

2026 Third Quarter Report

Unaudited Interim Condensed Consolidated Financial Statements

For the three and nine months ended September 30, 2026

SMARTCENTRES®
REAL ESTATE INVESTMENT TRUST

Unaudited Interim Condensed Consolidated Financial Statements

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SMARTCENTRES REAL ESTATE INVESTMENT TRUST

UNAUDITED INTERIM CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands of Canadian dollars)

As at	Note	September 30, 2026	December 31, 2025
Assets			
Non-current assets			
Investment properties	3	**$10,896,197**	$10,852,939
Equity accounted investments	4	**748,585**	723,637
Loans, mortgages, and notes receivable	5	**133,470**	58,740
Other financial assets	6	**13,891**	94,376
Intangible assets		**38,815**	39,813
Other assets		**10,022**	11,825
Amounts receivable	7	**2,302**	17,935
		$11,843,282	$11,799,265
Current assets			
Assets held for sale	3	**17,220**	—
Amounts receivable and other	7	**79,827**	74,830
Cash and cash equivalents		**37,190**	51,551
Prepaid expenses, deposits and deferred financing costs	7	**53,280**	14,269
Current portion of loans, mortgages and notes receivable	5	**128,612**	180,070
Current portion of other financial assets	6	**2,203**	—
Residential development inventory		**—**	21,154
		$318,332	$341,874
Total assets		**$12,161,614**	$12,141,139
Liabilities			
Non-current liabilities			
Debt	8	**$3,893,747**	$4,453,606
Other financial liabilities	9	**11,873**	17,876
Other payables	10	**7,900**	11,774
		$3,913,520	$4,483,256
Current liabilities			
Current portion of debt	8	**1,398,958**	755,426
Current portion of other financial liabilities	9	**324,079**	302,067
Accounts payable and current portion of other payables	10	**252,934**	254,085
		$1,975,971	$1,311,578
Total liabilities		**$5,889,491**	$5,794,834
Equity			
Trust Unit equity		**$5,158,241**	$5,227,500
Non-controlling interests		**1,113,882**	1,118,805
		$6,272,123	$6,346,305
Total liabilities and equity		**$12,161,614**	$12,141,139

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

Approved by the Board of Trustees.



Michael Young
Trustee



Garry Foster
Trustee

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(in thousands of Canadian dollars)

		Three Months Ended September 30		Nine Months Ended September 30	
	Note	**2026**	2025	**2026**	2025
Net rental income and other					
Rentals from investment properties and other	14	**$220,660**	$226,690	**$678,454**	$679,743
Property operating costs and other	15	**(78,813)**	(85,353)	**(258,985)**	(260,275)
Net rental income and other		**141,847**	141,337	**419,469**	419,468
Other income and expenses					
General and administrative expense	16	**(9,403)**	(8,800)	**(31,651)**	(28,255)
Earnings (losses) from equity accounted investments	4	**(2,064)**	2,218	**10,350**	(2,449)
Fair value adjustment on investment properties	3	**39,902**	1,813	**(105,992)**	(57,828)
Gain (loss) on sale of investment properties		**(119)**	1,031	**(113)**	1,038
Interest expense	8(d)	**(49,690)**	(47,838)	**(147,519)**	(140,678)
Interest income		**2,875**	3,259	**8,178**	9,603
Fair value adjustment on financial instruments		**56,129**	(11,983)	**9,673**	(20,257)
Net income and comprehensive income		**$179,477**	$81,037	**$162,395**	$180,642
Net income and comprehensive income attributable to:					
Trust Units		**$145,552**	$65,667	**$131,529**	$146,314
Non-controlling interests		**33,925**	15,370	**30,866**	34,328
		$179,477	$81,037	**$162,395**	$180,642

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SMARTCENTRES REAL ESTATE INVESTMENT TRUST

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars)

		Three Months Ended September 30		Nine Months Ended September 30	
	Note	**2026**	2025	**2026**	2025
Cash provided by (used in)					
Operating activities					
Net income and comprehensive income		**$179,477**	$81,037	**$162,395**	$180,642
Items not affecting cash and other items	17	**(43,571)**	53,544	**233,521**	217,453
Cash interest paid	8(d)	**(30,787)**	(32,199)	**(119,097)**	(109,374)
Interest received		**734**	716	**1,750**	2,910
Distributions from equity accounted investments	4	**1,655**	1,738	**5,094**	5,580
Expenditures on direct leasing costs and tenant incentives		**(3,704)**	(3,240)	**(7,045)**	(6,970)
Expenditures on tenant incentives for properties under development		**(502)**	(40)	**(1,246)**	(103)
Changes in other non-cash operating items	17	**(13,988)**	(10,651)	**(13,213)**	(40,041)
Cash flows provided by operating activities		**$89,314**	$90,905	**$262,159**	$250,097
Financing activities					
Proceeds from issuance of unsecured debentures, net of issuance costs		**—**	—	**—**	298,935
Proceeds from secured debt		**4,250**	16,975	**12,600**	28,175
Proceeds from unsecured debt		**70,574**	3,877	**77,068**	10,554
Proceeds from revolving operating facilities		**314,983**	100,000	**502,227**	223,971
Repayments of unsecured debentures		**(250,000)**	—	**(250,000)**	(160,000)
Repayments of secured debt		**(27,440)**	(21,780)	**(67,053)**	(101,552)
Repayments of unsecured debt		**(670)**	(3,187)	**(8,010)**	(12,147)
Repayments of revolving operating facility		**(60,000)**	(54,929)	**(102,357)**	(157,020)
Distributions paid on Trust Units		**(66,929)**	(66,919)	**(200,788)**	(200,758)
Distributions paid on non-controlling interests and Units classified as liabilities		**(15,563)**	(15,557)	**(46,657)**	(46,632)
Payment of lease liability		**(542)**	(580)	**(1,598)**	(1,660)
Cash flows used in financing activities		**$(31,337)**	$(42,100)	**$(84,568)**	$(118,134)
Investing activities					
Acquisitions and Earnouts of investment properties	3(b)	**(17,979)**	(396)	**(62,100)**	(18,945)
Additions to investment properties		**(35,526)**	(48,288)	**(97,123)**	(98,176)
Additions to equity accounted investments	4	**(14,731)**	(7,034)	**(28,697)**	(19,540)
Additions to equipment		**(15)**	(165)	**(240)**	(350)
Advances of loans receivable		**(933)**	(4,297)	**(23,658)**	(20,911)
Repayments of mortgages and loans receivable		**335**	330	**5,910**	1,600
Development distributions from equity accounted investments	4	**335**	330	**11,120**	7,061
Net proceeds from sale of investment properties		**2,836**	3,050	**2,836**	5,750
Cash flows used in investing activities		**$(65,678)**	$(56,470)	**$(191,952)**	$(143,511)
Increase (decrease) in cash and cash equivalents during the period		**(7,701)**	(7,665)	**(14,361)**	(11,548)
Cash and cash equivalents – beginning of period		**44,891**	33,811	**51,551**	37,694
Cash and cash equivalents – end of period		**$37,190**	$26,146	**$37,190**	$26,146

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

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

UNAUDITED INTERIM CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

(in thousands of Canadian dollars)

		Attributable to Unitholders			Attributable to LP Units Classified as Non-Controlling Interests				
	Note	Trust Units (Note 12)	Retained Earnings	Trust Unit Equity	LP Units (Note 12)	Retained Earnings	LP Unit Equity	Other Non-Controlling Interest (Note 18)	Total Equity
Equity – January 1, 2026		**$3,092,025**	**$2,135,475**	**$5,227,500**	**$648,223**	**$456,845**	**$1,105,068**	**$13,737**	**$6,346,305**
Net income and comprehensive income		—	131,529	131,529	—	30,565	30,565	301	162,395
Distributions	13	—	(200,788)	(200,788)	—	(35,803)	(35,803)	—	(236,591)
Change in Non-Controlling Interest		—	—	—	—	—	—	14	14
Equity – September 30, 2026		**$3,092,025**	**$2,066,216**	**$5,158,241**	**$648,223**	**$451,607**	**$1,099,830**	**$14,052**	**$6,272,123**
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		—	146,314	146,314	—	34,012	34,012	316	180,642
Issuance of Units	12	—	—	—	3,209	—	3,209	—	3,209
Distributions	13	—	(200,758)	(200,758)	—	(35,764)	(35,764)	—	(236,522)
Change in Non-Controlling Interest		—	—	—	—	—	—	10,015	10,015
Equity – September 30, 2025		$3,091,489	$2,096,897	$5,188,386	$648,223	$444,268	$1,092,491	$14,048	$6,294,925

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

SMARTCENTRES REAL ESTATE INVESTMENT TRUST

NOTES TO UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three and nine months ended September 30, 2026 and September 30, 2025
(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 12. The address of the Trust's registered office is 3200 Highway 7, Vaughan, Ontario, L4K 5Z5. The Units of the Trust are listed on the Toronto Stock Exchange ("TSX") under the ticker symbol "SRU.UN".

These unaudited interim condensed consolidated financial statements have been approved for issue by the Board of Trustees on November 4, 2026. The Board of Trustees has the power to amend the unaudited interim condensed consolidated financial statements after issue.

As at September 30, 2026, the Penguin Group of Companies ("Penguin"), owned by Mitchell Goldhar, owned approximately 21.4% (December 31, 2025 – 21.3%) of the issued and outstanding Units of the Trust and Limited Partnerships (see also Note 18, "Related party transactions").

2. Material accounting policy information

2.1 Basis of presentation

These unaudited interim condensed consolidated financial statements of the Trust have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim condensed consolidated financial statements, International Accounting Standard ("IAS 34"), "Interim Financial Reporting", as issued by the International Accounting Standards Board ("IASB"). The unaudited interim condensed consolidated financial statements contain disclosures that are supplemental to the Trust's annual consolidated financial statements. They do not include all the information and disclosures required by IFRS applicable for annual consolidated financial statements and, therefore, they should be read in conjunction with the annual audited consolidated financial statements as at and for the year ended December 31, 2025.

2.2 Accounting policies

The accounting policies followed in these unaudited interim condensed consolidated financial statements are consistent with the policies and method of their application used in the preparation of the audited consolidated financial statements as at and for the year ended December 31, 2025.

3. Investment properties

The following table summarizes the activities in investment properties:

		Nine Months Ended September 30, 2026			Year Ended December 31, 2025		
	Note	**Income Properties**	**Properties Under Development**	**Total**	Income Properties	Properties Under Development	Total
Balance – beginning of period		**$9,189,352**	**$1,663,587**	**$10,852,939**	$8,942,289	$1,717,494	$10,659,783
Acquisitions, Earnouts and related adjustments of investment properties		**—**	**17,140**	**17,140**	—	35,264	35,264
Earnout Fees on properties subject to development management agreements		**215**	**29,084**	**29,299**	7,971	—	7,971
Transfer from properties under development to income properties		**40,925**	**(40,925)**	**—**	97,666	(97,666)	—
Transfer from income properties to properties under development		**(62,827)**	**62,827**	**—**	—	—	—
Transfer from residential development inventory to properties under development		**—**	**20,357**	**20,357**	—	—	—
Recognition of properties under development from equity accounted investments as a result of change in control		**—**	**—**	**—**	—	52,150	52,150
Capital and development expenditures		**25,335**	**49,164**	**74,499**	36,257	70,456	106,713
Capitalized interest	8(d)	**—**	**25,524**	**25,524**	—	31,623	31,623
Dispositions		**—**	**(2,955)**	**(2,955)**	—	(5,750)	(5,750)
Straight-line rents and tenant incentives[1]		**2,606**	**—**	**2,606**	4,477	—	4,477
Fair value adjustment on investment properties		**128,063**	**(234,055)**	**(105,992)**	100,692	(139,984)	(39,292)
Balance – end of period		**$9,323,669**	**$1,589,748**	**$10,913,417**	$9,189,352	$1,663,587	$10,852,939
Investment properties		**9,323,669**	**1,572,528**	**10,896,197**	9,189,352	1,663,587	10,852,939
Investment properties classified as held for sale	3(f)	**—**	**17,220**	**17,220**	—	—	—
		$9,323,669	**$1,589,748**	**$10,913,417**	$9,189,352	$1,663,587	$10,852,939

(1) The amount is net of amortization of straight-line rents and tenant incentives in the amount of $5,441 and $5,976, respectively (year ended December 31, 2025 – $7,679 and $7,757, respectively).

Secured debt with a carrying value of $456,912 (December 31, 2025 – $511,188) is secured by investment properties with a fair value of $1,920,484 (December 31, 2025 – $1,990,722).

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

i) Income properties

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

ii) Properties under development

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

The following table summarizes significant assumptions in Level 3 valuations:

	September 30, 2026			
	Terminal Capitalization Rate		Discount Rate	
Valuation Method	**Weighted Average**	**Range**	**Weighted Average**	**Range**
Income properties				
Discounted cash flow	**5.98 %**	**4.20% – 7.50%**	**6.50 %**	**4.60% – 8.05%**
Properties under development				
Land, development and construction costs recorded at market value	**N/A**	**N/A**	**N/A**	**N/A**
Discounted cash flow	**6.07 %**	**4.20% – 7.40%**	**6.67 %**	**4.60% – 7.90%**

	December 31, 2025			
	Terminal Capitalization Rate		Discount Rate	
Valuation Method	Weighted Average	Range	Weighted Average	Range
Income properties				
Discounted cash flow	6.00 %	4.20% – 7.75%	6.53 %	4.60% – 8.25%
Properties under development				
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%

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 September 30, 2026:

	Income Properties			Properties Under Development		
Discount Rate Sensitivity	**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)%	5.50 %	$11,299,154	$1,975,485	5.67 %	$183,880	$27,900
(0.50)%	6.00 %	$10,231,054	$907,385	6.17 %	$168,680	$12,700
(0.25)%	6.25 %	$9,768,254	$444,585	6.42 %	$161,980	$6,000
—%	6.50 %	$9,323,669	$—	6.67 %	$155,980	$—
0.25%	6.75 %	$8,958,152	$(365,517)	6.92 %	$150,580	$(5,400)
0.50%	7.00 %	$8,600,952	$(722,717)	7.17 %	$145,380	$(10,600)
1.00%	7.50 %	$7,965,052	$(1,358,617)	7.67 %	$136,180	$(19,800)

b) Acquisitions and Earnouts

The following table summarizes the acquisitions and Earnouts completed during the nine months ended September 30, 2026:

					Satisfied through		
Location	**Date of Acquisition**	**Type**	**Area**	**Purchase Amount**	**Cash**	**Issuance of LP Units**	**Other Adjustments**
Kingston, Ontario	March 2026	Land parcel	19 acres	$7,085	$6,159	$—	$926
Winnipeg, Manitoba	May 2026	Land parcel	17 acres	10,055	9,940	—	115
Earnouts	Varies	Land parcel/ Retail	N/A	53,091	38,733	947	13,411

c) Disposition

The following table summarizes the disposition completed during the nine months ended September 30, 2026:

Location	Date of Disposition	Type	Area	Ownership Interest	Disposition Proceeds
Laval, Quebec	September 2026	Land parcel	1 acre	100 %	$2,836

d) Leasehold property interests

At September 30, 2026, 15 (December 31, 2025 – 15) investment properties with a fair value of $955,848 (December 31, 2025 – $965,505) are leasehold property interests accounted for as leases with Penguin (see also Note 18, "Related party transactions").

One of these leasehold properties, with a fair value of $94,658 (December 31, 2025 – $93,863), 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 10, "Accounts and other payables").

e) Properties under development

i) Properties under development not subject to development management agreements

During the three and nine months ended September 30, 2026, the Trust completed the development and leasing of certain properties under development not subject to development management agreements, for which the fair value of the investment properties has been reclassified from properties under development to income properties.

For the three and nine months ended September 30, 2026, the land and development costs transferred for completed projects totalled $15,359 and $38,388, respectively (three and nine months ended September 30, 2025 – $8,948 and $81,198).

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

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

During the nine months ended September 30, 2026, pursuant to the Settlement Agreement between the Trust and Penguin (the "Settlement Agreement"), the Trust settled all outstanding Earnout obligations with Penguin and various third parties in the amount of $53,091. See also Note 18, "Related party transactions".

f) Investment Properties classified as held for sale

As at September 30, 2026, land parcels with a carrying value of $17,220 were classified as held for sale.

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		September 30, 2026		December 31, 2025	
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	**22**	**50.0 %**	21	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 %

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

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

	Nine Months Ended September 30, 2026			Year Ended December 31, 2025		
	Investment in Associates	**Investment in Joint Ventures**	**Total**	Investment in Associates	Investment in Joint Ventures	Total
Investment – beginning of period	**$441,852**	**$281,785**	**$723,637**	$436,437	$313,182	$749,619
Operating Activities:						
Earnings (Losses)	**(713)**	**11,063**	**10,350**	7,318	398	7,716
Distributions	**(3,209)**	**(1,885)**	**(5,094)**	(3,789)	(4,815)	(8,604)
Financing Activities:						
Fair value adjustment on loan	**2,115**	**—**	**2,115**	2,847	—	2,847
Investing Activities:						
Cash contribution	**11,410**	**17,287**	**28,697**	2,259	29,903	32,162
Derecognition of equity accounted investments as a result of change in control	**—**	**—**	**—**	—	(39,119)	(39,119)
Development distributions	**(1,860)**	**(9,260)**	**(11,120)**	(3,220)	(17,764)	(20,984)
Investment – end of period	**$449,595**	**$298,990**	**$748,585**	$441,852	$281,785	$723,637

a) Summary of balance sheets

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

As at	September 30, 2026				December 31, 2025			
Equity accounted investments in:	**Associates**				Associates			
	PCVP	**VMC Residences[1]**	**Joint Ventures**	**Total**	PCVP	VMC Residences[1]	Joint Ventures	Total
Non-current assets	**$1,443,599**	**$1,745**	**$1,032,725**	**$2,478,069**	$1,428,251	$—	$1,034,078	$2,462,329
Current assets	**119,822**	**176,646**	**85,847**	**382,315**	84,179	157,873	28,361	270,413
Total assets	**$1,563,421**	**$178,391**	**$1,118,572**	**$2,860,384**	$1,512,430	$157,873	$1,062,439	$2,732,742
Non-current liabilities[2]	**$324,120**	**$—**	**$350,815**	**$674,935**	$584,926	$—	$359,350	$944,276
Current liabilities	**402,670**	**116,668**	**149,593**	**668,931**	100,735	101,237	120,290	322,262
Total liabilities	**$726,790**	**$116,668**	**$500,408**	**$1,343,866**	$685,661	$101,237	$479,640	$1,266,538
Net assets	**$836,631**	**$61,723**	**$618,164**	**$1,516,518**	$826,769	$56,636	$582,799	$1,466,204
Trust's share of net assets before adjustments	**418,315**	**30,652**	**298,990**	**747,957**	413,385	27,702	281,785	722,872
Fair value adjustment on loan	**401**	**227**	**—**	**628**	493	272	—	765
Trust's share of net assets	**$418,716**	**$30,879**	**$298,990**	**$748,585**	$413,878	$27,974	$281,785	$723,637

(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 September 30, 2026, the balance includes loan payable to the Trust of $59,292 in respect to its investments in associates (December 31, 2025 – $57,454), see also Note 5(a).

The investments in associates listed above have entered into various development construction contracts with existing commitments totalling $67,380 (December 31, 2025 – $57,581).

The joint ventures listed above have entered into various development construction contracts with existing commitments totalling $92,629 (December 31, 2025 – $84,683).

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 September 30, 2026, the investment in associates had development credit facilities with an outstanding balance of $358,400 (December 31, 2025 – $316,400), of which the Trust's share was $179,200 (December 31, 2025 – $158,200). 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 September 30, 2026, the joint ventures had development credit facilities with an outstanding balance of $118,613 (December 31, 2025 – $90,905), of which the Trust's share was $59,306 (December 31, 2025 – $45,452). The development credit facilities bearing interest based on the Adjusted CORRA rate plus 2.70%, maturing in May 2027.

b) Summary of earnings (losses)

The following tables summarize the earnings for investment in associates and joint ventures:

	Three Months Ended September 30, 2026				Three Months Ended September 30, 2025			
	Associates				Associates			
Net Income from equity accounted investments in:	PCVP	VMC Residences	Joint Ventures	Total	PCVP	VMC Residences	Joint Ventures	Total
Revenue[1]	**$13,378**	**$238**	**$14,063**	**$27,679**	$13,826	$207	$12,798	$26,831
Operating expense	**(7,436)**	**1,844**	**(5,955)**	**(11,547)**	(6,610)	1,388	(5,140)	(10,362)
Revenue net of operating expense	**$5,942**	**$2,082**	**$8,108**	**$16,132**	$7,216	$1,595	$7,658	$16,469
Fair value adjustment on investment properties	**412**	**—**	**3,601**	**4,013**	1,473	—	(1,076)	397
Interest (expense) income	**(4,803)**	**(2,111)**	**(5,182)**	**(12,096)**	(5,412)	364	(5,158)	(10,206)
Earnings (losses)	**$1,551**	**$(29)**	**$6,527**	**$8,049**	$3,277	$1,959	$1,424	$6,660
Trust's share of earnings (losses) before supplemental cost and additional profit sharing	**775**	**(828)**	**2,829**	**2,776**	1,638	667	466	2,771
Supplemental cost	**(1,431)**	**(3,352)**	**(57)**	**(4,840)**	(314)	—	(239)	(553)
Trust's share of earnings (losses)	**$(656)**	**$(4,180)**	**$2,772**	**$(2,064)**	$1,324	$667	$227	$2,218

(1) Includes office rental from the Trust in the amount of $810 for the three months ended September 30, 2026 (three months ended September 30, 2025 – $805).

	Nine Months Ended September 30, 2026				Nine Months Ended September 30, 2025			
	Associates				Associates			
Net Income from equity accounted investments in:	PCVP	VMC Residences	Joint Ventures	Total	PCVP	VMC Residences	Joint Ventures	Total
Revenue[1]	**$40,161**	**$601**	**$41,238**	**$82,000**	$41,240	$491	$37,054	$78,785
Operating expense	**(20,247)**	**1,687**	**(16,980)**	**(35,540)**	(19,613)	2,577	(14,623)	(31,659)
Revenue net of operating expense	**$19,914**	**$2,288**	**$24,258**	**$46,460**	$21,627	$3,068	$22,431	$47,126
Fair value adjustment on investment properties	**3,914**	**—**	**15,273**	**19,187**	3,347	—	(11,630)	(8,283)
Interest (expense) income	**(14,319)**	**(1,522)**	**(14,917)**	**(30,758)**	(16,187)	1,173	(14,385)	(29,399)
Loss on sale of investment properties	**(55)**	**—**	**—**	**(55)**	—	—	—	—
Earnings (losses)	**$9,454**	**$766**	**$24,614**	**$34,834**	$8,787	$4,241	$(3,584)	$9,444
Trust's share of earnings (losses) before supplemental cost and additional profit sharing	**4,727**	**(418)**	**11,290**	**15,599**	4,393	1,548	(6,282)	(341)
Supplemental cost	**(1,668)**	**(3,354)**	**(227)**	**(5,249)**	(938)	—	(1,170)	(2,108)
Trust's share of earnings (losses)	**$3,059**	**$(3,772)**	**$11,063**	**$10,350**	$3,455	$1,548	$(7,452)	$(2,449)

(1) Includes office rental revenue from the Trust in the amount of $2,470 for the nine months ended September 30, 2026 (nine months ended September 30, 2025 – $2,350).

In accordance with the VMC Supplemental Development Fee Agreement, the Trust invoiced PCVP a net amount of $9,921 related to associated development fees for the nine months ended September 30, 2026 (nine months ended September 30, 2025 – $1,876).

In accordance with the Supplemental Development and Construction Fee Agreements, the Trust invoiced certain investments in joint ventures for a net amount of $452 related to associated supplemental development fees for the nine months ended September 30, 2026 (nine months ended September 30, 2025 – $2,340).

Acquisitions completed during the nine months ended September 30, 2026

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

	Type	Date of Acquisition	Segment	Area	Purchase Price[1][2]
Acquisitions					
Edmonton, Alberta	Land parcel	January 2026	Self-storage	2 acres	$1,841

(1) The purchase price is shown at 100% ownership.
(2) Purchase price includes acquisition costs.

Investment Properties classified as held for sale
As at September 30, 2026, a property under development with a carrying value of $60,506 under investment in joint ventures was classified as held for sale, of which the Trust's share was $30,253.

5. Loans, mortgages and notes receivable

The following table summarizes loans, mortgages and notes receivable:

As at	Note	September 30, 2026	December 31, 2025
Loans receivable (a)		**$259,158**	$235,884
Mortgages receivable (b)		**—**	2
Notes receivable (c)	18	**2,924**	2,924
		$262,082	$238,810
Current		**128,612**	180,070
Non-current		**133,470**	58,740
		$262,082	$238,810

a) Loans receivable

The following table presents loans receivable:

Issued to	Committed	Maturity Date	Interest Rate	Note	September 30, 2026	December 31, 2025
Penguin[(1)]	23,019	March 2028	Variable	18	**$14,905**	$14,443
Penguin[(2)]	N/A	December 2029	Interest-free	8(b)(iii), 18	**56,347**	55,813
Penguin[(3)]	1,069	August 2030	Variable	18	**1**	1
Penguin[(4)]	11,024	—	Variable	18	**—**	7,268
Total loans issued to Penguin					**$71,253**	$77,525
PCVP[(5)]	N/A	March 2028	Variable	18	**59,292**	57,454
Self-storage facilities[(6)]	138,800	May 2027	Variable	18	**118,613**	90,905
Total loans issued to equity accounted investments					**$177,905**	$148,359
Greenwin[(7)]	10,000	December 2026	10.00 %		**10,000**	10,000
Total loans issued to unrelated parties					**$10,000**	$10,000
					$259,158	$235,884

(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. In March 2026, the loan term was extended by two years.
(2) The loan has a principal amount outstanding of $62,840, is non-interest-bearing, and is repayable at the end of 10 years. As at September 30, 2026, the loan balance of $56,347 is net of a cumulative fair value adjustment totalling $6,493.
(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.
(4) On April 17, 2026, pursuant to the Settlement Agreement, the loan receivable of $7,268, including all accrued interest to December 31, 2025, was repaid by Penguin. See also Note 18, "Related party transactions".
(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. In March 2026, the loan term was extended by two years.
(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

On April 17, 2026, pursuant to the Omnibus Mezzanine Loan settlement agreement, all eight mezzanine loans previously provided by the Trust to certain Penguin entities were terminated. In connection with the settlement, the associated letters of credit issued by the Trust were replaced, and Penguin repaid the outstanding receivable balance of $2. As a result, the Trust had no remaining mezzanine loan commitments outstanding.

c) Notes receivable

Notes receivable of $2,924 (December 31, 2025 – $2,924) have been granted to Penguin. As at September 30, 2026, these secured demand notes bear interest at the rate of 9.00% per annum (December 31, 2025 – 9.00%).

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

6. Other financial assets

The following table summarizes the components of other financial assets:

As at	**September 30, 2026**	December 31, 2025
Interest rate swap agreements	**$11,230**	$8,229
Total return swap ("TRS") receivable (a)	**—**	86,147
Currency swap agreements	**4,864**	—
	$16,094	$94,376
Current[1]	**$2,203**	$—
Non-current	**13,891**	94,376
	$16,094	$94,376

(1) Includes interest rate swap agreements maturing within 12 months of $257 (December 31, 2025 - $nil), and currency swap agreements maturing within 12 months of $1,946 (December 31, 2025 - $nil).

a) TRS receivable

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

	Nine Months Ended September 30, 2026	Year Ended December 31, 2025
Balance – beginning of period	**$86,147**	$81,831
Distributions received	**(2,622)**	(6,189)
Settlement[1]	**(95,995)**	—
Fair value adjustments	**12,470**	10,505
Balance – end of period	**$—**	$86,147

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

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

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

As at	**September 30, 2026**	December 31, 2025
Amounts receivable and other		
Tenant receivables	**$34,639**	$31,434
Unbilled other tenant receivables	**21,032**	11,997
Receivables from related party – excluding equity accounted investments	**3,204**	21,794
Receivables from related party – equity accounted investments	**18,379**	11,027
Other non-tenant receivables[1]	**17,773**	26,383
	$95,027	$102,635
Allowance for expected credit loss ("ECL")	**(12,898)**	(9,870)
Amounts receivable and other, net of allowance for ECL	**$82,129**	$92,765
Non-current portion of amounts receivable	**(2,302)**	(17,935)
	$79,827	$74,830
Prepaid expenses, deposits and deferred financing costs[2]	**$53,280**	$14,269

(1) The amount includes a related party amount of $11,201 (December 31, 2025 – $13,400).
(2) Includes prepaid realty tax of $37,644 (December 31, 2025 – $1,104).

Pursuant to the Settlement Agreement, the Trust and Penguin agreed the settlement of outstanding receivables totalling $13,516, excluding applicable taxes. Of this amount, $10,729 was paid during the nine months ended September 30, 2026. The non-current portion of amounts receivable from related parties of $2,302 (December 31, 2025 — $17,935) represents the remaining deferred settlement amounts owing from Penguin that are not expected to be settled within the next twelve months. See also Note 18, "Related party transactions".

Allowance for ECL

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

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

	Nine Months Ended September 30, 2026	Year Ended December 31, 2025
Balance – beginning of period	**$9,870**	$6,234
Net allowance	**3,028**	3,636
Balance – end of period	**$12,898**	$9,870

8. Debt

The following table presents debt balances:

As at	**September 30, 2026**	December 31, 2025
Secured debt (a)	**$456,912**	$511,188
Unsecured debt (b)	**4,308,977**	4,572,844
Revolving operating facilities (c)	**526,816**	125,000
	$5,292,705	$5,209,032
Current	**1,398,958**	755,426
Non-current	**3,893,747**	4,453,606
	$5,292,705	$5,209,032

a) Secured debt

As at September 30, 2026, the secured debt balance of $456,912 (December 31, 2025 – $511,188) bears a weighted average interest rate of 4.61% (December 31, 2025 – 4.53%), and comprises $419,112 (December 31, 2025 – $476,148) at fixed interest rates, and $37,800 (December 31, 2025 – $35,040) at variable interest rate of Adjusted CORRA rate plus 1.45%. 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.

b) Unsecured debt

The following table summarizes the components of unsecured debt:

As at	**September 30, 2026**	December 31, 2025
Unsecured debentures i)	**$3,043,785**	$3,292,159
Credit facilities ii)	**1,151,791**	1,072,079
TRS debt	**—**	95,995
Other unsecured debt iii)	**113,401**	112,611
	$4,308,977	$4,572,844

i) Unsecured debentures

As at September 30, 2026, unsecured debentures totalled $3,043,785 (December 31, 2025 – $3,292,159). Unsecured debentures mature at various dates between 2027 and 2032, with interest rates ranging from 2.31% to 5.35%, and a weighted average interest rate of 3.97% as at September 30, 2026 (December 31, 2025 – 3.93%).

In August 2026, the Trust repaid the $250,000 aggregate principal of Series P 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 July 2026, DBRS retained the Trust's credit rating at BBB and maintained a stable trend.

ii) Credit facilities

The following table summarizes the activity for unsecured credit facilities:

				Drawn Amount	
(Issued In)	**Maturity Date**	**Annual Interest Rate**	**Facility Amount**	**September 30, 2026**	December 31, 2025
Non-revolving:					
March 2019[1]	October 30, 2026	3.52 %	$150,000	**$150,000**	$150,000
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	**152,724**	145,906
May 2019[1]	June 24, 2029	3.15 %	170,000	**170,000**	170,000
September 2026[3]	August 31, 2030	Adjusted CORRA + 1.20%	70,000	**70,000**	—
August 2018[1][3]	August 31, 2031	2.98 %	80,000	**80,000**	80,000
Revolving:					
March 2024	March 9, 2027	Adjusted CORRA + 1.45%	40,000	**31,667**	29,000
				$1,154,391	$1,074,906
Unamortized financing costs, debt modification adjustments, and others				**(2,600)**	(2,827)
				$1,151,791	$1,072,079

(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 0.92 years. Hedge accounting has not been applied to the interest rate swap agreements.
(2) The Trust entered into cross currency swaps to exchange the U.S. dollar borrowings into Canadian dollar borrowings. The Trust has drawn in U.S. dollars the equivalent of $150,000, which was revalued at $152,724 as at September 30, 2026.
(3) In September 2026, the Trust refinanced and increased its loan from $80,000 to $150,000, comprised of two tranches: $80,000 with a maturity date extended to August 2031 and a new $70,000 tranche maturing in August 2030.

iii) Other unsecured debt

Other unsecured debt net of fair value adjustments totalling $113,401 (December 31, 2025 – $112,611) pertains to loans received from equity accounted investments in connection with contribution agreements relating to joint ventures. The loans are non-interest-bearing with repayment terms based on the distributions that are to be paid pursuant to the limited partnership agreements. The balances of the loans are expected to be paid at the end of their respective terms.

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

As at	**September 30, 2026**	December 31, 2025
PCVP (5.00% discount rate)[1]	**$57,054**	$56,798
PCVP (5.75% discount rate)[2]	**56,347**	55,813
	$113,401	$112,611

(1) The loan has a principal amount outstanding of $62,840 (December 31, 2025 – $64,700), is non-interest-bearing, and is repayable at the end of 10 years. As at September 30, 2026, the loan balance of $57,054 is net of the unamortized fair value adjustment totalling $5,786 (December 31, 2025 – the loan balance of $56,798 is net of a fair value adjustment totalling $7,902).
(2) The loan has a principal amount outstanding of $62,840 (December 31, 2025 – $64,700), is non-interest-bearing, and is repayable at the end of 10 years. As at September 30, 2026, the loan balance of $56,347 is net of the unamortized fair value adjustment totalling $6,493 (December 31, 2025 – the loan balance of $55,813 is net of a fair value adjustment totalling $8,887). See also Note 5(a) reflecting offsetting loan receivable amount.

c) Revolving operating facilities

As at September 30, 2026, the Trust had three revolving operating facilities, aggregating to $950,000 (December 31, 2025 – $950,000).

i) $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.

ii) $100,000 revolving senior unsecured term facility

A $100,000 revolving senior unsecured term facility bearing interest at Adjusted CORRA plus 120 basis points. In September 2026, the Trust amended its unsecured revolving operating facility to extend the maturity date from June 2027 to June 2028.

iii) $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. In June 2026, the Trust amended its unsecured revolving operating facility to extend the maturity date from June 2029 to June 2031.

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

	Annual Interest Rate					Drawn Amount	
Maturity Date	**Benchmark Rate**	**Spread**	**Facility Amount**	**Undrawn Facilities**	**Outstanding Letters of Credit**	**September 30, 2026**	December 31, 2025
January 2027[1]	SOFR	1.55 %	$100,000	**$—**	**$—**	**$101,816**	$25,000
June 2028	Adjusted CORRA	1.20 %	100,000	**—**	**—**	**100,000**	100,000
June 2031	Adjusted CORRA	1.45 %	750,000	**416,871**	**8,129**	**325,000**	—
	Prime Rate	0.45 %					
				$416,871	**$8,129**	**$526,816**	$125,000

(1) The Trust entered into cross currency swaps to exchange the U.S. dollar borrowings into Canadian dollar borrowings. The Trust has drawn in U.S. dollars the equivalent of $100,000, which was revalued at $101,816 as at September 30, 2026.

d) Interest expense

The following table summarizes interest expense:

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	**2026**	2025
Interest at stated rates	**$51,649**	$49,402	**$153,636**	$145,354
Amortization of deferred financing costs	**1,007**	1,050	**3,119**	3,156
Distributions on Units classified as liabilities, vested unit-based compensation	**5,592**	5,381	**16,628**	15,818
	$58,248	$55,833	**$173,383**	$164,328
Capitalized to properties under development	**(8,558)**	(7,755)	**(25,524)**	(22,855)
Capitalized to residential development inventory	**—**	(240)	**(340)**	(795)
	$49,690	$47,838	**$147,519**	$140,678

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	**2026**	2025
Interest expense	**$49,690**	$47,838	**$147,519**	$140,678
Amortization of deferred financing costs	**(1,007)**	(1,050)	**(3,119)**	(3,156)
Distributions on Units classified as liabilities, vested unit-based compensation, net of amounts capitalized to properties under development	**(5,592)**	(5,381)	**(16,628)**	(15,818)
Change in accrued interest payable	**(12,304)**	(9,208)	**(8,675)**	(12,330)
Cash interest paid	**$30,787**	$32,199	**$119,097**	$109,374

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	**$457,764**	$45,294	$48,517	$26,555	$19,229	$87,305	$230,864
Unsecured debt	**4,317,792**	150,000	1,081,667	752,724	983,401	720,000	630,000
Revolving operating facilities	**526,816**	—	101,816	100,000	—	—	325,000
Interest obligations[1]	**511,710**	54,305	140,729	109,849	89,236	67,747	49,844
Accounts payable	**251,012**	62,753	188,259	—	—	—	—
Other payable	**17,355**	542	2,140	2,177	299	279	11,918
	$6,082,449	**$312,894**	**$1,563,128**	**$991,305**	**$1,092,165**	**$875,331**	**$1,247,626**
Development obligations (commitments)	**33,537**	33,537	—	—	—	—	—
Total	**$6,115,986**	**$346,431**	**$1,563,128**	**$991,305**	**$1,092,165**	**$875,331**	**$1,247,626**

(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.

9. Other financial liabilities

The following table summarizes the components of other financial liabilities:

As at	September 30, 2026	December 31, 2025
Units classified as liabilities (a)	**$209,585**	$201,229
Unit-based compensation (b)	**125,767**	110,763
Currency swap agreement[1]	**—**	3,789
Interest rate swap agreements	**600**	4,162
	$335,952	$319,943
Current[2]	**324,079**	302,067
Non-current	**11,873**	17,876
	$335,952	$319,943

(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 8(b)(ii) and Note 8(c).
(2) Includes units classified as liabilities of $209,585 (December 31, 2025 – $201,229), vested deferred units of $83,570 (December 31, 2025 – $71,993), vested and earned EIP units expected to vest within 12 months of $30,621 (December 31, 2025 – $28,845), and interest rate swap agreements maturing within 12 months of $303 (December 31, 2025 - $nil).

a) Units classified as liabilities

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

	Number of Units Issued and Outstanding	Carrying Value
Balance – January 1, 2026	**7,814,709**	**$201,229**
Conversion of LP exchangeable units	**31,980**	**947**
Change in carrying value	**N/A**	**7,409**
Balance – September 30, 2026	**7,846,689**	**$209,585**
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

b) Unit-based compensation

The following table summarizes the components of unit-based compensation:

As at	**September 30, 2026**	December 31, 2025
Deferred unit plan ("DUP") i)	**$90,761**	$78,878
Equity incentive plan ("EIP") ii)	**33,015**	31,885
Long term incentive plan ("LTIP") iii)	**1,991**	—
	$125,767	$110,763

The LTIP consists of Restricted Units ("RUs") and Performance Units ("PUs"). Under the LTIP, a maximum of 1,200,000 Trust Units are authorized to be issued. The new LTIP replaces the DUP and EIP. Following adoption of the LTIP, no further awards will be granted under the EIP, and only Trustees will continue to receive awards under the DUP. However, all awards previously granted pursuant to the DUP and EIP shall remain outstanding and continue to be governed in accordance with the respective terms and conditions of those plans.

i. Deferred unit plan

The following table summarizes the number of outstanding deferred units:

	Nine Months Ended September 30, 2026	Year Ended December 31, 2025
Balance – beginning of period	**3,244,460**	2,721,349
Granted	**302,922**	377,608
Reinvested units from distributions	**179,517**	230,915
Redeemed for cash	**(106,937)**	(80,911)
Forfeited	**(4,611)**	(4,501)
Balance – end of period	**3,615,351**	3,244,460

As at September 30, 2026, total outstanding deferred units included 3,128,787 vested units (December 31, 2025 – 2,795,839).

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

	Three Months Ended September 30		**Nine Months Ended September 30**	
	2026	2025	**2026**	2025
Carrying value – beginning of period	**$101,133**	$74,473	**$78,878**	$63,550
Deferred units granted	**220**	241	**4,261**	4,823
Reinvested distributions on vested deferred units	**1,439**	1,260	**4,202**	3,631
Compensation expense – reinvested distributions and amortization	**1,119**	915	**3,154**	2,813
Redeemed for cash	**(1,146)**	(806)	**(2,981)**	(1,717)
Fair value adjustment	**(12,004)**	3,507	**3,247**	6,490
Carrying value – end of period	**$90,761**	$79,590	**$90,761**	$79,590

ii. Equity incentive plan

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

	Nine Months Ended September 30, 2026	Year Ended December 31, 2025
Balance – beginning of period	**1,753,223**	1,686,538
Reinvested units from distributions	**88,347**	124,774
Redeemed for cash	**(30,000)**	(31,000)
Forfeited	**—**	(27,089)
Balance – end of period	**1,811,570**	1,753,223

As at September 30, 2026, total outstanding performance units included 1,146,425 vested units (December 31, 2025 – 1,120,194).

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

	Three Months Ended September 30		Nine Months Ended September 30	
Carrying Value	**2026**	2025	**2026**	2025
Balance – beginning of period	**$41,909**	$31,909	**$31,885**	$29,010
Compensation expense – reinvested distributions and amortization	**559**	524	**1,727**	2,191
Reinvested distributions on vested EIPs	**525**	499	**1,572**	1,319
Fair value adjustment	**(9,920)**	2,010	**(1,303)**	2,422
Redeemed for cash	**(58)**	(26)	**(866)**	(26)
Balance – end of period	**$33,015**	$34,916	**$33,015**	$34,916

iii. Long Term Incentive Plan

1) Restricted Units

The Trust may grant RUs under the LTIP. The RUs granted vest 100% on the third anniversary of their respective grant dates and are subject to forfeiture until the recipients of the awards have held office in their current position with or provided services to the Trust for a specified period of time.

RUs are recognized based on the grant date fair value and re-measured at each reporting date. The grant agreements provide that the awards will be satisfied upon vesting for: (i) trust units issued from the Trust treasury, or (ii) a cash payment as determined by the Trust, with the result that the awards are classified as cash-settled unit-based payments and presented as liabilities.

The RUs may, if specified at the time of grant, accrue cash distributions during the vesting period and accrued distributions will be paid when these units vest.

The following table summarizes the number of outstanding RUs:

	Nine Months Ended September 30, 2026
Balance – beginning of period	**—**
Granted	**168,946**
Reinvested units from distributions	**7,783**
Forfeited	**(88)**
Balance – end of period	**176,641**

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

	Three Months Ended September 30, 2026	Nine Months Ended September 30, 2026
Balance – beginning of period	**$510**	**$—**
Compensation expense – reinvested distributions and amortization	**860**	**1,296**
Fair value adjustment	**(34)**	**40**
Balance – end of period	**$1,336**	**$1,336**

2) Performance Units

The Trust may grant PUs under the LTIP. The PUs granted vest 100% on the third anniversary of their respective grant dates and are subject to both non-market and market conditions consisting of both absolute and relative performance over a three-year period.

PUs are recognized based on the grant date fair value and re-measured at each reporting date. The grant agreements provide that the awards will be satisfied upon vesting for: (i) trust units issued from the Trust treasury, or (ii) a cash payment as determined by the Trust, with the result that the awards are classified as cash-settled unit-based payments and presented as liabilities.

The PUs may, if specified at the time of grant, accrue cash distributions during the vesting period and accrued distributions will be paid when these units vest.

The following table summarizes the number of outstanding PUs:

	Nine Months Ended September 30, 2026
Balance – beginning of period	**—**
Granted	**82,829**
Reinvested units from distributions	**3,816**
Balance – end of period	**86,645**

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

	Three Months Ended September 30, 2026	Nine Months Ended September 30, 2026
Balance – beginning of period	**$—**	**$—**
Compensation expense – reinvested distributions and amortization	**636**	**636**
Fair value adjustment	**19**	**19**
Balance – end of period	**$655**	**$655**

c) Earnout options

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

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

For the nine months ended September 30,				2026		2025
Options	**Strike Price**	**Options Cancelled**	**Options Exercised**	**Amounts from Options Exercised[1]**	Options Exercised	Amounts from Options Exercised
Options to acquire Class B Smart LP Units	Market price	**—**	**3,019,186**	**$3,012**	—	$—
Options to acquire Class B Smart LP III Units	Market price	**—**	**1,137,641**	**10,947**	170,506	4,101
Options to acquire Class B Smart LP IV Units	Market price	**—**	**353,135**	**8,740**	—	—
Options to acquire Class B Smart Boxgrove LP Units	Market price	**—**	**267,179**	**4,150**	—	—
Options to acquire Class B Smart Oshawa Taunton LP	Market price	**—**	**265,422**	**1,970**	—	—
Options to acquire Class B ONR LP I	Market price	**221,482**	**208,117**	**947**	—	—
		221,482	**5,250,680**	**$29,766**	170,506	$4,101

(1) Each option is represented by a corresponding Class C Unit. For the nine months ended September 30, 2026**,** 208,116 Earnout options on the amount of $947 were converted into 31,980 Class B ONR LP I Units, and 5,042,564 Earnout options on the amount of $28,819 were redeemed into cash.

Pursuant to the Settlement Agreement, the Trust had settled all outstanding Earnout obligations as at September 30, 2026. See also Note 18, “Related party transactions”.

10. Accounts and other payables

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

As at	**September 30, 2026**	December 31, 2025
Accounts payable[1]	**$98,199**	$99,112
Tenant prepaid rent, deposits, and other payables	**86,982**	81,158
Accrued interest payable	**37,025**	28,349
Distributions payable	**26,603**	26,598
Realty taxes payable	**2,203**	1,791
Current portion of other payables	**1,922**	17,077
	$252,934	$254,085

(1) Includes accounts payable to Penguin in the amount of $107 as at September 30, 2026 (December 31, 2025 – $3,995). See also Note 18, "Related party transactions".

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

As at	**September 30, 2026**	December 31, 2025
Lease liability – investment properties[1]	**$3,312**	$3,092
Lease liability – other	**6,510**	7,895
Earnout settlement obligations	**—**	17,864
Total other payables	**$9,822**	$28,851
Less: Current portion of other payables	**(1,922)**	(17,077)
Total non-current portion of other payables	**$7,900**	$11,774

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

Earnout settlement obligations

Pursuant to the Settlement Agreement, the Trust and Penguin agreed to settle all outstanding Earnout obligations for total consideration of $46,948, of which $36,115 is payable to Penguin. The obligation was increased by $29,084 following external consultation and review of the related assets, with a corresponding increase to properties under development. During the nine months ended September 30, 2026, the Trust had settled all outstanding Earnout obligations. See also Note 18, "Related party transactions".

11. Fair value measurement

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

Assets and liabilities carried at amortized cost

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

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

Fair value of assets and liabilities

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

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

		Fair Value		
September 30, 2026	**Carrying value**	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value:				
Investment properties	**$10,896,197**	**$—**	**$—**	**$10,896,197**
Assets held for sale	**17,220**	**—**	**—**	**17,220**
Interest rate swap agreements	**11,230**	**—**	**11,230**	**—**
Currency swap agreement	**4,864**	**—**	**$4,864**	**—**
Assets measured at amortized cost:				
Loans, mortgages and notes receivable	**$262,082**	**$—**	**$262,082**	**$—**
Liabilities measured at fair value:				
Units classified as liabilities	**$209,585**	**$—**	**$209,585**	**$—**
Unit-based compensation	**125,767**	**—**	**125,767**	**—**
Interest rate swap agreement	**600**	**—**	**600**	**—**
Liabilities measured at amortized cost:				
Secured debt	**$456,912**	**$—**	**$444,157**	**$—**
Unsecured debt	**4,308,977**	**—**	**4,273,473**	**—**
Revolving operating facilities	**526,816**	**—**	**526,816**	**—**

12. Unit equity

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

		Number of Units Issued and Outstanding			Carrying Value		
	Note	Trust Units	Smart LP Units	Total Units	Trust Units	Smart LP Units	Total
Balance – January 1, 2026		**144,708,787**	**25,802,481**	**170,511,268**	**$3,092,025**	**$648,223**	**$3,740,248**
Balance – September 30, 2026		**144,708,787**	**25,802,481**	**170,511,268**	**$3,092,025**	**$648,223**	**$3,740,248**
Balance – January 1, 2025		144,687,634	25,677,579	170,365,213	$3,091,489	$645,014	$3,736,503
Options exercised	9(c)	—	124,902	124,902	—	3,209	3,209
Balance – September 30, 2025		144,687,634	25,802,481	170,490,115	$3,091,489	$648,223	$3,739,712

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

	Number of Units Issued and Outstanding			Carrying Value		
LP Class B Unit Type	Balance – January 1, 2026	Options Exercised (Note 9(c))	Balance – September 30, 2026	Balance – January 1, 2026	Value From Options Exercised (Note 9(c))	Balance – September 30, 2026
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	**4,254,322**	**—**	**4,254,322**	**113,804**	**—**	**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**
	25,802,481	**—**	**25,802,481**	**$648,223**	**$—**	**$648,223**

	Number of Units Issued and Outstanding			Carrying Value		
LP Class B Unit Type	Balance – January 1, 2025	Options Exercised (Note 9(c))	Balance – September 30, 2025	Balance – January 1, 2025	Value From Options Exercised (Note 9(c))	Balance – September 30, 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

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 and have no value assigned to them. 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 September 30, 2026, there were 33,640,462 (December 31, 2025 – 33,608,482) Special Voting Units outstanding, which are associated with those LP Units that have voting rights.

13. Unit distributions

Pursuant to the Declaration of Trust, the Trust endeavours to distribute annually such amount as is necessary to ensure the Trust will not be subject to tax on its net income under Part I of the *Income Tax Act*. The following table presents Unit distributions declared:

	Nine Months Ended September 30	
Unit Type Subject to Distributions	**2026**	2025
Trust Units	**$200,788**	$200,758
Limited Partnership Units	**35,803**	35,764
Distributions on Units classified as equity	**$236,591**	$236,522
Distributions on Units classified as liabilities	**10,854**	10,868
Total Unit distributions	**$247,445**	$247,390
Distributions per unit	**$1.388**	$1.388

On October 16, 2026, the Trust declared a distribution for the month of October 2026 of $0.15417 per Unit, representing $1.85 per Unit on an annualized basis, to Unitholders of record on October 30, 2026.

14. Rentals from investment properties and other

The following table presents rentals from investment properties and other:

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	**2026**	2025
Gross base rent	**$145,209**	$144,380	**$434,452**	$428,743
Less: Amortization of tenant incentives	**(1,960)**	(1,954)	**(5,989)**	(5,990)
Net base rent	**$143,249**	$142,426	**$428,463**	$422,753
Property tax and insurance recoveries	**46,611**	45,778	**143,554**	140,037
Property operating cost recoveries	**24,540**	24,181	**83,940**	81,659
	$71,151	$69,959	**$227,494**	$221,696
Miscellaneous revenue	**3,209**	4,258	**9,819**	12,404
Rentals from investment properties	**$217,609**	$216,643	**$665,776**	$656,853
Residential closing revenue	**(18)**	6,908	**1,059**	13,867
Service and other revenues	**3,069**	3,139	**11,619**	9,023
Rentals from investment properties and other	**$220,660**	$226,690	**$678,454**	$679,743

15. Property operating costs and other

The following table summarizes property operating costs and other:

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	**2026**	2025
Recoverable property operating costs[(1)]	**$73,143**	$73,336	**$235,897**	$232,703
Property management fees and costs	**1,143**	1,207	**4,132**	3,646
Expected credit loss	**552**	328	**3,410**	767
Non-recoverable costs	**1,564**	1,324	**4,898**	4,743
Property operating costs	**$76,402**	$76,195	**$248,337**	$241,859
Residential cost of sales and marketing costs	**(94)**	6,499	**769**	10,153
Other expenses relating to service and other revenues[(2)]	**2,505**	2,659	**9,879**	8,263
Other expenses	**$2,411**	$9,158	**$10,648**	$18,416
Property operating costs and other	**$78,813**	$85,353	**$258,985**	$260,275

(1) Includes recoverable property tax and insurance costs.
(2) Related to service and other revenues as disclosed in Note 14, "Rentals from investment properties and other".

16. General and administrative expense

The following table summarizes general and administrative expense:

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	**2026**	2025
Salaries and benefits	**$7,069**	$5,839	**$21,798**	$19,668
Professional fees	**855**	1,335	**4,742**	3,778
Public company costs	**564**	582	**1,799**	1,808
Amortization of intangible assets	**332**	332	**998**	998
Other costs including office rent, information technology, marketing, communications, and other employee expenses	**583**	712	**2,314**	2,003
General and administrative expense	**$9,403**	$8,800	**$31,651**	$28,255

17. Supplemental cash flow information

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	**2026**	2025
Fair value adjustments	**$(96,031)**	$10,170	**$96,319**	$78,085
Gain (loss) on sale of investment properties	**119**	—	**113**	(7)
Earnings (losses) from equity accounted investments	**2,064**	(2,218)	**(10,350)**	2,449
Interest expense	**49,690**	47,838	**147,519**	140,678
Other financing costs	**(476)**	81	**(1,477)**	(673)
Interest income	**(2,875)**	(3,259)	**(8,178)**	(9,603)
Amortization of other assets and intangible assets	**2,172**	518	**7,214**	4,161
Lease obligation interest	**75**	68	**220**	200
Unit-based compensation expense, net of cash redemptions	**1,691**	346	**2,141**	2,163
	$(43,571)	$53,544	**$233,521**	$217,453

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	**2026**	2025
Amounts receivable and other	**$1,291**	$(1,765)	**$10,636**	$(16,100)
Prepaid expenses, deposits and deferred financing costs	**(9,291)**	(8,014)	**(39,011)**	(37,172)
Accounts payable	**16,304**	14,025	**(913)**	(1,553)
Realty taxes payable	**(8,996)**	(8,622)	**412**	806
Tenant prepaid rent, deposits and other payables, and residential sales deposits	**(12,824)**	(13,786)	**5,824**	(2,698)
Other working capital changes	**(472)**	7,511	**9,839**	16,676
	$(13,988)	$(10,651)	**$(13,213)**	$(40,041)

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

	Three Months Ended September 30		Nine Months Ended September 30	
Non-cash investing and financing balances	**2026**	2025	**2026**	2025
Total return swap receivable[(1)]	**$—**	$89,492	**$—**	$89,492
Units issued on acquisition	**—**	152	**—**	3,209
Liabilities assumed on acquisition, net of other assets	**115**	—	**1,041**	—
Distributions payable	**26,603**	26,598	**26,603**	26,598
Total return swap debt[(1)]	**—**	95,995	**—**	95,995

(1) The TRS receivable was fully settled on a non-cash basis during the three and nine months ended September 30, 2026 against the corresponding TRS debt obligation.

18. Related party transactions

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

Transactions and Agreements with Penguin

a) Penguin's Ownership Interest and Voting Right

The Trust's largest Unitholder is Penguin, which as at September 30, 2026, held approximately 21.4% of the issued and outstanding Units (December 31, 2025 – 21.3%) of the Trust. The following table presents Units owned by Penguin:

		Units owned by Penguin	
Type	**Class**	**September 30, 2026**	December 31, 2025
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**	4,254,322
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	**304,163**	272,183
Units owned by Penguin		**38,096,852**	38,064,872

Pursuant to the Declaration of Trust, provided certain ownership thresholds were met, the Trust was required to issue or cancel such number of additional Special Voting Units to Penguin that entitled 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"). The Voting Top-Up Right expired on December 31, 2025. Accordingly, as at September 30, 2026, there were no additional Special Voting Units outstanding (December 31, 2025 – 8,755,838). 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.

Pursuant to its rights under the Declaration of Trust, at September 30, 2026, 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 nine months ended September 30, 2026, distributions declared to Penguin totalled $52,827 (year ended December 31, 2025 – $70,377).

c) Amended agreements with Penguin

On April 1, 2026, the Trust entered into amended agreements with Mitchell Goldhar and Penguin effective as of January 1, 2026 for a five year term, expiring on December 31, 2030.

Penguin Services Agreement

Effective January 1, 2026, the Penguin Services Agreement was amended and restated and the parties agreed that fees payable to Penguin in consideration of the services thereunder and in consideration of Penguin agreeing to enter into the Non-Competition Agreement would be limited exclusively to a Fixed Service Fee of $2,125 for each quarter, subject to adjustments for the consumer price index in subsequent years. There is no longer a Variable Service Fee.

Development Services Agreement Supplement

On April 1, 2026, the Trust entered into a supplemental agreement (the "DSA Agreement") with Penguin with an effective date of January 1, 2026. The DSA Agreement supplements and amends certain terms of the May 28, 2015 development services agreement ("Development Services Agreement"), as amended. The DSA Agreement confirms that the Trust will not perform development services for certain projects, with such services, and applicable fees, being paid to Penguin. The parties agreed that fees payable for certain projects, would be reduced by 50%, and will be charged to the relevant project as a project cost.

The agreement also provides for Penguin's ability to request certain services on a timebillings basis and adjustments to certain services and fees payable under the Development Services Agreement.

Settlement Agreement

On April 1, 2026, the Trust and Penguin entered into the Settlement Agreement, pursuant to which the parties agreed to settle a number of outstanding amounts owing between the parties, totalling $30,594, of which $13,116 were paid to the Trust by Penguin, $17,478 was charged to various projects and paid to the Trust by the partnerships. Further, the parties agreed to settle all outstanding Earnout agreements of $46,948, of which $36,115 have been paid to Penguin by the Trust. During the nine months ended September 30, 2026, the Trust settled all outstanding Earnout obligations relating to properties subject to Earnout agreements with Penguin and various third parties. In connection with the settlement of certain Earnout expiry

properties, a loan receivable of $7,268, including all accrued interest to December 31, 2025, was repaid by Penguin on April 17, 2026.

Omnibus Mezzanine Loan Termination Agreement
On April 1, 2026, the Trust entered into an Omnibus Mezzanine Loan Termination Agreement pursuant to which all eight mezzanine loans provided by the Trust to certain Penguin entities were terminated. Upon settlement, letters of credit issued by the Trust in connection with the mezzanine loans were replaced, and the $2 receivable balance was repaid by Penguin on April 17, 2026. There were no further mezzanine loan commitments outstanding.

d) Properties under development subject to development management agreements ("Earnout Agreements")
Certain properties under development (including certain leasehold property interests) were previously subject to Earnout obligations under various development management agreements with Penguin and Walmart.

Effective January 1, 2026, pursuant to the Settlement Agreement, the parties agreed to settle all outstanding Earnout agreements during 2026. See Note 3(e).

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

Type	Class	September 30, 2026	December 31, 2025
Trust Units	N/A	**1,286,833**	1,286,833
Smart Limited Partnership	Class B	**2,011,886**	5,031,072
Smart Limited Partnership III	Class B	**270,308**	1,407,949
Smart Limited Partnership IV	Class B	**—**	353,135
Smart Oshawa South Limited Partnership	Class B	**18,983**	18,983
Smart Oshawa Taunton Limited Partnership	Class B	**—**	132,711
Smart Boxgrove Limited Partnership	Class B	**—**	267,179
ONR Limited Partnership I	Class B	**—**	429,599
		3,588,010	8,927,461

At September 30, 2026, Penguin's ownership would increase to 22.8% (December 31, 2025 – 24.9%) if Penguin were to exercise all remaining Earnout options pursuant to the Omnibus Agreement between the Trust and Penguin.

e) Leasehold property interest
At September 30, 2026, 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(d).

f) 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).

g) Summary of transactions and balances with Penguin

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

		Three Months Ended September 30		Nine Months Ended September 30	
	Note	**2026**	2025	**2026**	2025
Related party transactions with Penguin					
Acquisitions and Earnouts:					
Earnouts	3(b)	**$25,066**	$386	**$53,091**	$10,296
Revenues:					
Service and other revenues:					
Management fee and other services revenue pursuant to the Development and Services Agreement		**1,512**	1,965	**(773)**	6,036
Time billings - Supplement to the Development Service Agreement		**—**	—	**5,290**	—
Support services		**254**	282	**593**	846
		$1,766	$2,247	**$5,110**	$6,882
Interest income from mortgages and loans receivable		**224**	473	**659**	1,418
Rents and operating cost recoveries included in rentals from income properties		**347**	404	**1,081**	1,592
		$2,337	$3,124	**$6,850**	$9,892
Expenses and other payments:					
Fees paid pursuant to the Penguin Services Agreement – capitalized to properties under development		**2,125**	2,016	**6,344**	5,558
EIP – capitalized to properties under development		**278**	262	**825**	1,098
Development fees and interest expense – capitalized to investment properties		**224**	231	**609**	694
Opportunity fees pursuant to the development management agreements – capitalized to properties under development[1]		**(526)**	15	**(511)**	45
Marketing and other costs – included in general and administrative expense and property operating costs		**15**	18	**67**	45
Disposition fees pursuant to the Development and Services Agreement - included in general and administrative expense		**—**	18	**(79)**	18
		$2,116	$2,560	**$7,255**	$7,458

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

As at	Note	**September 30, 2026**	December 31, 2025
Related party balances with Penguin disclosed elsewhere in the financial statements			
Receivables and Other:			
Amounts receivable and other[1] [2]	7	**$14,405**	$35,194
Loans receivable	5(a)	**71,253**	77,525
Mortgages receivable	5(b)	**—**	2
Notes receivable	5(c)	**2,924**	2,924
Total receivables		**$88,582**	$115,645
Payables and other accruals:			
Accounts payable and accrued liabilities		**107**	3,995
Earnout settlement obligations	10	**—**	17,864
Total payables and other accruals		**$107**	$21,859

(1) Excludes amounts receivable presented below as part of balances with equity accounted investments. This amount includes amounts receivable of $3,204 and other of $11,201 (December 31, 2025 – amounts receivable of $21,794 and other of $13,400).
(2) The non-current portion of amounts receivable represents a related party receivable from Penguin of $2,302 (December 31, 2025 – $17,935).

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 land purchase or contribution agreements relating to joint ventures. See Note 8(b)(iii).

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

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	**2026**	2025
Related party transactions with the Trust's equity accounted investments				
Revenues:				
Supplemental Development Fee	**$9,596**	$1,107	**$10,373**	$4,216
Interest income from mortgages and loans receivable	**2,196**	2,136	**6,179**	6,184
Expenses and other payments:				
Rent and operating costs (included in general and administrative expense and property operating costs)	**810**	805	**2,470**	2,350

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

As at	Note	**September 30, 2026**	December 31, 2025
Related party balances disclosed elsewhere in the financial statements			
Amounts receivable[(1)]	7	**$18,379**	$11,027
Loans receivable[(2)]	5(a)	**177,905**	148,359
Other unsecured debt[(3)]	8(b)(iii)	**113,401**	112,611

(1) Amounts receivable includes Penguin's portion, which represents $8,939 (December 31, 2025 – $5,292) relating to Penguin's 50% investment in the PCVP and Residences (One) LP.
(2) Loans receivable includes Penguin's portion, which represents $29,646 (December 31, 2025 – $28,727) relating to Penguin's 50% investment in the PCVP.
(3) Other unsecured debt does not consist of Penguin's portion as at September 30, 2026 (December 31, 2025 – nil).

19. Key management and Trustees' compensation

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

The following table presents the compensation relating to key management:

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	**2026**	2025
Salaries and other short-term employee benefits	**$1,429**	$797	**$4,280**	$2,390
Unit-based compensation	**$1,618**	$1,367	**$4,411**	$4,524
	$3,047	$2,164	**$8,691**	$6,914

The following table presents the compensation relating to Trustees:

	Three Months Ended September 30		Nine Months Ended September 30	
	2026	2025	**2026**	2025
Trustees' fees	**$387**	$422	**$1,245**	$1,264

20. Segmented information

As at September 30, 2026, 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 22.9% of the Trust's annualized rentals from investment properties for the nine months ended September 30, 2026 (nine months ended September 30, 2025 – 22.9%).

21. Risk management

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

Change in interest rate of:	**(1.00)%**	**(0.50)%**	**0.50%**	**1.00%**
Annualized net income increase (decrease) from variable-rate debt	**$8,190**	**$4,095**	**$(4,095)**	**$(8,190)**
Annualized net income increase (decrease) from variable-rate mortgages and loans receivable	**$(1,928)**	**$(964)**	**$964**	**$1,928**

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

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

Change in interest rate of:	**(1.00)%**	**(0.50)%**	**0.50%**	**1.00%**
Annualized fair value gain (loss) on interest rate swap agreements	**$(335)**	**$(168)**	**$168**	**$335**

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

22. Commitments and contingencies

The Trust has entered into various other development construction contracts totalling $33,537 (December 31, 2025 – $30,240).

As at September 30, 2026, letters of credit totalling $38,775 (December 31, 2025 – $39,833) – including letters of credit drawn down under the revolving operating facilities described in Note 8(c) – have been issued on behalf of the Trust by financial institutions as security for debt and for maintenance and development obligations to municipal authorities.

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

The Trust, in the normal course of operations, is subject to a variety of legal and other claims. Management and the Trust's legal counsel evaluate all claims on their apparent merits and accrue management's best estimate of the likely cost to satisfy such claims. Management believes the outcome of current legal and other claims filed against the Trust, after considering insurance coverage, will not have a significant impact on the Trust's unaudited interim condensed consolidated financial statements.

23. Subsequent events

On October 14, 2026, the Trust issued an additional $150,000 principal amount of existing Series AC senior unsecured debentures bearing interest at 3.599% per annum, maturing on June 12, 2029, at a price of $985.47 per $1,000 of principal plus accrued and unpaid interest from and including June 12, 2026. In addition, the Trust issued $300,000 principal amount of Series AE senior unsecured debentures bearing interest at 4.795% per annum, maturing on January 15, 2032. Net proceeds were used to repay the $150,000 credit facility in full upon its maturity in October 2026, revolving operating facilities, and for general corporate purposes.