the completed retail spaces that have been reclassified to income properties:

	Year Ended December 31	
	2025	2024
Development costs incurred	\$5,324	\$229
Earnout Fees paid	7,971	998
	\$13,295	\$1,227

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		December 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	21	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	Other	1	50.0 %	1	50.0 %
Residential apartments ⁽²⁾	Greenwin	—	—	1	75.0 %

(1) The Trust's investments in associates are partnered with Penguin. See also Note 20, "Related party transactions".

(2) See Note 3(c) for further details.

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

	Year Ended December 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 year	\$436,437	\$313,182	\$749,619	\$466,089	\$290,830	\$756,919
Operating Activities:						
Earnings	7,318	398	7,716	5,352	15,237	20,589
Distributions - VMC Residences condo unit closings	—	—	—	(37,886)	—	(37,886)
Distributions - operating activities	(3,789)	(4,815)	(8,604)	(4,204)	(3,180)	(7,384)
Financing Activities:						
Fair value adjustment on loan	2,847	—	2,847	2,833	—	2,833
Investing Activities:						
Cash contribution	2,259	29,903	32,162	7,471	39,309	46,780
Derecognition of equity accounted investments as a result of change in control	—	(39,119)	(39,119)	—	—	—
Property contribution	—	—	—	—	4,500	4,500
Development distributions	(3,220)	(17,764)	(20,984)	(3,218)	(33,514)	(36,732)
Investment - end of year	\$441,852	\$281,785	\$723,637	\$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	December 31, 2025				December 31, 2024			
	Associates				Associates			
Equity accounted investments in:	PCVP	VMC Residences ⁽¹⁾	Joint Ventures	Total	PCVP	VMC Residences ⁽¹⁾	Joint Ventures	Total
Non-current assets	\$1,428,251	\$—	\$1,034,078	\$2,462,329	\$1,419,166	\$—	\$1,014,087	\$2,433,253
Current assets	84,179	157,873	28,361	270,413	56,078	164,764	17,193	238,035
Total assets	\$1,512,430	\$157,873	\$1,062,439	\$2,732,742	\$1,475,244	\$164,764	\$1,031,280	\$2,671,288
Non-current liabilities	\$584,926	\$—	\$359,350	\$944,276	\$610,676	\$—	\$223,576	\$834,252
Current liabilities ⁽²⁾	100,735	101,237	120,290	322,262	48,095	107,955	191,722	347,772
Total liabilities	\$685,661	\$101,237	\$479,640	\$1,266,538	\$658,771	\$107,955	\$415,298	\$1,182,024
Net assets	\$826,769	\$56,636	\$582,799	\$1,466,204	\$816,473	\$56,809	\$615,982	\$1,489,264
Trust's share of net assets before adjustments	413,385	27,702	281,785	722,872	408,236	27,062	313,182	748,480
Fair value adjustment on loan	493	272	—	765	716	423	—	1,139
Trust's share of net assets	\$413,878	\$27,974	\$281,785	\$723,637	\$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 December 31, 2025, the balance includes loan payable to the Trust of \$57,454 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 \$57,581 (December 31, 2024 - \$60,144).

The joint ventures listed above have entered into various development construction contracts with existing commitments totalling \$84,683 (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 December 31, 2025, the investment in associates had development credit facilities with an outstanding balance of \$316,400 (December 31, 2024 - \$458,100), of which the Trust's share was \$158,200 (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 December 31, 2025, the joint ventures had development credit facilities with an outstanding balance of \$90,905 (December 31, 2024 - \$130,014), of which the Trust's share was \$45,452 (December 31, 2024 - \$65,007). The development credit facilities bearing interest based on the Adjusted CORRA rate plus 2.70%, maturing 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.

In October 2025, PCVP secured a \$188,792 CMHC mortgage on its purpose-built rental development. The mortgage bears a fixed interest rate of 3.45% and matures in December 2030. The proceeds from the mortgage were used to repay existing indebtedness.

In October 2025, the self-storage facility joint venture (the "JV") entered into a \$160,000 five-year mortgage. The mortgage is secured by ten self-storage facilities and bears a fixed interest of approximately 3.87%. The JV used the proceeds to repay a \$116,000 mortgage secured by eight self-storage facilities upon its maturity and other existing indebtedness.

b) Summary of earnings

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

	Year Ended December 31, 2025				Year Ended December 31, 2024			
	Associates				Associates			
	PCVP	VMC Residences	Joint Ventures	Total	PCVP	VMC Residences	Joint Ventures	Total
Net Income from equity accounted investments in:								
Revenue								
Rental revenue ⁽¹⁾	\$54,227	\$460	\$50,163	\$104,850	\$49,753	\$94	\$43,744	\$93,591
Residential sales revenue	—	163	—	163	—	510	—	510
Operating expense								
Rental operating costs	(25,556)	(156)	(20,301)	(46,013)	(25,128)	(43)	(16,688)	(41,859)
Residential cost of sales	—	2,726	—	2,726	—	(749)	—	(749)
Revenue net of operating expense	\$28,671	\$3,193	\$29,862	\$61,726	\$24,625	\$(188)	\$27,056	\$51,493
Fair value adjustment on investment properties	5,653	—	(1,918)	3,735	18,190	—	26,992	45,182
Interest (expense) income	(21,106)	1,493	(19,559)	(39,172)	(28,499)	3,638	(18,366)	(43,227)
Earnings	\$13,218	\$4,686	\$8,385	\$26,289	\$14,316	\$3,450	\$35,682	\$53,448
Trust's share of earnings (losses) before supplemental cost and additional profit sharing	6,609	1,772	1,965	10,346	7,158	1,813	16,144	25,115
Supplemental cost	(1,063)	—	(1,567)	(2,630)	(3,619)	—	(907)	(4,526)
Trust's share of earnings	\$5,546	\$1,772	\$398	\$7,716	\$3,539	\$1,813	\$15,237	\$20,589

(1) Includes office rental revenue from the Trust in the amount of \$3,152 for the year ended December 31, 2025 (year ended December 31, 2024 - \$3,197).

In accordance with the VMC Supplemental Development Fee Agreement, the Trust invoiced PCVP a net amount of \$2,126 related to associated development fees for the year ended December 31, 2025 (year ended December 31, 2024 - \$7,237).

In accordance with the Supplemental Development and Construction Fee Agreements, the Trust invoiced certain investments in joint ventures for a net amount of \$3,134 related to associated supplemental development fees for the year ended December 31, 2025 (year ended December 31, 2024 - \$1,815).

Acquisitions completed during the year ended December 31, 2025

The following table summarizes the acquisitions completed in equity accounted investments:

	Type	Date of Acquisition	Segment	Area	Purchase Price ⁽¹⁾⁽²⁾
Acquisitions					
New Westminster, British Columbia	Land parcel	June 2025	Self-storage	1.18 acres	\$7,729
Edmonton, Alberta	Land parcel	August 2025	Self-storage	2.54 acres	3,305
Toronto, Ontario	Land parcel	December 2025	Self-storage	1.78 acres	8,313

(1) The purchase price is shown at 100% ownership.

(2) Purchase price includes acquisition costs.

5. Mortgages, loans and notes receivable

The following table summarizes mortgages, loans and notes receivable:

As at	Note	December 31, 2025	December 31, 2024
Loans receivable (a)		\$235,884	\$222,226
Mortgages receivable (b)	20	2	2
Notes receivable (c)	20	2,924	2,924
		\$238,810	\$225,152
Current		180,070	17,022
Non-current		58,740	208,130
		\$238,810	\$225,152

a) Loans receivable

The following table presents loans receivable:

Issued to	Committed	Maturity Date	Interest Rate	Note	December 31, 2025	December 31, 2024
Penguin ⁽¹⁾	23,019	March 2026	Variable	20	\$14,443	\$13,787
Penguin ⁽²⁾	N/A	December 2029	Interest-free	10(b)(iv), 20	55,813	55,382
Penguin ⁽³⁾	1,069	August 2030	Variable	20	1	1
Penguin ⁽⁴⁾	11,024	—	Variable	20	7,268	6,945
Total loans issued to Penguin					\$77,525	\$76,115
PCVP ⁽⁵⁾	N/A	March 2026	Variable	20	57,454	54,843
Self-storage facilities ⁽⁶⁾	114,700	May 2026	Variable	20	90,905	81,191
Total loans issued to equity accounted investments					\$148,359	\$136,034
Greenwin ⁽⁷⁾	10,000	December 2026	10.00 %		10,000	10,077
Total loans issued to unrelated parties					\$10,000	\$10,077
					\$235,884	\$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 \$64,700, is non-interest-bearing, and is repayable at the end of 10 years. As at December 31, 2025, the loan balance of \$55,813 is net of a cumulative fair value adjustment totalling \$8,887.
- (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) Mortgages receivable

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 at December 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

Notes receivable of \$2,924 (December 31, 2024 - \$2,924) have been granted to Penguin. As at December 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 13, "Fair value measurement".

6. Other financial assets

The following table summarizes the components of other financial assets:

As at	December 31, 2025	December 31, 2024
Total return swap ("TRS") receivable (a)	\$86,147	\$81,831
Interest rate swap agreements	8,229	12,720
Currency swap agreements	—	423
	\$94,376	\$94,974

a) TRS receivable

TRS is a contractual agreement to exchange payments based on a specified notional amount and the underlying financial assets for a specific period. The total return to the Trust includes the total return generated by the underlying notional Trust Units, plus any appreciation, if there is any, in the market value of the notional Trust Units, less the amount equal to any decline, if there is any, in the market value of the underlying notional Trust Units. The TRS agreement requires the exchange of net contractual payments periodically without the exchange of the notional principal amounts on which the payments are based. Changes in market value are recorded in net income and comprehensive income. The Trust has funded the total return swap agreement by a loan from the counterparty which is measured at amortized cost.

The total return swap receivable reflects the market value of the swap agreement, and is determined by reference to the value of the underlying notional Trust Units at each reporting date. The gain (loss) will be realized when the total return swap agreement matures or is unwound.

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

	Year Ended December 31, 2025	Year Ended December 31, 2024
Balance - beginning of year	\$81,831	\$127,820
Distributions received	(6,189)	(8,673)
Settlement	—	(47,237)
Fair value adjustments	10,505	9,921
Balance - end of year	\$86,147	\$81,831

7. Intangible assets

The following table summarizes the components of intangible assets:

As at	December 31, 2025			December 31, 2024		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Intangible assets with finite lives:						
Key joint venture relationships	\$36,944	\$13,047	\$23,897	\$36,944	\$11,815	\$25,129
Trademarks	2,995	1,058	1,937	2,995	958	2,037
Total intangible assets with finite lives	\$39,939	\$14,105	\$25,834	\$39,939	\$12,773	\$27,166
Goodwill	13,979	—	13,979	13,979	—	13,979
Total intangible assets	\$53,918	\$14,105	\$39,813	\$53,918	\$12,773	\$41,145

The total amortization expense recognized for the year ended December 31, 2025 amounted to \$1,332 (year ended December 31, 2024 - \$1,331).

8. Residential development inventory

Residential development inventory consists of development lands, co-owned with Fieldgate, located at Vaughan NW, Ontario, for the purpose of developing and selling residential townhome units.

The following table summarizes the activity in residential development inventory:

As at	December 31, 2025	December 31, 2024
Balance - beginning of year	\$31,738	\$51,719
Development costs	767	21,381
Capitalized interest	981	1,483
Cost of sales	(12,332)	(42,845)
Balance - end of year	\$21,154	\$31,738

9. 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 deferred financing costs:

As at	December 31, 2025	December 31, 2024
Amounts receivable and other		
Tenant receivables	\$31,434	\$26,751
Unbilled other tenant receivables	11,997	8,164
Receivables from related party – excluding equity accounted investments	21,794	15,441
Receivables from related party – equity accounted investments	11,027	10,034
Other non-tenant receivables ⁽¹⁾	26,383	22,279
	\$102,635	\$82,669
Allowance for expected credit loss (“ECL”)	(9,870)	(6,234)
Amounts receivable and other, net of allowance for ECL	\$92,765	\$76,435
Non-current portion of amounts receivable	(17,935)	(12,994)
	\$74,830	\$63,441
Prepaid expenses, deposits and deferred financing costs ⁽²⁾	\$14,269	\$12,696

(1) The amount includes a related party amount of \$13,400 (December 31, 2024 – \$11,669).

(2) Includes prepaid realty tax of \$1,104 (December 31, 2024 – \$1,105).

The non-current portion of amounts receivable represents a related party receivable from Penguin of \$17,935 (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 20, “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:

	Year Ended December 31	
	2025	2024
Balance – beginning of year	\$6,234	\$8,983
Net allowance	3,636	(2,749)
Balance – end of year	\$9,870	\$6,234

10. Debt

The following table presents debt balances:

As at	December 31, 2025	December 31, 2024
Secured debt (a)	\$511,188	\$716,495
Unsecured debt (b)	4,572,844	4,286,735
Revolving operating facilities (c)	125,000	43,049
	\$5,209,032	\$5,046,279
Current	755,426	986,915
Non-current	4,453,606	4,059,364
	\$5,209,032	\$5,046,279

a) Secured debt

As at December 31, 2025, the secured debt balance of \$511,188 (December 31, 2024 - \$716,495) bears a weighted average interest rate of 4.53% (December 31, 2024 - 3.97%), and comprises \$476,148 (December 31, 2024 - \$711,045) at fixed interest rates, and \$35,040 (December 31, 2024 - \$5,450) at variable interest rates of Adjusted CORRA rate plus 1.45% to 1.50%. The secured debt, maturing between 2026 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.

The following table presents principal repayment requirements for secured debt:

	Instalment Payments	Lump Sum Payments at Maturity	Total
2026	\$15,305	\$106,720	\$122,025
2027	10,540	25,200 ⁽¹⁾	35,740
2028	10,618	15,753	26,371
2029	10,794	8,243	19,037
2030	9,723	77,382	87,105
Thereafter	13,845	208,089	221,934
	\$70,825	\$441,387	\$512,212
Unamortized acquisition date fair value adjustments			163
Unamortized financing costs			(1,187)
			\$511,188

(1) Includes construction loans in the amount of \$25,200, which bear interest at Adjusted CORRA rate plus 145 basis points.

b) Unsecured debt

The following table summarizes the components of unsecured debt:

As at	December 31, 2025	December 31, 2024
Unsecured debentures i)	\$3,292,159	\$3,003,193
Credit facilities ii)	1,072,079	1,073,524
TRS debt iii)	95,995	95,995
Other unsecured debt iv)	112,611	114,023
	\$4,572,844	\$4,286,735

i) Unsecured debentures

As at December 31, 2025, unsecured debentures totalled \$3,292,159 (December 31, 2024 - \$3,003,193). Unsecured debentures mature at various dates between 2026 and 2032, with interest rates ranging from 2.31% to 5.35%, and a weighted average interest rate of 3.93% as at December 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	December 31, 2025	December 31, 2024
Series N ⁽¹⁾	February 6, 2025	3.56 %	February 6 and August 6	\$—	\$160,000
Series X ⁽¹⁾	December 16, 2025	1.74 %	June 16 and December 16	—	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 AC	June 12, 2029	3.60 %	June 12 and December 12	250,000	—
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	—
Series AD	June 12, 2032	4.32 %	June 12 and December 12	250,000	—
		3.93 % ⁽²⁾		\$3,300,000	\$3,010,000
		Unamortized financing costs		(7,841)	(6,807)
				\$3,292,159	\$3,003,193

(1) The Series N and Series X debentures were repaid in full on the maturity date.

(2) Represents the weighted average annual interest rate and excludes unamortized financing costs.

Unsecured debenture activities for the year ended December 31, 2025

In February 2025, the Trust issued \$300,000 of 4.74% 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.

In November 2025, the Trust issued \$250,000 of 3.60% Series AC and \$250,000 of 4.32% Series AD senior unsecured debentures (net proceeds of the issuance in aggregate after issuance costs - \$498,458). The Series AC and Series AD debentures will mature on June 12, 2029 and June 12, 2032, respectively. The debentures have semi-annual payments due on June 12 and December 12 of each year, commencing on June 12, 2026. Concurrently, the Trust repaid the \$350,000 aggregate principal of Series X 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 August 2025, DBRS kept the Trust's credit rating at BBB and maintained a stable trend.

c) Revolving operating facilities

As at December 31, 2025, the Trust had three revolving operating facilities, aggregating to \$950,000 (December 31, 2024 - \$850,000).

i) \$750,000 unsecured revolving operating facility

A \$750,000 unsecured revolving operating facility bearing interest at 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. In December 2025, the Trust renewed and amended its \$100,000 revolving senior unsecured term facility. The amendment extended the maturity of the facility from December 2025 to January 2027.

iii) \$100,000 revolving senior unsecured term facility

In June 2025, the Trust entered into a \$100,000 revolving senior unsecured term facility bearing interest at Adjusted CORRA plus 120 basis points.

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				December 31, 2025	December 31, 2024
Revolving facility maturing June 2029	Adjusted CORRA	1.45 %	\$750,000	\$740,119	\$9,881	\$—	\$—
	Prime Rate	0.45 %					
Revolving facility maturing January 2027 ⁽¹⁾	SOFR	1.55 %	100,000	75,000	—	25,000	43,049
Revolving facility maturing June 2027	Adjusted CORRA	1.20 %	100,000	—	—	100,000	—
				\$815,119	\$9,881	\$125,000	\$43,049

(1) 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:

	Year Ended December 31	
	2025	2024
Interest at stated rates	\$196,283	\$197,049
Amortization of acquisition date fair value adjustments on assumed debt	7	(113)
Amortization of deferred financing costs	4,179	4,015
Distributions on Units classified as liabilities, vested deferred units, and vested EIP	21,241	19,218
	\$221,710	\$220,169
Capitalized to properties under development	(31,623)	(35,587)
Capitalized to residential development inventory	(981)	(1,483)
	\$189,106	\$183,099

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

	Year Ended December 31	
	2025	2024
Interest expense	\$189,106	\$183,099
Amortization of acquisition date fair value adjustments on assumed debt	(7)	113
Amortization of deferred financing costs	(4,179)	(4,015)
Distributions on Units classified as liabilities, vested deferred units, and vested EIP, net of amounts capitalized to properties under development	(21,241)	(19,218)
Change in accrued interest payable	(6,630)	(7,027)
Cash interest paid	\$157,049	\$152,952

For the year ended December 31, 2025, total interest expense was \$189,653 (for the year ended December 31, 2024 - \$190,022), which included cash interest paid of \$157,049 (for the year ended December 31, 2024 - \$152,952), and interest capitalized to both properties under development and residential development inventory of \$32,604 (for the year ended December 31, 2024 - \$37,070).

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	2026	2027	2028	2029	2030	Thereafter
Secured debt	\$512,212	\$122,025	\$35,740	\$26,371	\$19,037	\$87,105	\$221,934
Unsecured debt	4,518,312	509,000	1,050,000	776,700	982,612	650,000	550,000
Revolving operating facilities	125,000	—	125,000	—	—	—	—
Interest obligations ⁽¹⁾	600,400	151,456	133,434	109,462	88,857	67,377	49,814
Accounts payable	252,220	252,220	—	—	—	—	—
Other payable	36,818	17,352	4,793	2,177	299	279	11,918
	\$6,044,962	\$1,052,053	\$1,348,967	\$914,710	\$1,090,805	\$804,761	\$833,666
Mortgage receivable advances (repayments) ⁽²⁾	(2)	—	—	(2)	—	—	—
Development obligations (commitments)	30,240	30,240	—	—	—	—	—
Total	\$6,075,200	\$1,082,293	\$1,348,967	\$914,708	\$1,090,805	\$804,761	\$833,666

(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 December 31, 2025 mature over a period extending to 2028 if the Trust does not exercise its option to acquire the investment properties.

11. Other financial liabilities

The following table summarizes the components of other financial liabilities:

As at	December 31, 2025	December 31, 2024
Units classified as liabilities (a)	\$201,229	\$191,665
Deferred unit plan (b)	78,878	63,550
Equity incentive plan ("EIP") (c)	31,885	29,010
Currency swap agreement ⁽¹⁾	3,789	—
Interest rate swap agreements	4,162	2,920
	\$319,943	\$287,145
Current ⁽²⁾	302,067	274,526
Non-current	17,876	12,619
	\$319,943	\$287,145

(1) The notional amounts to which the cross currency swap agreements apply are recorded in the credit facilities and revolving operating facilities balances as reflected in Note 10(b)(i) and Note 10(c).

(2) Includes units classified as liabilities of \$201,229 (December 31, 2024 - \$191,665), vested deferred units of \$71,993 (December 31, 2024 - \$57,107), and vested and earned EIP units expected to vest within 12 months of \$28,845 (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 13, "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	10,100
Conversion of LP exchangeable units	(21,153)	(536)
Balance - December 31, 2025	7,814,709	\$201,229
Balance - January 1, 2024	7,897,571	\$196,571
Change in carrying value	N/A	(3,549)
Conversion of LP exchangeable units	(61,709)	(1,357)
Balance - December 31, 2024	7,835,862	\$191,665

b) Deferred unit plan

The following table summarizes the number of outstanding deferred units:

	Year Ended December 31	
	2025	2024
Balance - beginning of year	2,721,349	2,234,187
Granted	377,608	342,159
Reinvested units from distributions	230,915	205,596
Redeemed for cash	(80,911)	(48,359)
Redeemed for units	—	(1,227)
Forfeited	(4,501)	(11,007)
Balance - end of year	3,244,460	2,721,349

As at December 31, 2025, total outstanding deferred units included 2,795,839 vested units (December 31, 2024 - 2,334,704).

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

	Year Ended December 31	
	2025	2024
Carrying value - beginning of year	\$63,550	\$53,650
Deferred units granted	5,065	4,211
Reinvested distributions on vested deferred units	4,909	4,118
Compensation expense - reinvested distributions and amortization	3,921	3,925
Redeemed for cash	(2,113)	(1,174)
Redeemed for units	—	(28)
Fair value adjustment	3,546	(1,152)
Carrying value - end of year	\$78,878	\$63,550

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:

	Year Ended December 31	
	2025	2024
Balance - beginning of year ^{(1) (2)}	1,686,538	1,562,207
Reinvested units from distributions	124,774	124,331
Redeemed for cash	(31,000)	—
Forfeited	(27,089)	—
Balance - end of year	1,753,223	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, \$30.00, and \$32.00 Unit price thresholds have been vested on April 5, 2024, May 18, 2024, September 22, 2024, and April 5, 2025, respectively.

As at December 31, 2025, total outstanding performance units included 1,120,194 vested units (December 31, 2024 - 669,757).

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

Carrying Value	Year Ended December 31	
	2025	2024
Balance - beginning of year	\$29,010	\$22,327
Compensation expense - reinvested distributions and amortization	2,757	6,373
Reinvested distributions on vested EIPs	1,845	563
Fair value adjustment	(746)	(253)
Redeemed for cash	(786)	—
Forfeited	(195)	—
Balance - end of year	\$31,885	\$29,010

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(f)).

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

For the year ended December 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	205,359	\$5,015	16,651	\$428
		205,359	\$5,015	16,651	\$428

(1) Each option is represented by a corresponding Class C Smart LP III Unit. For the year ended December 31, 2025, 137,075 Earnout options on the amount of \$3,209 were converted into 124,902 Class B Smart LP III Units, and 68,284 Earnout options on the amount of \$1,806, were redeemed into cash.

12. 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	December 31, 2025	December 31, 2024
Accounts payable ⁽¹⁾	\$99,112	\$99,601
Tenant prepaid rent, deposits, and other payables	80,969	90,652
Residential sales deposits	189	800
Accrued interest payable	28,349	21,719
Distributions payable	26,598	26,579
Realty taxes payable	1,791	1,753
Current portion of other payables	17,077	19,422
	\$254,085	\$260,526

(1) Includes accounts payable to Penguin in the amount of \$3,995 as at December 31, 2025 (December 31, 2024 - \$4,252). See also Note 20, "Related party transactions".

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

As at	December 31, 2025	December 31, 2024
Future land development obligations with Penguin	\$17,864	\$17,631
Lease liability - investment properties ⁽¹⁾	3,092	2,822
Lease liability - other	7,895	7,127
Total other payables	\$28,851	\$27,580
Less: Current portion of other payables	(17,077)	(19,422)
Total non-current portion of other payables	\$11,774	\$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 20, "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 year ended December 31, 2025, imputed interest of \$478 (for the year ended December 31, 2024 - \$462), was capitalized to properties under development.

13. 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 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).

December 31, 2025	Carrying value	Fair Value		
		Level 1	Level 2	Level 3
Assets measured at fair value:				
Investment properties	\$10,852,939	\$—	\$—	\$10,852,939
TRS receivable	86,146	—	86,146	—
Interest rate swap agreements	8,229	—	8,229	—
Assets measured at amortized cost:				
Mortgages, loans and notes receivable	\$238,810	\$—	\$238,810	\$—
Liabilities measured at fair value:				
Units classified as liabilities	\$201,229	\$—	\$201,229	\$—
DUP	78,878	—	78,878	—
EIP	31,885	—	31,885	—
Currency swap agreement	3,789	—	3,789	—
Interest rate swap agreement	4,162	—	4,162	—
Liabilities measured at amortized cost:				
Secured debt	\$511,188	\$—	\$520,695	\$—
Unsecured debt	4,572,844	—	4,585,483	—
Revolving operating facilities	125,000	—	125,000	—

December 31, 2024	Carrying value	Fair Value		
		Level 1	Level 2	Level 3
Assets measured at fair value:				
Investment properties	\$10,659,783	\$—	\$—	\$10,659,783
TRS receivable	81,831	—	81,831	—
Interest rate swap agreements	12,720	—	12,720	—
Currency swap agreement	423	—	423	—
Assets measured at amortized cost:				
Mortgages, loans and notes receivable	\$225,152	\$—	\$225,152	\$—
Liabilities measured at fair value:				
Units classified as liabilities	\$191,665	\$—	\$191,665	\$—
DUP	63,550	—	63,550	—
EIP	29,010	—	29,010	—
Interest rate swap agreement	2,920	—	2,920	—
Financial liabilities measured at amortized cost:				
Secured debt	\$716,495	\$—	\$726,144	\$—
Unsecured debt	4,286,735	—	4,251,956	—
Revolving operating facilities	43,049	—	43,049	—

14. 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 consolidated balance sheets and the 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, 2024		144,625,322	25,665,255	170,290,577	\$3,090,118	\$644,694	\$3,734,812
Units issued on exercise of deferred units		603	—	603	14	—	14
Options exercised	3(f), 11(d)	—	12,324	12,324	—	320	320
Conversion of LP exchangeable units		61,709	—	61,709	1,357	0	1,357
Balance - December 31, 2024		144,687,634	25,677,579	170,365,213	\$3,091,489	\$645,014	\$3,736,503
Balance - January 1, 2025		144,687,634	25,677,579	170,365,213	\$3,091,489	\$645,014	\$3,736,503
Options exercised	3(f), 11(d)	—	124,902	124,902	—	3,209	3,209
Conversion of LP exchangeable units		21,153	—	21,153	536	—	536
Balance - December 31, 2025		144,708,787	25,802,481	170,511,268	\$3,092,025	\$648,223	\$3,740,248

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 11(d))	Balance - December 31, 2025	Balance - January 1, 2025	Value From Options Exercised (Note 11(d))	Balance - December 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	124,902	4,254,322	110,595	3,209	113,804
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	124,902	25,802,481	\$645,014	\$3,209	\$648,223

LP Class B Unit Type	Number of Units Issued and Outstanding			Carrying Value		
	Balance - January 1, 2024	Options Exercised (Note 11(d))	Balance - December 31, 2024	Balance - January 1, 2024	Value From Options Exercised (Note 11(d))	Balance - December 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	12,324	4,129,420	110,275	320	110,595
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	12,324	25,677,579	\$644,694	\$320	\$645,014

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 LP Units, Class D Oshawa Taunton LP 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 December 31, 2025, there were 33,608,482 (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 20, "Related party transactions" and Note 26, "Subsequent event" for details regarding the Voting Top-Up Right).

15. 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	Year Ended December 31	
	2025	2024
Trust Units	\$267,681	\$267,630
Limited Partnership Units	47,696	47,489
Other non-controlling interest	414	365
Distributions on Units classified as equity	\$315,791	\$315,484
Distributions on Units classified as liabilities	14,489	14,540
Total Unit distributions	\$330,280	\$330,024

On January 16, 2026, the Trust declared a distribution for the month of January 2026 of \$0.15417 per Unit, representing \$1.85 per Unit on an annualized basis, to Unitholders of record on January 31, 2026.

16. Rentals from investment properties and other

The following table presents rentals from investment properties and other:

	Year Ended December 31	
	2025	2024
Gross base rent	\$573,713	\$554,543
Less: Amortization of tenant incentives	(8,056)	(7,665)
Net base rent	\$565,657	\$546,878
Property tax and insurance recoveries	187,081	180,372
Property operating cost recoveries	113,661	102,882
	\$300,742	\$283,254
Miscellaneous revenue	17,673	17,208
Rentals from investment properties	\$884,072	\$847,340
Residential closing revenue	17,357	58,268
Service and other revenues	12,484	12,751
Rentals from investment properties and other	\$913,913	\$918,359

The following table summarizes the future contractual minimum base rent payments under non-cancellable operating leases expected from tenants in investment properties:

As at	December 31, 2025
2026	\$559,370
2027	504,640
2028	416,846
2029	329,020
2030	247,650
Thereafter	681,983

17. Property operating costs and other

The following table summarizes property operating costs and other:

	Year Ended December 31	
	2025	2024
Recoverable property operating costs ⁽¹⁾	\$312,382	\$298,735
Property management fees and costs	5,156	5,825
Expected credit loss (recovery)	3,378	394
Non-recoverable costs	6,413	6,247
Property operating costs	\$327,329	\$311,201
Residential cost of sales and marketing costs	12,332	46,582
Other expenses relating to service and other revenues ⁽²⁾	11,210	13,068
Other expenses	\$23,542	\$59,650
Property operating costs and other	\$350,871	\$370,851

(1) Includes recoverable property tax and insurance costs.

(2) Related to service and other revenues as disclosed in Note 16, "Rentals from investment properties and other".

18. General and administrative expense

The following table summarizes general and administrative expense:

	Year Ended December 31	
	2025	2024
Salaries and benefits	\$28,401	\$26,075
Professional fees	5,158	5,634
Public company costs	2,378	1,372
Amortization of intangible assets	1,331	1,331
Other costs including office rent, information technology, marketing, communications, and other employee expenses	3,344	3,260
General and administrative expense	\$40,612	\$37,672

19. Supplemental cash flow information

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

	Year Ended December 31	
	2025	2024
Fair value adjustments	\$44,704	\$69,234
Loss (gain) on sale of investment properties	(7)	123
Earnings from equity accounted investments	(7,716)	(20,589)
Interest expense	189,106	183,099
Other financing costs	(1,973)	(5,042)
Interest income	(13,366)	(14,101)
Amortization of other assets and intangible assets	6,244	7,359
Lease obligation interest	270	183
Deferred unit compensation expense, net of cash redemptions	1,808	2,751
EIP amortization, net of cash redemptions	84	2,644
	\$219,154	\$225,661

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

	Year Ended December 31	
	2025	2024
Amounts receivable and other	\$(16,330)	\$(2,825)
Prepaid expenses, deposits and deferred financing costs	(1,573)	2,352
Accounts payable	(489)	4,244
Realty taxes payable	38	(965)
Tenant prepaid rent, deposits and other payables, and residential sales deposits	(10,294)	(13,343)
Other working capital changes	27,420	21,464
	\$(1,228)	\$10,927

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

Non-cash investing and financing balances	Year Ended December 31	
	2025	2024
Total return swap receivable	\$86,146	\$81,831
Units issued on acquisition	3,209	320
Liabilities assumed on acquisition, net of other assets	(625)	1,026
Distributions payable at year end	26,598	26,579
Total return swap debt	95,995	95,995

20. 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 December 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	
		December 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	4,254,322	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		38,064,872	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 December 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. See Note 26, "Subsequent event" for details regarding the Voting Top-Up Right.

Pursuant to its rights under the Declaration of Trust, at December 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 year ended December 31, 2025, distributions declared to Penguin totalled \$70,377 (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 \$15,756 (December 31, 2024 - \$22,766) are subject to various development management agreements with Penguin and Walmart. See Note 3(f).

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

Type	Class	December 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	1,407,949	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
		8,927,461	9,132,820

At December 31, 2025, Penguin's ownership would increase to 24.9% (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 December 31, 2025, the Trust had lease obligations for the 14 leasehold interests without bargain purchase options and 1 leasehold interest with bargain purchase option with Penguin. See Note 3(e).

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 12, "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 11, "Other financial liabilities".

See Note 26, "Subsequent event", for additional details regarding the extension of certain related party agreements.

h) Summary of transactions and balances with Penguin

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

	Note	Year Ended December 31	
		2025	2024
Related party transactions with Penguin			
Acquisitions and Earnouts:			
Earnouts	3(f)(ii)	\$12,471	\$1,071
Revenues:			
Service and other revenues:			
Management fee and other services revenue pursuant to the Development and Services Agreement		8,137	7,749
Support services		1,128	1,371
		\$9,265	\$9,120
Interest income from mortgages and loans receivable		1,897	2,357
Rents and operating cost recoveries included in rentals from income properties		2,038	2,226
		\$13,200	\$13,703
Expenses and other payments:			
Fees paid pursuant to the Penguin Services Agreement – capitalized to properties under development		7,574	7,671
EIP – capitalized to properties under development		1,368	3,726
Development fees and interest expense – capitalized to investment properties		926	741
Opportunity fees pursuant to the development management agreements – capitalized to properties under development ⁽¹⁾		60	60
Marketing and other costs – included in general and administrative expense and property operating costs		55	69
Disposition fees pursuant to the Development and Services Agreement – included in general and administrative expense		18	412
		\$10,001	\$12,679

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

As at	Note	December 31, 2025	December 31, 2024
Related party balances with Penguin disclosed elsewhere in the financial statements			
Receivables and Other:			
Amounts receivable and other ^{(1) (2)}	9	\$35,194	\$27,110
Loans receivable	5(a)	77,525	76,115
Mortgages receivable	5(b)	2	2
Notes receivable	5(c)	2,924	2,924
Total receivables		\$115,645	\$106,151
Payables and other accruals:			
Accounts payable and accrued liabilities		3,995	4,252
Future land development obligations	12	17,864	17,631
Total payables and other accruals		\$21,859	\$21,883

(1) Excludes amounts receivable presented below as part of balances with equity accounted investments. This amount includes amounts receivable of \$21,794 and other of \$13,400 (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 \$17,935 (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 9).

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 10(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:

	Year Ended December 31	
	2025	2024
Related party transactions with the Trust's equity accounted investments		
Revenues:		
Supplemental Development Fee	\$5,260	\$9,052
Interest income from mortgages and loans receivable	8,096	7,773
Expenses and other payments:		
Rent and operating costs (included in general and administrative expense and property operating costs)	3,152	3,197

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

As at	Note	December 31, 2025	December 31, 2024
Related party balances disclosed elsewhere in the financial statements			
Amounts receivable ⁽¹⁾	9	\$11,027	\$10,034
Loans receivable ⁽²⁾	5(a)	148,359	136,034
Other unsecured debt ⁽³⁾	10(b)(iv)	112,611	114,023

(1) Amounts receivable includes Penguin's portion, which represents \$5,292 (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 \$28,727 (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 December 31, 2025 (December 31, 2024 - nil).

Other related party transactions

The following table summarizes other related party transactions:

	Year Ended December 31	
	2025	2024
Legal fees incurred from a law firm in which a partner is a Trustee⁽¹⁾:		
Capitalized to investment properties	\$—	\$801
Included in general and administrative expense	—	480
	\$—	\$1,281

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

21. 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 20, "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:

	Year Ended December 31	
	2025	2024
Salaries and other short-term employee benefits	\$3,187	\$3,246
Deferred unit plan	3,452	3,174
EIP	2,488	5,567
	\$9,127	\$11,987

The following table presents the compensation relating to Trustees:

	Year Ended December 31	
	2025	2024
Trustees' fees ⁽¹⁾	\$1,686	\$1,498

(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.

22. Co-owned property interests

The Trust has the following co-owned property interests and includes in these consolidated financial statements its proportionate share of the related assets, liabilities, revenues and expenses of these properties, as presented in the table below:

As at	December 31, 2025		December 31, 2024	
	Number of Co-owned Properties ⁽¹⁾	Ownership Interest	Number of Co-owned Properties ⁽¹⁾	Ownership Interest
Income properties	15	40% - 60%	15	40% - 60%
Properties under development	4	25% - 67%	4	25% - 67%
Mixed-use	1	67%	1	67%
Residential development	2	50%	2	50%
Total	22		22	

(1) Penguin is a co-owner of eight investment properties, consisting of four properties under development, three income properties and one mixed-use property (December 31, 2024 - eight investment properties, consisting of four properties under development, three income properties and one mixed-use property) (see also Note 20, "Related party transactions").

23. Segmented information

As at December 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 22.8% of the Trust's annualized rentals from investment properties for the year ended December 31, 2025 (year ended December 31, 2024 - 23.2%).

24. Risk management

a) Financial risks

The Trust's activities expose it to a variety of financial risks, including interest rate risk, liquidity risk and credit risk. The Trust's overall financial risk management focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Trust's financial performance. The Trust may use derivative financial instruments to hedge certain risk exposures.

i) Interest rate risk

A significant proportion of the Trust's debt is financed at fixed rates with maturities staggered over a number of years, thereby mitigating its exposure to changes in interest rates and financing risks. At December 31, 2025, approximately 25.55% (December 31, 2024 - 24.40%) of the Trust's debt is financed at variable rates, of which 67.62% is subject to interest rate swap agreements with fixed interest rates. The remaining variable rate debt (8.27% of total debt) not subject to interest rate swap agreements represents the Trust's exposure to changes in interest rates on such debt.

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	\$6,317	\$4,211	\$2,106	\$(2,106)	\$(4,211)	\$(6,317)
Net income increase (decrease) from variable-rate mortgages and loans receivable	\$(1,473)	\$(982)	\$(491)	\$491	\$982	\$1,473

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 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	\$647	\$431	\$(216)	\$216	\$431	\$647

The Trust's exposure to interest rate risk is monitored by management on a regular basis (see also Note 10, "Debt").

ii) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities and the ability to lease out vacant units. In the next 12 months, \$1,311,578 of liabilities (including \$755,426 of secured and unsecured debt, \$302,067 of other financial liabilities and \$254,085 of accounts and other payable amounts) will mature and will need to be settled by means of renewal or payment.

The Trust aims to maintain flexibility and opportunities in funding by keeping committed credit lines available, obtaining additional mortgages as the value of investment properties increases, issuing equity or unsecured debentures. The Trust's ability to meet its financial obligations as they become due represents the Trust's exposure to liquidity risk. It is management's intention to either repay or refinance maturing liabilities with newly issued secured or unsecured debt, equity or, in certain circumstances not expected to occur frequently, the disposition of certain assets. Any net working capital deficiencies are funded with the Trust's existing revolving operating facilities. As at December 31, 2025, the Trust had: a) cash and cash equivalents of \$51,551; b) the remaining funds available to be drawn from its \$950,000 in operating facilities and its \$250,000 accordion feature; c) project-specific financing arrangements; and d) \$10,030,521 in unencumbered assets that could be used to obtain additional secured financing to assist with its liquidity requirements.

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

The Trust's liquidity position is monitored by management on a regular basis. A schedule of principal repayments on secured debt and other debt maturities is disclosed in Note 10, "Debt".

iii) Credit risk

Credit risk arises from cash and cash equivalents, as well as credit exposures with respect to mortgages and loans receivable (see also Note 5, "Mortgages, loans and notes receivable") and tenant receivables (see also Note 9, "Amounts receivable and other, prepaid expenses, deposits and deferred financing costs"). Tenants may experience financial difficulty and become unable to fulfil their lease commitments. The Trust mitigates this risk of credit loss by reviewing tenants' covenants, by ensuring its tenant mix is diversified and by limiting its exposure to any one tenant except Walmart. Further risks arise in the event that borrowers of mortgages and loans receivable default on the repayment of amounts owing to the Trust. The Trust endeavours to ensure adequate security has been provided in support of mortgages and loans receivable. The Trust limits cash transactions to high-credit-quality financial institutions to minimize its credit risk from cash and cash equivalents.

The ECL model requires an entity to measure the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition or at an amount equal to 12-month expected credit losses if the credit risk on that financial instrument has not increased significantly since initial recognition. The Trust uses a provision matrix based on historical credit loss experiences to estimate 12-month expected credit losses as the Trust has deemed the risk of credit loss has not increased significantly for both mortgages and loans receivable (see also Note 5, "Mortgages, loans and notes receivable") and tenant receivables (see also Note 9, "Amounts receivable and other, prepaid expenses, deposits and deferred financing costs"). Credit risks for both have been mitigated by various measures, including ensuring adequate security has been provided in support of mortgages and loans receivable and reviewing tenant's covenants, ensuring its tenant mix is diversified and by limiting its exposure to any one tenant except Walmart for tenant receivables. However, the assumptions and estimates underlying the manner in which ECLs have been implemented historically may not be appropriate in the current economic environment, including but not limited to the inflationary environment, rising interest rates, etc. Accordingly, the Trust has not applied its existing ECL methodology mechanically. Instead, during the current economic environment, the Trust has been in discussions with tenants on a case-by-case basis to determine optimal rent payment solutions and has incorporated this available, reasonable and supportable information when estimating ECL on tenant receivables.

iv) Currency risk

The Trust has drawn funds in U.S. dollars, and is exposed to currency risk in the fluctuation of the Canadian dollar to U.S. dollar exchange rate when the liabilities are repaid. At December 31, 2025, approximately 3.28% (December 31, 2024 - 3.83%) of the Trust's debt is financed in U.S. dollar borrowings.

The Trust analyzes its exchange rate exposure on a regular basis. As part of its strategy for managing certain currency risks, the Trust entered into currency swaps. The Trust recognizes any change in fair value associated with currency swap agreements in the consolidated statements of income and comprehensive income. As currency gains or losses on the Trust's debt are offset by fair value gains or losses in the currency swap agreements, the Trust is not exposed to significant currency risk on a net basis.

The Trust's exposure to currency risk is monitored by management on a regular basis (see also Note 10, "Debt").

b) Capital risk management

The Trust defines capital as the aggregate amount of Unitholders' equity, debt and Units classified as liabilities. The Trust's primary objectives when managing capital are: i) to safeguard the Trust's ability to continue as a going concern so that it can continue to provide returns for Unitholders; and ii) to ensure the Trust has access to sufficient funds for operating, acquisitions (including Earnouts) and development activities.

The Trust sets the amount of capital in proportion to risk. The Trust manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Trust may adjust the amount of distributions paid to Unitholders, issue new Units and debt, or sell assets to reduce debt or fund operating, acquisition and development activities.

The Trust anticipates meeting all current and future obligations. Management expects to finance operating, future acquisitions, mortgages receivable, development costs and maturing debt from: i) existing cash balances; ii) a mix of debt secured by investment properties, operating and credit facilities, issuance of equity and unsecured debentures; and iii) the sale of non-core assets. Cash flows generated from operating activities is the source of liquidity to service debt (except maturing debt), sustaining capital expenditures, leasing costs and Unit distributions.

The Trust monitors its capital structure based on the following ratios: interest coverage ratio, debt to total assets and debt to total earnings before interest, taxes, depreciation and amortization and fair value changes associated with investment properties and financial instruments. These ratios are used by the Trust to manage an acceptable level of leverage and are not considered measures in accordance with IFRS, nor are there equivalent IFRS measures.

The following table shows the significant financial covenants that the Trust is required, pursuant to the terms of its revolving operating facilities and other credit facilities, to maintain:

Financial covenants	Threshold
Debt as a percentage of total aggregate assets	≤ 65%
Secured debt as a percentage of aggregate assets	≤ 40%
Fixed charge coverage multiple	≥ 1.5X
Unencumbered assets to unsecured debt multiple	≥ 1.3X
Minimum Unitholders' equity	≥ \$2,000,000

The Trust's indentures require its unsecured debentures to maintain debt to gross book value, including convertible debentures not more than 65%, an interest coverage ratio not less than 1.65X and Unitholders' equity not less than \$500,000.

These covenants are required to be calculated based on Canadian generally accepted accounting principles ("GAAP") at the time of debt issuance. If the Trust does not meet all externally imposed financial covenants, then the related debt will become immediately due and payable unless the Trust is able to remedy the default or obtain a waiver from lenders. For the year ended December 31, 2025, the Trust was in compliance with all financial covenants.

25. Commitments and contingencies

The Trust has certain obligations and commitments pursuant to development management agreements to complete the purchase of Earnouts totalling approximately 96,000 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 December 31, 2025, the carrying value of these obligations and commitments included in properties under development was \$15,756 (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 \$30,240 (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 December 31, 2025 (December 31, 2024 - \$2).

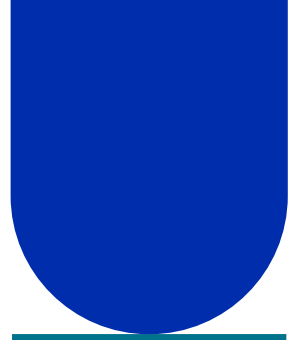
As at December 31, 2025, letters of credit totalling \$39,833 (December 31, 2024 - \$49,467) - including letters of credit drawn down under the revolving operating facilities described in Note 10(c) - have been issued on behalf of the Trust by financial institutions as security for debt and for maintenance 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 consolidated financial statements.

26. Subsequent event

On January 2, 2026, the Trust announced that several key arrangements with Penguin have been extended under their existing terms until February 28, 2026, while negotiations for new five-year terms are ongoing. The extensions apply to the Executive Employment Agreement for Mitchell Goldhar, Executive Chairman and CEO of SmartCentres, the Development Services Agreement supplements, the Penguin Services Agreement, and the Non-Competition Agreement. The Trust also announced that, in accordance with the Declaration of Trust, the Voting Top-Up Right has expired.



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
Scotiabank
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

SMARTCENTRES[®]
REAL ESTATE INVESTMENT TRUST

SMARTCENTRES.COM