Interim Condensed Consolidated Financial Statements of

ARTIS REAL ESTATE INVESTMENT TRUST

Three months ended March 31, 2025 and 2024
(Unaudited)

(In Canadian dollars)

Interim Condensed Consolidated Balance Sheets

(Unaudited)

(In thousands of Canadian dollars)

	Note	March 31, 2025	December 31, 2024
ASSETS			
Non-current assets:			
Investment properties	4	$2,135,479	$2,170,065
Equity accounted investments	5	109,652	110,691
Preferred investments	6	131,697	139,881
Equity securities	8	60,500	84,841
Property and equipment		5,947	6,367
Notes receivable	9	29,822	29,916
		2,473,097	2,541,761
Current assets:			
Investment properties held for sale	4	180,602	202,813
Prepaid expenses and other assets		8,889	4,073
Notes receivable	9	4,634	197
Accounts receivable and other receivables	10	11,517	14,393
Cash held in trust		6,776	7,135
Cash		26,292	32,789
		238,710	261,400
Total assets		$ 2,711,807	$ 2,803,161
LIABILITIES AND UNITHOLDERS' EQUITY			
Non-current liabilities:			
Mortgages and loans payable	11	$ 397,332	$ 380,517
Credit facilities	13	204,597	250,480
Deferred taxes		311	257
Other long-term liabilities		5,347	5,249
		607,587	636,503
Current liabilities:			
Mortgages and loans payable	11	264,392	301,133
Senior unsecured debentures	12	199,977	199,907
Security deposits and prepaid rent		20,099	19,772
Accounts payable and other liabilities		61,327	64,871
		545,795	585,683
Total liabilities		1,153,382	1,222,186
Unitholders' equity		1,558,425	1,580,975
Contingencies and guarantees	24		
Subsequent events	28		
Total liabilities and unitholders' equity		$ 2,711,807	$ 2,803,161

See accompanying notes to interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Operations

(Unaudited)

(In thousands of Canadian dollars, except unit and per unit amounts)

	Note	Three months ended March 31, 2025	2024
Revenue	16	$ 62,302	$ 80,420
Expenses:			
Property operating		22,335	24,116
Realty taxes		8,800	12,747
Total operating expenses		31,135	36,863
Net operating income		31,167	43,557
Other income (expenses):			
Interest and other income	17	669	9,457
Distribution income from equity securities	8	957	1,974
Interest expense	18	(17,430)	(32,120)
Corporate expenses		(3,284)	(1,932)
Strategic review expenses		—	(350)
Equity securities expenses	8	(83)	(173)
Net income (loss) from equity accounted investments	5	1,944	(22,506)
Expected credit loss on preferred investments	6	(8,184)	—
Fair value gain (loss) on investment properties	4	7,096	(1,000)
Fair value loss on financial instruments	19	(1,188)	(1,022)
Foreign currency translation gain (loss)		17	(4,438)
Income (loss) before income taxes		11,681	(8,553)
Income tax (expense) recovery	20	(254)	1,432
Net income (loss)		11,427	(7,121)
Other comprehensive (loss) income that may be reclassified to net income (loss) in subsequent periods:			
Unrealized foreign currency translation (loss) gain		(738)	25,215
Unrealized foreign currency translation (loss) gain on equity accounted investments		(51)	2,576
Net change in derivatives designed as cash flow hedges of equity accounted investments		—	1,272
Other comprehensive (loss) income		(789)	29,063
Total comprehensive income		$ 10,638	$ 21,942
Basic income (loss) per unit attributable to common unitholders	14	$ 0.08	$ (0.10)
Diluted income (loss) per unit attributable to common unitholders	14	0.08	(0.10)
Weighted-average number of common units outstanding:			
Basic	14	100,127,194	107,907,667
Diluted	14	100,127,194	108,779,758

See accompanying notes to interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Changes in Unitholders' Equity

(Unaudited)

(In thousands of Canadian dollars)

	Common units capital contributions	Retained earnings (deficit)	Accumulated other comprehensive income	Contributed surplus	Total common equity	Total preferred equity	Total
Unitholders' equity, December 31, 2023	$ 1,638,584	$ (488,883)	$ 224,258	$ 150,686	$ 1,524,645	$ 191,687	$ 1,716,332
Changes for the period:							
Issuance of common units, net of issue costs (note 14)	15	—	—	—	15	—	15
Units acquired and cancelled through normal course issuer bid (note 14)	(15,677)	—	—	10,965	(4,712)	(5,462)	(10,174)
Units acquired through normal course issuer bid, not cancelled at period end (note 14)	(1,518)	—	—	794	(724)	(195)	(919)
Net loss	—	(7,121)	—	—	(7,121)	—	(7,121)
Other comprehensive income	—	—	29,063	—	29,063	—	29,063
Distributions		(19,386)	—	—	(19,386)	—	(19,386)
Unitholders' equity, March 31, 2024	1,621,404	(515,390)	253,321	162,445	1,521,780	186,030	1,707,810
Changes for the period:							
Issuance of common units, net of issue costs (note 14)	58	—	—	—	58	—	58
Redemption of preferred units (note 14)					—		—
Units acquired and cancelled through normal course issuer bid (note 14)	(92,070)	—	—	50,788	(41,282)	(10,170)	(51,452)
Units acquired through normal course issuer bid, not cancelled at year end (note 14)	(448)	—	—	232	(216)	(7)	(223)
Unit buyback tax	—	—	—	(1,015)	(1,015)	—	(1,015)
Net loss	—	(40,293)	—	—	(40,293)	—	(40,293)
Other comprehensive loss	—	—	50,533	—	50,533	—	50,533
Distributions	—	(84,443)	—	—	(84,443)	—	(84,443)
Unitholders' equity, December 31, 2024	1,528,944	(640,126)	303,854	212,450	1,405,122	175,853	1,580,975
Changes for the period:							
Issuance of common units, net of issue costs (note 14)	3	—	—	—	3	—	3
Units acquired and cancelled through normal course issuer bid (note 14)	(27,262)	—	—	13,787	(13,475)	(1,006)	(14,481)
Units acquired through normal course issuer bid, not cancelled at period end (note 14)	(448)	—	—	233	(215)	(92)	(307)
Unit buyback tax	—	—	—	(277)	(277)	—	(277)
Net income	—	11,427	—	—	11,427	—	11,427
Other comprehensive loss	—	—	(789)	—	(789)	—	(789)
Distributions	—	(18,126)	—	—	(18,126)	—	(18,126)
Unitholders' equity, March 31, 2025	$ 1,501,237	$ (646,825)	$ 303,065	$ 226,193	$ 1,383,670	$ 174,755	$ 1,558,425

See accompanying notes to interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows

(Unaudited)

(In thousands of Canadian dollars)

	Note	Three months ended March 31, 2025	Three months ended March 31, 2024
Cash provided by (used in):			
Operating activities:			
Net income (loss)		$ 11,427	$ (7,121)
Adjustments for:			
Interest income on preferred investments received in-kind		—	(8,532)
Distribution income from equity securities	8	(957)	(1,974)
Net (income) loss from equity accounted investments	5	(1,944)	22,506
Expected credit loss on preferred investments	6	8,184	—
Fair value (gain) loss on investment properties	4	(7,096)	1,000
Fair value loss on financial instruments	19	1,188	1,022
Unrealized foreign currency translation (gain) loss		(13)	4,470
Deferred income tax expense (recovery)	20	54	(1,443)
Other items not affecting cash	21	6,971	7,481
Changes in non-cash operating items	21	(190)	3,328
		17,624	20,737
Investing activities:			
Acquisitions of investment properties, net of related debt		—	(5,400)
Proceeds from dispositions of investment properties, net of costs and related debt		43,406	13,710
Additions to investment properties		(4,348)	(3,664)
Additions to investment properties under development		—	(4,206)
Additions to tenant inducements and leasing commissions		(7,457)	(7,007)
Contributions to equity accounted investments		(395)	(48,335)
Distributions from equity accounted investments		2,778	817
Purchases of equity securities		(6,396)	(2,517)
Proceeds from dispositions of equity securities, net of costs		30,377	28,498
Distributions from equity securities		1,053	2,234
Additions to property and equipment		—	(90)
Issuances of notes receivable		(135)	(181)
Notes receivable principal repayments		184	10,265
Change in cash held in trust		352	2,224
		59,419	(13,652)
Financing activities:			
Repayment of mortgages and loans payable		(23,113)	(22,004)
Advance of mortgages and loans payable, net of financing costs		19,121	24,380
Advance of revolving credit facilities		17,175	88,952
Repayment of revolving credit facilities, including financing costs		(63,469)	(66,395)
Repayment of non-revolving credit facilities, including financing costs		—	(108)
Repayment of lease liabilities		(204)	(82)
Purchase of common units under normal course issuer bid	14	(13,846)	(6,918)
Purchase of preferred units under normal course issuer bid	14	(942)	(4,037)
Distributions paid on common units		(15,022)	(16,193)
Distributions paid on preferred units		(3,198)	(3,440)
		(83,498)	(5,845)
Foreign exchange (loss) gain on cash held in foreign currency		(42)	445
(Decrease) increase in cash		(6,497)	1,685
Cash, beginning of period		32,789	28,940
Cash, end of period		$ 26,292	$ 30,625

See accompanying notes to interim condensed consolidated financial statements.

Notes to Interim Condensed Consolidated Financial Statements

Three months ended March 31, 2025 and 2024 (Unaudited)

(In thousands of Canadian dollars, except unit and per unit amounts)

Note 1. Organization

Artis Real Estate Investment Trust (the "REIT") is an unincorporated closed-end real estate investment trust created under, and governed by, the laws of the Province of Manitoba. The REIT was created pursuant to the Declaration of Trust dated November 8, 2004, as most recently amended and restated on December 19, 2021 (the "Declaration of Trust"). The REIT's vision is to become a best-in-class real estate asset management and investment platform focused on growing net asset value per unit and distributions for its investors through value investing. The REIT owns, manages, leases and develops industrial, office, retail and residential properties in Canada and the United States (the "U.S."), and holds other real estate investments. The registered office of the REIT is 600 - 220 Portage Avenue, Winnipeg, Manitoba, R3C 0A5.

The Declaration of Trust provides that the REIT may make cash distributions to common unitholders of the REIT. The amount distributed annually (currently $0.60 per common unit) is set by the Board of Trustees. The amounts distributed annually to the preferred unitholders are $1.7995 per Series E Unit and $1.74825 per Series I Unit.

Note 2. Material accounting policy information

(a) Basis of presentation and measurement:

These interim condensed consolidated financial statements have been prepared in accordance with IAS 34 - *Interim Financial Reporting*. Accordingly, certain information and note disclosures normally included in annual financial statements prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") have been omitted or condensed.

These interim condensed consolidated financial statements have been prepared using the same accounting policies and methods as those used in the consolidated financial statements for the year ended December 31, 2024. The REIT has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective. These interim condensed consolidated financial statements have been prepared on a going concern basis and have been presented in Canadian dollars rounded to the nearest thousand dollars unless otherwise indicated.

These interim condensed consolidated financial statements should be read in conjunction with the REIT's consolidated financial statements for the year ended December 31, 2024.

(b) Use of estimates and judgments:

The preparation of the interim condensed consolidated financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. The critical accounting estimates and judgments have been set out in note 2 to the REIT's consolidated financial statements for the year ended December 31, 2024. There have been no changes to the critical accounting estimates and judgments during the three months ended March 31, 2025.

Note 3. Acquisitions and dispositions of investment properties

Acquisitions:

The REIT did not acquire any properties during the three months ended March 31, 2025.

On February 22, 2024, the REIT acquired an additional 5% interest in Park 8Ninety V, an industrial property located in the Greater Houston Area, Texas. Prior to the acquisition date, the REIT owned 95% of this investment property and the property was classified as a joint venture and accounted for using the equity method. As a result of this acquisition, the REIT owns 100% of the property and accounts for it on a consolidated basis. The REIT accounted for this acquisition as a step acquisition and remeasured its existing 95% interests to fair value at the acquisition date.

The acquisition of the interest in Park 8Ninety V has been accounted for using the acquisition method, with the results of operations included in the REIT's accounts from the date of acquisition. The net assets acquired were as follows:

Investment properties	$	5,310
Other net assets		90
Cash consideration	$	5,400

Dispositions:

The REIT disposed of the following properties during the three months ended March 31, 2025:

Property	Property count	Location	Disposition date	Asset class
Circle 8 Centre	1	Saskatoon, SK	January 1, 2025	Retail
Pepco Building	1	Greater Edmonton Area, AB	January 8, 2025	Industrial
Alex Building	1	Calgary, AB	January 8, 2025	Industrial
Sunridge Spectrum	1	Calgary, AB	January 31, 2025	Retail

The cash proceeds from the sale of the above properties, net of costs and related debt, were $47,746. In conjunction with the sale of a retail property, the REIT also received a note receivable in the amount of $4,411, which is secured by the property sold (see note 9). The assets and liabilities associated with the properties were derecognized.

The REIT disposed of the following properties during the three months ended March 31, 2024:

Property	Property count	Location	Disposition date	Asset class
Pembina Village Shopping Centre	1	Winnipeg, MB	January 5, 2024	Retail
500 Berry Street	1	Winnipeg, MB	January 11, 2024	Industrial
CDI College Building	1	Winnipeg, MB	February 16, 2024	Office

The cash proceeds received from the sale of the above properties, net of costs and related debt, were $13,710. In conjunction with the sale of a retail property, the REIT also received a note receivable in the amount of $5,000, which was secured by the property sold and subsequently fully repaid in 2024. The assets and liabilities associated with the properties were derecognized.

Note 4. Investment properties, investment properties under development and investment properties held for sale

	Three months ended March 31, 2025	
	Investment properties	Investment properties held for sale
Balance, beginning of period	$ 2,170,065	$ 202,813
Additions:		
Capital expenditures	3,489	138
Leasing commissions	2,605	126
Straight-line rent adjustments	(75)	16
Tenant inducement additions, net of amortization	(438)	(468)
Dispositions	(208)	(68,063)
Foreign currency translation loss	(896)	(119)
Fair value gain (loss)	8,516	(1,420)
Reclassification of investment properties held for sale	(47,579)	47,579
Balance, end of period	$ 2,135,479	$ 180,602

		Year ended December 31, 2024	
	Investment properties	Investment properties under development	Investment properties held for sale
Balance, beginning of year	$ 2,494,134	$ 947	$ 571,760
Additions:			
Acquisitions	27,810	—	—
Reclassification from equity accounted investments	100,867	—	—
Capital expenditures	17,543	7,414	610
Capitalized interest (1)	—	126	—
Leasing commissions	6,523	5	503
Straight-line rent adjustments	206	—	245
Tenant inducement additions, net of amortization	878	12	3,176
Dispositions	—	—	(950,742)
Foreign currency translation gain	96,309	14	9,473
Fair value loss	(4,867)	—	(10,068)
Reclassification of investment properties under development	7,859	(7,859)	—
Reclassification of investment properties held for sale	(577,197)	(659)	577,856
Balance, end of year	$ 2,170,065	$ —	$ 202,813

(1) During the year ended December 31, 2024, interest was capitalized to investment properties under development at a weighted-average effective rate of 6.91%.

The REIT had two industrial properties, one office property, one retail property and two parcels of development land classified as investment properties held for sale that were actively marketed for sale or under unconditional or conditional sale agreements at March 31, 2025 (December 31, 2024, three industrial properties, one office property, two retail properties and two parcels of development land). The properties held for sale had an aggregate mortgage payable balance of $26,749 at March 31, 2025 (December 31, 2024, $62,443). This balance is not accounted for as held for sale but is included in current liabilities as the REIT intends to repay the mortgages upon disposition of the related investment properties.

At March 31, 2025, included in investment properties was $39,321 (December 31, 2024, $40,174) of net straight-line rent receivables arising from the recognition of rental income on a straight-line basis over the lease term.

At March 31, 2025, investment properties with fair values of $2,110,775 (December 31, 2024, $2,137,781) were pledged as security under mortgage agreements and credit facilities.

The REIT obtains external valuations for a selection of properties representing various geographical regions and asset classes across its portfolio. For the three months ended March 31, 2025, properties (including the REIT's ownership interest in properties held in equity accounted investments except for those held in Iris Acquisition II LP) with an appraised value of $176,825 (year ended December 31, 2024, $564,571), were appraised by qualified external valuation professionals. The REIT uses similar assumptions and valuation techniques in its internal valuations as used by the external valuation professionals. Internal valuations are performed by the REIT's valuations team who report directly to the Chief Financial Officer. The valuations processes and results are reviewed by management on a quarterly basis.

The REIT determines the fair value of investment properties based upon either the discounted cash flow method or the overall capitalization method. Under the discounted cash flow method, expected future cash flows are discounted using an appropriate rate based on the risk of the property. Expected future cash flows for each investment property are based upon, but not limited to, rental income from current leases, budgeted and actual expenses, and assumptions about rental income from future leases. The REIT uses leasing history, market reports, tenant profiles and building assessments, among other things, in determining the most appropriate assumptions. Discount and capitalization rates are estimated using market surveys, available appraisals and market comparables. Under the overall capitalization method, year one net income is stabilized and capitalized at a rate appropriate for each investment property. The stabilized net income incorporates allowances for vacancy, management fees and structural repair reserves. The resulting capitalized value is further adjusted, where appropriate, for costs to stabilize the net income and non-recoverable capital expenditures. There were no changes to the REIT's internal valuation methodology during the three months ended March 31, 2025 and the year ended December 31, 2024.

A change in the discount or capitalization rates used could have a material impact on the fair value of the REIT's investment properties. When discount or capitalization rates compress, the estimated fair values of investment properties increase. When discount or capitalization rates expand, the estimated fair values of investment properties decrease. A change in estimated future rental income and expenses could have a material impact on the fair value of the REIT's investment properties. Estimated rental income and expenses are affected by, but not limited to, changes in rent and expense growth and occupancy rates.

Under the fair value hierarchy, the fair value of the REIT's investment properties is considered Level 3, as described in note 27.

The REIT has used the following rates and investment horizons in estimating the fair value of investment properties:

	March 31, 2025			December 31, 2024		
	Maximum	Minimum	Weighted-average	Maximum	Minimum	Weighted-average
Canada:						
Discount rate	9.50 %	5.25 %	7.44 %	9.50 %	5.25 %	7.51 %
Terminal capitalization rate	9.00 %	4.25 %	6.46 %	9.00 %	4.25 %	6.53 %
Capitalization rate	8.75 %	4.00 %	6.39 %	8.75 %	4.00 %	6.48 %
Investment horizon (years)	12.0	10.0	10.4	11.0	10.0	10.2
U.S.:						
Discount rate	11.00 %	7.00 %	9.00 %	10.25 %	7.00 %	8.94 %
Terminal capitalization rate	9.00 %	6.25 %	7.97 %	9.00 %	6.25 %	7.96 %
Capitalization rate	10.50 %	6.00 %	8.05 %	9.75 %	6.00 %	8.01 %
Investment horizon (years)	12.0	10.0	10.5	12.0	10.0	10.5
Total portfolio:						
Discount rate	11.00 %	5.25 %	8.07 %	10.25 %	5.25 %	8.07 %
Terminal capitalization rate	9.00 %	4.25 %	7.07 %	9.00 %	4.25 %	7.09 %
Capitalization rate	10.50 %	4.00 %	7.07 %	9.75 %	4.00 %	7.09 %
Investment horizon (years)	12.0	10.0	10.4	12.0	10.0	10.3

The above information represents the REIT's entire portfolio of investment properties, excluding properties held in the REIT's equity accounted investments.

Note 5. Equity accounted investments

The REIT has the following equity accounted investments:

			Ownership interest	
	Principal purpose	Location	March 31, 2025	December 31, 2024
Associate:				
Iris Acquisition II LP ("Iris")	Investment in Cominar Real Estate Investment Trust	Various cities, QC	32.29 %	32.29 %
Joint ventures:				
Corridor Park	Investment property	Greater Houston Area, TX	90.00 %	90.00 %
Graham Portfolio	Investment property	Various cities, AB/BC/SK	75.00 %	75.00 %
The Point at Inverness	Investment property	Greater Denver Area, CO	50.00 %	50.00 %
ICE LP	Investment in Iris Acquisition II LP	—	50.00 %	50.00 %
ICE II LP	Investment in the asset manager of Cominar Real Estate Investment Trust	—	50.00 %	50.00 %

During the three months ended March 31, 2025, the REIT contributed $395 to Corridor Park and The Point at Inverness equity accounted investments.

As at March 31, 2025, the REIT's cumulative share of losses of Iris exceeds the REIT's net investment in the common equity units. As a result, loss from Iris in the amount of $24,190 was not recognized for three months ended March 31, 2025 ($17,845 for the year ended December 31, 2024), as the REIT has no obligation in respect of these losses.

The REIT is contingently liable for the obligations of certain joint ventures. As at March 31, 2025, the co-owners' share of mortgage liabilities was $8,839 (December 31, 2024, $8,946). Management has assessed that the assets available from its joint ventures are sufficient for the purpose of satisfying such obligations.

Summarized financial information of the REIT's share in its equity accounted investments is as follows:

	March 31, 2025			December 31, 2024			
	Iris	Joint ventures	Total	Iris	Other associate	Joint ventures	Total
Non-current assets:							
Investment properties	$ 534,361	$ 103,663	$ 638,024	$ 537,629	$ —	$ 136,543	$ 674,172
Other non-current assets	10,141	14	10,155	10,170	—	563	10,733
Current assets:							
Investment properties held for sale	26,720	33,523	60,243	36,373	—	—	36,373
Other current assets	8,965	1,960	10,925	10,271	106	4,257	14,634
Total assets	580,187	139,160	719,347	594,443	106	141,363	735,912
Non-current liabilities:							
Mortgages, loans and other debt	560,191	—	560,191	536,995	—	—	536,995
Current liabilities:							
Mortgages, loans and other debt	35,873	26,513	62,386	49,749	—	26,832	76,581
Other current liabilities	26,054	2,995	29,049	24,755	36	3,910	28,701
Total liabilities	622,118	29,508	651,626	611,499	36	30,742	642,277
REIT's share of net assets of equity accounted investments	(41,931)	109,652	67,721	(17,056)	70	110,621	93,635
Adjustments to REIT's share of net assets in Iris [1]	41,931	—	41,931	17,056	—	—	17,056
Carrying amount of equity accounted investments	$ —	$ 109,652	$ 109,652	$ —	$ 70	$ 110,621	$ 110,691

(1) Adjustments include net loss, other comprehensive loss and contributed surplus of Iris not recognized by the REIT.

	Three months ended March 31, 2025			Three months ended March 31, 2024			
	Iris	Joint ventures	Total	Iris	Other associate	Joint ventures	Total
Revenue	$ 18,271	$ 2,962	$ 21,233	$ 20,461	$ 230	$ 4,289	$ 24,980
Operating expenses	10,737	1,481	12,218	11,465	33	1,711	13,209
Net operating income	7,534	1,481	9,015	8,996	197	2,578	11,771
Fair value (loss) gain on investment properties	(877)	696	(181)	(3,531)	(30)	(9,828)	(13,389)
Other expenses and income, net	(30,847)	(233)	(31,080)	(20,309)	(88)	(491)	(20,888)
REIT's share of net (loss) income	(24,190)	1,944	(22,246)	(14,844)	79	(7,741)	(22,506)
Net loss not recognized by the REIT	24,190	—	24,190	—	—	—	—
Net income (loss) from equity accounted investments	$ —	$ 1,944	$ 1,944	$ (14,844)	$ 79	$ (7,741)	$ (22,506)

Iris is a material associate of the REIT. The summarized financial information of Iris on a 100% basis is presented below with reconciliations to the REIT's carrying amount of its share of investment in Iris and net loss from Iris.

	March 31, 2025	December 31, 2024
Amounts in Iris's financial statements at 100%:		
Non-current assets	$ 1,686,285	$ 1,696,498
Current assets	110,513	144,453
Non-current liabilities	(1,734,875)	(1,663,039)
Current liabilities	(191,723)	(230,675)
Net assets	(129,800)	(52,763)
REIT's ownership percentage	32.29 %	32.29 %
REIT's share of net assets in Iris	(41,931)	(17,056)
Adjustments to REIT's share of net assets in Iris [(1)]	41,931	17,056
Carrying amount of net investment in Iris	$ —	$ —

(1) Adjustments include net loss, other comprehensive loss and contributed surplus of Iris not recognized by the REIT.

	Three months ended	
	March 31, 2025	March 31, 2024
Amounts in Iris's financial statements at 100%:		
Revenue	$ 56,583	$ 62,686
Operating expenses	(33,251)	(35,127)
Other expenses and income, net	(98,249)	(73,037)
Net loss	(74,917)	(45,478)
REIT's ownership percentage	32.29 %	32.64 %
REIT's share of net loss from Iris	(24,190)	(14,844)
Net loss not recognized by the REIT	24,190	—
Net loss from Iris	$ —	$ (14,844)

Note 6. Preferred investments

The REIT's investments in the junior preferred units of Iris are as follows:

	March 31, 2025	Year ended December 31, 2024
Balance, beginning of period	$ 139,881	$ 144,084
In-kind units received through distributions	—	27,113
Allowance for expected credit loss	(8,184)	(31,316)
Balance, end of period	$ 131,697	$ 139,881

The junior preferred units initially bear interest at a rate of 18% per annum until the third anniversary on March 1, 2025, at which time they bear interest at a rate of 24% per annum. Such interest is paid quarterly in cash or, at the election of Iris, in kind through the issuance of additional junior preferred units. For the three months ended March 31, 2025 and the year ended December 31, 2024, additional interest in the form of in-kind units was issued to the REIT due to certain conditions under the terms of the Limited Partnership Agreement of Iris ("Iris LPA"). In accordance with Iris LPA, after deduction of cash reserve for capital expenditures and mortgage repayments, cash available for distribution ("Distributable Cash") will be used for redemption of senior preferred units and junior preferred units in priority to distributions to the common unitholders.

Iris has reported net loss of $74,917 for the three months ended March 31, 2025 and $318,441 for the year ended December 31, 2024, primarily as a result of fair value loss of investment properties and distributions on the senior and junior preferred units that were recorded as interest expenses. As at March 31, 2025, Iris has a unitholders' deficit of $129,800. The REIT has assessed the investment in the junior preferred units to be credit-impaired and has recognized an allowance for expected credit loss equal to the life time expected credit loss. Expected credit loss are measured as a probability-weighted estimate of the expected present value of cash shortfalls. Cash shortfalls represent the difference between the cash flows owed to the REIT and the cash flows expected to be received by the REIT. The REIT's assessment took into consideration the underlying values and development plans of the investment properties held by Iris, the dispositions and capital management plans of Iris management, and the ongoing equity re-structuring efforts undertaken by Iris. It is expected that incremental density values, that have not been reflected in Iris's carrying values, can be monetized on certain investment properties at a future date through Iris's efforts on enhancing development plans and achieving zoning approvals. Since December 2024, there has been ongoing discussions with interested parties to acquire a portion or the entire portfolio of the investment properties of Iris with a solution to settle the outstanding senior and junior preferred units. The possible outcomes may include settlement of the senior and junior preferred units at a discount. The REIT prepared a probability-weighted range of possible outcomes to arrive at an estimated expected credit loss. As a result of the assessment, the REIT recorded an incremental allowance for expected credit loss in the amount of $8,184 for the three months ended March 31, 2025 ($31,316 for the year ended December 31, 2024). The REIT did not recognize the interest income (in the form of in-kind units) on the preferred investments in the amount of $16,829 for the three months ended March 31, 2025 ($7,652 for the fourth quarter of 2024), following the classification of the financial asset as credit-impaired.

The REIT's estimate is dependent on the ability of Iris to execute its plans and the possible results of a transaction with the unitholders of Iris. In addition, the realization of the underlying values of the investment properties of Iris can be impacted by macro-economic and local market conditions, amongst other general real estate related risks. Because these estimates are made at a specific point in time and are inherently subject to judgement and measurement uncertainty, such estimates could differ from actual results.

Note 7. Joint operations

The REIT has 50% interests in the joint operations of Cliveden Building located in the Greater Vancouver Area, BC. The REIT includes its proportionate share of the assets, liabilities, revenues, expenses and cash flows of the joint operations in these interim condensed consolidated financial statements.

Note 8. Equity securities

The REIT invests in equity securities of publicly-traded Canadian entities. The equity securities are measured at fair value using quoted market prices in active markets.

	Three months ended March 31, 2025	Year ended December 31, 2024
Balance, beginning of period	$ 84,841	$ 152,002
Purchases	5,512	22,773
Dispositions	(30,377)	(98,081)
Fair value gain (note 19)	524	8,147
Balance, end of period	$ 60,500	$ 84,841

For the three months ended March 31, 2025, the REIT earned distribution income of $957 (2024, $1,974) and incurred commissions, service and professional fees of $83 (2024, $173), inclusive of services fees paid to Sandpiper (note 22).

Note 9. Notes receivable

		March 31, 2025		December 31, 2024
Note receivable, maturing in November, 2028, bearing interest at an effective rate of 8.967% per annum, interest-only quarterly payment until maturity, secured by an office property.	$	15,050	$	14,936
Note receivable, maturing in January 2028, bearing interest at an effective rate of 3.086% per annum, interest-only monthly payment until maturity, secured by an office property.		10,310		10,331
Note receivable, maturing in October 2025, bearing interest at an effective rate of 4.805% per annum, monthly payment $15 until maturity, secured by a retail property.		4,415		—
Note receivable from tenant, maturing in November 2031, bearing interest at 8.50% per annum, repayable in blended monthly installments of $72 (US$50).		4,400		4,526
Other notes receivable		281		320
		34,456		30,113
Current portion		4,634		197
Non-current portion	$	29,822	$	29,916

Note 10. Accounts receivable and other receivables

		March 31, 2025		December 31, 2024
Rents receivable	$	4,549	$	4,932
Deferred rents receivable		203		198
Allowance for doubtful accounts		(1,175)		(1,175)
Accrued recovery income		1,976		2,202
Other receivables and accrued income		5,964		8,236
	$	11,517	$	14,393

Refer to note 26 for further discussion on credit risk and allowance for doubtful accounts.

Note 11. Mortgages and loans payable

		March 31, 2025		December 31, 2024
Mortgages and loans payable	$	663,682	$	683,932
Financing costs		(1,958)		(2,282)
		661,724		681,650
Current portion		264,392		301,133
Non-current portion	$	397,332	$	380,517

Certain of the REIT's investment properties have been pledged as security under mortgages and other security agreements. As at March 31, 2025, 25.9% of the REIT's mortgages and loans payable bear interest at fixed rates (December 31, 2024, 27.8%), and a further 30.6% of the REIT's mortgages and loans payable bear interest at variable rates with interest rate swaps in place (December 31, 2024, 29.7%). The weighted-average effective rate on all mortgages and loans payable was 6.70% and the weighted-average nominal rate was 6.20% at March 31, 2025 (December 31, 2024, 6.95% and 6.32%, respectively). Maturity dates range from April 27, 2025 to June 1, 2031.

The REIT's mortgage providers have various financial covenants. The REIT monitors these covenants, which are primarily debt service coverage ratios. Mortgages and loans payable with maturities within 12 months or are payable on demand as a result of a financial covenant breach are classified as current liabilities.

Note 12. Senior unsecured debentures

Particulars of the REIT's outstanding senior unsecured debentures are as follows:

Senior unsecured debenture issue	Issue date	Maturity date	Applicable interest rate
Series E	April 29, 2022	April 29, 2025	5.600 %

	Face value	Unamortized financing costs	Carrying value
Series E	$ 200,000	$ (23)	$ 199,977
March 31, 2025	$ 200,000	$ (23)	$ 199,977
December 31, 2024	200,000	(93)	199,907

On April 29, 2022, the REIT issued 5.600% Series E senior unsecured debentures for gross proceeds of $200,000. Interest is payable semi-annually on October 29 and April 29 in each year. Subsequent to March 31, 2025, these debentures were fully redeemed upon maturity (see note 28).

During the three months ended March 31, 2025, financing cost amortization of $70 (2024, $67) was recorded.

Note 13. Credit facilities

The REIT's credit facilities are summarized as follows:

		March 31, 2025		December 31, 2024		
	Borrowing capacity	Amounts drawn	Available to be drawn (1)	Amounts drawn	Available to be drawn (1)	Applicable interest rates
Revolving facility	$ 350,000	$ 39,000	$ 311,000	$ 85,000	$ 265,000	Adjusted CORRA or Adjusted SOFR or Canadian Prime or Base Rate (Canada) plus Applicable Margin (2)
Non-revolving facility	170,000	170,000	—	170,000	—	Adjusted CORRA or Adjusted SOFR or Canadian Prime or Base Rate (Canada) plus Applicable Margin (2)
Financing costs		(4,403)		(4,520)		
Total credit facilities	$ 520,000	$ 204,597	$ 311,000	$ 250,480	$ 265,000	

(1) Under the terms of the senior secured credit facilities agreement, the borrowing capacity is limited by an amount determined based on the calculated lending value of the secured properties (as defined in the agreement). As at March 31, 2025, the total borrowing capacity of the credit facilities was limited to $518,471 (December 31, 2024, not limited).

(2) The Applicable Margins are dependent on the consolidated indebtedness to consolidated gross book value ratio of the REIT and range from 2.10% to 2.60% for CORRA and SOFR borrowings and from 1.10% to 1.60% for Canadian Prime and Base Rate (Canada) borrowings.

On December 11, 2024, the REIT entered into an agreement for senior secured credit facilities (the "Secured Credit Facilities") in an aggregate amount of $520,000, which include a $350,000 revolving credit facility and a $170,000 non-revolving credit facility. The Secured Credit Facilities mature on December 10, 2027 and can be utilized for general corporate purposes, including the acquisition or development of additional income producing properties. The REIT can draw on the Secured Credit Facilities in Canadian or US dollars.

For purposes of the Secured Credit Facilities, the REIT must maintain various financial covenants. As at March 31, 2025, the REIT was in compliance with these requirements.

Note 14. Unitholders' equity

(a) Common units:

(i) Authorized:

In accordance with the Declaration of Trust, the REIT may issue an unlimited number of common units, with each unit representing an equal undivided interest in any distributions from the REIT and in the net assets in the event of termination or wind-up of the REIT. All units are of the same class with equal rights and restrictions.

(ii) Issued and outstanding:

	Number of units		Amount
Balance at December 31, 2023	107,950,866	$	1,638,584
Restricted units redeemed	10,901		73
Units acquired and cancelled through normal course issuer bid	(7,198,470)		(109,265)
Units acquired through normal course issuer bid, not cancelled at year end	(29,529)		(448)
Balance at December 31, 2024	100,733,768		1,528,944
Restricted units redeemed	485		3
Units acquired and cancelled through normal course issuer bid	(1,796,137)		(27,262)
Units acquired through normal course issuer bid, not cancelled at period end	(29,529)		(448)
Balance at March 31, 2025	98,908,587	$	1,501,237

(b) Preferred units:

In accordance with the Declaration of Trust, the REIT may issue an unlimited number of preferred units. Particulars of the REIT's outstanding preferred units are as follows:

	Series E	Series I	Total
Number of units outstanding at December 31, 2023	3,248,009	4,670,040	7,918,049
Units acquired and cancelled through normal course issuer bid	(311,900)	(342,084)	(653,984)
Units acquired through normal course issuer bid, not cancelled at year end	(300)	—	(300)
Number of units outstanding at December 31, 2024	2,935,809	4,327,956	7,263,765
Units acquired and cancelled through normal course issuer bid	(30,900)	(10,700)	(41,600)
Units acquired through normal course issuer bid, not cancelled at period end	(100)	(3,700)	(3,800)
Number of units outstanding at March 31, 2025	2,904,809	4,313,556	7,218,365

The carrying value of the REIT's outstanding preferred units are as follows:

	Series E	Series I	Total
Annual distribution rate	7.198%	6.993%	
Distribution rate reset date	September 30, 2028	April 30, 2028	
Carrying value at December 31, 2023	$ 78,388	$ 113,299	$ 191,687
Units acquired and cancelled through normal course issuer bid	(7,528)	(8,299)	(15,827)
Units acquired through normal course issuer bid, not cancelled at year end	(7)	—	(7)
Carrying value at December 31, 2024	70,853	105,000	175,853
Units acquired and cancelled through normal course issuer bid	(746)	(260)	(1,006)
Units acquired through normal course issuer bid, not cancelled at period end	(2)	(90)	(92)
Carrying value at March 31, 2025	$ 70,105	$ 104,650	$ 174,755
Face value at March 31, 2025	$ 72,620	$ 107,839	$ 180,459
Face value at December 31, 2024	73,395	108,199	181,594

The REIT may redeem the Series E Units and Series I Units on the respective distribution rate reset date and every five years thereafter. The holders of the Series E Units and Series I Units have the right to reclassify their Units into Series F Units and Series J Units, respectively, on the distribution rate reset date and every five years thereafter.

The Series E Units and Series I Units rank equally with each other and with the outstanding Series F Units and Series J Units into which they may be reclassified, and rank in priority to the common units.

(c) Normal course issuer bid:

On December 17, 2024, the REIT announced that the Toronto Stock Exchange ("TSX") approved the renewal of its normal course issuer bid ("NCIB"). Under the renewed bid, the REIT has the ability to purchase for cancellation up to a maximum of 10% of the REIT's public float of common units and preferred units as at December 6, 2024 as follows:

	Public float	10% of public float
Common units	49,759,179	4,975,917
Preferred unit series:		
Series E	2,915,609	291,560
Series I	4,217,756	421,775

Purchases will be made at market prices through the facilities of the TSX and/or alternative Canadian trading systems and all common units and preferred units acquired by the REIT under this bid will be cancelled. This bid will remain in effect until the earlier of December 18, 2025, or the date on which the REIT has purchased the maximum number of units permitted under the bid. During the three months ended March 31, 2025, the REIT acquired 1,825,666 common units at market prices aggregating $13,846, resulting in contributed surplus of $13,864, which was the excess of stated capital over redemption proceeds. During the three months ended March 31, 2025, the REIT also acquired 31,000 and 14,400 Series E and I Units, respectively, at market prices aggregating $942, resulting in contributed surplus of $156, which was the excess of stated capital over redemption proceeds.

During the year ended December 31, 2024, the REIT acquired 7,227,999 common units at market prices aggregating $50,834, resulting in contributed surplus of $58,879, which was the excess of stated capital over redemption proceeds. During the year ended December 31, 2024, the REIT also acquired 312,200 and 342,084 Series E and I Units, respectively, at market prices aggregating $11,934, resulting in contributed surplus of $3,900, which was the excess of stated capital over redemption proceeds.

(d) Weighted-average common units:

	Three months ended March 31, 2025	Three months ended March 31, 2024
Net income (loss)	$ 11,427	$ (7,121)
Adjustment for distributions to preferred unitholders (note 15)	(3,195)	(3,244)
Net income (loss) attributable to common unitholders	8,232	(10,365)
Adjustment for restricted units	—	(184)
Adjustment for deferred units	—	(85)
Net income (loss) and diluted net income (loss) attributable to common unitholders	$ 8,232	$ (10,634)
The weighted-average number of common units outstanding was as follows:		
Basic common units	100,127,194	107,907,667
Effect of dilutive securities:		
Restricted units	—	510,650
Deferred units	—	361,441
Basic and diluted common units	100,127,194	108,779,758
Net income (loss) per unit attributable to common unitholders:		
Basic	$ 0.08	$ (0.10)
Diluted	0.08	(0.10)

The computation of diluted net income (loss) per unit attributable to common unitholders includes restricted units and deferred units when these instruments are dilutive. For the three months ended March 31, 2025, restricted units and deferred units were anti-dilutive, for an aggregate total of 996,220 units. For the three months ended March 31, 2024, there were no anti-dilutive units.

Note 15. Distributions to unitholders

Total distributions declared to unitholders were as follows:

	Three months ended March 31, 2025		Three months ended March 31, 2024	
	Total distributions	Distributions per unit	Total distributions	Distributions per unit
Common unitholders	$ 14,931	$ 0.15	$ 16,142	$ 0.15
Preferred unitholders - Series E	1,307	0.45	1,399	0.45
Preferred unitholders - Series I	1,888	0.44	1,845	0.44

Note 16. Revenue

		Three months ended March 31, 2025		2024
Base rent	$	41,933	$	53,446
Operating cost and realty tax recoveries		23,506		30,159
Other revenue		2,533		2,668
Tenant inducements amortized to revenue		(5,633)		(6,389)
Straight-line rent adjustments		(59)		343
Lease termination income		22		193
	$	62,302	$	80,420

Refer to note 23 for a disaggregation of revenue by reportable geographical region.

Note 17. Interest and other income

		Three months ended March 31, 2025		2024
Interest on junior preferred units of Iris (note 6)	$	—	$	8,532
Interest on notes receivable		511		698
Other		158		227
	$	669	$	9,457

Note 18. Interest expense

		Three months ended March 31, 2025		2024
Interest on mortgages and loans payable	$	10,174	$	14,346
Interest on senior unsecured debentures		2,754		2,785
Interest on credit facilities		3,503		14,176
Amortization of financing costs		999		813
	$	17,430	$	32,120

Note 19. Fair value loss on financial instruments

The REIT recorded gains (losses) on the following:

		Three months ended March 31, 2025		2024
Interest rate swaps	$	(1,712)	$	3,455
Equity securities (note 8)		524		(4,477)
	$	(1,188)	$	(1,022)

Note 20. Income taxes

The Income Tax Act (Canada) contains legislations affecting the tax treatment of a specified investment flow-through ("SIFT") trust or partnership (the "SIFT Rules"). A SIFT includes a publicly-listed or traded partnership or trust, such as an income trust.

Under the SIFT Rules, certain distributions from a SIFT are not deductible in computing a SIFT's taxable income, and a SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. However, distributions paid by a SIFT as returns of capital should generally not be subject to tax.

The SIFT Rules do not apply to a REIT that meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Conditions"). The REIT has reviewed the SIFT Rules and has assessed their interpretation and application to the REIT's assets and revenues. While there are uncertainties in the interpretation and application of the SIFT Rules, the REIT believes that it has met the REIT Conditions throughout the three months ended March 31, 2025 and the year ended December 31, 2024.

The REIT is subject to corporate income taxes in Canada and the U.S. through its Canadian subsidiary that holds the investment in Iris and its U.S. management subsidiary.

Income tax (expense) recovery comprised of:

		Three months ended March 31,		
		2025		2024
Current income tax expense	$	(200)	$	(11)
Deferred income tax (expense) recovery		(54)		1,443
Income tax (expense) recovery	$	(254)	$	1,432

Note 21. Supplemental cash flow information

(a) Other items not affecting cash:

		Three months ended March 31,		
		2025		2024
Tenant inducements amortized to revenue	$	5,633	$	6,389
Straight-line rent adjustments		59		(343)
Depreciation of property and equipment		419		302
Unit-based compensation		(139)		320
Amortization of financing costs included in interest expense		999		813
	$	6,971	$	7,481

(b) Changes in non-cash operating items:

		Three months ended March 31,		
		2025		2024
Prepaid expenses and other assets	$	(4,812)	$	(5,046)
Accounts receivable and other receivables		2,770		1,759
Security deposits and prepaid rent		336		1,959
Accounts payable and other liabilities		1,516		4,656
	$	(190)	$	3,328

(c) Other supplemental cash flow information:

	Three months ended March 31, 2025	2024
Interest paid	$ 13,874	$ 26,755
Interest received	437	721
Income taxes recovered	(7)	—

Note 22. Related party transactions

Sandpiper Asset Management Inc. ("Sandpiper") is a related party by virtue of being a company under joint control of the President and Chief Executive Officer of the REIT.

The REIT has a Space Sharing Licence Agreement with Sandpiper for use of certain office premises. The agreement has an automatic one-year extension unless terminated by either party upon written notice no later than 120 days before the end of the term or extension term.

The REIT entered into a Services Agreement with Sandpiper to provide certain services to support the REIT's strategy to acquire ownership positions in publicly-listed entities. The annual fee payable to Sandpiper is 0.50% for years one to three, 0.40% for year four, and 0.30% for year five and thereafter, based on the net value of the investments made by the REIT pursuant to this agreement. The agreement was effective May 17, 2021 and continues until termination by either party upon 60-day written notice, or upon other specific circumstances.

Fees paid and accrued to Sandpiper were as follows:

	Three months ended March 31, 2025	2024
Space sharing licence costs	$ 33	$ 32
Service fees	75	170
	$ 108	$ 202

Amounts payable to Sandpiper were $75 as at March 31, 2025 (December 31, 2024, $95).

As at March 31, 2025, the REIT had a balance payable to ICE II LP of $nil (December 31, 2024, $549).

Note 23. Segmented information

The REIT owns and operates properties located in Canada and the U.S., through direct ownership and equity accounted investments. These properties are managed and reported internally by country. The segmented information for Canada and U.S. presented below includes the REIT's proportionate share of revenue, expenses, assets and liabilities of investment properties held in equity accounted investments which were set up to develop and operate specific investment properties. Other income (expenses), including interest expense relating to senior unsecured debentures and credit facilities, interest income from notes receivables not related to owned investment properties, distribution income from equity securities and fair value gain (loss) on financial instruments, have not been allocated to the segments. In addition, the REIT's investments in Iris Acquisition II LP, ICE LP and ICE II LP ("Iris Entities" - see note 5) are considered separately by executive management and evaluated based on the distributions received. Accordingly, the investments in Iris Entities are not allocated to the segments.

Three months ended March 31, 2025	Canada	U.S.	REIT [1]	Equity accounted investment properties adjustment [2]	Total
Revenue	$ 30,603	$ 34,648	$ 13	$ (2,962)	$ 62,302
Expenses:					
Property operating	11,202	12,148	—	(1,015)	22,335
Realty taxes	4,209	5,057	—	(466)	8,800
Total operating expenses	15,411	17,205	—	(1,481)	31,135
Net operating income	15,192	17,443	13	(1,481)	31,167
Other income (expenses):					
Interest and other income	25	99	552	(7)	669
Distribution income from equity securities	—	—	957	—	957
Interest expense	(5,169)	(5,639)	(6,862)	240	(17,430)
Corporate expenses	—	—	(3,284)	—	(3,284)
Equity securities expenses	—	—	(83)	—	(83)
Net income from equity accounted investments	—	—	—	1,944	1,944
Expected credit loss on preferred investments	—	—	(8,184)	—	(8,184)
Fair value gain on investment properties	1,051	6,741	—	(696)	7,096
Fair value loss on financial instruments	—	—	(1,188)	—	(1,188)
Foreign currency translation gain	—	—	17	—	17
Income (loss) before income taxes	11,099	18,644	(18,062)	—	11,681
Income tax expense	—	(254)	—	—	(254)
Net income (loss)	$ 11,099	$ 18,390	$ (18,062)	$ —	$ 11,427
Additions to investment properties and investment properties held for sale	$ 1,976	$ 1,660	$ —	$ (9)	$ 3,627
Additions to tenant inducements	905	3,858	—	(37)	4,726
Additions to leasing commissions	178	2,601	—	(48)	2,731

March 31, 2025	Canada	U.S.	REIT	Equity accounted investment properties adjustment [2]	Total
Total assets	$ 1,269,220	$ 1,233,079	$ 239,016	$ (29,508)	$ 2,711,807
Total liabilities	401,181	346,229	435,477	(29,505)	1,153,382

(1) Includes corporate expenses. interest relating to senior unsecured debentures and credit facilities, distribution income from equity securities, fair value gain (loss) on financial instruments and income (loss) from Iris Entities that are not allocated to the segments.

(2) Adjustment for the REIT's proportionate share of revenue, expenses, assets and liabilities of investment properties held in equity accounted investments, excluding Iris Entities.

	Three months ended March 31, 2024				
	Canada	U.S.	REIT [(1)]	Equity accounted investment properties adjustment [(2)]	Total
Revenue	$ 38,936	$ 45,988	$ 15	$ (4,519)	$ 80,420
Expenses:					
Property operating	12,591	12,548	—	(1,023)	24,116
Realty taxes	5,975	7,493	—	(721)	12,747
Total operating expenses	18,566	20,041	—	(1,744)	36,863
Net operating income	20,370	25,947	15	(2,775)	43,557
Other income (expenses):					
Interest and other income	32	186	9,252	(13)	9,457
Distribution income from equity securities	—	—	1,974	—	1,974
Interest expense	(6,095)	(9,624)	(17,243)	842	(32,120)
Corporate expenses	—	—	(1,932)	—	(1,932)
Strategic review expenses	—	—	(350)	—	(350)
Equity securities expenses	—	—	(173)	—	(173)
Net loss from equity accounted investments	—	—	(14,594)	(7,912)	(22,506)
Fair value loss on investment properties	(7,631)	(3,227)	—	9,858	(1,000)
Fair value loss on financial instruments	—	—	(1,022)	—	(1,022)
Foreign currency translation loss	—	—	(4,438)	—	(4,438)
Income (loss) before income taxes	6,676	13,282	(28,511)	—	(8,553)
Income tax (expense) recovery	—	(66)	1,498	—	1,432
Net income (loss)	$ 6,676	$ 13,216	$ (27,013)	$ —	$ (7,121)
Additions to investment properties, investment properties under development and investment properties held for sale	$ 4,488	$ 10,812	$ —	$ (8,973)	$ 6,327
Additions to tenant inducements	1,914	4,359	—	(819)	5,454
Additions to leasing commissions	323	1,292	—	(62)	1,553

	December 31, 2024				
	Canada	U.S.	REIT	Equity accounted investment properties adjustment [(2)]	Total
Total assets	$ 1,336,218	$ 1,228,154	$ 269,018	$ (30,229)	$ 2,803,161
Total liabilities	401,408	366,216	484,788	(30,226)	1,222,186

(1) Includes corporate expenses. interest relating to senior unsecured debentures and credit facilities, distribution income from equity securities, fair value gain (loss) on financial instruments and income (loss) from Iris Entities that are not allocated to the segments.

(2) Adjustment for the REIT's proportionate share of revenue, expenses, assets and liabilities of investment properties held in equity accounted investments, excluding Iris Entities.

Note 24. Contingencies and guarantees

(a) Contingencies:

The REIT performs an assessment of legal and tax proceedings and claims which have occurred or could occur as a result of ongoing operations. In the opinion of management and based on the information available, any liability that may arise from such contingencies in excess of existing accruals would not have a material adverse effect on the interim condensed consolidated financial statements.

(b) Guarantees:

At March 31, 2025, the REIT has guaranteed certain debt assumed by purchasers in connection with the dispositions of two properties (December 31, 2024, two properties). These guarantees will remain until the debt is modified, refinanced or extinguished. Credit risk arises in the event that the purchasers default on repayment of their debt since it is guaranteed by the REIT. This credit risk is mitigated as the REIT has recourse under these guarantees in the event of default by the purchasers, in which case the REIT would have a claim against the underlying properties. The estimated amount of debt subject to the guarantees at March 31, 2025 was $52,334 (December 31, 2024, $52,822), with an estimated weighted-average remaining term of 1.7 years (December 31, 2024, 1.9 years). Management has assessed the estimated fair values of the borrowers' interests in the underlying properties compared to the mortgage balances and the risk of default by the borrowers and determined that a provision is not required to be recognized in the interim condensed consolidated financial statements.

Note 25. Capital management

The REIT's objectives when managing capital are to safeguard the ability to continue as a going concern and to generate sufficient returns to provide unitholders with stable cash distributions. The REIT defines capital as mortgages and loans payable, senior unsecured debentures, credit facilities and unitholders' equity.

The REIT's Declaration of Trust permits the REIT to incur indebtedness, provided that after giving effect to incurring or assuming any indebtedness (as defined in the Declaration of Trust), the amount of such indebtedness of the REIT is not more than 70% of the gross book value of the REIT's total assets. As at March 31, 2025, the ratio of indebtedness to gross book value was 39.2% (December 31, 2024, 40.2%), which is consistent with the REIT's objectives. Gross book value is defined as the consolidated book value of the assets of the REIT, plus the amount of accumulated depreciation of property and equipment. Total debt includes mortgages and loans, debentures, preferred shares liabilities and credit facilities. As at March 31, 2025, the REIT is in compliance with the requirement in the Declaration of Trust.

The total managed capital for the REIT is summarized below:

	Note		March 31, 2025		December 31, 2024
Mortgages and loans payable	11	$	661,724	$	681,650
Senior unsecured debentures	12		199,977		199,907
Credit facilities	13		204,597		250,480
Total debt			1,066,298		1,132,037
Unitholders' equity			1,558,425		1,580,975
		$	2,624,723	$	2,713,012

Note 26. Risk management

In the normal course of business, the REIT is exposed to a number of risks arising from its financial instruments. The most significant of these risks, and the actions taken to manage them, are as follows:

(a) Market risk:

(i) Interest rate risk:

The REIT is exposed to interest rate risk on its borrowings. The Declaration of Trust restricts the REIT's indebtedness to 70% of the gross book value of the REIT's total assets. The REIT also monitors the amount of variable rate debt. A portion of the REIT's debt financing is in fixed rate terms or variable rates with interest rate swaps in place. In addition, management considers the weighted-average term to maturity of long-term debt relative to the remaining average lease terms. At March 31, 2025, the REIT had variable rate debt, including credit facilities, of $700,489 (December 31, 2024, $748,707). At March 31, 2025, the REIT had entered into interest rate swaps to hedge the interest rate risk associated with $202,917 of variable rate debt (December 31, 2024, $203,020).

(ii) Foreign currency risk:

The REIT owns properties located in the U.S., and therefore, the REIT is subject to foreign currency fluctuations that may impact its financial position and results. In order to mitigate this risk, the REIT's debt on U.S. properties and, when applicable, a portion of the amounts drawn on credit facilities are held in US dollars to act as a natural hedge.

A $0.10 weakening in the US dollar against the calculated average Canadian dollar exchange rate of 1.4359 for the three months ended March 31, 2025, and the period end exchange rate of 1.4376 at March 31, 2025, would have decreased net income by $137 for the three months ended March 31, 2025. A $0.10 weakening in the US dollar against the Canadian dollar would have decreased other comprehensive income by approximately $63,087 for the three months ended March 31, 2025. Conversely, a $0.10 strengthening in the US dollar against the Canadian dollar would have had an equal but opposite effect. This analysis assumes that all variables, in particular interest rates, remain constant.

(iii) Other price risk:

The fair value of investments in equity securities will vary as a result of changes in market prices of the investments. Market prices are subject to fluctuation and, consequently, the amount realized in subsequent periods may differ from the reported market value and amounts realized from disposition of a security may be affected by the quantity of the security being sold. Further, fluctuations in the market price of a security may have no relation to the intrinsic value of the security. The REIT manages its equity price risk by limiting the size of these investments relative to its total assets.

(b) Credit risk:

The REIT's maximum exposure to credit risk is equivalent to the carrying value of each class of financial asset as separately presented in cash, cash held in trust, accounts receivable and other receivables, notes receivable and preferred investments.

The REIT is exposed to credit risk as an owner of real estate in that tenants may become unable to pay the contracted rents. Management mitigates this risk by carrying out appropriate credit checks and related due diligence on the tenants. The REIT's properties are diversified across the industrial, office, retail and residential asset classes, and geographically diversified with properties owned across four Canadian provinces and four U.S. states.

The REIT measures loss allowance for rents receivable at the lifetime expected credit losses. In determining the expected credit losses, the REIT takes into account the expectations of future defaults and rent abatements based on payment history, tenant communications and economic conditions.

Included in property operating expenses are expected credit losses of $33 during the three months ended March 31, 2025 (2024, $100).

The REIT is also exposed to credit risk as a holder of notes receivable and preferred investments. Management mitigates this risk by carrying out credit checks and related due diligence on the issuers and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. In addition, management monitors ongoing repayments and evaluates market conditions that may affect issuers' ability to repay. Refer to note 6 for expected credit loss relating to the preferred investments.

(c) Liquidity risk:

Liquidity risk is the risk that the REIT will not be able to meet its financial obligations as they come due. The REIT manages liquidity risk by maintaining adequate cash and by having appropriate credit facilities available. In addition, the REIT continuously monitors and reviews both actual and forecasted cash flows.

The following are the estimated maturities of the REIT's financial liabilities at March 31, 2025 including accounts payable and other liabilities, lease liabilities, credit facilities, senior unsecured debentures and mortgages and loans payable. All debentures are disclosed at their face value.

	Total	Less than 1 year	1 - 3 years	4 - 5 years	After 5 years
Accounts payable and other liabilities	$ 60,644	$ 60,644	$ —	$ —	$ —
Lease liabilities	3,487	683	1,474	1,330	—
Credit facilities	209,000	—	209,000	—	—
Senior unsecured debentures	200,000	200,000	—	—	—
Mortgages and loans payable	663,682	285,062	283,604	88,471	6,545
	$ 1,136,813	$ 546,389	$ 494,078	$ 89,801	$ 6,545

Note 27. Fair value measurements

The REIT uses a three-level hierarchy that reflects the significance of the inputs used in making fair value measurements of its financial instruments and its investment properties. Level 1 of the fair value hierarchy uses quoted market prices in active markets for identical assets or liabilities to determine the fair value of assets and liabilities. Level 2 includes valuations using inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly. Level 3 valuations are based on inputs for the asset or liability that are not based on observable market data.

		March 31, 2025		December 31, 2024	
	Fair value hierarchy	Carrying value	Fair value	Carrying value	Fair value
Assets:					
Investment properties	Level 3	$ 2,135,479	$ 2,135,479	$ 2,170,065	$ 2,170,065
Preferred investments	Level 3	131,697	131,697	139,881	139,881
Equity securities	Level 1	60,500	60,500	84,841	84,841
Notes receivable	Level 2	34,456	33,831	30,113	29,116
Investment properties held for sale	Level 3	180,602	180,602	202,813	202,813
		2,542,734	2,542,109	2,627,713	2,626,716
Liabilities:					
Mortgages and loans payable	Level 2	661,724	664,468	681,650	681,934
Senior unsecured debentures	Level 2	199,977	200,000	199,907	200,568
Credit facilities	Level 2	204,597	209,000	250,480	255,000
Derivative instruments	Level 2	9,542	9,542	7,830	7,830
		1,075,840	1,083,010	1,139,867	1,145,332
		$ 1,466,894	$ 1,459,099	$ 1,487,846	$ 1,481,384

The fair value of the REIT's accounts receivable and other receivables, cash held in trust, cash and accounts payable and other liabilities approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments.

The fair value of the investments in equity securities has been determined based on the quoted prices on the principal securities exchange on which the majority of the trading occurs.

The fair values of notes receivable, derivative instruments, mortgages and loans payable, senior unsecured debentures and credit facilities have been determined by discounting the cash flows of these financial instruments using period end market rates for instruments of similar terms and credit risks.

As at December 31, 2024, the preferred investments in Iris is considered credit-impaired and observable market data is no longer available for fair value measurement. Refer to note 6 for valuation of the preferred investments.

Derivative instruments primarily consist of interest rate swaps. The REIT entered into interest rate swaps on a number of mortgages. The swaps are not designated in a hedge relationship.

There were no transfers of assets or liabilities between hierarchy levels during the three months ended March 31, 2025 and the year ended December 31, 2024, except for the fair value measurement of the preferred investments as at December 31, 2024 was transferred from Level 2 to Level 3.

Note 28. Subsequent events

The following events occurred subsequent to March 31, 2025:

- The REIT disposed of one retail property in Canada for a sale price of $4,750.
- The REIT repaid the outstanding face value of the 5.600% Series E senior unsecured debentures in the amount of $200,000.
- The REIT drew a net balance of $213,600 on the revolving credit facility.
- The REIT purchased equity securities for $1,862.
- The REIT purchased through the NCIB 764,638 common unit at a weighted-average price of $7.17, 12,400 Series E Units at a weighted-average price of $19.72 and 20,600 Series I Units at a weighted-average price of $19.93.
- The REIT declared a monthly cash distribution of $0.05 per common unit for the month of April 2025.
- The REIT declared a quarterly cash distribution of $0.4370625 per Series I Unit for the three months ended April 30, 2025.

Note 29. Approval of financial statements

These interim condensed consolidated financial statements were approved by the Board of Trustees and authorized for issue on May 8, 2025.