CT REIT

2024 ANNUAL REPORT

reliable.
durable.
growing.



Featured on cover: Canadian Tire Store, Invermere, BC

Featured on this page: Canadian Tire Store, Grande Prairie, AB

2024 Highlights

$457.6M
Net Operating Income (NOI)[1]

+4.3%
NOI Growth

$1.239
AFFO Per Unit Diluted (Non-GAAP)[2]

+3.0%
AFFO Per Unit Diluted (Non-GAAP) Growth

$1.489
Net Income Per Unit Diluted

+71.1%
Net Income Per Unit Diluted Growth

$17.31
Net Asset Value (NAV) Per Unit[2]

+5.9%
NAV Per Unit Growth

6.81x
Total Indebtedness to EBITFV[2]

3.55x
Interest Coverage Ratio[2]

41.1%
Indebtedness Ratio

73.6%
AFFO Payout Ratio[2]

[1] Non-GAAP financial measure. Refer to Section 10.1 in this Management's Discussion & Analysis Report for further information.

[2] Non-GAAP ratio. Refer to Section 10.2 in this Management's Discussion & Analysis Report for further information.



About CT REIT

CT Real Estate Investment Trust (CT REIT) is an unincorporated, closed end real estate investment trust formed to own income producing commercial properties primarily located in Canada. Its portfolio is comprised of over 375 properties totaling approximately 31 million square feet of gross leasable area, consisting primarily of net lease retail properties located across Canada.

CT REIT is Canada's premier net lease real estate investment trust with the principal objective of creating long-term value for unitholders by growing its portfolio of income producing properties and development projects, benefiting from its relationship with Canadian Tire Corporation, its most significant tenant and controlling unitholder. This close association and alignment provides important insights into potential real estate acquisitions and development opportunities that, together with long-term leases with embedded annual rent escalations, serve as a competitive differentiator for CT REIT.

CT REIT is listed on the Toronto Stock Exchange under the symbol CRT.UN.

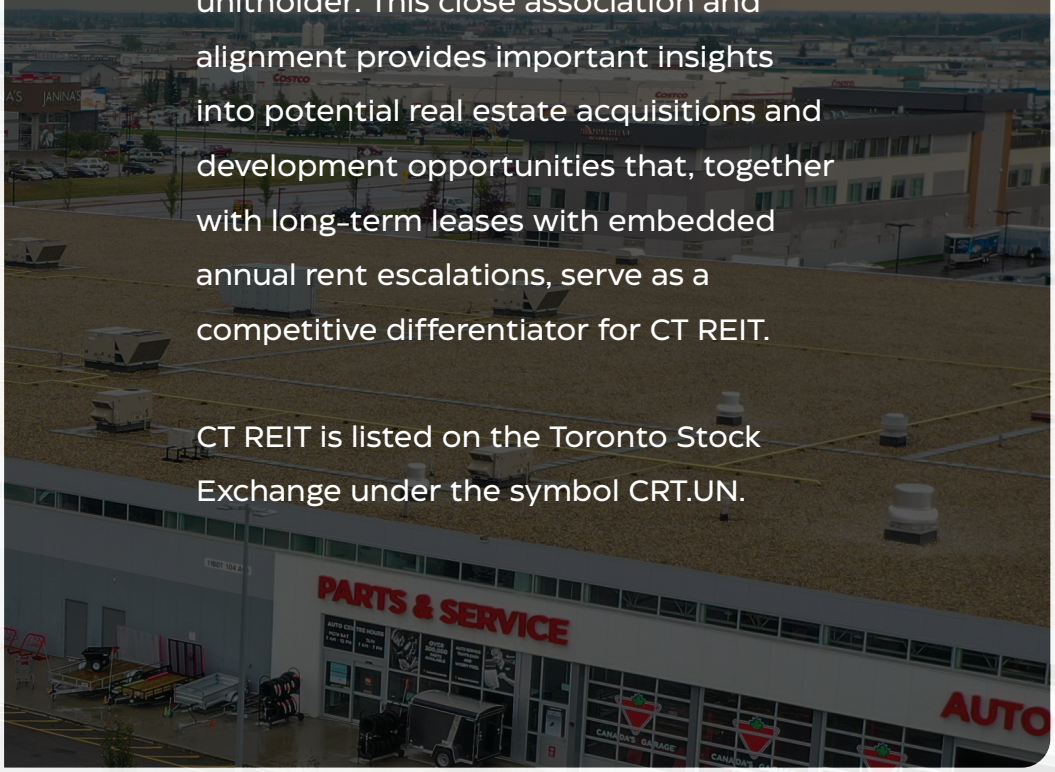


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CT REAL ESTATE INVESTMENT TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED DECEMBER 31, 2024

Forward-looking Disclaimer

This Management's Discussion and Analysis ("MD&A") contains statements that are forward-looking and may constitute "forward-looking information" or "forward-looking statements" within the meaning of applicable securities legislation. Actual results or events may differ from those forecasted in this disclosure and from statements made in this disclosure regarding the future growth, results of operations, performance and business prospects and opportunities of CT Real Estate Investment Trust® and its subsidiaries (referred to herein as "CT REIT", "Trust" or "REIT", unless the context requires otherwise) because of the risks and uncertainties associated with the business of the REIT and the general economic environment. CT REIT cannot provide any assurance that any forecasted financial or operational performance, plans or objectives will actually be achieved or, if achieved, will result in an increase in the price of CT REIT's Units. See section 14.0 in this MD&A for a more detailed discussion of the REIT's use of forward-looking statements.

1.0 PREFACE

1.1 Basis of Presentation

The following MD&A is intended to provide readers with an assessment of the performance of CT REIT® for the year ended December 31, 2024 and should be read in conjunction with the REIT's audited consolidated financial statements ("consolidated financial statements") and accompanying notes for the year ended December 31, 2024 which have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). In addition, the following MD&A should be read in conjunction with CT REIT's forward-looking information found in section 14.0 of this MD&A. Information about CT REIT, including the Annual Information Form for the year ended December 31, 2024 ("2024 AIF"), the consolidated financial statements as at and for the period ending December 31, 2024 and all other continuous disclosure documents required by the Canadian securities regulators, can be found on the System for Electronic Document Analysis and Retrieval + ("SEDAR+") website at www.sedarplus.ca and on CT REIT's website at www.ctreit.com under the tab "Investors" in the Financial Reporting section.

1.2 Definitions

In this document, the terms "CT REIT", "REIT" and "Trust" refer to CT Real Estate Investment Trust® and its subsidiaries unless the context requires otherwise. In addition, "CTC" refers to Canadian Tire Corporation, Limited, entities that it controls and their collective businesses unless the context requires otherwise.

This document contains certain trade-marks and trade names of CTC and is the property of CTC. Solely for convenience, the trade-marks and trade names referred to herein may appear without the ® or ™ symbol.

Any term not defined in this MD&A shall be defined in the Glossary of Terms in the 2024 AIF filed on SEDAR+ at www.sedarplus.ca and on CT REIT's website at www.ctreit.com under the tab "Investors" in the Financial Reporting section.

1.3 Accounting Estimates and Assumptions

The preparation of the consolidated financial statements in accordance with IFRS Accounting Standards requires management to make judgments and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Refer to section 9.0 in this MD&A for further information.

Financial data included in this MD&A includes material information as of February 10, 2025. Disclosure contained in this document is current to that date, unless otherwise indicated.

1.4 Quarterly and Annual Comparisons in this MD&A

Unless otherwise indicated, all comparisons of results for three months ended December 31, 2024 ("Q4 2024") are compared to results for three months ended December 31, 2023 ("Q4 2023") and comparisons of results for the year ended December 31, 2024 are against results for the year ended December 31, 2023.

1.5 Currency and Rounding

All amounts in this MD&A are in thousands of Canadian dollars, except per unit, unit, per square foot and square foot amounts or unless otherwise indicated. Rounded numbers are used in this MD&A and, as such, totals may not add up to 100 percent.

1.6 Key Operating Performance Measures and Specified Financial Measures

The key operating performance measures used by management may not be comparable to similar measures presented by other real estate investment trusts or enterprises. Net income and comprehensive income prepared in accordance with IFRS Accounting Standards is also subject to varying degrees of judgment, and some meaningful differences in accounting policies exist between publicly traded entities in Canada. Accordingly, net income and comprehensive income as presented by CT REIT may not be comparable to net income and comprehensive income presented by other real estate investment trusts or enterprises.

1.7 Review and Approval by the Board of Trustees

The Board of Trustees of CT REIT (the "Board"), on the recommendation of its Audit Committee, approved this MD&A for issuance on February 10, 2025.

1.8 Nature and Formation

CT REIT is an unincorporated, closed-end real estate investment trust established on July 15, 2013 pursuant to a declaration of trust as amended and restated as of October 22, 2013 and as further amended and restated as of April 5, 2020 and as may be further amended from time to time ("Declaration of Trust"). CT REIT commenced operations on October 23, 2013. The principal, registered and head office of CT REIT is located at 2180 Yonge Street, Toronto, Ontario, M4P 2V8. CTC owned a 68.4% effective interest in CT REIT as at December 31, 2024, consisting of 33,989,508 of the issued and outstanding units of CT REIT ("Units") and all of the issued and outstanding Class B limited partnership units ("Class B LP Units") of CT REIT Limited Partnership (the "Partnership"), which are economically equivalent to and exchangeable for Units. The holders of Units and Class B LP Units are collectively referred to as "unitholders". CTC also owns all of the issued and outstanding Class C limited partnership units ("Class C LP Units") of the Partnership. The Units are listed on the Toronto Stock Exchange ("TSX") and are traded under the symbol CRT.UN.

CT REIT has one segment for financial reporting purposes which comprises the ownership and management of primarily net-lease single tenant Retail Properties located across Canada.

2.0 GROWTH STRATEGY AND OBJECTIVES

The following section contains forward-looking information and readers are cautioned that actual results may vary.

The principal objective of CT REIT, as a real estate investment trust investing primarily in net-lease single tenant retail assets, is to create unitholder value over the long-term by generating reliable, durable and growing monthly distributions on a tax-efficient basis. To achieve this objective, management is focused on expanding the REIT's asset base in service of increasing both its Adjusted Funds From Operations ("AFFO") per unit, as well as its net asset value per unit.

Future growth is expected to continue to be achieved from a number of sources including:

1. the portfolio of Canadian Tire leases, which generally contain contractual rent escalations of approximately 1.5% per year, on average, and have a weighted average remaining lease term of 7.9 years;
2. contractual arrangements with CTC whereby CT REIT has a right of first offer ("ROFO") [1] on all CTC properties which meet the REIT's investment criteria and through preferential rights, subject to certain exceptions, to participate in the development of, and to acquire, certain new Retail Properties and Industrial Properties; and
3. its relationship with CTC, which CT REIT will continue to leverage in order to obtain insights into potential real estate acquisitions and development opportunities in markets across Canada.

[1] *CT REIT's ROFO under the ROFO Agreement continues in effect until such time as CTC ceases to hold a majority of the Voting Units.*

3.0 SUMMARY OF SELECTED FINANCIAL AND OPERATIONAL INFORMATION

Readers are reminded that certain key performance measures may not have standardized meanings under GAAP. For further information on the REIT's operating measures, non-GAAP financial measures and non-GAAP ratios, refer to section 1.6, section 10.1 and section 10.2.

(in thousands of Canadian dollars, except unit, per unit and square footage amounts)	Year Ended		
As at and for the year ended December 31,	**2024**	2023	2022
Property revenue	**$ 578,689**	$ 552,772	$ 532,795
EBITFV [1]	**$ 437,619**	$ 421,958	$ 406,459
Net operating income [1]	**$ 457,617**	$ 438,956	$ 419,818
Net income	**$ 434,221**	$ 229,434	$ 324,613
Net income per unit - basic [2]	**$ 1.842**	$ 0.976	$ 1.387
Net income per unit - diluted [2,3]	**$ 1.489**	$ 0.870	$ 1.185
Funds from operations [1]	**$ 314,749**	$ 307,914	$ 296,204
FFO per unit - diluted (non-GAAP) [2,4,5]	**$ 1.333**	$ 1.308	$ 1.264
Adjusted funds from operations [1]	**$ 292,438**	$ 283,389	$ 268,783
AFFO per unit - diluted (non-GAAP) [2,4,5]	**$ 1.239**	$ 1.203	$ 1.147
Distributions per unit - paid [2]	**$ 0.912**	$ 0.883	$ 0.854
AFFO payout ratio [4]	**73.6 %**	73.4 %	74.5 %
Excess of AFFO [1] over distributions:			
Excess of AFFO over distributions paid [1,6]	**$ 77,588**	$ 75,773	$ 69,084
Per unit - diluted (non-GAAP) [2,4,5]	**$ 0.329**	$ 0.322	$ 0.295
Cash generated from operating activities	**$ 436,043**	$ 425,055	$ 399,273
Adjusted cashflow from operations [1]	**$ 291,785**	$ 279,352	$ 268,379
Weighted average number of units outstanding [2]			
Basic	**235,720,718**	235,159,596	234,017,377
Diluted [3]	**335,356,966**	337,339,769	328,011,845
Diluted (non-GAAP) [5]	**236,120,366**	235,485,646	234,305,809
Period-end units outstanding [2]	**236,842,824**	235,515,483	234,695,777
Total assets	**$ 7,249,207**	$ 6,966,564	$ 6,844,789
Total non-current liabilities	**$ 2,531,444**	$ 2,785,861	$ 2,738,956
Total indebtedness	**$ 2,980,285**	$ 2,880,994	$ 2,787,634
Net asset value per unit [2, 7]	**$ 17.31**	$ 16.34	$ 16.31
Closing market price per unit [2]	**$ 14.29**	$ 14.65	$ 15.59
OTHER INFORMATION			
Weighted average interest rate [8]	**4.13 %**	4.07 %	3.99 %
Indebtedness ratio	**41.1 %**	41.4 %	40.7 %
Interest coverage ratio [4,9]	**3.55**	3.69	3.67
Weighted average term to debt maturity (in years) [8]	**4.8**	5.4	6.2
Gross leasable area (square feet) [10]	**31,025,376**	30,833,056	30,078,518
Occupancy rate [10, 11]	**99.4 %**	99.1 %	99.3 %

[1] Non-GAAP financial measure. Refer to section 10.1 for further information.

[2] Total units means Units and Class B LP Units outstanding.

[3] Diluted units determined in accordance with IFRS Accounting Standards includes restricted and deferred units issued under various plans and the effect of assuming that all of the Class C LP Units will be settled with Class B LP Units. Refer to section 7.0.

[4] Non-GAAP ratio. Refer to section 10.2 for further information.

[5] Diluted units used in calculating non-GAAP measures include restricted and deferred units issued under various plans and exclude the effect of assuming that all of the Class C LP Units will be settled with Class B LP Units. Refer to section 7.0.

[6] Refer to section 7.0 for further information.

[7] Refer to section 7.4 for further information.

[8] Excludes the Credit Facilities. Refer to section 6.10 for definition.

[9] Refer to section 6.5 for further information.

[10] Excludes Development Properties and Properties Under Development. Refer to the Glossary of Terms in the 2024 AIF for definition.

[11] Occupancy and other leasing key performance measures have been prepared on a committed basis, which includes the impact of lease agreements contracted on or before December 31, 2024, December 31, 2023 and December 31, 2022, and vacancies as at the end of those reporting periods.

4.0 PORTFOLIO OVERVIEW

4.1 Portfolio Profile

The Property portfolio, as at December 31, 2024, consisted of 369 Retail Properties, five Industrial Properties, one mixed-use commercial property and one Development Property (collectively, "Properties"). The Properties are located in each of the provinces and in two territories across Canada. The Retail Properties, Industrial Properties and mixed-use commercial property contain approximately 31.0 million square feet of gross leasable area ("GLA").

CT REIT's consolidated financial position, results of operations and portfolio metrics include the REIT's one-half interest in Canada Square, a mixed-use commercial property with future re-development potential, in Toronto, Ontario.

CTC is CT REIT's most significant tenant. As at December 31, 2024, CTC leased 28.8 million square feet, representing 92.8% of total GLA (December 31, 2023 - 92.1%) and 91.7% of total annualized base minimum rent (December 31, 2023 - 91.3%). Approximately 84.9% of the total GLA leased by CTC is attributable to Retail Properties and the mixed-use property, and 15.1% is attributable to Industrial Properties.

CT REIT's occupancy, excluding Properties Under Development, is as follows:

			As at December 31, 2024
Property Type (in square feet)	**GLA**	**Occupied GLA**	**Occupancy rate [1]**
Retail Properties	**26,266,905**	**26,141,768**	**99.5 %**
Industrial Properties	**4,557,632**	**4,557,632**	**100.0 %**
Mixed-use property [2]	**200,839**	**138,898**	**69.2 %**
Total	**31,025,376**	**30,838,298**	**99.4 %**

[1] Occupancy and other leasing key performance measures have been prepared on a committed basis, which includes the impact of lease agreements contracted on or before December 31, 2024, and vacancies as at the end of the reporting period.

[2] Relates to the REIT's one-half interest in Canada Square.

			As at December 31, 2023
Property Type (in square feet)	GLA	Occupied GLA	Occupancy rate [1]
Retail Properties	26,074,585	25,871,514	99.2 %
Industrial Properties	4,557,632	4,557,632	100.0 %
Mixed-use property [2]	200,839	138,406	68.9 %
Total	30,833,056	30,567,552	99.1 %

[1] Occupancy and other leasing key performance measures have been prepared on a committed basis, which includes the impact of lease agreements contracted on or before December 31, 2023, and vacancies as at the end of the reporting period.

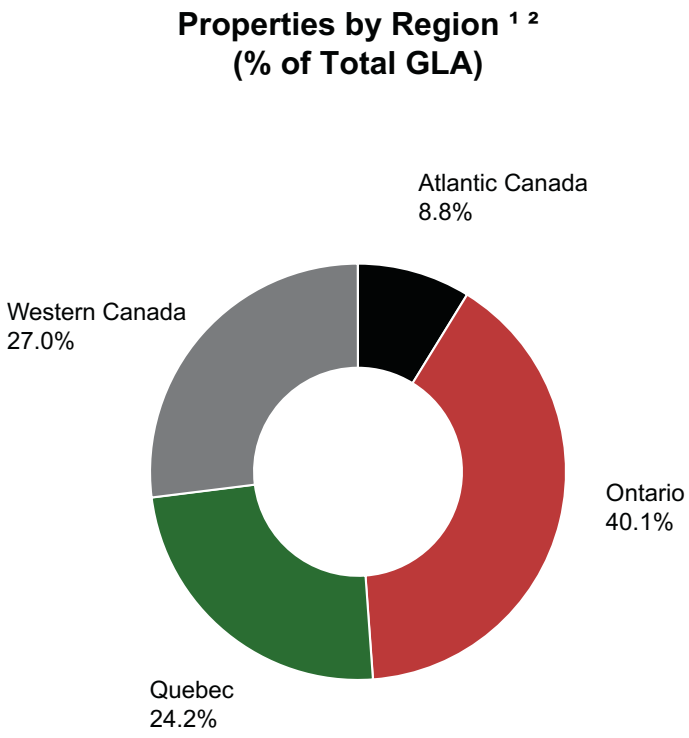
[2] Relates to the REIT's one-half interest in Canada Square.

The REIT's Property portfolio consists of:

As at	**December 31, 2024**	December 31, 2023
Canadian Tire store single tenant properties	**264**	263
Other single tenant properties	**26**	27
Multi-tenant properties anchored by Canadian Tire store	**71**	69
Multi-tenant properties not anchored by Canadian Tire store	**8**	8
Industrial Properties	**5**	5
Mixed-use property	**1**	1
Total operating properties	**375**	373
Development Property	**1**	1
Total Properties	**376**	374

As at	**December 31, 2024**	December 31, 2023
Gas bars at Retail Properties	**112**	112

Properties by region, as a percentage of total GLA, as of December 31, 2024 are as follows:



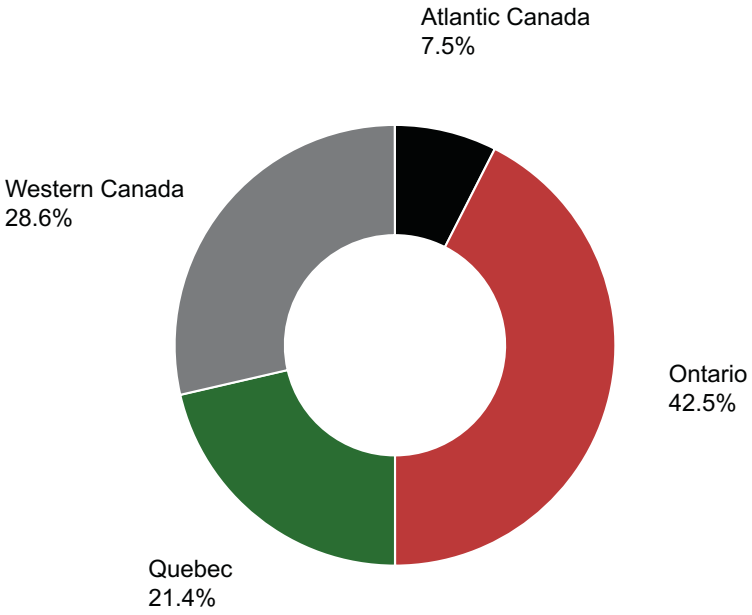
[1] *Excluding Development Property and Properties Under Development.*

[2] *Occupancy and other leasing key performance measures have been prepared on a committed basis, which includes the impact of lease agreements contracted on or before December 31, 2024, and vacancies as at the end of the reporting period.*

4.2 Revenue by Region

Properties by region, as a percentage of total annualized base minimum rent, as of December 31, 2024 are as follows:

Properties by Region [1] [2]
(% of Total Annualized Base Minimum Rent)



[1] Excluding Development Property and Properties Under Development.

[2] Occupancy and other leasing key performance measures have been prepared on a committed basis, which includes the impact of lease agreements contracted on or before December 31, 2024, and vacancies as at the end of the reporting period.

4.3 Six Largest Urban Markets

A significant portion of the Properties are located in the following six largest urban markets:

As at	**December 31, 2024**	December 31, 2023
Vancouver	**3.0 %**	3.3 %
Edmonton	**4.4 %**	4.5 %
Calgary	**3.5 %**	3.5 %
Toronto	**19.0 %**	19.2 %
Ottawa	**3.6 %**	3.6 %
Montreal	**11.1 %**	10.9 %
Percentage of Total Annualized Base Minimum Rent [1, 2]	**44.6 %**	45.0 %

[1] Excluding Development Property and Properties Under Development.

[2] Occupancy and other leasing key performance measures have been prepared on a committed basis, which includes the impact of lease agreements contracted on or before December 31, 2024 and December 31, 2023, and vacancies as at the end of those reporting periods.

4.4 Fair Value of Property Portfolio

The fair value of the Properties represents 99.8% of the total assets of CT REIT as at December 31, 2024.

	Year Ended December 31, 2024			Year Ended December 31, 2023		
(in thousands of Canadian dollars)	**Income-producing properties**	**Properties Under Development ("PUD")**	**Total investment properties**	Income-producing properties	Properties Under Development ("PUD")	Total investment properties
Balance, beginning of period	**$ 6,849,670**	**$ 86,330**	**$ 6,936,000**	$ 6,703,462	$ 129,538	$ 6,833,000
Property investments	**117,647**	**—**	**117,647**	2,087	—	2,087
Intensifications	**—**	**41,752**	**41,752**	—	71,211	71,211
Developments	**—**	**10,314**	**10,314**	—	70,288	70,288
Development land	**—**	**1,000**	**1,000**	—	325	325
Capitalized interest and property taxes	**—**	**5,222**	**5,222**	—	7,343	7,343
Transfers from PUD	**45,220**	**(45,220)**	**—**	206,780	(206,780)	—
Transfers to PUD	**(9,615)**	**9,615**	**—**	(14,405)	14,405	—
Right-of-use assets - lease amendments and additions	**(448)**	**—**	**(448)**	(1,805)	—	(1,805)
Fair value adjustment on investment properties	**120,944**	**(1,861)**	**119,083**	(78,636)	—	(78,636)
Straight-line rent	**(4,621)**	**—**	**(4,621)**	(1,700)	—	(1,700)
Recoverable capital expenditures	**33,099**	**—**	**33,099**	34,276	—	34,276
Dispositions	**(23,048)**	**—**	**(23,048)**	(389)	—	(389)
Balance, end of period	**$ 7,128,848**	**$ 107,152**	**$ 7,236,000**	$ 6,849,670	$ 86,330	$ 6,936,000

Investment properties are measured at fair value, determined using the discounted cash flow method. Under this methodology, discount rates are applied to the projected annual operating cash flows, generally over a minimum term of ten years, and include a terminal value based on a capitalization rate applied to the estimated net operating income ("NOI") in the terminal year. The Property portfolio is internally valued each quarter with external appraisals performed for a portion of the portfolio on a semi-annual basis. Approximately 80% of the Property portfolio (by dollar value) is appraised externally by independent national real estate appraisal firms over a four-year period.

Included in CT REIT's Property portfolio are 12 Properties which are situated on ground leases with remaining current terms of up to 31 years, and an average remaining current term of approximately 14 years. Assuming all extensions are exercised, the ground leases have, on average, approximately 30 years of remaining lease term.

The significant inputs used to determine the fair value of CT REIT's income-producing properties and Properties Under Development are as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Number of Properties	**376**	374
Value at the period end	**$ 7,236,000**	$ 6,936,000
Discount rate [1]	**7.19 %**	7.20 %
Terminal capitalization rate [1]	**6.70 %**	6.71 %
Hold period (years)	**11**	11

[1] *Weighted average rate.*

The estimates of fair value are sensitive to changes in the investment metrics for each Property. The sensitivity analysis in the table below indicates the approximate impact on the fair value of the Property portfolio resulting from changes in the terminal capitalization and discount rates assuming no changes in other inputs.

	Year Ended December 31, 2024		Year Ended December 31, 2023	
Rate sensitivity	**Fair value**	**Change in fair value**	Fair value	Change in fair value
+ 75 basis points	**$ 6,529,000**	**$ (707,000)**	$ 6,254,000	$ (682,000)
+ 50 basis points	**6,749,000**	**(487,000)**	6,466,000	(470,000)
+ 25 basis points	**6,984,000**	**(252,000)**	6,692,000	(244,000)
Period ended	**$ 7,236,000**	**$ —**	$ 6,936,000	$ —
- 25 basis points	**7,508,000**	**272,000**	7,200,000	264,000
- 50 basis points	**7,803,000**	**567,000**	7,485,000	549,000
- 75 basis points	**$ 8,124,000**	**$ 888,000**	$ 7,796,000	$ 860,000

4.5 2024 Investment Activities

The following table presents income-producing properties acquired, intensified, developed, or redeveloped during the year ended December 31, 2024.

(in thousands of Canadian dollars, except for GLA amounts)	Transaction date	GLA	Total investment cost
Property Location			
Granby, QC [1]	May 2024	27,103	
Nanaimo, BC [2]	July 2024	140,729	
Kirkland, QC [1]	October 2024	66,500	
Martensville, SK [1]	November 2024	26,645	
Mont-Tremblant, QC [2]	November 2024	128,070	
Winnipeg (Regent), MB [2]	November 2024	101,178	
Total		**490,225**	**$ 156,379**

[1] *Intensification of an existing income-producing property.*

[2] *Acquisition of income-producing property.*

The following section contains forward-looking information and readers are cautioned that actual results may vary.

4.6 Development Activities

The following table provides details of the REIT's development activities as at December 31, 2024. The total "GLA" column represents the maximum anticipated area of the developments. The "Not committed to lease" column includes areas which may be under construction but not committed to lease. The "Committed additional investment" column represents the approximate financial commitment required to complete the "Committed to lease" areas and related site works.

		GLA (in square feet)			Total investment (in thousands of Canadian dollars)		
Property [1]	**Anticipated date of completion**	**Committed to lease**	**Not committed to lease**	**Total**	**Development costs incurred** [8]	**Committed additional investment**	**Total development costs**
Victoria (View Royal), BC [2]	Q2 2025	12,000	—	12,000			
Kingston, ON [3,4]	Q2 2025	113,000	—	113,000			
Peterborough, ON [2]	Q2 2025	32,000	—	32,000			
Penticton, BC [2]	Q4 2025	54,000	—	54,000			
Kelowna, BC [3,4]	Q4 2025	186,000		186,000			
Winkler, MB [5]	Q4 2025	111,000	30,000	141,000			
Brampton McLaughlin, ON [2]	Q4 2025	32,000	—	32,000			
Fergus, ON [2,6]	Q4 2025	22,000	—	22,000			
Donnacona, QC [2]	Q4 2025	30,000	—	30,000			
Fort St John, BC — Phase 2 [3]	Q2 2026	—	7,000	7,000			
Winnipeg (Regent), MB [2]	Q2 2026	33,000	—	33,000			
Burlington North, ON [2]	Q2 2026	29,000	—	29,000			
Valleyfield, QC [2]	Q2 2026	35,000	—	35,000			
Lloydminster, AB [5]	Q4 2026	—	65,000	65,000			
Port Hawkesbury, NS [2]	Q4 2026	13,000	—	13,000			
Barrhaven, ON [2]	Q4 2026	8,000	—	8,000			
Dryden, ON [2]	Q4 2026	43,000	—	43,000			
Fenelon Falls, ON [2]	Q4 2026	26,000	—	26,000			
Toronto (Canada Square), ON [4,7]	TBD	TBD	TBD	TBD			
TOTAL		**779,000**	**102,000**	**881,000**	**$ 107,152**	**$ 220,411**	**$ 327,563**

[1] *Properties Under Development under 5,000 square feet that are not anticipated to be completed within the next 12 months have not been included. The previously disclosed London, ON and Orleans, ON intensifications have been removed as the projects are no longer proceeding.*

[2] *Intensification of an existing income-producing property.*

[3] *Development Property.*

[4] *Ground Lease.*

[5] *Redevelopment Property.*

[6] *Acquired development land for the intensification of an existing income-producing property.*

[7] *Redevelopment Property. Potential building area and investment costs to be determined ("TBD").*

[8] *Includes amounts related to projects in early stages of development.*

As at December 31, 2024, CT REIT had committed lease agreements for 779,000 square feet, representing 88.4% of total GLA under development, of which 85.8% has been leased to CTC. A total of $107,152 has been expended to date, and CT REIT anticipates investing an additional $220,411 to complete the developments, of which $193,748 is due to CTC. In the next 12 months, the REIT expects to spend approximately $156,000 on these development activities. These commitments do not include the future development costs related to Canada Square, other than previously approved pre-development consultant related costs.

The REIT's 50% co-ownership interest in Canada Square is being managed by its co-owner in contemplation of its redevelopment. A development application for the redevelopment of Canada Square was originally submitted in December 2020, and in December 2022, the co-owners submitted an updated development application representing a revised master plan for the site that incorporated feedback from an extensive stakeholder engagement process. Declining occupancy and loss of revenue at Canada Square are expected to continue until the commencement of construction.

4.7 Investment and Development Funding

Funding of investment and development activities for the year ended December 31, 2024 was as follows:

					2024 Investment and Development Activity
(in thousands of Canadian dollars)	**Property investments**	**Development land**	**Developments**	**Intensifications**	**Total**
Funded with working capital to CTC	**$ 57,010**	**$ 1,000**	**$ —**	**$ 41,752**	**$ 99,762**
Funded with working capital to third parties	**47,728**	**—**	**10,314**	**—**	**58,042**
Capitalized interest and property taxes	**—**	**—**	**5,222**	**—**	**5,222**
Issuance of Class B LP Units to CTC	**12,909**	**—**	**—**	**—**	**12,909**
Total costs	**$ 117,647**	**$ 1,000**	**$ 15,536**	**$ 41,752**	**$ 175,935**

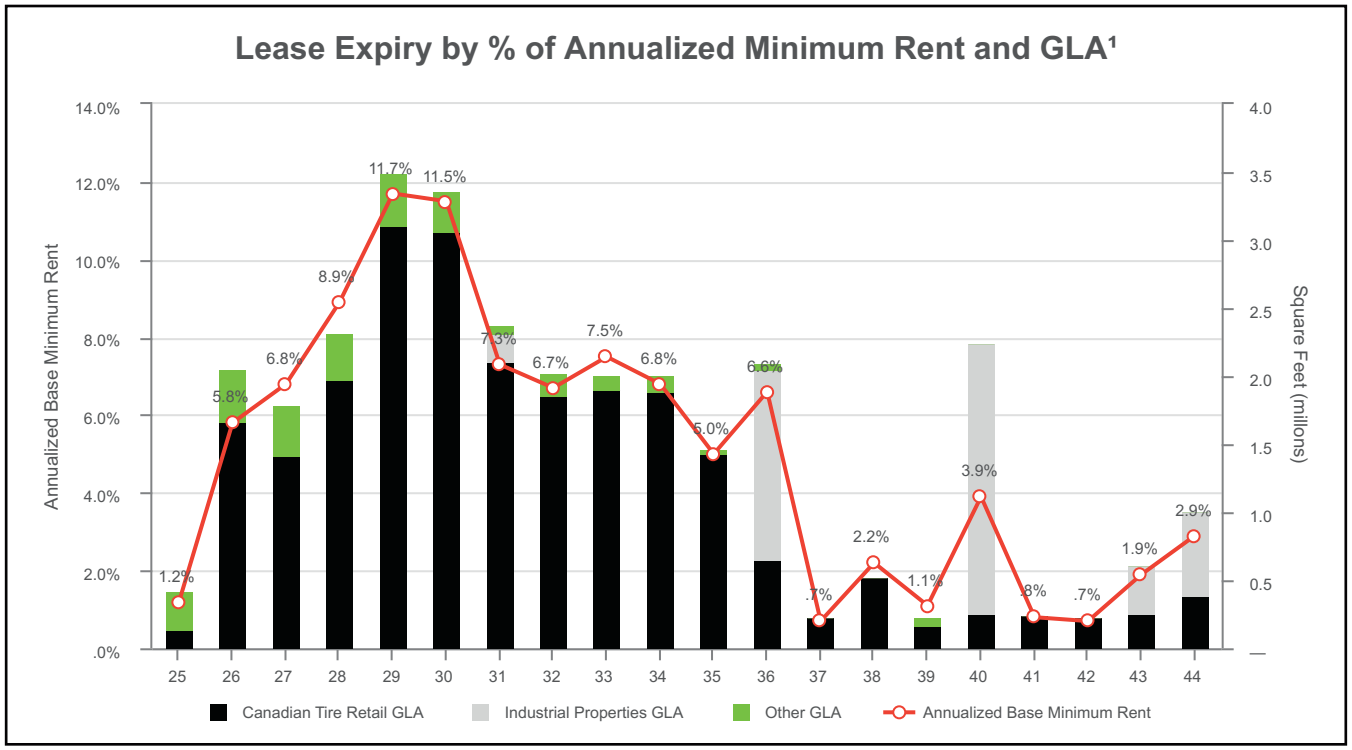
Funding of investment and development activities for the year ended December 31, 2023 was as follows:

					2023 Investment and Development Activity
(in thousands of Canadian dollars)	Property investments	Development land	Developments	Intensifications	Total
Funded with working capital to CTC	$ —	$ —	$ 46,509	$ 70,904	$ 117,413
Funded with working capital to third parties	2,087	—	23,779	307	26,173
Funded with Credit Facilities/cash	—	325	—	—	325
Capitalized interest and property taxes	—	—	7,343	—	7,343
Total costs	$ 2,087	$ 325	$ 77,631	$ 71,211	$ 151,254

4.8 Lease Maturities

The weighted average lease term of the portfolio of leases with Canadian Tire is 7.9 years. The weighted average lease term of all leases in the REIT's portfolio, excluding Properties Under Development, is 7.7 years.

The following graph presents the lease maturity profile from 2025 to 2044 (assuming tenants do not exercise renewal options or termination rights, if any) as a percentage of total annualized base minimum rent and GLA as of the time of the lease expiry.



¹ Excludes Properties Under Development.
Total base minimum rent excludes future contractual escalations.
Canada Square is included at the REIT's one-half interest.
Occupancy and other leasing key performance measures have been prepared on a committed basis, which includes the impact of lease agreements contracted on or before December 31, 2024, and vacancies as at the end of the reporting period.
Excludes any lease renewal terms.

4.9 Top 10 Tenants Excluding CTC Related Tenancies

CT REIT's 10 largest tenants, excluding all CTC related tenancies, as represented by the percentage of total annualized base minimum rent, are:

Rank	Tenant Name	Percentage of total annualized base minimum rent [1]
1	Save-On-Foods/Buy-Low Foods	0.63 %
2	Loblaws/No Frills/Shoppers Drug Mart	0.56 %
3	Winners/Marshalls/HomeSense	0.50 %
4	Bank of Montreal	0.46 %
5	Sobeys/FreshCo/Farm Boy	0.40 %
6	Canadian Imperial Bank of Commerce	0.38 %
7	Sleep Country	0.32 %
8	Tim Hortons/Burger King/Popeyes	0.32 %
9	Dollarama	0.31 %
10	Walmart	0.27 %
	Total	**4.15 %**

[1] *Occupancy and other leasing key performance measures have been prepared on a committed basis, which includes the impact of lease agreements contracted on or before December 31, 2024, and vacancies as at the end of the reporting period.*

4.10 Leasing Activities

The future financial performance of CT REIT will be impacted by many factors including occupancy rates and renewing currently leased space. Year to date, CT REIT has completed four Canadian Tire store lease extensions and one CTC lease extension related to its occupancy at the mixed-use property. As at December 31, 2024, the REIT's occupancy rate, excluding the Development Property and Properties Under Development, was 99.4% (Q4 2023 - 99.1%). Refer to section 4.1 for further details.

4.11 Recoverable Capital Costs

Many of the capital costs incurred by CT REIT are recoverable from tenants pursuant to the terms of their leases. These recoveries occur either in the year in which such expenditures are incurred or, in the case of a major item of replacement or betterment, on a straight-line basis over the expected useful life thereof together with an imputed rate of interest on the unrecovered balance at any point in time. Capital expenditures of $7,686 and $33,099 (Q4 2023 - $17,782 and YTD 2023 - $34,276) were incurred during the three months and year ended December 31, 2024, respectively. Most of the REIT's recoverable capital expenditures relate to parking lots, roofs and heating, ventilation and air conditioning equipment, the incurrence of which are typically seasonal in nature. As a result, the actual recoverable capital costs incurred may vary widely from period to period.

5.0 RESULTS OF OPERATIONS

5.1 Financial Results for the Three Months and Year Ended December 31, 2024

CT REIT's financial results for the three months and year ended December 31, 2024 and December 31, 2023 are summarized below:

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change [1]	**2024**	2023	Change [1]
Property revenue	**$ 145,436**	$ 139,968	3.9 %	**$ 578,689**	$ 552,772	4.7 %
Property expense	**(30,869)**	(28,842)	7.0 %	**(125,693)**	(115,523)	8.8 %
General and administrative expense	**(2,854)**	(4,128)	(30.9)%	**(16,119)**	(15,237)	5.8 %
Net interest and other financing charges	**(31,166)**	(29,425)	5.9 %	**(121,739)**	(113,942)	6.8 %
Fair value adjustment on investment properties	**54,787**	(39,334)	NM	**119,083**	(78,636)	NM
Net income and comprehensive income	**$ 135,334**	$ 38,239	NM	**$ 434,221**	$ 229,434	89.3 %
Net income per unit - basic	**$ 0.573**	$ 0.162	NM	**$ 1.842**	$ 0.976	88.7 %
Net income per unit - diluted	**$ 0.452**	$ 0.161	NM	**$ 1.489**	$ 0.870	71.1 %

[1] NM - not meaningful.

Property Revenue

	Three Months Ended			Year Ended		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Property revenue	**$ 145,436**	**$ 139,968**	**3.9%**	**$ 578,689**	**$ 552,772**	**4.7%**

Property revenue includes all amounts earned from tenants pursuant to lease agreements including base rent, property taxes, operating costs and other recoveries. Many of CT REIT's expenses are recoverable from tenants pursuant to the terms of their leases, with the REIT absorbing these expenses to the extent that vacancies exist. The total amount of base rent to be received from operating leases is recognized on a straight-line basis over the term of the leases.

Total revenue for the three months ended December 31, 2024 was $5,468 (3.9%) higher compared to the same period in the prior year primarily for the following reasons:

- property operating expense recoveries increased by $2,341;
- contractual rent escalations within the Property portfolio contributed $1,405;
- developments completed during 2023 contributed $834; and
- Canadian Tire store intensifications completed during 2023 and 2024 collectively contributed $609; partially offset by
- straight-line rent adjustment of $606.

Total revenue for the year ended December 31, 2024 was $25,917 (4.7%) higher compared to the same period in the prior year primarily for the following reasons:

- property operating expense and capital expenditures recoveries increased by $11,016;
- contractual rent escalations within the Property portfolio contributed $6,136;
- developments completed during 2023 contributed $5,820;
- Canadian Tire store intensifications completed during 2023 and 2024 collectively contributed $3,484; and
- lease surrender revenue contributed $1,048; partially offset by
- straight-line rent adjustment of $2,914.

Property Expense

	Three Months Ended			Year Ended		
	2024	2023	Change	2024	2023	Change
Property expense	**$ 30,869**	**$ 28,842**	**7.0%**	**$ 125,693**	**$ 115,523**	**8.8%**

Property expense consists primarily of property taxes and operating costs. The majority of property expenses are recoverable from tenants, with the REIT absorbing these expenses to the extent that vacancies exist.

Property expense for the three months ended December 31, 2024, increased by $2,027 (7.0%) compared to the same period in the prior year primarily due to higher property tax expenses related to acquisitions and developments.

Property expense for the year ended December 31, 2024, increased by $10,170 (8.8%) compared to the same period in the prior year primarily due to higher property tax expenses related to acquisitions and developments, and increased operating expenses related to general building repairs and maintenance.

General and Administrative Expense

	Three Months Ended			Year Ended		
	2024	2023	Change	2024	2023	Change
General and Administrative Expense	**$ 2,854**	**$ 4,128**	**(30.9)%**	**$ 16,119**	**$ 15,237**	**5.8%**

CT REIT has three primary categories of general and administrative expense, namely: (i) personnel costs; (ii) Services Agreement expense; and (iii) public entity and other costs, including external audit fees, trustee compensation expense, legal and professional fees, travel and deferred income tax related to CT REIT GP Corp.'s ("GP") activities, which may fluctuate depending on when such costs are incurred. The Services Agreement expense costs are largely related to certain administrative, information technology, internal audit and other support services provided by CTC to the REIT pursuant to the Services Agreement, as further described in section 8.0 of this MD&A. The personnel, public entity and other costs reflect the expenses related to ongoing operations of CT REIT.

(in thousands of Canadian dollars)	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change	**2024**	2023	Change
Personnel expense [1]	**$ 1,971**	$ 2,912	(32.3)%	**$ 10,317**	$ 9,825	5.0 %
Services Agreement expense	**280**	181	54.7 %	**1,222**	1,094	11.7 %
Public entity and other [1]	**603**	1,035	(41.7)%	**4,580**	4,318	6.1 %
General and administrative expense	**$ 2,854**	$ 4,128	(30.9)%	**$ 16,119**	$ 15,237	5.8 %
As a percent of property revenue	**2.0 %**	2.9 %		**2.8 %**	2.8 %	
Adjusted general and administrative expense as a percent of property revenue [2, 3]	**2.9 %**	2.6 %		**2.9 %**	2.9 %	

[1] Includes unit-based awards, including (gain) loss adjustments as a result of the change in the fair market value of the Units of $(1,375) (Q4 2023 - $523) and $(687) (YTD 2023 - $(625)) for the three months and year ended December 31, 2024.

[2] Adjusted for fair value adjustments on unit-based awards.

[3] Non-GAAP ratio. Refer to section 10.2 for further information.

General and administrative expenses amounted to $2,854 or 2.0% of the property revenue for the three months ended December 31, 2024 which is $1,274 (30.9%) lower compared to the same period in the prior year primarily due to fair value adjustments on unit-based awards.

General and administrative expenses amounted to $16,119 or 2.8% of property revenue for the year ended December 31, 2024 which is $882 (5.8%) higher compared to the same period in the prior year primarily due to increased personnel compensation.

Net Interest and Other Financing Charges

	Three Months Ended			Year Ended		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Net Interest and Other Financing Charges	**$ 31,166**	**$ 29,425**	**5.9%**	**$ 121,739**	**$ 113,942**	**6.8%**

As at December 31, 2024 the Partnership had 1,451,550 Class C LP Units outstanding with a face value of $1,451,550 and bearing a weighted average distribution rate of 4.53% per annum. The Class C LP Units are subject to redemption rights. Accordingly, the Class C LP Units are classified as financial liabilities and distributions on the Class C LP Units are presented in the net interest and other financing charges in the consolidated statements of income and comprehensive income.

Net interest and other financing charges are comprised of the following:

(in thousands of Canadian dollars)	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change	**2024**	2023	Change [1]
Interest on Class C LP Units [2]	**$ 16,455**	$ 15,990	2.9 %	**$ 65,047**	$ 63,962	1.7 %
Interest and financing costs - debentures	**13,571**	11,677	16.2 %	**54,281**	41,240	31.6 %
Interest and financing costs - Credit Facilities [3]	**786**	1,965	(60.0)%	**1,686**	8,905	(81.1)%
Interest on mortgage payable	**40**	42	(4.8)%	**162**	938	(82.7)%
Interest on lease liabilities	**1,421**	1,384	2.7 %	**5,704**	5,201	9.7 %
	$ 32,273	$ 31,058	3.9 %	**$ 126,880**	$ 120,246	5.5 %
Less: capitalized interest	**(984)**	(1,263)	(22.1)%	**(3,625)**	(5,764)	(37.1)%
Interest expense and other financing charges	**$ 31,289**	$ 29,795	5.0 %	**$ 123,255**	$ 114,482	7.7 %
Less: interest income	**(123)**	(370)	(66.8)%	**(1,516)**	(540)	NM
Net interest and other financing charges	**$ 31,166**	$ 29,425	5.9 %	**$ 121,739**	$ 113,942	6.8 %

[1] NM - not meaningful.

[2] CTC elected to defer receipt of distributions on Series 3-9 and Series 16-19 of the Class C LP Units for the three months and year ended December 31, 2024 in the amount of $16,317 (Q4 2023 - $15,990) and $64,338 (YTD 2023 - $58,631), until the first business day following the end of the fiscal year. The deferred distributions have been netted against interest payable on Class C LP Units and are included under the heading "other liabilities" on the consolidated balance sheets.

[3] See section 6.10 for details on Credit Facilities.

Net interest and other financing charges for the three months ended December 31, 2024 was $1,741 (5.9%) higher compared to the same period in the prior year. This increase was a result of the issuance of $250,000 Series I senior unsecured debentures, which closed on November 17, 2023, increased interest costs from resetting the interest rate on the Series 4 Class C LP Units, effective June 1, 2024, and lower capitalized interest on Properties Under Development, partially offset by lower Credit Facilities interest costs as a result of a lower average outstanding balance.

Net interest and other financing charges for the year ended December 31, 2024 was $7,797 (6.8%) higher compared to the same period in the prior year. The increase was a result of the issuance of $250,000 Series I senior unsecured debentures, which closed on November 17, 2023, lower capitalized interest on Properties Under Development, and increased interest costs from resetting the interest rate on the Series 4 Class C LP Units, effective June 1, 2024, partially offset by lower Credit Facilities interest costs as a result of a lower average outstanding balance, and higher interest income earned with cash on hand during the year.

Fair Value Adjustment on Investment Properties

	Three Months Ended			Year Ended		
	2024	2023	Change [1]	2024	2023	Change [1]
Fair value adjustment on investment properties	**$ 54,787**	**$ (39,334)**	**NM**	**$ 119,083**	**$ (78,636)**	**NM**

[1] NM - not meaningful.

The fair value adjustment on investment properties for the three months ended December 31, 2024 increased by $94,121 compared to the adjustment in the same period in the prior year. The Q4 2024 fair value adjustment of investment properties was primarily driven by changes to underlying cash flow assumptions and investment metrics for certain Retail Properties based on recent market activity.

The fair value adjustment on investment properties for the year ended December 31, 2024 increased by $197,719 compared to the adjustment in the same period in the prior year. The year to date increase in the fair value of investment properties is primarily driven by contractual rent increases, leasing activity within the Property portfolio, and changes to underlying cash flow assumptions and investment metrics for certain Retail Properties based on market activity.

Income Tax Expense

Management operates CT REIT in a manner that enables the REIT to continue to qualify as a real estate investment trust pursuant to the Income Tax Act (Canada) ("ITA"). CT REIT distributes 100% of its taxable income to unitholders and therefore does not incur income tax expense in relation to its activities. The REIT only records deferred income tax in relation to the GP activities.

If CT REIT fails to distribute the required amount of taxable income to unitholders, or if CT REIT fails to qualify as a "real estate investment trust" under the ITA, substantial adverse tax consequences may occur. Refer to section 12.0 for further information.

Net Income

	Three Months Ended			Year Ended		
	2024	2023	Change [1]	2024	2023	Change
Net Income	**$ 135,334**	**$ 38,239**	**NM**	**$ 434,221**	**$ 229,434**	**89.3%**

[1] NM - not meaningful.

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change [1]	**2024**	2023	Change
Net income and comprehensive income	**$ 135,334**	$ 38,239	NM	**$ 434,221**	$ 229,434	89.3 %
Net income per unit - basic	**$ 0.573**	$ 0.162	NM	**$ 1.842**	$ 0.976	88.7 %
Net income per unit - diluted	**$ 0.452**	$ 0.161	NM	**$ 1.489**	$ 0.870	71.1 %

[1] NM - not meaningful.

Net income increased by $97,095 for the three months ended December 31, 2024 compared to the same period in the prior year. This increase was attributable to the fair value adjustment on investment properties, higher property revenue resulting from intensifications and developments completed in 2023 and 2024, and contractual rent escalation, partially offset by higher interest expense.

Net income increased by $204,787 (89.3%) for the year ended December 31, 2024 compared to the same period in the prior year. This increase was attributable to the fair value adjustment on investment properties, higher property revenue resulting from intensifications and developments completed in 2023 and 2024, increased recovery of capital expenditures and interest earned on the unrecovered balance, and contractual rent escalations and lease surrender revenue from the Property portfolio, partially offset by higher interest expense.

5.2 Non-GAAP Financial Measures and Non-GAAP Ratios

In addition to the GAAP measures previously described, management uses non-GAAP financial measures and non-GAAP ratios in assessing the financial performance of CT REIT. Refer to section 1.0 and section 10.0 in this MD&A for further information.

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change	**2024**	2023	Change
Net operating income [1]	**$ 115,559**	$ 111,512	3.6 %	**$ 457,617**	$ 438,956	4.3 %
Same store NOI [1]	**$ 112,133**	$ 110,485	1.5 %	**$ 438,741**	$ 431,735	1.6 %
Same property NOI [1]	**$ 113,169**	$ 110,912	2.0 %	**$ 444,519**	$ 434,029	2.4 %
Funds from operations [1]	**$ 79,010**	$ 77,704	1.7 %	**$ 314,749**	$ 307,914	2.2 %
FFO per unit - basic [2]	**$ 0.334**	$ 0.330	1.2 %	**$ 1.335**	$ 1.309	2.0 %
FFO per unit - diluted (non-GAAP) [2]	**$ 0.334**	$ 0.330	1.2 %	**$ 1.333**	$ 1.308	1.9 %
Adjusted funds from operations [1]	**$ 73,001**	$ 71,474	2.1 %	**$ 292,438**	$ 283,389	3.2 %
AFFO per unit - basic [2]	**$ 0.309**	$ 0.304	1.6 %	**$ 1.241**	$ 1.205	3.0 %
AFFO per unit - diluted (non-GAAP) [2]	**$ 0.308**	$ 0.303	1.7 %	**$ 1.239**	$ 1.203	3.0 %
AFFO payout ratio [2]	**75.0 %**	74.3 %	0.7 %	**73.6 %**	73.4 %	0.2 %
ACFO [1]	**$ 77,142**	$ 72,851	5.9 %	**$ 291,785**	$ 279,352	4.5 %
EBITFV [1]	**$ 110,154**	$ 107,263	2.7 %	**$ 437,619**	$ 421,958	3.7 %

[1] Non-GAAP financial measure. Refer to section 10.1 for further information.

[2] Non-GAAP ratio. Refer to section 10.2 for further information.

Net Operating Income

	Three Months Ended			Year Ended		
	2024	**2023**	**Change**	**2024**	**2023**	**Change**
Net Operating Income	**$ 115,559**	**$ 111,512**	**3.6%**	**$ 457,617**	**$ 438,956**	**4.3%**

Same store NOI for the three months ended December 31, 2024 increased by $1,648 (1.5%), when compared to the prior year primarily for the following reasons:

- contractual rent escalations of 1.5% per year, on average, contained within the Canadian Tire leases, which are generally effective January 1st, contributed $1,405 to NOI growth; and
- an increase in property operating expense recoveries of $422.

Same property NOI for the three months ended December 31, 2024, increased by $2,257 (2.0%) compared to the prior year due to the increase in same store NOI noted above, as well as an increase in NOI of $609 from the intensifications completed in 2023 and 2024.

NOI for the three months ended December 31, 2024 increased by $4,047 (3.6%) compared to the same period in the prior year primarily due to the increase in same property NOI, coupled with an increase in NOI due to properties acquired and developed in 2023 and 2024.

Same store NOI for the year ended December 31, 2024 increased by $7,006 (1.6%), when compared to the prior year primarily for the following reasons:

- contractual rent escalations of 1.5% per year, on average, contained within the Canadian Tire leases, which are generally effective January 1st, contributed $6,136 to NOI growth; and
- increased recovery of capital expenditures and interest earned on the unrecovered balance contributed $1,139 to NOI.

Same property NOI for the year ended December 31, 2024 increased by $10,490 (2.4%) compared to the prior year due to the increase in same store NOI noted above, as well as an increase in NOI of $3,484 from intensifications completed in 2023 and 2024.

NOI for the year ended December 31, 2024 increased by $18,661 (4.3%) compared to the same period in the prior year primarily due to an increase in same property NOI, coupled with an increase in NOI due to properties acquired and developed in 2023 and 2024, and lease surrender revenue.

Funds From Operations

	Three Months Ended			Year Ended		
	2024	2023	Change	2024	2023	Change
FFO	$ 79,010	$ 77,704	1.7%	$ 314,749	$ 307,914	2.2%
FFO per unit - diluted (non-GAAP)	$ 0.334	$ 0.330	1.2%	$ 1.333	$ 1.308	1.9%

FFO for the three months ended December 31, 2024 was $79,010 which was $1,306 (1.7%) higher than the same period in 2023, primarily due to the acquisitions, intensifications and developments completed during 2023 and 2024, partially offset by higher interest costs. FFO per unit - diluted (non-GAAP) for the three months ended December 31, 2024 was $0.334 per unit - diluted (non-GAAP) which was $0.004 (1.2%) higher than the same period in 2023 due to the growth of FFO exceeding the growth in weighted average units outstanding - diluted (non-GAAP).

FFO for the year ended December 31, 2024 was $314,749 which was $6,835 (2.2%) higher than the same period in 2023, primarily due to the acquisitions, intensifications and developments completed during 2023 and 2024, increased recovery of capital expenditures and interest earned on the unrecovered balance, and lease surrender revenue from the Property portfolio, partially offset by higher interest costs. FFO per unit - diluted (non-GAAP) for the year ended December 31, 2024 was $1.333, which was $0.025 (1.9%) higher than the same period in 2023 due to the growth of FFO exceeding the growth in weighted average units outstanding - diluted (non-GAAP).

Adjusted Funds From Operations

	Three Months Ended			Year Ended		
	2024	2023	Change	2024	2023	Change
AFFO	$ 73,001	$ 71,474	2.1%	$ 292,438	$ 283,389	3.2%
AFFO per unit - diluted (non-GAAP)	$ 0.308	$ 0.303	1.7%	$ 1.239	$ 1.203	3.0%

AFFO for the three months ended December 31, 2024 was $73,001 which was $1,527 (2.1%) higher than the same period in 2023, primarily due to the acquisitions, intensifications and developments completed during 2023 and 2024, as well as contractual rent escalations, partially offset by higher interest costs. AFFO per unit - diluted (non-GAAP) was $0.308 per unit - diluted (non-GAAP) which was $0.005 (1.7%) higher than the same period in 2023 due to the growth of AFFO exceeding the growth in the weighted average units outstanding - diluted (non-GAAP).

AFFO for the year ended December 31, 2024 was $292,438 which was $9,049 (3.2%) higher than the same period in 2023, primarily due to the acquisitions, intensifications and developments completed during 2023 and 2024, as well as contractual rent escalations, increased recovery of capital expenditures and interest earned on the unrecovered balance, and lease surrender revenue from the Property portfolio, partially offset by higher interest costs. AFFO per unit - diluted (non-GAAP) was $1.239, which was $0.036 (3.0%) higher than the same period in 2023 due to the growth of AFFO exceeding the growth in weighted average units outstanding - diluted (non-GAAP).

Adjusted Funds From Operations Payout Ratio

	Three Months Ended			Year Ended		
	2024	2023	Change	2024	2023	Change
AFFO payout ratio	75.0 %	74.3 %	0.7%	73.6 %	73.4 %	0.2%

The AFFO payout ratio for the three months ended December 31, 2024 slightly increased from the same period in 2023 due to the rate of increase in the monthly distributions exceeding the increase in AFFO per unit.

The AFFO payout ratio for the year ended December 31, 2024 was consistent with the same period in 2023.

Adjusted Cashflow From Operations

	Three Months Ended			Year Ended		
	2024	2023	Change	2024	2023	Change
ACFO	$ 77,142	$ 72,851	5.9%	$ 291,785	$ 279,352	4.5%

ACFO for the three months ended December 31, 2024 was $77,142 which was $4,291 (5.9%) higher than the same period in 2023 primarily due to an increase in the non-operating adjustments to changes in working capital, partially offset by a decrease in cash generated from operating activities, and higher interest expense.

ACFO for the year ended December 31, 2024 was $291,785 which was $12,433 (4.5%) higher than the same period in 2023 primarily due to an increase in cash generated from operating activities and an increase in non-operating adjustments to changes in working capital, partially offset by higher interest expense.

Earnings Before Interest and Other Financing Costs, Taxes and Fair Value Adjustments

	Three Months Ended			Year Ended		
	2024	2023	Change	2024	2023	Change
EBITFV	**$ 110,154**	**$ 107,263**	**2.7%**	**$ 437,619**	**$ 421,958**	**3.7%**

EBITFV for the three months ended December 31, 2024 increased by $2,891 (2.7%) over the same period in 2023, primarily due to the impact of NOI variances, discussed earlier.

EBITFV for the year ended December 31, 2024 increased by $15,661 (3.7%) over the same period in 2023, primarily due to the impact of NOI variances, discussed earlier.

6.0 LIQUIDITY AND FINANCIAL CONDITION

The following section contains forward-looking information and readers are cautioned that actual results may vary.

6.1 Liquidity

CT REIT intends to fund capital expenditures for acquisitions and development activities through a combination of (i) cash on hand, (ii) issuances of Class B LP Units and/or Class C LP Units, (iii) draws on the Credit Facilities, (iv) assumption of debt, and/or (v) new public or private issuance of debt or equity.

(in thousands of Canadian dollars)

As at	December 31, 2024	December 31, 2023
Cash and cash equivalents	**$ 3,060**	$ 20,766
Unused portion of available Bank Credit Facility [1]	**295,458**	296,868
Liquidity	**$ 298,518**	$ 317,634

[1] *See section 6.10 for details on Credit Facilities.*

Cash flow generated from operating the Property portfolio represents the primary source of liquidity to service debt and to fund planned maintenance expenditures, leasing costs, general and administrative expenses and distributions. Other sources being interest income, as well as cash on hand.

(in thousands of Canadian dollars)	Three Months Ended			Year Ended		
For the periods ended December 31,	2024	2023	Change [1]	2024	2023	Change [1]
Cash generated from operating activities	**$ 108,754**	$ 118,316	(8.1)%	**$ 436,043**	$ 425,055	2.6 %
Cash used for investing activities	**(113,384)**	(55,591)	NM	**(217,839)**	(186,529)	16.8 %
Cash generated from/(used for) financing activities	**2,602**	(59,017)	NM	**(235,910)**	(220,371)	7.1 %
Cash (used)/generated in the period	**$ (2,028)**	$ 3,708	NM	**$ (17,706)**	$ 18,155	NM

[1] *NM - not meaningful.*

6.2 Discussion of Cash Flows

Cash used in the three months ended December 31, 2024 of $2,028 was primarily used for distribution payments, acquisitions, development and intensification of investment properties, interest payments on debentures, and capital expenditures, partially offset by cash generated from operating activities and amounts drawn on the Credit Facilities.

Cash used in the year ended December 31, 2024 of $17,706 was primarily used for distribution payments, acquisition, development and intensification of investment properties, interest payments on debentures, and capital expenditure, partially offset by cash generated from operating activities, amounts drawn on the Credit Facilities, and proceeds from a disposition.

6.3 Credit Ratings

The senior unsecured debt of CT REIT is rated by S&P Global Ratings ("S&P") and by Morningstar DBRS, two independent credit rating agencies which provide issuer credit ratings and credit ratings of debt securities of an issuer. A credit rating generally provides an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments. Rating categories range from highest credit quality (generally "AAA") to default in payment (generally "D").

The credit ratings of CT REIT are related to and currently equivalent to those of CTC, as CTC holds a significant ownership position in CT REIT and CTC is CT REIT's most significant tenant.

The following table sets out CT REIT's issuer and senior unsecured debenture credit ratings:

	Morningstar DBRS		**S&P**	
	Credit Rating	Trend	Credit Rating	Outlook
Issuer Rating	**BBB**	**Stable**	**BBB**	**Stable**
Senior unsecured debentures	**BBB**	**Stable**	**BBB**	**-**

6.4 Indebtedness and Capital Structure

CT REIT's indebtedness and capital structure is as follows:

(in thousands of Canadian dollars)

As at	**December 31, 2024**	December 31, 2023
Class C LP Units	**$ 1,451,550**	$ 1,451,550
Mortgage payable	**8,623**	9,131
Debentures	**1,421,612**	1,420,313
Credit Facilities [1]	**98,500**	—
Total indebtedness	**$ 2,980,285**	$ 2,880,994
Unitholders' equity	**1,827,244**	1,707,336
Non-controlling interests	**2,271,511**	2,140,433
Total capital under management	**$ 7,079,040**	$ 6,728,763

[1] *See section 6.10 for details on Credit Facilities.*

CT REIT's total indebtedness as at December 31, 2024 was higher than December 31, 2023, primarily due to the draws on the Credit Facilities. Refer to section 6.6 of this MD&A for further details.

CT REIT's unitholders' equity and non-controlling interests as at December 31, 2024 increased as compared to December 31, 2023 primarily as a result of net income exceeding distributions.

Future payments in respect of CT REIT's indebtedness as at December 31, 2024 are as follows:

	Mortgage payable					
(in thousands of Canadian dollars)	Principal Amortization	Maturities	Class C LP Units	Debentures [1]	Credit Facilities	Total
2025	$ 403	$ —	$ 251,550	$ 200,000	$ 98,500	$ 550,453
2026	103	7,967	—	200,000	—	208,070
2027	—	—	—	375,000	—	375,000
2028	—	—	200,000	250,000	—	450,000
2029 and thereafter	—	—	1,000,000	400,000	—	1,400,000
Total contractual obligation	$ 506	$ 7,967	$ 1,451,550	$ 1,425,000	$ 98,500	$ 2,983,523
Unamortized portion of mark to market on mortgage payable assumed on the property's acquisition	—	150	—	—	—	150
Unamortized transaction costs	—	—	—	(3,388)	—	(3,388)
	$ 506	**$ 8,117**	**$ 1,451,550**	**$ 1,421,612**	**$ 98,500**	**$ 2,980,285**

[1] *Refer to section 6.8.*

Interest rates on CT REIT's indebtedness range from 2.37% to 5.83%. The maturity dates on the indebtedness range from May 2025 to May 2038.

Total indebtedness as at December 31, 2024 had a weighted average interest rate of 4.13% and a weighted average term to maturity of 4.8 years, excluding the Credit Facilities.

As at December 31, 2024, variable rate and fixed rate indebtedness were $98,500 and $2,881,785, respectively.

As at	December 31, 2024	December 31, 2023
Variable rate indebtedness	**$ 98,500**	$ —
Total indebtedness	**2,980,285**	2,880,994
Variable rate indebtedness / total indebtedness	**3.31 %**	— %

CT REIT's variable rate debt-to-total indebtedness ratio as at December 31, 2024 increased as compared to December 31, 2023 due to the draws on the Credit Facilities.

The following table presents the contractual obligations of CT REIT:

	2025	2026	2027	2028	2029	2030 and thereafter	Total
Class C LP Units [1]	$ 251,550	$ —	$ —	$ 200,000	$ 200,000	$ 800,000	$ 1,451,550
Debentures	200,000	200,000	375,000	250,000	250,000	150,000	1,425,000
Future payments on Class C LP Units [1]	62,344	59,860	59,860	54,610	44,525	196,667	477,866
Future interest on debentures	49,605	42,789	36,464	17,759	11,129	3,557	161,303
Credit Facilities	98,500	—	—	—	—	—	98,500
Future undiscounted lease liabilities payments	6,491	6,556	6,568	6,551	6,521	211,162	243,849
Mortgage payable	403	8,070	—	—	—	—	8,473
Future payment other liabilities	36,067	2,762	—	—	—	—	38,829
Distributions payable [2]	18,261	—	—	—	—	—	18,261
Payable on Class C LP Units, net of loans receivable	5,485	—	—	—	—	—	5,485
Future interest payments on mortgage payable	267	65	—	—	—	—	332
Total	$ 729,368	$ 320,102	$ 477,892	$ 528,920	$ 512,175	$ 1,361,386	$ 3,929,843

[1] Assumes redemption on Current Fixed Rate Period for each series.

[2] On Units and Class B LP Units.

The table below presents CT REIT's investment properties at fair value that are available to it to finance and/or refinance its debt as at December 31, 2024:

(in thousands of Canadian dollars)	Number of properties	Fair value of investment properties	Percentage of total assets	Mortgage payable	Loan to value ratio
Unencumbered investment properties	375	$ 7,215,760	99.5 %	$ —	—
Encumbered investment properties	1	20,240	0.3 %	8,623	42.6 %
Total investment properties	**376**	**$ 7,236,000**	**99.8 %**	**$ 8,623**	**0.1 %**

The table below presents CT REIT's secured debt as a percentage of total indebtedness:

(in thousands of Canadian dollars) As at	December 31, 2024	December 31, 2023
Secured debt	$ 8,623	$ 9,131
Total indebtedness	2,980,285	2,880,994
Secured debt / total indebtedness	**0.29 %**	0.32 %

CT REIT's secured debt-to-total indebtedness ratio as of December 31, 2024 was in line with December 31, 2023.

Indebtedness to EBITFV ratios are used to measure an entity's ability to meet its debt obligations. Generally, the lower the ratio the less an entity is leveraged which increases its ability to pay its debts.

The table below presents CT REIT's indebtedness to EBITFV ratio:

(in thousands of Canadian dollars)		
As at	**December 31, 2024**	December 31, 2023
Total indebtedness	**$ 2,980,285**	$ 2,880,994
EBITFV [1]	**437,619**	421,958
Total indebtedness / EBITFV [2]	**6.81**	6.83

[1] Non-GAAP financial measure. Refer to section 10.1 for further information.

[2] Non-GAAP ratio. Refer to section 10.2 for further information.

CT REIT's indebtedness to EBITFV ratio as at December 31, 2024 was in line with December 31, 2023 indebtedness to EBITFV ratio.

6.5 Interest Coverage Ratio

Interest coverage ratios are used to measure an entity's ability to service its debt. Generally, the higher the ratio the lower the risk of defaulting on outstanding debt. The ratio is calculated as follows:

(in thousands of Canadian dollars)	**Three Months Ended**		**Year Ended**	
For the periods ended December 31,	**2024**	2023	**2024**	2023
EBITFV [1] (A)	**$ 110,154**	$ 107,263	**$ 437,619**	$ 421,958
Interest expense and other financing charges (B)	**$ 31,289**	$ 29,795	**$ 123,255**	$ 114,482
Interest coverage ratio [2] (A)/(B)	**3.52**	3.60	**3.55**	3.69

[1] Non-GAAP financial measure. Refer to section 10.1 for further information.

[2] Non-GAAP ratio. Refer to section 10.2 for further information.

The decrease in interest coverage ratio for the three months ended December 31, 2024, as compared to the same period in 2023, is primarily due to higher interest expense as a result of issuance of Series I senior unsecured debentures, increased interest costs from resetting the interest rate on the Series 4 Class C LP Units and lower capitalized interest, partially offset by lower Credit Facilities interest costs and the growth in EBITFV.

The decrease in interest coverage ratio for the year ended December 31, 2024, as compared to the same period in 2023, is primarily due to higher interest expense as a result of issuance of Series I senior unsecured debentures, lower capitalized interest and increased interest costs from resetting the interest rate on the Series 4 Class C LP Units, partially offset by lower Credit Facilities interest costs and the growth in EBITFV.

6.6 Indebtedness Ratio

CT REIT has adopted an indebtedness ratio guideline which management uses as a measure to evaluate its leverage and the strength of its equity position, expressed as a percentage of total assets. This ratio can help investors determine the REIT's risk levels. CT REIT's Declaration of Trust and the Trust Indenture limit its indebtedness (plus the aggregate par value of the Class C LP Units) to a maximum of 60% of the gross book value, excluding convertible debentures, and 65% including convertible debentures. Gross book value is defined as total assets as reported on the latest consolidated balance sheets.

CT REIT calculates its indebtedness ratio as follows:

(in thousands of Canadian dollars)

As at	December 31, 2024	December 31, 2023
Total indebtedness [1] (A)	**$ 2,980,285**	$ 2,880,994
Total assets (B)	**$ 7,249,207**	$ 6,966,564
Indebtedness ratio (A)/(B)	**41.1 %**	41.4 %

[1] Total indebtedness reflects the value of the Class C LP Units, mortgage payable, debentures and draws on the Credit Facilities.

The indebtedness ratio as at December 31, 2024 was comparable to the indebtedness ratio as at December 31, 2023.

6.7 Class C LP Units

As at December 31, 2024, there were 1,451,550 Class C LP Units outstanding, all of which were held by CTC. The Class C LP Units are designed to provide CTC with an interest in the Partnership that entitles holders to a fixed cumulative monthly payment, during the fixed rate period for each series of Class C LP Units (the "Current Fixed Rate Period"). Such payments are made in priority to distributions made to holders of Class B LP Units and units representing an interest in the GP (subject to certain exceptions) if, as and when declared by the Board of Directors of the GP and are payable monthly at an annual distribution rate for each series as set out in the table below. In addition, the Class C LP Units are entitled to receive Special Voting Units, in certain limited circumstances. Refer to section 7.0 for further details.

On expiry of the Current Fixed Rate Period applicable to each series of Class C LP Units, and each five-year period thereafter, each series of Class C LP Units is redeemable at par (together with all accrued and unpaid payments thereon) at the option of the Partnership or the holder, upon giving at least 120 days' prior notice. The Partnership also has the ability to settle any of the Class C LP Units at any time at a price equal to the greater of par and a price to provide a yield equal to the then equivalent Government of Canada bond yield plus a spread, so long as such redemption is in connection with a sale of properties.

During the five-year period beginning immediately following the completion of the initial fixed rate period, and each five-year period thereafter, if not redeemed, the fixed payment rate for Class C LP Units will be reset, and the holders of Class C LP Units will be entitled, subject to certain conditions, to elect either a fixed rate or variable rate option.Such redemptions of Class C LP Units (other than upon a change of control of CT REIT) can be settled at the option of the Partnership, in cash or Class B LP Units of equal value.

The following table presents the details of the Class C LP Units:

Series of Class C LP Units	Subscription price	Annual distribution rate during Current Fixed Rate Period	Expiry of Current Fixed Rate Period	% of Total Class C LP Units
Series 3	$ 200,000	2.37 %	May 31, 2025 (0.4 years)	13.78 %
Series 4	200,000	5.43 %	May 31, 2029 (4.4 years)	13.78 %
Series 5	200,000	4.50 %	May 31, 2028 (3.4 years)	13.78 %
Series 6	200,000	5.00 %	May 31, 2031 (6.4 years)	13.78 %
Series 7	200,000	5.00 %	May 31, 2034 (9.4 years)	13.78 %
Series 8	200,000	5.00 %	May 31, 2035 (10.4 years)	13.78 %
Series 9	200,000	5.00 %	May 31, 2038 (13.4 years)	13.78 %
Series 16	16,550	2.37 %	May 31, 2025 (0.4 years)	1.14 %
Series 17	18,500	2.37 %	May 31, 2025 (0.4 years)	1.27 %
Series 18	4,900	2.37 %	May 31, 2025 (0.4 years)	0.34 %
Series 19	11,600	2.37 %	May 31, 2025 (0.4 years)	0.79 %
Total / weighted average	**$ 1,451,550**	**4.53 %**	**6.6 years**	**100.0 %**
Current	251,550			
Non-current	1,200,000			
Total	**$ 1,451,550**			

6.8 Debentures

	December 31, 2024		December 31, 2023	
Series	Face value	Carrying amount	Face value	Carrying amount
B, 3.53%, June 9, 2025	**$ 200,000**	**$ 199,920**	$ 200,000	$ 199,752
D, 3.29%, June 1, 2026	**200,000**	**199,808**	200,000	199,672
E, 3.47%, June 16, 2027	**175,000**	**174,717**	175,000	174,602
F, 3.87%, December 7, 2027	**200,000**	**199,612**	200,000	199,479
G, 2.37%, January 6, 2031	**150,000**	**149,417**	150,000	149,320
H, 3.03%, February 5, 2029	**250,000**	**249,129**	250,000	248,912
I, 5.83%, June 14, 2028	**250,000**	**249,009**	250,000	248,576
Total	**$ 1,425,000**	**$ 1,421,612**	$ 1,425,000	$ 1,420,313
Current	**200,000**	**199,920**	—	—
Non-current	**1,225,000**	**1,221,692**	1,425,000	1,420,313
Total	**$ 1,425,000**	**$ 1,421,612**	$ 1,425,000	$ 1,420,313

Debentures as at December 31, 2024 had a weighted average interest rate of 3.73% (December 31, 2023 - 3.73%).

For the three months and year ended December 31, 2024, amortization of transaction costs of $288 (Q4 2023 - $263) and $1,149 (YTD 2023 - $905) were included in net interest and other financing charges on the consolidated statement of income and comprehensive income.

The debentures are rated “BBB” by S&P and “BBB” by Morningstar DBRS. The debentures are direct senior unsecured obligations of CT REIT. Refer to section 6.3 for further details.

6.9 Mortgage Payable

Mortgage payable includes the following:

(in thousands of Canadian dollars)

As at	December 31, 2024		December 31, 2023	
	Face value	**Carrying amount**	Face value	Carrying amount
Current	**$ 403**	**$ 520**	$ 391	$ 508
Non-current	**8,070**	**8,103**	8,473	8,623
Total	**$ 8,473**	**$ 8,623**	$ 8,864	$ 9,131

Mortgage payable as at December 31, 2024 has an interest rate of 3.24% (December 31, 2023 interest rate – 3.24%).

6.10 Credit Facilities

Bank Credit Facility

CT REIT has a committed, unsecured $300,000 revolving credit facility with a syndicate of Canadian banks ("Bank Credit Facility") maturing in May 2029. The Bank Credit Facility bears interest at a rate based on a stipulated bank prime rate or Canadian Overnight Repo Rate Average ("CORRA") rate plus a margin. A standby fee is charged on the Bank Credit Facility.

As of December 31, 2024, the REIT had $2,000, at a weighted average interest rate of 5.61%, drawn on the Bank Credit Facility (December 31, 2023 - nil), and $2,542 (December 31, 2023 – $3,132) of outstanding letters of credit.

CTC Credit Facility

CT REIT has an uncommitted, unsecured $300,000 revolving credit facility with CTC ("CTC Credit Facility") maturing in December 2025. The CTC Credit Facility bears interest at a rate based on a stipulated bank prime rate or CORRA rate plus a margin.

As of December 31, 2024, $96,500 of borrowings were drawn on the CTC Credit Facility (December 31, 2023 – nil). As at December 31, 2024, borrowings under the CTC Credit Facility had an interest rate of 5.61%.

The Bank Credit Facility and the CTC Credit Facility are herein collectively referred to as the "Credit Facilities".

The table below summarizes the details of the Credit Facilities as at December 31, 2024:

(in thousands of Canadian dollars)

	Maximum draw amount	**Cash advances**	**Letters of credit**	**Available to be drawn**
Bank Credit Facility	$ 300,000	$ 2,000	$ 2,542	$ 295,458
CTC Credit Facility [1]	$ 300,000	$ 96,500	$ —	$ 203,500

[1] *Uncommitted facility subject to CTC discretion.*

The following section contains forward-looking information and readers are cautioned that actual results may vary.

6.11 Capital Strategy

Management expects the REIT's future debt will be in the form of:

- Class C LP Units (treated as debt for accounting purposes);
- funds drawn on the Credit Facilities;
- unsecured public debt; and
- secured debt.

Management's objectives are to access an optimal cost of capital with the most flexible terms, to have a maturity/redemption schedule (for fixed term obligations) spread over a time horizon so as to manage refinancing risk and to be in a position to finance acquisition and development opportunities when they become available. The Declaration of Trust and the Trust Indenture limit the REIT's overall indebtedness ratio to 60% of total aggregate assets, excluding convertible debentures, and 65% including convertible debentures.

As at December 31, 2024, CT REIT's indebtedness ratio was 41.1%. Refer to section 6.6 of this MD&A for the definition and calculation of CT REIT's indebtedness ratio.

As at December 31, 2024, CT REIT was in compliance with the financial covenants contained in the Declaration of Trust, the Trust Indenture and the Credit Facilities.

For the year ended December 31, 2024, CT REIT's interest coverage ratio was 3.55 times. Refer to section 6.5 of this MD&A for the definition and calculation of CT REIT's interest coverage ratio.

Assuming a future economic environment that is stable, management does not foresee any material impediments to refinancing future debt maturities.

The following section contains forward-looking information and readers are cautioned that actual results may vary.

6.12 Commitments and Contingencies

As at December 31, 2024, CT REIT had obligations of $220,411 (December 31, 2023 - $171,513) in future payments for the completion of developments, as described in section 4.6 of this MD&A. Included in the commitment is $193,748 due to CTC.

CT REIT believes it has sufficient liquidity to fund these future commitments as a result of (i) its conservative use of leverage on the balance sheet; (ii) liquidity on hand; (iii) its Credit Facilities; (iv) an investment grade credit rating; (v) significant unencumbered assets; and (vi) sufficient operating cash flow retained in the business.

6.13 Base Shelf Prospectus

On May 25, 2023, CT REIT renewed its short form base shelf prospectus (the "Base Shelf Prospectus") under which it may issue debt and/or equity (including the sale of Units by CTC) over the 25-month period ending June 25, 2025.

6.14 Normal Course Issuer Bid

On November 27, 2023, CT REIT, after filing a Notice of Intention to Make a Normal Course Issuer Bid ("Notice of Intention"), received approval from the TSX to purchase up to 3,500,000 Units during the 12-month period commencing on November 29, 2023, and ending on November 28, 2024 by way of a normal course issuer bid (the "2023-24 NCIB"). During the year ended December 31, 2024, CT REIT acquired and cancelled 875,468 Units at a weighted average purchase price of $13.50 per Unit under the 2023-24 NCIB, for a total cost of $11,824.

On November 27, 2023, the TSX also approved an automatic securities purchase plan ("ASPP"), which allows the REIT's designated broker to periodically purchase Units during the REIT's blackout periods, subject to pre-defined parameters in accordance with the rules of the TSX and applicable securities laws, in connection with the 2023-24 NCIB. As of December 31, 2023, the maximum obligation to repurchase Units under the ASPP of $12,300 was recognized in other liabilities.

On November 27, 2024, CT REIT, after filing a Notice of Intention, received approval from the TSX to purchase up to 1,875,000 Units during the 12-month period commencing on November 29, 2024, and ending on November 28, 2025 by way of a normal course issuer bid (the "2024-25 NCIB"). During the year ended December 31, 2024, CT REIT did not make any purchases of Units under the 2024-25 NCIB.

On November 27, 2024, the TSX also approved an ASPP in connection with the 2024-25 NCIB. As of December 31, 2024, no amount was recognized in other liabilities under the ASPP.

A copy of each of the 2023 Notice of Intention and 2024 Notice of Intention may be obtained, without charge, by contacting CT Real Estate Investment Trust, 2180 Yonge Street, Toronto, Ontario M4P 2V8, Attention: Corporate Secretary.

6.15 At-the-Market Program

CT REIT entered into an at-the-market program on May 25, 2023 (the "ATM Program") that allows the REIT, in its discretion, to issue up to $100,000 of Units from treasury to the public from time to time.

During the three months and year ended December 31, 2024, no Units were issued under the ATM Program.

7.0 EQUITY

7.1 Authorized Capital and Outstanding Units

CT REIT is authorized to issue an unlimited number of Units. As at December 31, 2024, CT REIT had a total of 108,796,495 Units outstanding, 33,989,508 of which were held by CTC, and 128,046,329 Class B LP Units outstanding (together with a corresponding number of Special Voting Units, as hereinafter defined), all of which were held by CTC.

Class B LP Units are economically equivalent to Units, are accompanied by a special voting unit ("Special Voting Unit") and are exchangeable at the option of the holder for Units (subject to certain conditions). Holders of the Class B LP Units are entitled to receive distributions when declared by the Partnership equal to the per Unit amount of distributions payable on the Units. However, Class B LP Units have limited voting rights over the Partnership.

The following tables summarize the total number of units issued:

	As at December 31, 2024		
	Units	**Class B LP Units**	**Total**
Total outstanding at beginning of year	**108,321,650**	**127,193,833**	**235,515,483**
Units issued under Distribution Reinvestment Plan and other	**1,350,313**	**852,496**	**2,202,809**
Units repurchased and cancelled	**(875,468)**	**—**	**(875,468)**
Total outstanding at end of period	**108,796,495**	**128,046,329**	**236,842,824**

	As at December 31, 2023		
	Units	Class B LP Units	Total
Total outstanding at beginning of year	107,501,944	127,193,833	234,695,777
Units issued under Distribution Reinvestment Plan	1,271,847	—	1,271,847
Units repurchased and cancelled	(452,141)	—	(452,141)
Total outstanding at end of year	108,321,650	127,193,833	235,515,483

Each Unit is transferable and represents an equal, undivided beneficial interest in the REIT and in any distributions from the REIT. Each Unit entitles the holder to one vote at all meetings of Voting Unitholders.

Special Voting Units are only issued in tandem with Class B LP Units or in limited circumstances to holders of the Class C LP Units and are not transferable separately from the Class B LP Units or Class C LP Units to which they relate. Each Special Voting Unit entitles the holder thereof to one vote at all meetings of Voting Unitholders or with respect to any written resolution of Voting Unitholders. Except for the right to attend meetings and vote on resolutions, Special Voting Units do not confer upon the holders thereof any other rights.

Net income attributable to unitholders and weighted average units outstanding used in determining basic and diluted net income per unit are calculated as follows:

	For the Year ended December 31, 2024		
(in thousands of Canadian dollars, except unit amounts)	**Units**	**Class B LP Units**	**Total**
Net income attributable to unitholders - basic	**$ 199,680**	**$ 234,541**	**$ 434,221**
Income effect of settling Class C LP Units with Class B LP Units			**65,047**
Net income attributable to unitholders - diluted			**$ 499,268**
Weighted average units outstanding - basic	**108,412,753**	**127,307,965**	**235,720,718**
Dilutive effect of other unit plans			**399,648**
Dilutive effect of settling Class C LP Units with Class B LP Units			**99,236,600**
Weighted average number of units outstanding - diluted			**335,356,966**

	For the Year ended December 31, 2023		
(in thousands of Canadian dollars, except unit amounts)	Units	Class B LP Units	Total
Net income attributable to unitholders - basic	$ 105,287	$ 124,147	$ 229,434
Income effect of settling Class C LP Units with Class B LP Units			63,962
Net income attributable to unitholders - diluted			$ 293,396
Weighted average units outstanding - basic	107,965,763	127,193,833	235,159,596
Dilutive effect of other unit plans			326,050
Dilutive effect of settling Class C LP Units with Class B LP Units			101,854,123
Weighted average number of units outstanding - diluted			337,339,769

7.2 Equity

(in thousands of Canadian dollars)		
As at	**December 31, 2024**	December 31, 2023
Equity - beginning of period, as previously reported	**$ 3,847,769**	$ 3,827,173
Net income and comprehensive income for the period	**434,221**	229,434
Issuance of Class B LP Units, net of issue costs	**12,909**	—
Distributions to non-controlling interests	**(116,372)**	(112,637)
Distributions to unitholders	**(99,101)**	(95,635)
Issuance of Units under Distribution Reinvestment Plan and other	**18,853**	18,066
Units repurchased and cancelled	**(11,824)**	(6,332)
Automatic securities purchase plan	**12,300**	(12,300)
Equity - end of the period	**$ 4,098,755**	$ 3,847,769

The following section contains forward-looking information and readers are cautioned that actual results may vary.

7.3 Distributions

CT REIT's primary business goal is to accumulate a portfolio of high-quality real estate assets and deliver the benefits of such real estate ownership to unitholders. The primary benefit to unitholders is expected to be reliable, durable and growing distributions over time.

In determining the amount of the monthly distributions paid to unitholders, the Board applies discretionary judgment to forward-looking cash flow information, such as forecasts and budgets, in addition to many other factors including provisions in the Declaration of Trust, the macro-economic and industry-specific environment, debt maturities, covenants and taxable income.

The Board regularly reviews CT REIT's rate of distributions to ensure an appropriate level of distributions. The Board has discretion over the determination of monthly and annual distributions.

On December 13, 2024, a distribution of $0.07710 per unit payable on January 15, 2025 was declared to holders of Units and Class B LP Units of record on December 31, 2024.

On January 15, 2025, a distribution of $0.07710 per unit payable on February 18, 2025 was declared to holders of Units and Class B LP Units of record on January 31, 2025.

One of CT REIT's objectives is to grow monthly distributions. The distribution payments and increases since January 1, 2014 are as follows:

Year	Effective date [1]	Monthly distribution per unit	% increase	Annualized distribution per unit	Annualized distribution increase per unit
2024	**July**	**$0.077**	**3.0 %**	**$0.925**	**$0.027**
2023	July	$0.075	3.5 %	$0.898	$0.030
2022	July	$0.072	3.4 %	$0.868	$0.029
2021	July	$0.070	4.5 %	$0.839	$0.036
2020	January / September	$0.066 / $0.067	4.0 % / 2.0 %	$0.787 / $0.803	$0.030 / $0.016
2019	January	$0.063	4.0 %	$0.757	$0.029
2018	January	$0.061	4.0 %	$0.728	$0.028
2017	January	$0.058	2.9 %	$0.700	$0.020
2016	January	$0.057	2.6 %	$0.680	$0.017
2015	January	$0.055	2.0 %	$0.663	$0.013
2014	January	$0.054	—	$0.650	—

[1] *Month upon which the payment of the monthly distribution increase became effective.*

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended		Year Ended	
For the periods ended December 31,	**2024**	2023	**2024**	2023
Distributions before distribution reinvestment - paid	**$ 54,604**	$ 52,849	**$ 214,850**	$ 207,616
Distribution reinvestment	**4,473**	4,699	**18,853**	18,509
Distributions net of distribution reinvestment - paid	**$ 50,131**	$ 48,150	**$ 195,997**	$ 189,107
Distributions per unit - paid	**$ 0.231**	$ 0.225	**$ 0.912**	$ 0.883

Distributions for the three months ended December 31, 2024 are higher than the same period in the prior year due to the increase in distributions which became effective with the monthly distributions paid in July 2024. Distribution for the year ended December 31, 2024 are higher than the same period in the prior year due to the increase in distributions which became effective with the monthly distributions paid in July 2023 and July 2024, respectively.

Net income prepared in accordance with IFRS Accounting Standards recognizes certain revenues and expenses at time intervals that do not match the receipt or payment of cash. Therefore, in applying judgment, consideration is given to AFFO (a non-GAAP measure of recurring economic earnings used to assess distribution capacity, refer to section 10.0) and other factors when determining distributions to unitholders.

CT REIT's distributions for the three months and year ended December 31, 2024 are less than the REIT's cash generated from operating activities, cash generated from operating activities reduced by net interest and other financing charges, and AFFO, a non-GAAP financial measure, which is an indicator of CT REIT's distribution capacity.

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended		Year Ended	
For the periods ended December 31,	**2024**	2023	**2024**	2023
AFFO [1]	**$ 73,001**	$ 71,474	**$ 292,438**	$ 283,389
Distributions before distribution reinvestment - paid	**54,604**	$ 52,849	**214,850**	207,616
Excess of AFFO over distributions paid (A) [1]	**$ 18,397**	$ 18,625	**$ 77,588**	$ 75,773
Weighted average units outstanding - diluted (non-GAAP) (B) [2]	**236,724,928**	235,723,101	**236,120,366**	235,485,646
Excess of AFFO over distributions paid per unit (A)/(B) [2]	**$ 0.078**	$ 0.079	**$ 0.329**	$ 0.322

[1] Non-GAAP financial measure. Refer to section 10.1 for further information.

[2] Non-GAAP ratio. Refer to section 10.2 for further information.

7.4 Net Asset Value Per Unit

Net asset value per unit represents total equity from the consolidated balance sheets divided by the sum of the period end Units and Class B LP Units outstanding. It is an indication of the residual net asset value available to unitholders. As well, net asset value per unit is compared to the REIT's Unit trading price in order to measure a premium or discount.

(in thousands of Canadian dollars, except for per unit amounts)		
As at	**December 31, 2024**	December 31, 2023
Total equity (A)	**$ 4,098,755**	$ 3,847,769
Period-end Units and Class B LP Units outstanding (B)	**236,842,824**	235,515,483
Net asset value per unit (A)/(B)	**$ 17.31**	$ 16.34

CT REIT's net asset value per unit as at December 31, 2024 increased from the net asset value per unit as at December 31, 2023 primarily due to net income exceeding distributions.

8.0 RELATED PARTY TRANSACTIONS

As at December 31, 2024, CT REIT's controlling unitholder, CTC, held a 68.4% effective interest in the REIT, through the ownership of 33,989,508 Units and all of the issued and outstanding Class B LP Units. CTC also owns all of the Class C LP Units. Refer to section 6.7 of this MD&A for additional information on Class C LP Units.

In addition to its ownership interest, CTC is CT REIT's most significant tenant representing approximately 91.7% of the total annualized base minimum rent earned by CT REIT and 92.8% of total GLA as at December 31, 2024.

In the normal course of its operations, CT REIT enters into various transactions with related parties that have been valued at amounts agreed to between the parties and recognized in the consolidated financial statements. Investment property transactions with CTC amounted to $112,671 (2023 - $117,738) for the year ended December 31, 2024. Refer to Note 4 to the consolidated financial statements for additional information.

CT REIT entered into the CTC Credit Facility in December 2019. Refer to section 6.10 of this MD&A for additional information.

CT REIT's policy is to conduct all transactions and settle all balances, with related parties, on market terms and conditions. Pursuant to the Declaration of Trust, related party transactions are generally subject to the approval of the independent trustees of the Board.

CT REIT and CTC are parties to a number of commercial agreements which govern the relationships among such parties, including the Services Agreement and the Property Management Agreement described below.

Services Agreement

Under the Services Agreement, as amended and restated as of August 8, 2023, CTC provides the REIT with certain administrative, information technology, internal audit and other support services as may be reasonably required from time to time (the "Services"). CTC provides these Services to the REIT on a cost recovery basis pursuant to which CT REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Services, plus applicable taxes. The Services Agreement is automatically renewable for one year terms, unless otherwise terminated in accordance with its terms. The Services Agreement was automatically renewed for 2025 and CTC will continue to provide such Services on a cost recovery basis.

Property Management Agreement

Under the Property Management Agreement, as amended and restated as of August 8, 2023, CTC provides the REIT with certain property management services (the "Property Management Services"). CTC provides these Property Management Services to the REIT on a cost recovery basis pursuant to which the REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Property Management Services, plus applicable taxes. The Property Management Agreement is automatically renewable for one year terms, unless otherwise terminated in accordance with its terms. The Property Management Agreement was automatically renewed for 2025 and CTC will continue to provide such Property Management Services on a cost recovery basis.

CTC Credit Facility

CT REIT has a Credit Facility with CTC that was entered into on December 18, 2019 and which is automatically renewed for one year terms, unless otherwise terminated in accordance with its terms. The CTC Credit Facility was automatically renewed for 2025. The CTC Credit Facility bears interest at a rate based on a stipulated bank prime rate or CORRA rate plus a margin.

Refer to Section 10 of CT REIT's 2024 AIF for additional information on related party agreements and arrangements with CTC.

The following table summarizes CT REIT's related party transactions for the period ended December 31, 2024, excluding acquisition, intensification and development activities which are contained in section 4.0:

(in thousands of Canadian dollars)	Year Ended	
For the periods ended December 31,	**2024**	2023
Property revenue	**$ 517,053**	$ 494,321
Property Management and Services Agreement expense	**$ 1,676**	$ 1,575
Distributions on Units	**$ 31,065**	$ 30,100
Distributions on Class B LP Units [1]	**$ 116,372**	$ 112,637
Interest expense on Class C LP Units	**$ 65,047**	$ 63,962
Interest expense on the CTC Credit Facility	**$ 611**	$ 1,661

[1] Includes distributions deferred at the election of the holders of the Class B LP Units.

The net balance due to CTC is comprised of the following:

(in thousands of Canadian dollars)		
As at	**December 31, 2024**	December 31, 2023
Tenant and other receivables	**$ (1,763)**	$ (2,613)
Class C LP Units	**1,451,550**	1,451,550
Amounts payable on Class C LP Units	**69,823**	63,962
Loans receivable in respect of payments on Class C LP Units	**(64,338)**	(58,631)
Other liabilities	**5,067**	50,514
Distributions payable on Units and Class B LP Units [1]	**41,009**	37,363
Loans receivable in respect of distributions on Class B LP Units	**(28,516)**	(25,298)
CTC Credit Facility [2]	**96,500**	—
Net balance due to CTC	**$ 1,569,332**	$ 1,516,847

[1] Includes distributions deferred at the election of the holders of the Class B LP Units.
[2] See section 6.10 for details on the CTC Credit Facility.

9.0 ACCOUNTING POLICIES AND ESTIMATES

9.1 Significant Areas of Estimation

The preparation of the consolidated financial statements requires management to apply judgments, and to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Estimates are based upon historical experience and on various other assumptions that are reasonable under the circumstances. The result of ongoing evaluation of these estimates forms the basis for applying judgment with regards to the carrying values of assets and liabilities and the reported amounts of revenues and expenses. Actual results may differ from estimates. CT REIT's critical judgments and estimates in applying material accounting policies are described in Note 2 of the consolidated financial statements, the most significant of which is the fair value of investment properties.

Fair Value of Investment Properties

To determine fair value, CT REIT uses the discounted cash flow method. Fair value is estimated by capitalizing the cash flows that the property can reasonably be expected to produce over its remaining economic life. Properties Under Development are initially recorded at cost and are adjusted to fair value at each balance sheet date with the fair value adjustment recognized in earnings.

9.2 Standards, Amendments and Interpretations Issued and Adopted

The following amendment was adopted for the fiscal year ended December 31, 2024, and accordingly, has been applied in preparing these consolidated financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The REIT adopted the new amendments to IAS 1 related to the classification of liabilities as current or non-current as of January 1, 2024. The adoption of these amendments did not have significant impact on the REIT.

9.3 Standards, Amendments and Interpretations Issued but Not Yet Adopted

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ended December 31, 2024, and, accordingly, have not been applied in preparing these consolidated financial statements. CT REIT is assessing the potential impact of these amendments.

Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the International Accounting Standards Board issued the new standard IFRS 18 - *Presentation and Disclosure in Financial Statements* that will replace IAS 1 – *Presentation of Financial Statements*. The new standard requires entities to report newly defined subtotals in the Income Statement called "operating profit" and "profit or loss before financing and income tax". The standard also requires aggregation and disaggregation of information and disclosure of Management Performance Measures in the Notes to financial statements. The new standard has been issued, but is only effective for annual reporting periods beginning on or after January 1, 2027 and, accordingly, has not been applied in preparing these financial statements. Earlier application is permitted. CT REIT is assessing the potential impact of the new standard.

10.0 SPECIFIED FINANCIAL MEASURES

CT REIT uses specified financial measures as defined by the Canadian Securities Administrators' ("CSA") National Instrument 52-112 Non-GAAP and Other Financial Measures Disclosure issued on August 25, 2021. CT REIT believes these specified financial measures provide useful information to both management and investors in measuring the financial performance of CT REIT and its ability to meet its principal objective of creating unitholder value over the long term by generating reliable, durable and growing monthly cash distributions on a tax-efficient basis.

These specified financial measures include non-GAAP financial measures and non-GAAP ratios which do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures and ratios presented by other publicly traded entities and should not be construed as an alternative to other financial measures determined in accordance with GAAP.

10.1 Non-GAAP Financial Measures

Non-GAAP financial measures are not standardized financial measures under the IFRS Accounting Standards financial reporting framework used to prepare the REIT's financial statements to which the measure relates. As such, non-GAAP financial measures may not be comparable to similar financial measures disclosed by other public entities.

Certain non-GAAP financial measures for the real estate industry have been defined by the Real Property Association of Canada ("REALPAC") under its publications, "REALPAC Funds From Operations & Adjusted Funds From Operations for IFRS" ("REALPAC FFO & AFFO") and "REALPAC Adjusted Cashflow from Operations for IFRS" ("REALPAC ACFO"). The purpose of the publications is to provide guidance on the definition of certain non-GAAP financial measures to promote consistent disclosure amongst reporting issuers.

Management has identified the following non-GAAP financial measures in this MD&A:

- Net Operating Income ("NOI")
- Same store NOI
- Same property NOI
- Funds from Operations ("FFO")
- Adjusted Funds from Operations ("AFFO")
- Capital expenditure reserve
- Adjusted Cash Flow from Operations ("ACFO")
- Earnings Before Interest, Taxes and Fair Value ("EBITFV")
- Excess of AFFO over distributions paid
- Non-operating adjustments to working capital

10.1 (a) Net Operating Income

NOI is a non-GAAP financial measure defined as property revenue less property expense, adjusted for straight-line rent. The most directly comparable primary financial statement measure is property revenue. Management believes that NOI is a useful key indicator of performance as it represents a measure of property operations over which management has control. NOI is also a key input in determining the fair value of the Property portfolio. NOI should not be considered as an alternative to property revenue or net income and comprehensive income, both of which are determined in accordance with IFRS Accounting Standards.

(in thousands of Canadian dollars)	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change [1]	**2024**	2023	Change [1]
Property revenue	**$ 145,436**	$ 139,968	3.9 %	**$ 578,689**	$ 552,772	4.7 %
Less:						
Property expense	**(30,869)**	(28,842)	7.0 %	**(125,693)**	(115,523)	8.8 %
Property straight-line rent adjustment	**992**	386	NM	**4,621**	1,707	NM
Net operating income	**$ 115,559**	$ 111,512	3.6 %	**$ 457,617**	$ 438,956	4.3 %

[1] NM - not meaningful.

10.1 (b) Same Store NOI

Same store NOI is a non-GAAP financial measure which reports the period-over-period performance of the same asset base having consistent GLA in both periods. CT REIT management believes same store NOI is a useful measure to gauge the change in asset productivity and asset value. The most directly comparable primary financial statement measure is property revenue. Same store NOI should not be considered as an alternative to property revenue or net income and comprehensive income, both of which are determined in accordance with IFRS Accounting Standards.

10.1 (c) Same Property NOI

Same property NOI is a non-GAAP financial measure that is consistent with the definition of same store NOI above, except that same property includes the NOI impact of intensifications. Management believes same property NOI is a useful measure to gauge the change in asset productivity and asset value, as well as measure the additional return earned by incremental capital investments in existing assets. The most directly comparable primary financial statement measure is property revenue. Same property NOI should not be considered as an alternative to property revenue or net income and comprehensive income, both of which are determined in accordance with IFRS Accounting Standards.

The following table summarizes the same store and same property components of NOI:

(in thousands of Canadian dollars)	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change [1]	**2024**	2023	Change [1]
Same store	**$ 112,133**	$ 110,485	1.5 %	**$ 438,741**	$ 431,735	1.6 %
Intensifications						
2024	**472**	—	NM	**668**	—	NM
2023	**564**	427	32.1 %	**5,110**	2,294	NM
Same property	**$ 113,169**	$ 110,912	2.0 %	**$ 444,519**	$ 434,029	2.4 %
Acquisitions, dispositions and developments						
2024	**2,390**	600	NM	**7,461**	1,059	NM
2023	**—**	—	NM	**5,637**	3,868	45.7 %
Net operating income	**$ 115,559**	$ 111,512	3.6 %	**$ 457,617**	$ 438,956	4.3 %
Add:						
Property expense	**30,869**	28,842	7.0 %	**125,693**	115,523	8.8 %
Property straight-line rent adjustment	**(992)**	(386)	NM	**(4,621)**	(1,707)	NM
Property Revenue	**$ 145,436**	$ 139,968	3.9 %	**$ 578,689**	$ 552,772	4.7 %

[1] NM - not meaningful.

10.1 (d) Funds From Operations and Adjusted Funds From Operations

The following table reconciles GAAP net income and comprehensive income to FFO and further reconciles FFO to AFFO:

(in thousands of Canadian dollars)	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change [1]	**2024**	2023	Change [1]
Net Income and comprehensive income	**$ 135,334**	$ 38,239	NM	**$ 434,221**	$ 229,434	89.3 %
Fair value adjustment on investment property	**(54,787)**	39,334	NM	**(119,083)**	78,636	NM
Deferred income tax	**(307)**	(628)	(51.1)%	**(87)**	31	NM
Lease principal payments on right-of-use assets	**(217)**	(171)	26.9 %	**(845)**	(852)	(0.8)%
Fair value adjustment of unit-based compensation	**(1,375)**	523	NM	**(687)**	(625)	9.9 %
Internal leasing expense	**362**	407	(11.1)%	**1,230**	1,290	(4.7)%
Funds from operations	**$ 79,010**	$ 77,704	1.7 %	**$ 314,749**	$ 307,914	2.2 %
Property straight-line rent adjustment	**992**	386	NM	**4,621**	1,707	NM
Direct leasing costs [2]	**(204)**	(290)	(29.7)%	**(854)**	(1,190)	(28.2)%
Capital expenditure reserve	**(6,797)**	(6,326)	7.4 %	**(26,078)**	(25,042)	4.1 %
Adjusted funds from operations	**$ 73,001**	$ 71,474	2.1 %	**$ 292,438**	$ 283,389	3.2 %

[1] NM - not meaningful.

[2] Excludes internal and external leasing costs related to development projects.

Funds From Operations

FFO is a non-GAAP financial measure of operating performance used by the real estate industry, particularly by those publicly traded entities that own and operate income-producing properties. The most directly comparable primary financial statement measure is net income and comprehensive income. FFO should not be considered as an alternative to net income or cash flows provided by operating activities determined in accordance with IFRS Accounting Standards. CT REIT calculates its FFO in accordance with REALPAC FFO & AFFO. The use of FFO, together with the required IFRS Accounting Standards presentations, has been included for the purpose of improving the understanding of the operating results of CT REIT.

Management believes that FFO is a useful measure of operating performance that, when compared period-over-period, reflects the impact on operations of trends in occupancy levels, rental rates, operating costs and property taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from net income determined in accordance with IFRS Accounting Standards.

FFO adds back to net income items that do not arise from operating activities, such as fair value adjustments. FFO, however, still includes non-cash revenues related to accounting for straight-line rent and makes no deduction for the recurring capital expenditures necessary to sustain the existing earnings stream.

Adjusted Funds From Operations

AFFO is a non-GAAP financial measure of recurring economic earnings used in the real estate industry to assess an entity's distribution capacity. The most directly comparable primary financial statement measure is net income and comprehensive income. AFFO should not be considered as an alternative to net income or cash flows provided by operating activities determined in accordance with IFRS Accounting Standards. CT REIT calculates its AFFO in accordance with REALPAC FFO & AFFO.

CT REIT calculates AFFO by adjusting FFO for non-cash income and expense items such as amortization of straight-line rents. AFFO is also adjusted for a reserve for maintaining the productive capacity required for sustaining property infrastructure and revenue from real estate properties and direct leasing costs. As property capital expenditures do not occur evenly during the fiscal year or from year to year, the capital expenditure reserve in the AFFO calculation, which is used as an input in assessing the REIT's distribution payout ratio, is intended to reflect an average annual spending level. The reserve is primarily based on average expenditures as determined by building condition reports prepared by independent consultants.

Management believes that AFFO is a useful measure of operating performance similar to FFO as described above, adjusted for the impact of non-cash income and expense items.

10.1 (e) Capital Expenditure Reserve

The following table compares and reconciles recoverable capital expenditures since 2013 to the capital expenditure reserve used in the calculation of AFFO during that period:

(in thousands of Canadian dollars) For the periods indicated	Capital expenditure reserve	Recoverable capital expenditures	Variance
October 23, 2013 to December 31, 2019	$ 120,214	$ 104,666	$ 15,548
Year ended December 31, 2020	$ 24,254	$ 18,091	$ 6,163
Year ended December 31, 2021	$ 24,387	$ 33,994	$ (9,607)
Year ended December 31, 2022	$ 25,030	$ 26,835	$ (1,805)
2023			
Q1	$ 6,327	$ 824	$ 5,503
Q2	6,181	4,852	1,329
Q3	6,208	10,818	(4,610)
Q4	6,326	17,782	(11,456)
Year ended December 31, 2023	$ 25,042	$ 34,276	$ (9,234)
2024			
Q1	**$ 6,349**	**$ 1,536**	**$ 4,813**
Q2	**$ 6,439**	**$ 7,801**	**$ (1,362)**
Q3	**$ 6,493**	**$ 16,077**	**$ (9,584)**
Q4	**$ 6,797**	**$ 7,685**	**$ (888)**
Year ended December 31, 2024	**$ 26,078**	**$ 33,099**	**$ (7,021)**

The capital expenditure reserve is a non-GAAP financial measure and management believes the reserve is a useful measure to understand the normalized capital expenditures required to maintain property infrastructure. Recoverable capital expenditures are the most directly comparable measure disclosed in the REIT's primary financial statements. The capital expenditure reserve should not be considered as an alternative to recoverable capital expenditures, which is determined in accordance with IFRS Accounting Standards.

The capital expenditure reserve is comparable to recoverable capital expenditures on a cumulative basis since IPO. The capital expenditure reserve per square foot has increased since 2013, which reflects changes in asset mix (primarily due to an increase in multi-tenanted Retail Properties) and inflation in expected costs. The current year reserve is based on actual historical costs, anticipated future costs and any significant changes in the nature and age of the properties in the portfolio as it evolves over time.

The capital expenditure reserve varies from the capital expenditures incurred due to the seasonal nature of the expenditures. As such, CT REIT views the capital expenditure reserve as a meaningful measure. Refer to section 4.11 for additional information.

10.1 (f) Adjusted Cash Flow from Operations

ACFO is a non-GAAP financial measure developed by REALPAC for use by the real estate industry as a sustainable economic cash flow metric. ACFO should not be considered as an alternative to cash flows provided by operating activities determined in accordance with IFRS Accounting Standards. CT REIT calculates its ACFO in accordance with REALPAC ACFO. Management believes that the use of ACFO, combined with the required IFRS Accounting Standards presentations, improves the understanding of the operating cash flow of CT REIT.

CT REIT calculates ACFO from cash flow generated from operating activities by adjusting for non-operating adjustments to changes in working capital and other, net interest and other financing charges, capital expenditure reserve, and lease payments. The most directly comparable GAAP measure in the primary financial statements is Cash Generated from Operating Activities. A reconciliation from the IFRS Accounting Standards term "Cash Generated from Operating Activities" (refer to the Consolidated Statements of Cash Flows for the year ended December 31, 2024 and December 31, 2023) to ACFO is as follows:

(in thousands of Canadian dollars)	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change [1]	**2024**	2023	Change [1]
Cash generated from operating activities	**$ 108,754**	$ 118,316	(8.1)%	**$ 436,043**	$ 425,055	2.6 %
Non-operating adjustments to changes in working capital and other	**6,609**	(9,449)	NM	**4,587**	(5,296)	NM
Net interest and other financing charges	**(31,166)**	(29,425)	5.9 %	**(121,739)**	(113,942)	6.8 %
External leasing expenses not related to development	**(41)**	(94)	(56.4)%	**(183)**	(571)	(68.0)%
Capital expenditure reserve	**(6,797)**	(6,326)	7.4 %	**(26,078)**	(25,042)	4.1 %
Lease principal payments on right-of-use assets	**(217)**	(171)	26.9 %	**(845)**	(852)	(0.8)%
Adjusted cashflow from operations	**$ 77,142**	$ 72,851	5.9 %	**$ 291,785**	$ 279,352	4.5 %

[1] NM - not meaningful.

10.1 (g) Earnings Before Interest and Other Financing Costs, Taxes and Fair Value Adjustments

EBITFV is a non-GAAP financial measure of a REIT's operating cash flow and it is used in addition to IFRS Accounting Standards net income because it excludes major non-cash items (including fair value adjustments), interest expense and other financing costs, deferred income tax, losses or gains on disposition of property, and other non-recurring items that may occur under IFRS Accounting Standards that management considers non-operating in nature. The most directly comparable GAAP measure in the primary financial statements is net income and comprehensive income. EBITFV should not be considered as an alternative to net income and comprehensive income or cash flows provided by operating activities determined in accordance with IFRS Accounting Standards.

EBITFV is used as an input in some of CT REIT's debt metrics, providing information with respect to certain financial ratios that CT REIT uses in measuring its debt profile and assessing its ability to satisfy its obligations, including servicing its debt.

For the three months and year ended December 31, 2024, EBITFV was calculated as follows:

(in thousands of Canadian dollars)	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change [1]	**2024**	2023	Change [1]
Net income and comprehensive income	**$ 135,334**	$ 38,239	NM	**$ 434,221**	$ 229,434	89.3 %
Fair value adjustment on investment properties	**(54,787)**	39,334	NM	**(119,083)**	78,636	NM
Fair value adjustment on unit-based awards	**(1,375)**	523	NM	**(687)**	(625)	9.9 %
Interest expense and other financing charges	**31,289**	29,795	5.0 %	**123,255**	114,482	7.7 %
Deferred income tax	**(307)**	(628)	(51.1)%	**(87)**	31	NM
EBITFV	**$ 110,154**	$ 107,263	2.7 %	**$ 437,619**	$ 421,958	3.7 %

[1] NM - not meaningful.

10.1 (h) Excess of AFFO over Distributions Paid

Excess of AFFO over distributions paid is a non-GAAP financial measure. Management believes this measure is useful as it is an indicator of CT REIT's distribution capacity. Net income and comprehensive income is the most directly comparable financial measure that is disclosed in the REIT's primary financial statements. Refer to the table in 10.1 (d) reconciling net income and comprehensive income to AFFO.

(in thousands of Canadian dollars)	Three Months Ended		Year Ended	
For the periods ended December 31,	**2024**	2023	**2024**	2023
AFFO	**$ 73,001**	$ 71,474	**$ 292,438**	$ 283,389
Distributions before distribution reinvestment - paid	**54,604**	52,849	**214,850**	207,616
Excess of AFFO over distributions paid	**$ 18,397**	$ 18,625	**$ 77,588**	$ 75,773

10.1 (i) Non-operating Adjustments to Working Capital

Non-operating adjustments to working capital is a non-GAAP financial measure used in the calculation of ACFO described above. The most directly comparable primary financial statement measure is changes in working capital and other. This measure should not be considered as an alternative to changes in working capital and other determined in accordance with IFRS Accounting Standards. CT REIT calculates its non-operating adjustments to working capital in accordance with REALPAC ACFO. Management believes non-operating adjustments to working capital is a useful improvement to the understanding of the operating cash flow of CT REIT, by eliminating fluctuations due to changes in accounts receivable, accounts payable and other working capital items that are not indicative of sustainable cash available for distribution to unitholders.

(in thousands of Canadian dollars)	Three months ended		Year ended	
For the periods ended December 31,	**2024**	2023	**2024**	2023
Changes in working capital and other	**$ 3,644**	$ (11,560)	**$ 5,368**	$ (1,305)
Add/(deduct):				
Change in tenant and other receivables	**(1,026)**	(618)	**(1,021)**	31
Change in other non-current liabilities	**135**	1,007	**(2,435)**	48
Change in other liabilities	**4,228**	(940)	**3,752**	(3,432)
Other	**(372)**	2,662	**(1,077)**	(638)
Non-operating adjustments to changes in working capital and other	**$ 6,609**	$ (9,449)	**$ 4,587**	$ (5,296)

The composition of non-operating adjustments to working capital is made up of:

(in thousands of Canadian dollars)	Three months ended		Year ended	
For the periods ended December 31,	**2024**	2023	**2024**	2023
Other non-current assets	**$ 182**	$ 174	**$ 54**	$ 101
Other current assets	**(14,002)**	(13,347)	**(210)**	252
Tenant and other receivables	**(932)**	(2,474)	**428**	(249)
Other liabilities	**21,361**	6,198	**4,315**	(5,400)
Non-operating adjustments to changes in working capital and other	**$ 6,609**	$ (9,449)	**$ 4,587**	$ (5,296)

10.2 Non-GAAP Ratios

Non-GAAP ratios are not standardized financial measures under the IFRS Accounting Standards financial reporting framework used to prepare the REIT's financial statements to which the measure relates. As such, non-GAAP ratios may not be comparable to similar financial measures disclosed by other public entities.

Management has identified the following non-GAAP ratios in this MD&A:

- AFFO payout ratio
- FFO per unit - basic
- FFO per unit - diluted (non-GAAP)
- AFFO per unit - basic
- AFFO per unit - diluted (non-GAAP)
- Excess of AFFO over distributions paid per unit
- Total indebtedness to EBITFV
- Interest coverage ratio
- Adjusted general and administrative expense as a percent of property revenue

10.2 (a) AFFO Payout Ratio

The AFFO payout ratio is a non-GAAP ratio which measures the sustainability of the REIT's distribution payout. Management believes this is a useful measure to investors since this metric provides transparency on performance. Management considers the AFFO payout ratio to be the best measure of the REIT's distribution capacity. The AFFO payout ratio is not a standardized financial measure under IFRS Accounting Standards and should not be considered as an alternative to other ratios determined in accordance with IFRS Accounting Standards. The component of the AFFO payout ratio, which is a non-GAAP financial measure, is AFFO, and the composition of the AFFO payout ratio is as follows:

	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change	**2024**	2023	Change
Distribution per unit - paid (A)	**$ 0.231**	$ 0.225	3.0 %	**$ 0.912**	$ 0.883	3.2 %
AFFO per unit - diluted (non-GAAP) [1] (B)	**$ 0.308**	$ 0.303	1.7 %	**$ 1.239**	$ 1.203	3.0 %
AFFO payout ratio (A)/(B)	**75.0 %**	74.3 %	0.7 %	**73.6 %**	73.4 %	0.2 %

1 For the purposes of calculating diluted per unit amounts, diluted units include restricted and deferred units issued under various plans and excludes the effects of settling the Class C LP Units with Class B LP Units.

10.2 (b) FFO per unit - Basic, FFO per unit - Diluted (non-GAAP), AFFO per unit - Basic and AFFO per unit - Diluted (non-GAAP)

FFO per unit - basic, FFO per unit - diluted (non-GAAP), AFFO per unit - basic and AFFO per unit - diluted (non-GAAP) are non-GAAP ratios and reflect FFO and AFFO on a weighted average per unit basis. Management believes these non-GAAP ratios are useful measures to investors since the measures indicate the impact of FFO and AFFO, respectively, in relation to an individual per unit investment in the REIT. When calculating diluted per unit amounts, diluted units include restricted and deferred units issued under various plans and exclude the effects of settling the Class C LP Units with Class B LP Units.

Management believes that FFO per unit ratios are useful measures of operating performance that, when compared period-over-period, reflect the impact on operations of trends in occupancy levels, rental rates, operating costs and property taxes, acquisition activities and interest costs, and provides a perspective of the financial performance that is not immediately apparent from net income per unit determined in accordance with IFRS Accounting Standards. Management believes that AFFO per unit ratios are useful measures of operating performance similar to FFO as described above, adjusted for the impact of non-cash income and expense items. The FFO per unit and AFFO per unit ratios are not standardized financial measures under IFRS Accounting Standards and should not be considered as an alternative to other ratios determined in accordance with IFRS Accounting Standards. The component of the FFO per unit ratios, which is a non-GAAP financial measure, is FFO, and the component of AFFO per unit ratios, which is a non-GAAP financial measure, is AFFO.

	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change	**2024**	2023	Change
Funds from operations/unit - basic	**$ 0.334**	$ 0.330	1.2 %	**$ 1.335**	$ 1.309	2.0 %
Funds from operations/unit - diluted (non-GAAP)	**$ 0.334**	$ 0.330	1.2 %	**$ 1.333**	$ 1.308	1.9 %

	Three Months Ended			Year Ended		
For the periods ended December 31,	**2024**	2023	Change	**2024**	2023	Change
Adjusted funds from operations/unit - basic	**$ 0.309**	$ 0.304	1.6 %	**$ 1.241**	$ 1.205	3.0 %
Adjusted funds from operations/unit - diluted (non-GAAP)	**$ 0.308**	$ 0.303	1.7 %	**$ 1.239**	$ 1.203	3.0 %

Management calculates the weighted average units outstanding - diluted (non-GAAP) by excluding the full conversion of the Class C LP Units to Class B LP Units, which is not considered a likely scenario. As such, the REIT's fully diluted per unit FFO and AFFO amounts are calculated, excluding the effects of settling the Class C LP Units with Class B LP Units, which management considers a more meaningful measure.

10.2 (c) Excess of AFFO over Distributions Paid per unit

Excess of AFFO over distributions paid per unit is a non-GAAP ratio and reflects excess of AFFO over distributions on a weighted average per unit basis. Management believes this non-GAAP ratio is a useful measure to investors since it is an indicator of CT REIT's distribution capacity in relation to an individual per unit investment in the REIT. The excess of AFFO over distributions paid per unit is not a standardized financial measure under IFRS Accounting Standards and should not be considered as an alternative to other ratios determined in accordance with IFRS Accounting Standards. The component of the excess of AFFO over distributions paid per unit which is a non-GAAP financial measure is excess of AFFO over distributions paid. The composition of the excess of AFFO over distributions paid per unit is as follows:

(in thousands of Canadian dollars, except per unit amounts)	Three Months Ended		Year Ended	
For the periods ended December 31,	**2024**	2023	**2024**	2023
Excess of AFFO over distributions paid (A)	**$ 18,397**	$ 18,625	**$ 77,588**	$ 75,773
Weighted average units outstanding - diluted (non-GAAP) (B)	**236,724,928**	235,723,101	**236,120,366**	235,485,646
Excess of AFFO over distributions paid per unit (A)/(B)	**$ 0.078**	$ 0.079	**$ 0.329**	$ 0.322

10.2 (d) Total Indebtedness to EBITFV

Total indebtedness to EBITFV is a non-GAAP ratio. Management believes this non-GAAP ratio is a useful measure to investors since it provides an understanding of the REIT's ability to meet its debt obligations in relation to the degree it is leveraged. Total indebtedness to EBITFV should not be considered as an alternative to other ratios determined in accordance with IFRS Accounting Standards. The component of total indebtedness to EBITFV which is a non-GAAP financial measure is EBITFV.

The composition of this ratio is as follows:

(in thousands of Canadian dollars)		
As at	**December 31, 2024**	December 31, 2023
Total indebtedness	**$ 2,980,285**	$ 2,880,994
EBITFV	**$ 437,619**	421,958
Total indebtedness / EBITFV	**6.81**	6.83

10.2 (e) Interest Coverage Ratio

Interest coverage ratio is a non-GAAP ratio which management believes to be a useful indicator of an entity's ability to service its debt. Generally, the higher the ratio is, the lower the risk of default on debt. This non-GAAP ratio is not a standardized financial measure under IFRS Accounting Standards and should not be considered as an alternative to other ratios determined in accordance with IFRS Accounting Standards. The component of interest coverage ratio which is a non-GAAP financial measure is EBITFV.

(in thousands of Canadian dollars)	Three Months Ended		Year Ended	
For the periods ended December 31,	**2024**	2023	**2024**	2023
EBITFV (A)	**$ 110,154**	$ 107,263	**$ 437,619**	$ 421,958
Interest expense and other financing charges (B)	**$ 31,289**	$ 29,795	**$ 123,255**	$ 114,482
Interest coverage ratio (A)/(B)	**3.52**	3.60	**3.55**	3.69

10.2 (f) Adjusted General and Administrative Expense as a Percent of Property Revenue

Adjusted general and administrative expense as a percent of property revenue is a non-GAAP ratio. Management believes this ratio is a useful measure since it is an indicator of an entity's ability to manage its general and administrative expenses in relation to property revenue without the influence of non-controllable fair value adjustments on unit-based awards. This non-GAAP ratio is not a standardized financial measure under IFRS Accounting Standards and should not be considered as an alternative to other ratios determined in accordance with IFRS Accounting Standards. The component of adjusted general and administrative expense as a percent of property revenue which is a non-GAAP financial measure is adjusted general and administrative expense.

(in thousands of Canadian dollars)	Year Ended	
For the year ended December 31,	**2024**	2023
Personnel expense [1]	**$ 10,317**	$ 9,825
Services Agreement with CTC	**1,222**	1,094
Public entity and other [1]	**4,580**	4,318
General and administrative expense	**$ 16,119**	$ 15,237
Fair value adjustment of unit based compensation	**(687)**	(625)
Adjusted general and administrative expense (A)	**$ 16,806**	$ 15,862
Property revenue (B)	**$ 578,689**	$ 552,772
Adjusted general and administrative expense % of property revenue (A/B)	**2.9 %**	2.9 %

[1] *Includes unit-based awards, including (gain) loss adjustments as a result of the change in the fair market value of the Units of $(687) (YTD 2023 - $(625)) for the year ended December 31, 2024.*

11.0 SELECTED QUARTERLY CONSOLIDATED INFORMATION

(in thousands of Canadian dollars, except per unit amounts)	2024				2023			
As at and for the quarter ended	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Property revenue	$ 145,436	$ 144,594	$ 144,438	$ 144,221	$ 139,968	$ 137,479	$ 137,819	$ 137,506
Net income	$ 135,334	$ 94,457	$ 103,285	$ 101,145	$ 38,239	$ 11,327	$ 109,357	$ 70,511
Net income per unit								
- basic	$ 0.573	$ 0.401	$ 0.439	$ 0.429	$ 0.162	$ 0.048	$ 0.465	$ 0.300
- diluted	$ 0.452	$ 0.339	$ 0.346	$ 0.345	$ 0.161	$ 0.048	$ 0.376	$ 0.265
FFO per unit - diluted (non-GAAP) [1]	$ 0.334	$ 0.331	$ 0.337	$ 0.331	$ 0.330	$ 0.327	$ 0.330	$ 0.321
AFFO per unit - diluted (non-GAAP) [1]	$ 0.308	$ 0.308	$ 0.315	$ 0.308	$ 0.303	$ 0.301	$ 0.304	$ 0.295
Total assets	$7,249,207	$7,096,869	$7,045,699	$7,030,529	$6,966,564	$6,956,954	$6,950,062	$6,863,797
Total indebtedness	$2,980,285	$2,887,625	$2,881,393	$2,881,224	$2,880,994	$2,856,277	$2,776,260	$2,791,349
Total distributions, net of distribution reinvestment, to unitholders - paid	$ 50,129	$ 49,492	$ 48,193	$ 48,182	$ 48,151	$ 47,775	$ 46,551	$ 46,631
Total distributions per unit - paid	$ 0.231	$ 0.231	$ 0.225	$ 0.225	$ 0.225	$ 0.225	$ 0.217	$ 0.217
Net asset value per unit [2]	$ 17.31	$ 16.95	$ 16.79	$ 16.56	$ 16.34	$ 16.44	$ 16.63	$ 16.39
Market price per unit								
- high	$ 16.04	$ 16.32	$ 14.22	$ 14.97	$ 14.80	$ 15.71	$ 16.47	$ 16.87
- low	$ 14.00	$ 13.13	$ 12.80	$ 13.65	$ 12.57	$ 13.52	$ 14.31	$ 15.30
- closing as at period end	$ 14.29	$ 15.89	$ 13.18	$ 14.27	$ 14.65	$ 13.69	$ 15.09	$ 16.03

[1] Non-GAAP ratio.

[2] Net asset value per unit is equivalent to GAAP book value per unit.

The following table reconciles GAAP net income and comprehensive income to FFO and further reconciles FFO to AFFO:

(in thousands of Canadian dollars)	2024				2023			
As at and for the quarter ended	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net Income and comprehensive income	$ 135,334	$ 94,457	$ 103,285	$ 101,145	$ 38,239	$ 11,327	$ 109,357	$ 70,511
Fair value adjustment on investment property	(54,787)	(17,731)	(22,931)	(23,634)	39,334	66,669	(31,547)	4,180
Deferred income tax	(307)	(568)	(159)	947	(628)	(152)	367	444
Lease principal payments on right-of-use assets	(217)	(212)	(210)	(206)	(171)	(176)	(154)	(351)
Fair value adjustment of unit-based compensation	(1,375)	1,865	(826)	(351)	523	(913)	(533)	298
Internal leasing expense	362	300	280	288	407	318	319	246
Funds from operations	$ 79,010	$ 78,111	$ 79,439	$ 78,189	$ 77,704	$ 77,073	$ 77,809	$ 75,328
Property straight-line rent adjustment	992	1,082	1,437	1,110	386	507	392	422
Direct leasing costs [1]	(204)	(146)	(184)	(320)	(290)	(346)	(362)	(192)
Capital expenditure reserve	(6,797)	(6,493)	(6,439)	(6,349)	(6,326)	(6,208)	(6,181)	(6,327)
Adjusted funds from operations	$ 73,001	$ 72,554	$ 74,253	$ 72,630	$ 71,474	$ 71,026	$ 71,658	$ 69,231

[1] Excludes internal and external leasing costs related to development projects.

Property revenue, distributions and other financial and operational results noted above have grown at a steady rate. However, macroeconomic factors and market trends may have an influence on consumer spending, the demand for space, occupancy levels, the REIT's ability to pursue new acquisition and development opportunities and, consequently, the REIT's operating performance, the impact of which is difficult to predict.

Refer to CT REIT's respective annual and interim MD&A's issued for a discussion and analysis relating to the above periods.

12.0 ENTERPRISE RISK MANAGEMENT

Enterprise Risk Management Framework

To preserve and enhance unitholder value over the long term, CT REIT takes a balanced approach to risk taking together with effective risk management. The effective management of risk within CT REIT is a key priority for the Board and senior management, as such the REIT has adopted an Enterprise Risk Management Framework ("ERM Framework") for identifying, assessing, monitoring, managing and reporting key risks.

The ERM Framework is designed to provide an integrated approach to the management of risks, through a disciplined manner that:

- safeguards the REIT's reputation;
- supports the achievement of the REIT's strategic objectives, including financial goals;
- preserves and enhances unitholder value; and
- supports business planning and operations by providing a cross-functional perspective to risk management, integrated with strategic planning and reporting processes.

Risk Governance

The foundation of the REIT's ERM Framework is a governance approach that includes a comprehensive set of policies that, together with the REIT's Declaration of Trust, require the identification, assessment, monitoring, management and reporting of all key risks on a timely basis. The key elements of risk governance are the Board and Chief Executive Officer, supported by senior management and the three lines of defense operating model (which includes (i) business and support functions, (ii) oversight functions and (iii) internal audit). Clearly defined roles and responsibilities, coupled with timely monitoring and reporting, assist in supporting a strong risk culture and effective governance of risk.

Fundamental to risk governance at the REIT is the oversight by senior management and the Audit Committee of all key risks and emerging risks faced by the REIT. Emerging risks are defined as risks that may develop into having a significant impact on the REIT, or that already exist but have a high degree of uncertainty and are difficult to quantify. Members of senior management of the REIT assist the Chief Executive Officer in discharging responsibilities with respect to managing strategies in alignment with the REIT's risk appetite, recommending various risk-related policies for the Board's approval and evaluating the effectiveness of controls the REIT has in place to manage risk and support the REIT's strategy. The REIT monitors its risk exposures to assess that its business activities are operating within approved limits or guidelines and risk appetite. Exceptions, if any, are reported to the Chief Financial Officer, the Chief Executive Officer and to the Audit Committee and the Board, as appropriate.

Key Risks

A key element of the ERM Framework is the identification and assessment of the REIT's key risks. A key risk is defined as one that, alone or in combination with other interrelated risks, could have a material adverse effect on the REIT's reputation, financial position, and/or ability to achieve its strategic objectives. Management has developed plans to manage for each of the key risks, which are reviewed regularly by senior management and reported to the Audit Committee and the Board. Although

the REIT believes the measures taken to manage risks are reasonable, there can be no assurance that they will effectively control all risks that may have a negative impact. In addition, there are numerous other risk factors that are difficult to predict and could adversely affect the REIT's reputation, financial results, operations and strategic objectives.

The following table provides an overview of each of the REIT's key risks and other risks associated with the REIT's business and operations in the REIT's risk universe, which categorizes the REIT's risks into the following main categories: Strategic, Financial, Operational, and Environmental, Social and Governance. Further information on the REIT's key risks is presented in the REIT's 2024 AIF. CT REIT cautions that the discussion of risks, including those risks described in the REIT's 2024 AIF, is not exhaustive. When considering whether to purchase or sell Units, investors and others should carefully consider these factors as well as other uncertainties, potential events and industry specific factors that may adversely impact the REIT's future results.

Key Risks	Risk Management Strategy
External Economic Environment The REIT is subject to risks resulting from fluctuations or fundamental changes in the external business environment. These fluctuations or fundamental shifts in the macroeconomic environment as well as the environment in regions and local marketplaces where the REIT conducts its business could include: • changes in the current economic environment and uncertainty with respect to future potential economic disruption including recession, depression, changes to applicable duties, tariffs and trade laws and policies and related economic tensions between governments or high inflation impacting business and consumer confidence and spending; • changes in the economic stability of local markets such as business layoffs, industry slow-downs, changing demographics and other factors impacting tenants' revenues and their ability to pay rent, and the REIT's ability to lease space, renew leases and derive income from the properties in the affected market; • changes in the economic condition and regulatory environment of the regions in which the REIT's properties are concentrated, which may have a material adverse effect on the REIT's business, cash flows, financial condition, results of operations and ability to make distributions to unitholders; • changes in retail shopping behaviours and habits of consumers and the introduction of new "technologies" and competitors impacting the relevance of the products, sales channels, or services offered by the REIT's key tenant, which may result in a negative impact on their financial position culminating in a decrease in the demand for physical space, which could adversely affect the REIT's financial performance; and • increased competition amongst investors, developers, owners and operators of properties similar to those of the REIT could negatively impact the availability of suitable acquisition opportunities thereby increasing the REIT's cost of acquisition as well as its' ability to lease properties, renew leases and achieve rental increases, which may adversely impact the REIT's financial condition and results of operations.	The REIT regularly monitors and analyzes the external economic conditions, demographic, consumer behaviour and competitive developments in Canada related to its business. Results are shared with the REIT executives, who are accountable for any necessary amendments to the strategic and operational plans and for on-going investment decisions in order to respond to evolving market and economic trends.

Key Risks	Risk Management Strategy
Key Business Relationship The REIT's relationship with its majority unitholder, CTC, is integral to its business strategy and could affect the REIT's cash flows, operating results, overall financial performance and its ability to make distributions. Key factors inherent in this relationship include: • situations where the interests of CTC and the REIT are in conflict, CTC may utilize its ownership interest in, and contractual rights with the REIT, to further CTC's own interest which may not be the same as the REIT's interest in all cases, causing the REIT not to be able to operate in a manner that is in its favour, which could adversely affect the REIT's cash flows, operating results, valuation, and overall financial condition; • the dependence of the REIT's revenues on the ability of its key tenant, CTC, to meet its rent obligations and renew its tenancies. While CTC has held investment grade credit ratings for over 20 years, there is no assurance that it will maintain such ratings or that its financial position will not change over time. The future financial performance and operating results of CTC's business are subject to inherent risks. A downturn in CTC's business resulting in an inability to meet their obligations under their leases and/or if a significant amount of available space in the properties was not able to be leased on economically favourable lease terms could have a material effect on the financial performance of the REIT, its cash flows, and the REIT's ability to make distributions to unitholders; • the lack of assurance that the REIT will be able to renew any or all of the CTC property leases upon their expiration, or re-lease such space without a material interruption in the rental revenue from those properties, at or above current rental rates and other economic terms; and • the REIT's dependency on the services of key personnel including certain CTC personnel who supply necessary services to operate the REIT for its effective management and governance. Failure to receive these services or the need to replace the service provider in a short period of time could have a material adverse effect on the REIT.	The REIT benefits from the stability offered by CTC businesses including Canadian Tire, one of Canada's most resilient, iconic and trusted omni-channel general merchandise retailers with high recognition and a strong reputation throughout the communities it serves. Appropriate governance structures, including policies, processes and other management activities and practices are in place to maintain and monitor the relationship between the REIT and CTC. In addition, Management regularly monitors the operating results and credit ratings of CTC.

Key Risks	Risk Management Strategy
Financial Risks associated with macroeconomic conditions which are highly cyclical and volatile could have a material effect on the REIT's financial position and its ability to achieve its strategic goals and aspirations. Such risks include: • fundamental changes in the economic environment, significant event, or volatility in the financial markets resulting in changes in interest rates that affect the value of real estate, the value of the Units, the economics of acquisition activity and the availability of capital impacting the financial position of the REIT and its ability to make distributions to its unitholders; and • the REIT's ability to manage fluctuations in interest rates, access to capital and liquidity, the price of the Units and the REIT's degree of leverage. Failure to develop, implement, and execute effective strategies to manage these risks may result in insufficient capital to absorb unexpected losses and/or changes in asset value negatively affecting the REIT's financial performance and increasing the REIT's vulnerability to a downturn in business or the economy.	The REIT has a Board-approved financial risk management policy in place that governs the management of capital, funding, and other financial risks. The indebtedness and Class C LP Units of the REIT are predominantly at fixed rates and its variable interest rate exposure is minimal. The weighted average term to redemption/ maturity of the REIT's debt portfolio is managed to generally align with the weighted average term to maturity of the REIT's assets. The REIT manages refinancing risk by maintaining a diversified debt redeeming/ maturity schedule to limit the amount of debt maturing in any one year.
Legal and Regulatory Compliance Failure to adhere to laws and regulations by the REIT may result in regulatory related issues or decrease investor confidence and a decline in the Unit price. Changes to laws and regulations applicable to the REIT may adversely affect the REIT's financial condition, results of operation, and distributions to unitholders, including: • changes in income tax laws such that the REIT would not qualify as a mutual fund trust for purposes of the Income Tax Act ("ITA"), including the treatment of real estate investment trusts and mutual fund trusts, or the exclusion from the definition of "SIFT TRUST" for a trust qualifying as a "real estate investment trust" for a taxation year under the ITA, which could have a material and adverse impact on the value of the units, and on distributions to unitholders; and • changes in various federal, provincial, territorial and municipal laws relating to environmental matters, including climate change, which may result in the REIT bearing the risk of cost-intensive assessment, technologies, and the removal of contamination, hazardous or other regulated substances causing an adverse effect on the REIT's financial condition, results of operation, cash available for distribution to unitholders.	The REIT has appropriate governance structures, including policies, processes and controls in place to comply with legal and regulatory requirements, including but not limited to the REIT's ability to continue to satisfy the conditions to qualify as a closed end mutual fund trust and to comply with environmental laws and address any material environmental issues, including climate change. The REIT monitors environmental risks as they continue to evolve especially as they relate to global transition to a net-zero economy and the impact of climate change.

Key Risks	Risk Management Strategy
Operations The REIT is subject to the risk that a direct or indirect loss of operating capabilities may occur due to: • inadequate or failed operations processes (property management, development, redevelopment and renovation risks such as substantial unanticipated delays and expenses or the inability to initiate or complete activities) that could have an adverse effect on the REIT's reputation, financial condition, results of operations, cash flow, trading price of the Units, distributions to unitholders and the ability of the REIT to satisfy its principal and interest obligations; • its properties' and its tenants' continued exposure to climate change and natural disasters and the impacts of extreme weather events, as well as potential future requirements that could be imposed by external stakeholders, including via more stringent environmental regulations and government initiatives, in the transition to a net-zero economy (transition risk); • CTC's information systems (on which CT REIT relies heavily) being subject to increasing frequency and sophistication of global cyber threats, including ransomware attacks, as well as the failure of CTC and/or CT REIT's other IT service providers in respect of their obligations to safeguard CT REIT's data and related information systems. In addition, CT REIT may not be able to obtain insurance or adequate insurance coverage to cover related losses; • internal or outsourced business activities and business disruptions and ineffective business continuity and contingency planning, which could adversely affect the reputation, operations and financial performance of the REIT; and • talent shortages due to external pressure or the inability to effectively attract and retain talented and experienced employees, which may negatively impact the REIT's ability to operate its business and execute its strategy.	The REIT has appropriate governance structures, including policies, processes, contracts, service agreements and other management activities in place to maintain the operational performance of the REIT and to support the REIT's reputation, business and strategic objectives. CT REIT is subject to the risk that a direct or indirect loss of operating capabilities may occur due to property, development, redevelopment and renovation risks, disasters, health events, cyber incidents, climate change, ineffective business continuity and contingency planning, and talent shortages.

13.0 INTERNAL CONTROLS AND PROCEDURES

13.1 Disclosure Controls and Procedures

Management is responsible for establishing and maintaining a system of controls and procedures over the public disclosure of financial and non-financial information regarding CT REIT. Such controls and procedures are designed to provide reasonable assurance that all relevant material information is gathered and reported, on a timely basis, to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer of CT REIT ("CFO"), so that they can make appropriate decisions regarding public disclosure.

As required by CSA National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), an evaluation of the adequacy of the design (quarterly) and effective operation (annually) of CT REIT's disclosure controls and

procedures was conducted, under the supervision of management, including the CEO and CFO, as at December 31, 2024. Based on that evaluation, the CEO and the CFO have concluded that the design and operation of the system of disclosure controls and procedures were effective as at December 31, 2024.

13.2 Internal Control Over Financial Reporting

Management is also responsible for establishing and maintaining appropriate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of consolidated financial statements for external purposes in accordance with IFRS Accounting Standards.

All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation and may not prevent or detect misstatements.

As also required by NI 52-109, management, including the CEO and CFO, evaluated the adequacy of the design (quarterly) and effective operation (annually) of CT REIT's internal controls over financial reporting using the framework established by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (2013). Based on that evaluation, the CEO and the CFO have concluded that the design and operation of CT REIT's internal controls over financial reporting were effective as at December 31, 2024.

13.3 Changes in Internal Control Over Financial Reporting

During the quarter and year ended December 31, 2024, there were no changes in CT REIT's internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, CT REIT's internal controls over financial reporting.

14.0 FORWARD-LOOKING INFORMATION

This MD&A contains statements and other information that constitute "forward-looking information" or "forward-looking statements" under applicable securities legislation (collectively "forward-looking statements") that reflect management's current expectations relating to matters such as future financial performance and operating results of CT REIT. All statements, other than statements of historical fact, in this disclosure that address activities, events or developments that CT REIT or a third-party expects or anticipates will or may occur in the future, including the REIT's future growth, financial condition, financial needs, results of operations, performance, business strategy, business prospects and opportunities and the assumptions underlying any of the foregoing, are forward-looking statements. Forward-looking statements are provided for the purposes of providing information about CT REIT's future outlook and anticipated events or results and may include statements regarding known and unknown risks, uncertainties and other factors that may cause the actual results to differ materially from those indicated. Such factors include but are not limited to general economic conditions; financial position; business strategy; availability of acquisition opportunities; budgets; capital expenditures; financial results, including fair value adjustments and cash flow assumptions upon which they are based; cash and liquidity; taxes; and plans and objectives of or involving CT REIT. Statements regarding future acquisitions, developments, distributions, results, performance, achievements, and prospects or opportunities for CT REIT or the real estate industry are forward-looking statements. Often, but not always, forward-looking

statements can be identified by the use of forward-looking terminology such as “may”, “will”, “expect”, “intend”, “believe”, “estimate”, “plan”, “can”, “could”, “should”, “would”, “outlook”, “forecast”, “anticipate”, “foresee”, “continue”, “ongoing”, “might”, or “project” or the negative of these terms or variations of them or similar terminology, or other similar expressions concerning matters that are not historical facts. These forward-looking statements are made as of the date hereof or the date of the relevant document referenced herein, and CT REIT assumes no obligation to update or revise them to reflect subsequent information, events or circumstances or otherwise.

Some of the specific forward-looking statements in this document include, but are not limited to, statements with respect to CT REIT’s:

- growth strategy and objectives under section 2.0;
- fair value of property portfolio under section 4.4;
- development and related activities under section 4.6, including with respect to the redevelopment and tenancy at Canada Square;
- leasing activities under section 4.10;
- recoverable capital costs under section 4.11;
- capital expenditures to fund acquisitions and development activities under section 6.1;
- capital strategy under section 6.11;
- commitments as at December 31, 2024 under section 6.12;
- distributions under section 7.3;
- capital expenditures under section 10.1 (e);
- access to available sources of debt and/or equity financing;
- expected tax treatment of CT REIT and its Distributions to unitholders;
- ability to expand its asset base, make accretive acquisitions, develop or intensify its Properties and participate with CTC in the development or intensification of the Properties; and
- ability to continue to qualify as a “real estate investment trust”, as defined pursuant to the ITA.

CT REIT has based these forward-looking statements on factors and assumptions about future events and financial trends, including, without limitation, the timing and extent of further changes to interest rates; that tax laws will remain unchanged; that the REIT will continue to manage its liquidity and debt covenants; that conditions within the real estate market, including competition for acquisitions, will normalize to historical levels in the near- to medium-term; that Canadian capital markets will provide CT REIT with access to equity and/or debt at reasonable rates when required; that the redevelopment and related activities with respect to Canada Square will proceed as planned; and that CTC will continue its involvement with the REIT on the basis described in its 2024 AIF.

Although the forward-looking statements contained in this MD&A are based upon assumptions that the REIT believes are reasonable, given information currently available to management, there can be no assurance that actual results will be consistent with these forward-looking statements. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond the REIT’s control, that may cause CT REIT’s, or the industry’s, actual results, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the factors discussed in section 12.0 of this MD&A and under the “Risk Factors” section of the 2024 AIF.

CT REIT cautions that the foregoing lists of risks, uncertainties, factors and assumptions are not exhaustive and other factors could also materially and adversely affect its results. Investors and other readers are urged to consider the foregoing risks, uncertainties, factors and assumptions carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on such forward-looking statements. For more information on the risks, uncertainties, factors and assumptions that could cause CT REIT's actual results to differ from current expectations, please also refer to CT REIT's public filings available on SEDAR+ at www.sedarplus.ca and by a link at www.ctreit.com.

Forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made can have on CT REIT's business. For example, they do not include the effect of any dispositions, acquisitions, asset write-downs or other charges announced or occurring after such statements are made. CT REIT does not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by it or on its behalf, to reflect new information, future events or otherwise, except as required by applicable securities laws.

Information contained in or otherwise accessible through the websites referenced in this MD&A does not form part of this MD&A and is not incorporated by reference into this MD&A. All references to such websites are inactive textual references and are for information only.

Commitment to disclosure and investor communication

The Investors section of the REIT's website, accessible by a link at www.ctreit.com includes the following documents and information of interest to investors:

- Annual Information Forms;
- Consolidated financial statements and accompanying notes for the year ended December 31, 2024;
- Management Information Circulars;
- Quarterly financial statements and related MD&As; and
- Conference call webcasts (archived for one year).

Additional information about the REIT has been filed electronically with various securities regulators in Canada through SEDAR+ and is available online at www.sedarplus.ca.

February 10, 2025

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Management's Responsibility for Financial Statements

The management of CT Real Estate Investment Trust ("CT REIT") is responsible for the integrity and reliability of the accompanying consolidated financial statements. These consolidated financial statements have been prepared by management in accordance with IFRS Accounting Standards, and include amounts based on judgments and estimates. All financial information in our Management's Discussion and Analysis is consistent with these consolidated financial statements.

Management is responsible for establishing and maintaining adequate systems of internal control over financial reporting. These systems are designed to provide reasonable assurance that the financial records are reliable and form a proper basis for the timely and accurate preparation of financial statements. Management has assessed the effectiveness of CT REIT's internal control over financial reporting based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and concluded that CT REIT's internal control over financial reporting was effective as at the date of these consolidated statements.

The Board of Trustees oversees management's responsibilities for the consolidated financial statements primarily through the activities of its Audit Committee, which is comprised solely of trustees who are neither officers nor employees of CT REIT. This Committee meets with management and CT REIT's independent auditors, Deloitte LLP, to review the consolidated financial statements and recommend approval to the Board of Trustees. The Audit Committee is responsible for making recommendations to the Board of Trustees with respect to the appointment of and, subject to the approval of the Unitholders authorizing the Board of Trustees to do so, approving the remuneration and terms of engagement of CT REIT's auditors. The Audit Committee also meets with the auditors, without the presence of management, to discuss the results of their audit.

The consolidated financial statements have been audited by Deloitte LLP, in accordance with Canadian generally accepted auditing standards. Their report is presented below.

<< Kevin Salsberg >>

Kevin Salsberg
President and Chief Executive Officer

<< Lesley Gibson >>

Lesley Gibson
Chief Financial Officer

February 10, 2025

Independent Auditor's Report

To the Unitholders and the Board of Trustees of
CT Real Estate Investment Trust

Opinion

We have audited the consolidated financial statements of CT Real Estate Investment Trust (the "REIT"), which comprise the consolidated balance sheets as at December 31, 2024 and 2023, and the consolidated statements of income and comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the REIT as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the REIT in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Fair Value of Investment Properties - Refer to Note 4 to the financial statements

Key Audit Matter Description

The REIT measures investment properties at fair value subsequent to acquisition. The fair value of each investment property is estimated using the discounted cash flow (“DCF”) method. This method requires management to make estimates and assumptions.

The assumptions with the highest degree of subjectivity and impact on fair values are the discount rates and terminal capitalization rates. Auditing these assumptions required a high degree of auditor judgment and this resulted in an increased extent of audit effort, including the need to involve fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the discount rates and terminal capitalization rates used to determine the fair value of the investment properties included the following, among others:

- Evaluated the effectiveness of controls over management's process for determining the fair value of investment properties, including those over the determination of the discount rates and terminal capitalization rates.
- With the assistance of fair value specialists, evaluated the reasonableness of management's discount rates and terminal capitalization rates by considering recent market transactions and industry surveys.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the 2024 CT REIT Annual Report (the "Annual Report").

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the REIT's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the REIT's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the REIT to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the REIT as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor’s report is Rose Fitzsimon.

/s/ Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Ontario
February 10, 2025

Consolidated Balance Sheets

(Canadian dollars, in thousands)

As at	Note	December 31, 2024	December 31, 2023
Assets			
Non-current assets			
Investment properties	4	**$ 7,236,000**	$ 6,936,000
Other assets	5	**1,780**	1,704
		7,237,780	6,937,704
Current assets			
Tenant and other receivables		**4,906**	3,455
Other assets	5	**3,461**	4,639
Cash and cash equivalents		**3,060**	20,766
		11,427	28,860
Total assets		**$ 7,249,207**	$ 6,966,564
Liabilities			
Non-current liabilities			
Class C LP Units	6	**$ 1,200,000**	$ 1,251,550
Mortgage payable	7	**8,103**	8,623
Debentures	8	**1,221,692**	1,420,313
Lease liabilities	9	**98,887**	100,177
Other liabilities	10	**2,762**	5,198
		2,531,444	2,785,861
Current liabilities			
Class C LP Units	6	**251,550**	200,000
Mortgage payable	7	**520**	508
Credit facilities	11	**98,500**	—
Debentures	8	**199,920**	—
Lease liabilities	9	**1,318**	923
Other liabilities	10	**48,939**	113,875
Distributions payable	12	**18,261**	17,628
		619,008	332,934
Total liabilities		**3,150,452**	3,118,795
Equity			
Unitholders' equity	12	**1,827,244**	1,707,336
Non-controlling interests	12, 14	**2,271,511**	2,140,433
Total equity		**4,098,755**	3,847,769
Total liabilities and equity		**$ 7,249,207**	$ 6,966,564

The related notes form an integral part of these consolidated financial statements.

<<John O'Bryan>>

John O'Bryan
Trustee

<<Anna Martini>>

Anna Martini
Trustee

Consolidated Statements of Income and Comprehensive Income

(Canadian dollars, in thousands, except per unit amounts)

		Year ended	
For the year ended December 31,	Note	**2024**	2023
Property revenue	15	**$ 578,689**	$ 552,772
Property expense	15	**(125,693)**	(115,523)
General and administrative expense	16	**(16,119)**	(15,237)
Net interest and other financing charges	17	**(121,739)**	(113,942)
Fair value adjustment on investment properties	4	**119,083**	(78,636)
Net income and comprehensive income		**$ 434,221**	$ 229,434
Net income and comprehensive income attributable to:			
Unitholders	12	**$ 199,680**	$ 105,287
Non-controlling interests	12, 14	**234,541**	124,147
		$ 434,221	$ 229,434
Net income per unit - basic	12	**$ 1.842**	$ 0.976
Net income per unit - diluted	12	**$ 1.489**	$ 0.870

The related notes form an integral part of these consolidated financial statements.

Consolidated Statements of Changes in Equity

(Canadian dollars, in thousands)

	Note	Units	Retained Earnings	Unitholders' Equity	Non-controlling interests	Total Equity
Balance at December 31, 2023		**$ 1,124,048**	**$ 583,288**	**$ 1,707,336**	**$ 2,140,433**	**$ 3,847,769**
Net income and comprehensive income for the period	12, 14	**—**	**199,680**	**199,680**	**234,541**	**434,221**
Issuance of Class B LP Units, net of issue costs	12	**—**	**—**	**—**	**12,909**	**12,909**
Distributions	12	**—**	**(99,101)**	**(99,101)**	**(116,372)**	**(215,473)**
Issuance of Units under Distribution Reinvestment Plan and other	12	**18,853**	**—**	**18,853**	**—**	**18,853**
Units repurchased and cancelled	12	**(12,983)**	**1,159**	**(11,824)**	**—**	**(11,824)**
Automatic securities purchase plan	12	**—**	**12,300**	**12,300**	**—**	**12,300**
Balance at December 31, 2024		**$ 1,129,918**	**$ 697,326**	**$ 1,827,244**	**$ 2,271,511**	**$ 4,098,755**

	Note	Units	Retained Earnings	Unitholders' Equity	Non-controlling interests	Total Equity
Balance at December 31, 2022		**$ 1,112,415**	**$ 585,835**	**$ 1,698,250**	**$ 2,128,923**	**$ 3,827,173**
Net income and comprehensive income for the period	12, 14	—	105,287	105,287	124,147	229,434
Distributions	12	—	(95,635)	(95,635)	(112,637)	(208,272)
Issuance of Units under Distribution Reinvestment Plan and other	12	18,066	—	18,066	—	18,066
Units repurchased and cancelled	12	(6,433)	101	(6,332)	—	(6,332)
Automatic securities purchase plan	12	—	(12,300)	(12,300)	—	(12,300)
Balance at December 31, 2023		**$ 1,124,048**	**$ 583,288**	**$ 1,707,336**	**$ 2,140,433**	**$ 3,847,769**

The related notes form an integral part of these consolidated financial statements.

Consolidated Statements of Cash Flows

(Canadian dollars, in thousands)

For the year ended December 31,	Note	Year ended 2024	2023
Cash generated from (used for):			
Operating activities			
Net income		**$ 434,221**	$ 229,434
Add/(deduct):			
Fair value adjustment on investment properties	4	**(119,083)**	78,636
Property straight-line rent adjustment	15	**4,621**	1,707
Deferred income tax		**(87)**	31
Net interest and other financing charges	17	**121,739**	113,942
Changes in working capital and other	18	**(5,368)**	1,305
Cash generated from operating activities		**$ 436,043**	$ 425,055
Investing activities			
Income-producing property investments		**(103,729)**	(2,859)
Development and intensification activities		**(100,732)**	(152,317)
Capital expenditures recoverable from tenants		**(36,426)**	(31,742)
Proceeds from disposition	4	**23,048**	389
Cash used for investing activities		**$ (217,839)**	$ (186,529)
Financing activities			
Proceeds from issuance of debentures	8	**—**	250,000
Unit distributions		**(79,968)**	(76,793)
Units repurchased under normal course issuer bid	12	**(11,824)**	(6,332)
Class B LP Unit distributions paid or loaned		**(116,028)**	(112,315)
Payments on Class C LP Units paid or loaned	6, 17	**(64,892)**	(63,962)
Credit facilities (repayments) draws, net	11	**98,500**	(99,884)
Lease principal payments on right-of-use assets		**(845)**	(852)
Mortgage principal repayments	7	**(391)**	(56,078)
Net interest paid		**(60,462)**	(53,019)
Debenture issuance costs		**—**	(1,136)
Cash generated from/(used for) financing activities		**$ (235,910)**	$ (220,371)
Cash (used)/generated in the period		**$ (17,706)**	$ 18,155
Cash and cash equivalents, beginning of period		**20,766**	2,611
Cash and cash equivalents, end of period		**$ 3,060**	$ 20,766

The related notes form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended December 31, 2024 and 2023

(All dollar amounts are in thousands, except unit and per unit amounts)

1. NATURE OF CT REAL ESTATE INVESTMENT TRUST

CT Real Estate Investment Trust is an unincorporated, closed-end real estate investment trust. CT Real Estate Investment Trust and its subsidiaries, unless the context requires otherwise, are together referred to in these consolidated financial statements as "CT REIT" or the "REIT". CT REIT commenced operations on October 23, 2013, and was formed to own income-producing commercial properties located primarily in Canada. The principal and registered head office of CT REIT is located at 2180 Yonge Street, Toronto, Ontario, M4P 2V8.

Canadian Tire Corporation, Limited ("CTC") owned a 68.4% effective interest in CT REIT as of December 31, 2024, consisting of 33,989,508 of the issued and outstanding units of CT REIT ("Units") and all of the issued and outstanding Class B limited partnership units ("Class B LP Units") of CT REIT Limited Partnership (the "Partnership"), which are economically equivalent to and exchangeable for Units. CTC also owns all of the issued and outstanding Class C limited partnership units ("Class C LP Units") of the Partnership (see Note 6). The Units are listed on the Toronto Stock Exchange (the "TSX") and are traded under the symbol CRT.UN.

2. BASIS OF PRESENTATION

(a) Fiscal year

The fiscal years for the consolidated financial statements and the notes presented are for the years ended December 31, 2024 and 2023.

(b) Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") using the accounting policies that are described herein.

These consolidated financial statements were approved for issuance by CT REIT's Board of Trustees (the "Board"), on the recommendation of its Audit Committee, on February 10, 2025.

(c) Basis of presentation

These consolidated financial statements have been prepared on the historical cost basis except for investment properties and liabilities for unit-based compensation plans, which are measured at fair value.

These financial statements are presented in Canadian dollars ("C$"), which is CT REIT's functional currency, rounded to the nearest thousand, except per unit amounts.

(d) Critical judgments in applying material accounting policy information

The following are the critical judgments that have been made in applying CT REIT's accounting policies and that have the most material effect on the amounts in the consolidated financial statements:

(i) Leases

CT REIT as a lessor

The REIT's policy for revenue recognition as a lessor is described in Note 3(e). In applying this policy, judgments are made with respect to whether tenant improvements provided in connection with a lease enhance the value of the leased property, which determines whether such amounts are treated as additions to investment property as well as the point in time at which revenue recognition under the lease commences, or constitutes a tenant incentive that is amortized as a reduction of lease revenue over the initial term of the lease.

The REIT also makes judgments in assessing the classification of its leases with tenants as operating leases, in particular long-term leases in single tenant properties. The REIT has determined that all of its leases are operating leases.

CT REIT as a lessee

For the measurement of lease liabilities with respect to the ground leases with third party landlords, the REIT considers all factors that create an economic incentive to exercise extension options, or not exercise termination options available in its leasing arrangements. Extension options, or periods subject to termination options, are only included in the lease term if the REIT determines it is reasonably certain to be extended or not terminated. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The REIT uses its incremental borrowing rate to account for the ground leases with third party landlords. The implicit rates in the ground leases, fair value of the underlying property and the initial direct costs incurred by the lessor related to the leased assets are not readily available information from the lessor. The REIT determines the incremental borrowing rate as the rate of interest that it would pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

(ii) Investment properties

CT REIT applies judgment in determining whether the properties it acquires are considered to be asset acquisitions or business combinations. CT REIT considers all properties acquired to date to be asset acquisitions.

Judgment is applied in determining whether certain costs are additions to the carrying amount of the investment property. For properties under development, CT REIT exercises judgment in determining when development activities have commenced, when and how much borrowing costs are to be capitalized to the development project, and the point of practical completion.

On a periodic basis, CT REIT obtains independent appraisals such that approximately 80% of its property portfolio, by value, is externally appraised over a four-year period.

(iii) Income taxes

CT REIT makes judgments that, with the exception of transactions involving CT REIT GP Corp. (the “GP”), deferred income taxes are not recognized in CT REIT’s financial statements on the basis that CT REIT can deduct distributions paid such that its liability for income taxes is substantially reduced or eliminated for the period, CT REIT intends to continue to distribute its taxable income and therefore continue to qualify as a real estate investment trust for the foreseeable future.

(iv) Consolidation

CT REIT makes judgments in the application of IFRS 10 - *Consolidated Financial Statements* in its assessment of control over the Partnership and its subsidiaries collectively the "Consolidated Partnership", including the purpose for which the Consolidated Partnership was created, the power to direct the relevant activities of the Consolidated Partnership, its exposure or rights to the variable returns of the Consolidated Partnership and its ability to use its power to affect its returns.

(v) Proportionate consolidation of interest in Canada Square

CT REIT makes judgments in the application of IFRS 11 - *Joint Arrangements* in its assessment of joint control over the one-half interest it holds in Canada Square, a mixed-use commercial property in Toronto, Ontario (the “Co-Ownership”), and its rights to the assets and obligations for the liabilities related to the Co-Ownership.

(e) Critical accounting estimates and assumptions

CT REIT makes estimates and assumptions that affect the carrying amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amount of earnings for the period. Actual results may differ from estimates. The estimates and assumptions underlying the valuation of investment properties are set out in Note 4 and are considered critical.

(f) Standards, amendments and interpretations issued and adopted

The following amendment was adopted for the fiscal year ended December 31, 2024, and accordingly, has been applied in preparing these consolidated financial statements.

(i) Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The REIT adopted the new amendments to IAS 1 related to the classification of liabilities as current or non-current as of January 1, 2024. The adoption of these amendments did not have significant impact on the REIT.

(g) Standards, amendments and interpretations issued but not yet adopted

The following new standards, amendments and interpretations have been issued but are not effective for the fiscal year ended December 31, 2024, and accordingly, have not been applied in preparing these consolidated financial statements.

(i) Presentation and Disclosure in Financial Statements (IFRS 18)

In April 2024, the International Accounting Standards Board issued the new standard IFRS 18 - *Presentation and Disclosure in Financial Statements* that will replace IAS 1 – *Presentation of Financial Statements*. The new standard requires entities to report newly defined subtotals in the income statement called "operating profit" and "profit or loss before financing and income tax". The standard also requires aggregation and disaggregation of information and disclosure of management-defined performance measures in the notes to financial statements. The new standard has been issued, but is only effective for annual reporting periods beginning on or after January 1, 2027 and, accordingly, has not been applied in preparing these consolidated financial statements. Earlier application is permitted. CT REIT is assessing the potential impact of the new standard.

3. MATERIAL ACCOUNTING POLICY INFORMATION

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

(a) Basis of consolidation

These consolidated financial statements include the accounts of CT REIT and its consolidated subsidiaries consisting of the Consolidated Partnership and the GP and their subsidiaries, which are the entities over which CT REIT has control. Control exists when CT REIT has the ability to direct the relevant activities of an entity, has exposure or rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. CT REIT reassesses whether or not it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when CT REIT obtains control over the subsidiary and ceases when CT REIT loses control of the subsidiary. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between CT REIT and its subsidiaries, and among subsidiaries of CT REIT, are eliminated on consolidation.

Net income and comprehensive income are attributed to the unitholders of CT REIT and to the non-controlling interest even if this results in the non-controlling interest having a deficit balance.

CT REIT holds all of the issued and outstanding Class A limited partnership units ("Class A LP Units") of the Partnership, which are the sole class of Partnership units that carry voting rights. In addition, CT REIT holds all of the issued and outstanding shares of the GP, the general partner of the Partnership, which has the power to direct the relevant activities of the Partnership. Accordingly, CT REIT is exposed to variable returns from its interest in the Partnership and has the ability to direct the relevant activities thereof to affect its returns. Therefore CT REIT consolidates the Partnership and its subsidiaries.

Non-controlling interests in the equity of the Partnership, which consists of Class B LP Units held by a wholly owned subsidiary of CTC, are shown separately in equity on the Consolidated Balance Sheets.

(b) Joint arrangements

A joint arrangement is an arrangement in which two or more parties have joint control. Joint control is the contractually agreed sharing of control whereby decisions about relevant activities require unanimous consent of the parties sharing control. A joint arrangement is classified as a joint operation when the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities related to the arrangement. A joint arrangement is classified as a joint venture when the parties that have joint control of the arrangement have rights to the net assets of the arrangement. A party to a joint operation records its interest in the assets, liabilities, revenue and expenses of the joint operation.

CT REIT has a one-half interest in the Co-Ownership, pursuant to a co-ownership arrangement. The Co-Ownership is a joint arrangement as the material decisions about relevant activities require unanimous consent of the co-owners. This joint arrangement is a joint operation as each co-owner has rights to the assets and obligations for the liabilities related to the Co-Ownership. Accordingly, CT REIT recognizes its proportionate share of the assets, liabilities, revenue and expenses of the Co-Ownership in its financial statements.

(c) Investment properties

Investment properties include income-producing properties and properties under development that are held by CT REIT to earn rental income. CT REIT accounts for its investment properties in accordance with IAS 40 - *Investment Property*. For acquired investment properties that meet the definition of a business, the acquisition is accounted for as a business combination in accordance with IFRS 3 - *Business Combinations*, otherwise they are initially measured at cost including directly attributable acquisition costs. Subsequent to acquisition, investment properties are carried at fair value, which is determined based on available market evidence at the balance sheet date including, among other things, rental revenue from current leases and reasonable and supportable assumptions that represent what knowledgeable, willing parties would assume about rental revenue from future leases less future cash outflows in respect of capital expenditures. Gains and losses arising from changes in fair value are recognized in net income in the period of change.

The initial cost of properties under development includes the acquisition cost of the properties, direct development costs, realty taxes and borrowing costs attributable to properties under development. Borrowing costs associated with direct expenditures on properties under development are capitalized. The amount of capitalized borrowing costs is determined first by reference to property-specific borrowings, where relevant, and otherwise by applying a weighted average cost of borrowings to eligible expenditures after adjusting for borrowings associated with other specific developments. Where borrowings are associated with specific developments, the amount capitalized is the gross cost incurred on those borrowings less any investment income arising on their temporary investment. Borrowing costs are capitalized from the commencement of the development until the date of practical completion. The capitalization of borrowing costs is suspended if there are prolonged periods when development activity is interrupted. Practical completion is when the property is capable of operating in the manner intended by management. Generally, this occurs on completion of construction and receipt of all necessary occupancy and other material permits.

If considered reliably measurable, properties under development are carried at fair value. Properties under development are measured at cost if fair value is not reliably measurable. In determining the fair value of properties under development, management considers, among other things, the development risk of the property, the provisions of the construction contract, the stage of completion and the level of reliability of cash inflows after completion.

Leasing costs incurred by CT REIT in negotiating and arranging tenant leases are added to the carrying amount of investment properties. Payments to tenants under lease contracts are characterized as either capital expenditures in the form of tenant improvements that enhance the value of the property or as lease inducements. Tenant improvements are capitalized as part of investment properties. Lease inducements are capitalized as a component of investment properties and are amortized over the term of the lease as a reduction of lease revenue.

When an investment property is sold, the gain or loss is determined as the difference between the net disposal proceeds and the carrying amount of the property and is recognized in net income in the period of disposal.

(d) Leases - Lessee

The REIT assesses whether a contract is or contains a lease, at inception of the contract. Leases are recognized as a right-of-use asset and corresponding liability at the commencement date. Each lease payment included in the lease liability is apportioned between the repayment of the liability and a finance cost. The finance cost is recognized in net interest and other financing charges in the Consolidated Statements of Income and Comprehensive Income over the lease period, so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. Lease liabilities include the net present value of fixed payments (including in-substance fixed payments), variable lease payments that are based on an index or a rate or subject to a fair market value renewal, amounts expected to be payable by the lessee under residual value guarantees, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option. The REIT allocates the consideration in the contract to each lease component on the basis of the relative standalone price of the lease component and the aggregate stand-alone price of the non-lease components. The lease liability is net of lease incentives receivable. The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be determined, the lessee's incremental borrowing rate. The period over which the lease payments are discounted is the reasonably certain lease term, including renewal options that the REIT is reasonably certain to exercise. Renewal options are included in a number of leases across the REIT.

Right-of-use assets are measured at fair value and are included in investment properties in the Consolidated Balance Sheets; and corresponding fair value adjustments are reflected in fair value adjustment on investment properties in the Consolidated Statements of Income and Comprehensive Income.

(e) Revenue recognition - Lessor

CT REIT has retained substantially all of the risks and benefits of ownership of its investment properties and therefore accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on the lease inception date or, where CT REIT is required to make additions to the property in the form of tenant improvements that enhance the value of the property, upon substantial completion of those improvements. Property revenue includes all amounts earned from tenants related to lease agreements including property tax, operating cost and other recoveries.

The total amount of lease payments to be received from operating leases is recognized on a straight-line basis over the term of the lease. A straight-line rent receivable, which is included in the carrying amount of investment properties, is recorded for the difference between the rental revenue recorded and the contractual amount of minimum base rent received or receivable.

(f) Income taxes

CT REIT is a "mutual fund trust" under the *Income Tax Act (Canada)*. The Trustees intend to distribute or designate all taxable income directly earned by CT REIT to unitholders and to deduct such distributions for income tax purposes.

Legislation relating to the federal income taxation of Specified Investment Flow Through ("SIFT") trusts or partnerships provide that certain distributions from a SIFT will not be deductible in computing the SIFT's taxable income and that the SIFT will be subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. However, distributions paid by a SIFT as a return of capital should generally not be subject to tax.

Under the SIFT rules, the taxation regime will not apply to a real estate investment trust that meets prescribed conditions relating to the nature of its assets and revenue (the "REIT Exception"). CT REIT has reviewed the SIFT rules and has assessed their interpretation and application to CT REIT's assets and revenue. While there are uncertainties in the interpretation and application of the SIFT rules, CT REIT believes that it meets the REIT Exception. Accordingly, with the exception of transactions with the GP, no net current income tax expense or deferred income tax assets or liabilities have been recorded in the consolidated financial statements.

(g) Class C LP Units

Each series of the Class C LP Units are redeemable, at the option of the holder, at a specified future date and can be settled at the option of the Partnership in cash or a variable number of Class B LP Units. Accordingly, the Class C LP Units are classified as financial liabilities and fixed payments on the Class C LP Units are presented as interest expense in the consolidated statement of income and comprehensive income using the effective interest method.

(h) Non-controlling interests

Class B LP Units are classified as non-controlling interests and are presented as a component of equity as they represent equity interests in the Partnership not attributable, directly or indirectly, to CT REIT.

4. INVESTMENT PROPERTIES

The following table summarizes CT REIT's Property portfolio:

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	Income-producing properties	**Properties Under Development ("PUD")**	**Total investment properties**	Income-producing properties	Properties Under Development ("PUD")	Total investment properties
Balance, beginning of period	**$ 6,849,670**	**$ 86,330**	**6,936,000**	$ 6,703,462	$ 129,538	$ 6,833,000
Property investments	**117,647**	**—**	**117,647**	2,087	—	2,087
Intensifications	**—**	**41,752**	**41,752**	—	71,211	71,211
Developments	**—**	**10,314**	**10,314**	—	70,288	70,288
Development land	**—**	**1,000**	**1,000**	—	325	325
Capitalized interest and property taxes	**—**	**5,222**	**5,222**	—	7,343	7,343
Transfers from PUD	**45,220**	**(45,220)**	**—**	206,780	(206,780)	—
Transfers to PUD	**(9,615)**	**9,615**	**—**	(14,405)	14,405	—
Right-of-use assets - lease amendments and additions	**(448)**	**—**	**(448)**	(1,805)	—	(1,805)
Fair value adjustment on investment properties	**120,944**	**(1,861)**	**119,083**	(78,636)	—	(78,636)
Straight-line rent	**(4,621)**	**—**	**(4,621)**	(1,700)	—	(1,700)
Recoverable capital expenditures	**33,099**	**—**	**33,099**	34,276	—	34,276
Dispositions	**(23,048)**	**—**	**(23,048)**	(389)	—	(389)
Balance, end of period	**$ 7,128,848**	**$ 107,152**	**$ 7,236,000**	$ 6,849,670	$ 86,330	$ 6,936,000

Investment properties are measured at fair value, determined using the discounted cash flow method. Under this methodology, discount rates are applied to the projected annual operating cash flows, generally over a minimum term of ten years, and include a terminal value based on a capitalization rate applied to the estimated net operating income in the terminal year. The Property portfolio is internally valued each quarter with external appraisals performed for a portion of the portfolio on a semi-annual basis. Approximately 80% of the Property portfolio (by dollar value) is appraised externally by independent national real estate appraisal firms over a four-year period.

Included in CT REIT's Property portfolio are 12 (December 31, 2023 – 12) Properties which are situated on ground leases with remaining current terms of up to 31 years (December 31, 2023 – up to 32 years), and an average remaining current term of approximately 14 years (December 31, 2023 – 15 years). These 12 ground leases are included in investment properties as right-of-use assets in the amounts of $101,437 as at December 31, 2024 (December 31, 2023 - $102,371).

The significant inputs used to determine the fair value of CT REIT's income-producing properties and Properties Under Development are as follows:

	Year Ended December 31, 2024	Year Ended December 31, 2023
Number of Properties	**376**	374
Value at the period end	**$ 7,236,000**	$ 6,936,000
Discount rate[1]	**7.19 %**	7.20 %
Terminal capitalization rate [1]	**6.70 %**	6.71 %
Hold period (years)	**11**	11

[1] Weighted average rate.

The estimates of fair value are sensitive to changes in the investment metrics for each Property. The sensitivity analysis in the table below indicates the approximate impact on the fair value of the Property portfolio resulting from changes in the terminal capitalization and discount rates assuming no changes in other inputs.

	Year Ended December 31, 2024		Year Ended December 31, 2023	
Rate sensitivity	**Fair value**	**Change in fair value**	Fair value	Change in fair value
+ 75 basis points	**$ 6,529,000**	**$ (707,000)**	$ 6,254,000	$ (682,000)
+ 50 basis points	**6,749,000**	**(487,000)**	6,466,000	(470,000)
+ 25 basis points	**6,984,000**	**(252,000)**	6,692,000	(244,000)
Period ended	**$ 7,236,000**	**$ —**	$ 6,936,000	$ —
- 25 basis points	**7,508,000**	**272,000**	7,200,000	264,000
- 50 basis points	**7,803,000**	**567,000**	7,485,000	549,000
- 75 basis points	**$ 8,124,000**	**$ 888,000**	$ 7,796,000	$ 860,000

2024 Investment and Development Activity

Funding of investment and development activities for the year ended December 31, 2024 was as follows:

	2024 Investment and Development Activity				
(in thousands of Canadian dollars)	**Property investments**	**Development land**	**Developments**	**Intensifications**	**Total**
Funded with working capital to CTC	**$ 57,010**	**$ 1,000**	**$ —**	**$ 41,752**	**$ 99,762**
Funded with working capital to third parties	**47,728**	**—**	**10,314**	**—**	**58,042**
Capitalized interest and property taxes	**—**	**—**	**5,222**	**—**	**5,222**
Issuance of Class B LP Units to CTC	**12,909**	**—**	**—**	**—**	**12,909**
Total costs	**$ 117,647**	**$ 1,000**	**$ 15,536**	**$ 41,752**	**$ 175,935**

2023 Investment and Development Activity

Funding of investment and development activities for the year ended December 31, 2023 was as follows:

	2023 Investment and Development Activity				
(in thousands of Canadian dollars)	Property investments	Development land	Developments	Intensifications	Total
Funded with working capital to CTC	$ —	$ —	$ 46,509	$ 70,904	$ 117,413
Funded with working capital to third parties	2,087	—	23,779	307	26,173
Funded with Credit Facilities/cash	—	325	—	—	325
Capitalized interest and property taxes	—	—	7,343	—	7,343
Total costs	$ 2,087	$ 325	$ 77,631	$ 71,211	$ 151,254

5. OTHER ASSETS

Other assets include the following:

	December 31, 2024	December 31, 2023
Prepaid property taxes	**$ 1,546**	$ 1,615
Other prepaid expenses	**3,695**	4,728
Other assets	**$ 5,241**	$ 6,343
Current	**$ 3,461**	$ 4,639
Non-current	**1,780**	1,704
Other assets	**$ 5,241**	$ 6,343

6. CLASS C LP UNITS

The Class C LP Units entitle the holder to a fixed cumulative monthly payment, during the fixed rate period for each series of Class C LP Units (the "Current Fixed Rate Period"). Such payments are made in priority to distributions made to holders of the Class B LP Units and units representing an interest in CT REIT GP Corp. ("GP"), subject to certain exceptions.

On expiry of the Current Fixed Rate Period applicable to each series of Class C LP Units, and each five-year period thereafter, each series of Class C LP Units is redeemable at par (together with all accrued and unpaid payments thereon) at the option of the Partnership or the holder, upon giving at least 120 days' prior notice. The Partnership also has the ability to settle any of the Class C LP Units at any time at a price equal to the greater of par and a price to provide a yield equal to the then equivalent Government of Canada bond yield plus a spread, so long as such redemption is in connection with a sale of properties.

During the five-year period beginning immediately following the completion of the initial fixed rate period, and each five-year period thereafter, if not redeemed, the fixed payment rate for Class C LP Units will be reset, and the holders of Class C LP Units will be entitled, subject to certain conditions, to elect either a fixed rate or variable rate option. Such redemptions of Class C LP Units (other than upon a change of control of CT REIT) can be settled at the option of the Partnership, in cash or Class B LP Units of equal value.

The following table presents the details of the Class C LP Units:

Series	**Expiry of Current Fixed Rate Period**	**Annual distribution rate during Current Fixed Rate Period**	**Carrying amount at December 31, 2024**	Carrying amount at December 31, 2023
Series 3	May 31, 2025	2.37 %	**$ 200,000**	$ 200,000
Series 4	May 31, 2029	5.43 %	**200,000**	200,000
Series 5	May 31, 2028	4.50 %	**200,000**	200,000
Series 6	May 31, 2031	5.00 %	**200,000**	200,000
Series 7	May 31, 2034	5.00 %	**200,000**	200,000
Series 8	May 31, 2035	5.00 %	**200,000**	200,000
Series 9	May 31, 2038	5.00 %	**200,000**	200,000
Series 16	May 31, 2025	2.37 %	**16,550**	16,550
Series 17	May 31, 2025	2.37 %	**18,500**	18,500
Series 18	May 31, 2025	2.37 %	**4,900**	4,900
Series 19	May 31, 2025	2.37 %	**11,600**	11,600
Weighted average / Total		4.53 %	**$ 1,451,550**	$ 1,451,550
Current			**251,550**	$ 200,000
Non-current			**1,200,000**	1,251,550
Total			**$ 1,451,550**	$ 1,451,550

For the year ended December 31, 2024, interest expense of $65,047 (2023 - $63,962) was recognized in respect of the Class C LP Units (see Note 17). The holders of the Class C LP Units may elect to defer receipt of all, or a portion of distributions declared by CT REIT until the first business day following the end of the fiscal year. If the holder so elects to defer receipt of payments, CT REIT will loan the holder an amount equal to the deferred payment without interest, and the loan will be due and payable in full on the first business day following the end of the fiscal year in which the loan was advanced, the holder having irrevocably directed that any payment of the deferred payments be applied to repay such loans. At the election of the holder, payments on the Class C LP Units for the year ended December 31, 2024 of $64,338 (2023 – $58,631), were deferred until the first business day following the end of the fiscal year and non-interest bearing loans equal to the deferred payments were advanced. The net amount of payments due in respect of the Class C LP Units at December 31, 2024 of $5,485 (2023 – $5,331) is included in other liabilities on the consolidated balance sheets. The loans deferred as at December 31, 2024 were settled on January 2, 2025.

7. MORTGAGE PAYABLE

Mortgage payable includes the following:

	December 31, 2024		December 31, 2023	
	Face value	**Carrying amount**	Face value	Carrying amount
Current	**$ 403**	**$ 520**	$ 391	$ 508
Non-current	**8,070**	**8,103**	8,473	8,623
Total	**$ 8,473**	**$ 8,623**	$ 8,864	$ 9,131

Future repayments are as follows:	**Principal amortization**	**Maturities**	**Total**
2025	$ 403	$ —	$ 403
2026	103	7,967	8,070
Total contractual obligation	$ 506	$ 7,967	$ 8,473
Unamortized portion of mark to market on mortgage payable assumed on the property's acquisition			150
			$ 8,623

The mortgage payable has an interest rate of 3.24% and a maturity date of March 2026 (December 31, 2023 interest rate – 3.24%).

An investment property having a fair value of $20,240 (December 31, 2023 – $20,301) has been pledged as security for the mortgage payable.

8. DEBENTURES

The following table presents the details of the debentures:

	December 31, 2024		December 31, 2023	
Series	**Face value**	**Carrying amount**	Face value	Carrying amount
B, 3.53%, June 9, 2025	**$ 200,000**	**$ 199,920**	$ 200,000	$ 199,752
D, 3.29%, June 1, 2026	**200,000**	**199,808**	200,000	199,672
E, 3.47%, June 16, 2027	**175,000**	**174,717**	175,000	174,602
F, 3.87%, December 7, 2027	**200,000**	**199,612**	200,000	199,479
G, 2.37%, January 6, 2031	**150,000**	**149,417**	150,000	149,320
H, 3.03%, February 5, 2029	**250,000**	**249,129**	250,000	248,912
I, 5.83%, June 14, 2028	**250,000**	**249,009**	250,000	248,576
Total	**$ 1,425,000**	**$ 1,421,612**	$ 1,425,000	$ 1,420,313
Current	**200,000**	**199,920**	—	—
Non-current	**1,225,000**	**1,221,692**	1,425,000	1,420,313
Total	**$ 1,425,000**	**$ 1,421,612**	$ 1,425,000	$ 1,420,313

Debentures as at December 31, 2024, had a weighted average interest rate of 3.73% (December 31, 2023 – 3.73%).

For the year ended December 31, 2024, amortization of transaction costs of $1,149 (December 31, 2023 - $905) were included in net interest and other financing charges on the consolidated statements of income and comprehensive income (see Note 17).

9. LEASES

(a) CT REIT as lessee

CT REIT is the tenant under 12 ground leases and one office lease with third party landlords. With respect to the ground leases, the remaining current terms are between 1 and 31 years, with an average remaining current term of 14 years. The majority of the ground lease agreements are renewable at the end of the current lease term. Assuming all extensions are exercised, the ground leases have remaining terms between 19 and 49 years with an average remaining lease term of 30 years. For the calculation of lease liabilities related to ground leases, it was determined that all lease renewal options are reasonably certain to be exercised. There are no variable lease payments or guaranteed residual payments with respect to the ground leases.

Lease liabilities include the following:

	December 31, 2024	December 31, 2023
Current	**$ 1,318**	$ 923
Non-current	**98,887**	100,177
Total	**$ 100,205**	$ 101,100

The decrease of $895 from prior year is primarily due to a lease amendment made during the year along with regular monthly lease payments throughout the year.

The contractual undiscounted cash flows of CT REIT lease liabilities are as follows:

	December 31, 2024	December 31, 2023
Less than one year	$ 6,491	$ 6,067
Between one and five years	26,196	26,094
More than five years	211,162	217,096
Total	$ 243,849	$ 249,257

CT REIT has in place a leverage and liquidity policy to manage its exposure to liquidity risk associated with the contractual lease liabilities. Details of how CT REIT manages this risk are further discussed under Note 22.

There were no expenses in 2023 and 2024 relating to leases of low-value assets or short-term leases. As well, there were no variable lease payments included in lease liabilities at any time during 2023 and 2024.

The total cash outflow for leases in 2024 was $6,549 (2023 - $4,979).

(b) CT REIT as lessor

CT REIT leases income-producing properties (investment properties) to tenants under operating leases. The leases have staggered terms, with a weighted average remaining current term of approximately 7.7 years. The portfolio of leases with CTC generally contain contractual rent escalations of approximately 1.5% per year.

For most income-producing properties, the rental income is fixed under the contracts, but some leases require the lessee to reimburse certain costs incurred by CT REIT, such as property taxes and operating costs. When this is the case, these amounts are determined annually.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2025	2026	2027	2028	2029	Thereafter	Total
Minimum lease receivable	451,117	441,756	418,994	392,703	339,334	1,637,674	$ 3,681,578

10. OTHER LIABILITIES

Other liabilities are comprised of the following:

	December 31, 2024	December 31, 2023
Capital expenditures payable [1]	**$ 17,494**	$ 67,600
Salaries and benefits payable	**14,213**	12,409
Interest payable	**7,103**	8,181
Class C LP Unit payable [2]	**5,485**	5,331
Deferred revenue [1]	**4,417**	8,442
Other [1]	**2,989**	4,810
Automatic securities purchase plan [3]	**—**	12,300
Other liabilities	**$ 51,701**	$ 119,073
Current	**$ 48,939**	$ 113,875
Non-current	**2,762**	5,198
Other liabilities	**$ 51,701**	$ 119,073

[1] Comparatives have been restated to conform with current year's presentation.

[2] See Note 6.

[3] See Note 12.

11. CREDIT FACILITIES

CT REIT's draws on its credit facilities are comprised of the following:

	December 31, 2024	December 31, 2023
Bank Credit Facility	**$ 2,000**	$ —
CTC Credit Facility	**96,500**	—
	$ 98,500	$ —

(a) Bank Credit Facility

CT REIT has a committed, unsecured $300,000 revolving credit facility with a syndicate of Canadian banks ("Bank Credit Facility") maturing in May 2029. The Bank Credit Facility bears interest at a rate based on a stipulated bank prime rate or Canadian Overnight Repo Rate Average ("CORRA") rate plus a margin. A standby fee is charged on the Bank Credit Facility.

As of December 31, 2024, the REIT had $2,000, at a weighted average interest rate of 5.61%, drawn on the Bank Credit Facility (December 31, 2023 - nil), and $2,542 (December 31, 2023 – $3,132) of outstanding letters of credit.

(b) CTC Credit Facility

CT REIT has an uncommitted, unsecured $300,000 revolving credit facility with CTC ("CTC Credit Facility") maturing in December 2025. The CTC Credit Facility bears interest at a rate based on a stipulated bank prime rate or CORRA rate plus a margin.

As of December 31, 2024, $96,500 of borrowings were drawn on the CTC Credit Facility (December 31, 2023 – nil). As at December 31, 2024, borrowings under the CTC Credit Facility had an interest rate of 5.61%.

The Bank Credit Facility and the CTC Credit Facility are herein collectively referred to as the "Credit Facilities".

12. EQUITY

Authorized and outstanding units

CT REIT is authorized to issue an unlimited number of units.

The following tables summarize the changes in Units and Class B LP Units:

	As at December 31, 2024		
	Units	**Class B LP Units**	**Total**
Total outstanding at beginning of year	**108,321,650**	**127,193,833**	**235,515,483**
Units issued under Distribution Reinvestment Plan and other	**1,350,313**	**852,496**	**2,202,809**
Units repurchased and cancelled	**(875,468)**	**—**	**(875,468)**
Total outstanding at end of period	**108,796,495**	**128,046,329**	**236,842,824**

	As at December 31, 2023		
	Units	Class B LP Units	Total
Total outstanding at beginning of year	107,501,944	127,193,833	234,695,777
Units issued under Distribution Reinvestment Plan	1,271,847	—	1,271,847
Units repurchased and cancelled	(452,141)	—	(452,141)
Total outstanding at end of year	108,321,650	127,193,833	235,515,483

Net income attributable to unitholders and weighted average units outstanding used in determining basic and diluted net income per unit for years ended December 31, 2024 and 2023, are calculated as follows, respectively:

	For the Year ended December 31, 2024		
	Units	**Class B LP Units**	**Total**
Net income attributable to unitholders - basic	**$ 199,680**	**$ 234,541**	**$ 434,221**
Income effect of settling Class C LP Units with Class B LP Units			**65,047**
Net income attributable to unitholders - diluted			**$ 499,268**
Weighted average units outstanding - basic	**108,412,753**	**127,307,965**	**235,720,718**
Dilutive effect of other unit plans			**399,648**
Dilutive effect of settling Class C LP Units with Class B LP Units			**99,236,600**
Weighted average number of units outstanding - diluted			**335,356,966**

	For the Year ended December 31, 2023		
	Units	Class B LP Units	Total
Net income attributable to unitholders - basic	$ 105,287	$ 124,147	$ 229,434
Income effect of settling Class C LP Units with Class B LP Units			63,962
Net income attributable to unitholders - diluted			$ 293,396
Weighted average units outstanding - basic	107,965,763	127,193,833	235,159,596
Dilutive effect of other unit plans			326,050
Dilutive effect of settling Class C LP Units with Class B LP Units			101,854,123
Weighted average number of units outstanding - diluted			337,339,769

Distributions on Units and Class B LP Units

The following table presents total distributions declared on Units and Class B LP Units:

For the year ended December 31,	**2024**	2023
	Distributions per unit	Distributions per unit
Units	**$ 0.914**	$ 0.886
Class B LP Units	**$ 0.914**	$ 0.886

On December 13, 2024, a distribution of $0.07710 per unit payable on January 15, 2025 was declared to holders of Units and Class B LP Units of record on December 31, 2024.

On January 15, 2025, a distribution of $0.07710 per unit payable on February 18, 2025 was declared to holders of Units and Class B LP Units of record on January 31, 2025.

Units

Each Unit is transferable and represents an equal, undivided, beneficial interest in CT REIT and any distributions from the REIT, whether of net income, net realized capital gains, or other amounts, and in the event of the termination or winding-up of CT REIT, in CT REIT's net assets remaining after satisfaction of all liabilities. All Units rank among themselves equally and ratably without discrimination, preference or priority. Each Unit entitles the holder thereof to one vote at all meetings of Unitholders or with respect to any written resolution of Unitholders. The Units have no conversion, retraction or redemption rights.

Non-controlling interests

The Class B LP Units are exchangeable on a one-for-one basis (subject to customary anti-dilution provisions) for Units at the option of the holder. Each Class B LP Unit is accompanied by a Special Voting Unit. The holders of Class B LP Units are entitled to receive distributions when declared by the Partnership equal to the per Unit amount of distributions payable to each holder of Units. However, the Class B LP Units have limited voting rights over the Partnership.

Special Voting Units

Special Voting Units are only issued (i) in tandem with Class B LP Units of the Partnership or (ii) in limited circumstances to holders of the Class C LP Units and are not transferable separately from the Class B LP Units or Class C LP Units, as the case may be, to which they relate. Upon any transfer of Class B LP Units or Class C LP Units, as the case may be, such Special Voting Units will automatically be transferred to the transferee of the Class B LP Units. As Class B LP Units are exchanged for Units or purchased for cancellation, the corresponding Special Voting Units will be cancelled for no consideration.

Each Special Voting Unit entitles the holder thereof to one vote at all meetings of Unitholders or with respect to any resolution in writing of Unitholders. Except for the right to attend and vote at meetings of the Unitholders or with respect to written resolutions of the Unitholders, Special Voting Units do not confer upon the holders thereof any other rights. A Special Voting Unit does not entitle its holder to any economic interest in CT REIT, or to any interest or share in CT REIT, or to any interest in any distributions (whether of net income, net realized capital gains, or other amounts), or to any interest in any net assets in the event of termination or winding-up.

CT REIT's Board retains full discretion with respect to the timing and quantum of distributions. Declared distributions are paid to unitholders of record at the close of business on the last day of the month on or about the 15th day of the following month.

Normal Course Issuer Bid

On November 27, 2023, CT REIT, after filing a Notice of Intention to Make a Normal Course Issuer Bid ("Notice of Intention"), received approval from the TSX to purchase up to 3,500,000 Units during the 12-month period commencing on November 29, 2023, and ending on November 28, 2024 by way of a normal course issuer bid (the "2023-24 NCIB"). During the year ended December 31, 2024, CT REIT acquired and cancelled 875,468 Units at a weighted average purchase price of $13.50 per Unit under the 2023-24 NCIB, for a total cost of $11,824.

On November 27, 2023, the TSX also approved an automatic securities purchase plan ("ASPP"), which allows the REIT's designated broker to periodically purchase Units during the REIT's blackout periods, subject to pre-defined parameters in accordance with the rules of the TSX and applicable securities laws, in connection with the 2023-24 NCIB. As of December 31, 2023, the maximum obligation to repurchase Units under the ASPP of $12,300 was recognized in other liabilities.

On November 27, 2024, CT REIT, after filing a Notice of Intention, received approval from the TSX to purchase up to 1,875,000 Units during the 12-month period commencing on November 29, 2024, and ending on November 28, 2025 by way of a normal course issuer bid (the "2024-25 NCIB"). During the year ended December 31, 2024, CT REIT did not make any purchases of Units under the 2024-25 NCIB.

On November 27, 2024, the TSX also approved an ASPP in connection with the 2024-25 NCIB. As of December 31, 2024, no amount was recognized in other liabilities under the ASPP.

At-the-Market Program

CT REIT entered into an at-the-market program on May 25, 2023 (the "ATM Program") that allows the REIT, in its discretion, to issue up to $100,000 of Units from treasury to the public from time to time.

During the year ended December 31, 2024, no Units were issued under the ATM Program.

13. UNIT-BASED COMPENSATION PLANS

Deferred Unit Plan for Trustees

CT REIT offers a Deferred Unit ("DU") Plan for members of its Board who are not also employees or officers of the REIT or any of its Affiliates. Under this plan, eligible trustees may elect to receive all or a portion of their annual trustee fees in DUs. DUs are paid out in equivalent Units of CT REIT or, at the election of the trustee, in cash, following the trustee's departure from the Board.

As at December 31, 2024, accrued DU compensation costs, which are included in other liabilities, totalled $5,453 (2023 – $4,800). Compensation expense recorded related to DUs for the year ended December 31, 2024 was $923 (2023 - $(170)). The fair value of DUs is equal to the trading price of Units, which is a Level 1 input (see Note 22(a)).

Performance Unit Plan for Employees

CT REIT offers Performance Units ("PUs") to certain employees that generally vest after three years. Each PU entitles the employee to receive a cash payment equal to the fair market value of Units of CT REIT, multiplied by a factor determined by specific performance-based criteria, as set out in the PU Plan.

As at December 31, 2024, accrued PU compensation costs, which are included in other liabilities, totalled $5,185 (2023 - $4,833). Compensation expense recorded for the year ended December 31, 2024 for PUs granted to employees was $2,347 (2023 - $2,122). The fair value of PUs is equal to the trading price of Units, which is a Level 1 input (see Note 22(a)).

Restricted Unit Plan for Executives

CT REIT offers a Restricted Unit ("RU") Plan for its executives. RUs may be issued as discretionary grants or executives may elect to receive all or a portion of their short term incentive plan in RUs. At the end of the vesting period which is generally three years from the date of grant (in the case of discretionary grants) or five years from the short term incentive plan bonus payment date (in the case of deferred bonus grants), the executives will receive an equivalent number of Units issued by CT REIT or, at the executive's election, the cash equivalent thereof.

As at December 31, 2024, accrued RU compensation costs, which are included in other liabilities, totalled $803 (2023 - $365). Compensation expense for the year ended December 31, 2024 was $438 (2023 - $140). The fair value of RUs is equal to the trading price of Units, which is a Level 1 input (see Note 22(a)).

14. NON-CONTROLLING INTERESTS

Details of non-wholly owned subsidiaries of CT REIT that have material non-controlling interests are as follows:

	Proportion of ownership interests held by non-controlling interests		Net income and comprehensive income allocated to non-controlling interests	
	As at December 31, 2024	As at December 31, 2023	**For the year ended December 31, 2024**	For the year ended December 31, 2023
Name of Subsidiary				
CT REIT Limited Partnership	**54.06 %**	54.01 %	**$ 234,541**	$ 124,147

There are no restrictions on CT REIT's ability to access or use the assets and settle the liabilities of its subsidiaries and there are no contractual arrangements that could require CT REIT to provide financial support to its subsidiaries.

15. REVENUES AND EXPENSES

(a) Property revenue

The components of property revenue are as follows:

		CTC		Other		For the Year ended December 31, 2024
Base minimum rent	**$**	**402,049**	**$**	**39,258**	**$**	**441,307**
Straight-line rent		**(4,624)**		**3**		**(4,621)**
Subtotal base rent	**$**	**397,425**	**$**	**39,261**	**$**	**436,686**
Property operating expense recoveries		**97,409**		**20,738**		**118,147**
Capital expenditure and interest recovery charge		**21,166**		**281**		**21,447**
Other revenues		**1,053**		**1,356**		**2,409**
Property revenue	**$**	**517,053**	**$**	**61,636**	**$**	**578,689**

		CTC		Other		For the Year ended December 31, 2023
Base minimum rent	$	386,032	$	38,447	$	424,479
Straight-line rent		(2,128)		421		(1,707)
Subtotal base rent	$	383,904	$	38,868	$	422,772
Property operating expense recoveries		90,376		17,894		108,270
Capital expenditure and interest recovery charge		20,034		288		20,322
Other revenues		7		1,401		1,408
Property revenue	$	494,321	$	58,451	$	552,772

(b) Property expense

The major components of property expense consist of property taxes and other recoverable operating costs:

For the year ended December 31,		2024		2023
Property taxes	**$**	**102,115**	$	95,145
Operating costs		**23,578**		20,378
Property expense	**$**	**125,693**	$	115,523

16. GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expense is comprised of the following:

For the year ended December 31,		2024		2023
Personnel expense [1]	**$**	**10,317**	$	9,825
Services Agreement expense [2]		**1,222**		1,094
Public entity and other [1]		**4,580**		4,318
General and administrative expense	**$**	**16,119**	$	15,237

[1] Includes unit-based awards, including (gain) loss adjustments as a result of the change in the fair market value of the Units of $(687) (2023 - $(625)) for the year ended December 31, 2024.

[2] See Note 21.

17. NET INTEREST AND OTHER FINANCING CHARGES

Net interest and other financing charges are comprised of the following:

For the year ended December 31,		2024		2023
Interest on Class C LP Units [1]	**$**	**65,047**	$	63,962
Interest and financing costs - debentures		**54,281**		41,240
Interest and financing costs - Credit Facilities [2]		**1,686**		8,905
Interest on mortgage payable		**162**		938
Interest on lease liabilities		**5,704**		5,201
	$	**126,880**	$	120,246
Less: capitalized interest		**(3,625)**		(5,764)
Interest expense and other financing charges	**$**	**123,255**	$	114,482
Less: interest income		**(1,516)**		(540)
Net interest and other financing charges	**$**	**121,739**	$	113,942

[1] Paid or payable to CTC.

[2] See Note 21.

18. CHANGES IN WORKING CAPITAL AND OTHER

Changes in working capital and other are comprised of the following:

For the year ended December 31,	2024	2023
Changes in working capital and other		
Tenant and other receivables	**$ (1,451)**	$ 279
Other assets	**159**	(353)
Other liabilities	**(2,999)**	2,017
Other	**(1,077)**	(638)
Changes in working capital and other	**$ (5,368)**	$ 1,305

19. SEGMENTED INFORMATION

CT REIT has one segment for financial reporting purposes which comprises the ownership and management of primarily net-lease single tenant Retail Properties located across Canada.

20. COMMITMENTS AND CONTINGENCIES

CT REIT has agreed to indemnify, in certain circumstances, the trustees and officers of CT REIT and its subsidiaries.

As at December 31, 2024, CT REIT had obligations of $220,411 (December 31, 2023 – $171,513) in future payments for the completion of developments. Included in the commitments is $193,748 due to CTC.

21. RELATED-PARTY TRANSACTIONS

In the normal course of operations, CT REIT enters into various transactions with related parties that have been measured at amounts agreed to between the parties and are recognized in the consolidated financial statements.

(a) Arrangements with CTC

Services Agreement

Under the services agreement between the Partnership and CTC entered into on October 23, 2013, as amended and restated as of August 8, 2023 (“Services Agreement”), CTC provides the REIT with certain administrative, information technology, internal audit and other support services as may be reasonably required from time to time (the “Services”). CTC provides these Services to the REIT on a cost recovery basis pursuant to which CT REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Services, plus applicable taxes. The Services Agreement is automatically renewable for one year terms, unless otherwise terminated in accordance with its terms. The Services Agreement was automatically renewed for 2025 and CTC will continue to provide such Services on a cost recovery basis.

Property Management Agreement

Under the property management agreement, between the Partnership and CTC entered into on October 23, 2013, as amended and restated as of August 8, 2023 ("Property Management Agreement"), CTC provides the REIT with certain property management services (the ''Property Management Services"). CTC provides these Property Management Services to the REIT on a cost recovery basis pursuant to which the REIT reimburses CTC for all costs and expenses incurred by CTC in connection with providing the Property Management Services, plus applicable taxes. The Property Management Agreement is automatically renewable for one year terms, unless otherwise terminated in accordance with its terms. The Property Management Agreement was automatically renewed for 2025 and CTC will continue to provide such Property Management Services on a cost recovery basis.

CTC Credit Facility

CT REIT has a Credit Facility with CTC that was entered into on December 18, 2019 and which is automatically renewed for one year terms, unless otherwise terminated in accordance with its terms. The CTC Credit Facility was automatically renewed for 2025. The CTC Credit Facility bears interest at a rate based on a stipulated bank prime rate or CORRA rate plus a margin.

(b) Transactions and balances with related parties

Transactions with CTC are comprised of the following, excluding acquisition, intensification and development activities with CTC which are contained in Note 4:

For the year ended December 31,	Note	**2024**	2023
Property revenue	15	**$ 517,053**	$ 494,321
Property Management and Services Agreement expense		**$ 1,676**	$ 1,575
Distributions on Units		**$ 31,065**	$ 30,100
Distributions on Class B LP Units [1]		**$ 116,372**	$ 112,637
Interest expense on Class C LP Units	17	**$ 65,047**	$ 63,962
Interest expense on the CTC Credit Facility	17	**$ 611**	$ 1,661

[1] Includes distributions deferred at the election of the holders of the Class B LP Units.

The net balance due to CTC is comprised of the following:

As at	**December 31, 2024**	December 31, 2023
Tenant and other receivables	**$ (1,763)**	$ (2,613)
Class C LP Units	**1,451,550**	1,451,550
Amounts payable on Class C LP Units [1]	**69,823**	63,962
Loans receivable in respect of payments on Class C LP Units	**(64,338)**	(58,631)
Other liabilities	**5,067**	50,514
Distributions payable on Units and Class B LP Units [2]	**41,009**	37,363
Loans receivable in respect of distributions on Class B LP Units	**(28,516)**	(25,298)
CTC Credit Facility [3]	**96,500**	—
Net balance due to CTC	**$ 1,569,332**	$ 1,516,847

[1] See Note 6.

[2] Includes distributions deferred at the election of the holders of the Class B LP Units.

[3] See Note 11.

(c) Compensation of executives and independent trustees

The remuneration of the Chief Executive Officer, Chief Financial Officer, Senior Vice President Real Estate, and the trustees who were not employees or officers of the REIT or any of its affiliates, is as follows:

For the year ended December 31,		**2024**		2023
Salaries and short-term employee benefits	**$**	**3,383**	$	3,070
Unit-based awards [1]		**1,254**		1,102
Total	**$**	**4,637**	$	4,172

[1] Unit-based awards, as described in Note 13, includes decrease in expense as a result of the change in the fair market value of the Units of $428 (2023 - $446).

The remuneration of the Chief Executive Officer, Chief Financial Officer and Senior Vice President Real Estate consist principally of base salary, short-term cash incentives and long-term incentives (in the form of unit-based awards). The remuneration is determined by CT REIT's Board of Trustees, on the recommendation of the Governance, Compensation and Nominating Committee.

The compensation of trustees, who are not employees or officers of CT REIT or any of its affiliates, consists of an annual fixed fee.

22. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) Fair value of financial instruments

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs: Are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs: Are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs: Are unobservable inputs for the asset or liability.

The fair values of the Class C LP Units and mortgage payable are determined by discounting contractual principal and interest payments at estimated current market interest rates for the instrument. Current market interest rates are determined with reference to current benchmark rates for a similar term and current credit spreads for debt with similar terms and risks.

The fair value of each of the Class C LP Units, debentures and mortgage payable at December 31, 2024, was $1,464,784, $1,412,045 and $8,307, respectively. The fair value measurement of the Class C LP Units and mortgage payable is based on Level 2 inputs. The significant inputs used to determine the fair value of the Class C LP Units and mortgage payable are interest rates, term to maturity, and credit spreads. The debentures are actively traded on the secondary market and the fair value is determined using Level 1 inputs. There have been no transfers during the period between levels.

Financial assets consist of cash and cash equivalents, and tenant and other receivables which are classified at amortized cost. Financial liabilities, other than those discussed in the preceding paragraph, consist of other liabilities, Credit Facilities and

distributions payable, which are carried at amortized cost, except for liabilities for unit-based compensation plans which are included in other liabilities and are carried at fair value, equivalent to the trading price of Units, which is a Level 1 input.

(b) Financial risk management

In the normal course of business, CT REIT has exposure to risks from its use of financial instruments. CT REIT is exposed to liquidity and credit risk in connection with its financial instruments. Financial risk management policies are established for CT REIT to identify and analyze the risks faced by CT REIT, to set acceptable risk tolerance limits and controls and to monitor risks and adherence to limits. CT REIT is not exposed to significant currency or market risk arising from financial instruments. Additionally, CT REIT's exposure to interest rate changes is limited as a significant portion of its indebtedness is at fixed interest rates. Exposure to variable interest rates is dependent on the extent to which CT REIT has short term borrowings under its credit facilities, any new debt is issued or assumed on acquisitions, new series of Class C LP Units are issued to finance future real estate transactions or any existing Class C LP Units being re-priced or redeemed, as all are market dependent (see Note 6).

Liquidity risk

Liquidity risk is the risk that CT REIT will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. CT REIT's approach to managing liquidity is to ensure that it has sufficient liquidity available through cash, assets readily convertible to cash and committed bank lines of credit to support its monthly cash distributions to unitholders, meet operating and plan requirements and meet unexpected financial challenges. CT REIT has in place a leverage and liquidity policy to manage its exposure to liquidity risk.

Management has identified key financial credit metric ratios and calculates these ratios in a manner to approximate the methodology of two credit rating agencies (S&P and Morningstar DBRS). Management monitors these metrics against the credit rating agencies' targets to maintain investment-grade ratings.

CT REIT uses a detailed consolidated cash flow forecast model to regularly monitor its near-term and longer-term cash flow requirements, which assists in optimizing its cash distributions to unitholders and evaluating longer-term funding strategies.

CT REIT has access to several financing sources to ensure that the appropriate level of liquidity is available to meet its monthly distributions and growth objectives, including both its committed and uncommitted Credit Facilities, each totaling $300,000, direct access to debt and equity markets (subject to consent from CTC), and cash on hand.

Credit risk

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. CT REIT has a Financial Risk Management Board Policy in place for management of counterparty risk related to investing activity. The overall credit risk compliance mechanisms established in this policy include credit rating requirements, approval authorities, counterparty limits, notional limits, term to maturity and portfolio diversification requirements. CT REIT limits its exposure to credit risk by investing only in highly liquid and rated term deposits, bankers' acceptances or other approved securities and only with highly rated financial institutions and government counterparties.

Interest rate risk

Interest rate risk is the potential for financial loss arising from increases in interest rates. CT REIT has minimal exposure to interest rate changes as the initial rate on the Class C LP Units, debentures and certain mortgage payable are at fixed interest rates. CT REIT incurs variable rate indebtedness through borrowings under its Credit Facilities. CT REIT currently has $98,500 (2023 - nil) in short-term borrowings outstanding under its Credit Facilities. CT REIT may incur indebtedness in the future that bears interest at a variable interest rate or may be required to issue new debt or refinance existing debt at higher interest rates.

23. CAPITAL MANAGEMENT AND LIQUIDITY

CT REIT's objectives when managing capital are to ensure access to capital and sufficient liquidity is available to meet its financial obligations when due, support ongoing property operations, developments and acquisitions while generating reliable, durable and growing monthly cash distributions on a tax-efficient basis to maximize long-term unitholder value.

The definition of capital varies from entity to entity, industry to industry and for different purposes. CT REIT's strategy and process for managing capital is driven by requirements established under its declaration of trust as amended and restated as of October 22, 2013 and as further amended and restated as of April 5, 2020 and as may be further amended from time to time ("Declaration of Trust"), the trust indenture dated June 9, 2015, as supplemented by supplemental indentures thereto (collectively, the "Trust Indenture") and the Credit Facilities.

As at December 31, 2024, CT REIT was in compliance with the financial covenants contained in the Declaration of Trust, the Credit Facilities, and the Trust Indenture.

The following schedule details the capitalization of CT REIT:

As at	**December 31, 2024**	December 31, 2023
Liabilities		
Class C LP Units	**$ 1,451,550**	$ 1,451,550
Mortgage payable	**8,623**	9,131
Debentures	**1,421,612**	1,420,313
Credit Facilities	**98,500**	—
Equity		
Unitholders' equity	**1,827,244**	1,707,336
Non-controlling interests	**2,271,511**	2,140,433
Total	**$ 7,079,040**	$ 6,728,763

CT REIT's Class C LP Units have a fixed, cumulative, preferential cash distribution, if, as and when declared by the board of directors of the GP.

Under the Declaration of Trust, the Trust Indenture, and the Credit Facilities, key financial covenants are reviewed on an ongoing basis by management to monitor compliance with the agreements. The key financial covenants for CT REIT are as follows:

- a requirement to maintain, at all times:
    - a specified maximum ratio of total indebtedness of CT REIT (plus the aggregate par value of the Class C LP Units) to gross book value of assets
    - a specified maximum ratio of total secured indebtedness of CT REIT (plus the aggregate par value of the Class C LP Units) to gross book value of assets
    - a minimum unitholders' equity
    - a ratio of unencumbered assets to unconsolidated unsecured indebtedness
    - a specified minimum debt service coverage ratio defined as earnings before interest and taxes as a percentage of interest expense, which for greater clarity includes payments on the Class C LP Units

As at December 31, 2024, CT REIT was in compliance with all of its financial covenants. Under these financial covenants, CT REIT has sufficient flexibility to fund business growth and maintain or amend distribution rates within its existing distribution policy.

CT REIT's strategy is to satisfy its liquidity needs using cash flows generated from operating activities and cash provided by financing activities. Rental income, recoveries from tenants, interest and other income, draws on the Credit Facilities and further issuance of debt and equity are CT REIT's principal sources of liquidity used to pay operating expenses, distributions, debt service, and recurring capital and leasing costs for its Properties.

The principal liquidity needs for periods beyond the next year are for redemptions of Class C LP Units upon scheduled expiry of the Initial Fixed Rate Period, refinancing and interest on debentures, capital expenditures, Credit Facilities and Unit distributions. CT REIT's strategy is to meet these needs through cash flows generated from operating activities and further issuance of debt and equity.

The following table presents the contractual maturities of CT REIT's financial liabilities:

	Total	2025	2026	2027	2028	2029	2030 and thereafter
Class C LP Units [1]	$ 1,451,550	$ 251,550	$ —	$ —	$ 200,000	$ 200,000	$ 800,000
Debentures	1,425,000	200,000	200,000	375,000	250,000	250,000	150,000
Payments on Class C LP Units [1]	477,866	62,344	59,860	59,860	54,610	44,525	196,667
Interest on debentures	161,303	49,605	42,789	36,464	17,759	11,129	3,557
Credit Facilities	98,500	98,500	—	—	—	—	—
Future undiscounted lease liabilities payments	243,849	6,491	6,556	6,568	6,551	6,521	211,162
Mortgage payable	8,473	403	8,070	—	—	—	—
Other liabilities	38,830	36,067	2,763	—	—	—	—
Distributions payable [2]	18,261	18,261	—	—	—	—	—
Payable on Class C LP Units, net of loans receivable	5,485	5,485	—	—	—	—	—
Interest on mortgage payable	332	267	65	—	—	—	—
Interest on bank credit facility	395	395	—	—	—	—	—
Total	$ 3,929,844	$ 729,368	$ 320,103	$ 477,892	$ 528,920	$ 512,175	$ 1,361,386

[1] Assumes redemption on Current Fixed Rate Period for each series.

[2] On Units and Class B LP Units.

Glossary of Terms

"Affiliates" has the meaning given to that term in National Instrument 45-106 – *Prospectus Exemptions*.

"AFFO" is a non-GAAP financial measure and has the meaning given to that term in Real Property Association of Canada's published guidance titled "REALPAC Funds From Operations & Adjusted Funds From Operations for IFRS" ("REALPAC FFO & AFFO"). It is calculated as FFO subject to certain adjustments to remove the impact of recognizing property rental revenues on a straight-line basis, the deduction of a reserve for normalized maintenance capital expenditures and the deduction of direct leasing costs not related to development projects.

"**Atlantic Canada**" means the provinces of New Brunswick, Newfoundland and Labrador, Nova Scotia and Prince Edward Island.

"**Board**" means the Board of Trustees of the REIT.

"**Change of Control**" means the acquisition by a person, or group of persons acting jointly or in concert, directly or indirectly, other than CTC or any of its Subsidiaries, of more than 50% of the aggregate voting rights attached to the Units and Special Voting Units of the REIT (taking into account: (i) full dilution from the exchange of all then-outstanding Class B LP Units into Units of the REIT; and (ii) in respect of any other securities that are convertible or exchangeable into Units of the REIT, only dilution resulting from the conversion or exercise of such other convertible or exchangeable securities held by such person or group of persons).

"**Class A LP Units**" means, collectively, the Class A limited partnership units of the Partnership, and "**Class A LP Unit**" means any one of them.

"**Class B LP Units**" means, collectively, the Class B limited partnership units of the Partnership, and "**Class B LP Unit**" means any one of them.

"**Class C LP Units**" means, collectively, the Class C limited partnership units of the Partnership, and "**Class C LP Unit**" means any one of them.

"**Competitor**" means a person who carries on business, or any person who controls or is controlled by such person, in one or more of the following categories: hardware, automotive, sporting goods, apparel and housewares.

"**CTC**" means Canadian Tire Corporation, Limited together with its Subsidiaries (excluding the REIT and the REIT's Subsidiaries), or, as the context requires, any of them.

"**CTC Banner**" means a CTC name or trademark, including the Canadian Tire, Mark's , SportChek, Sports Experts and Atmosphere, names or trademarks.

"**CTREL**" means Canadian Tire Real Estate Limited, a wholly-owned Subsidiary of CTC.

"**Development Agreement**" means the development agreement among the REIT, the Partnership, CTREL and CTC entered into on October 23, 2013, as further described under section 10.4 entitled "Commercial Agreements with CTC – Development Agreement" of the AIF.

"Development Properties" means those Properties being developed or redeveloped but excludes Properties undergoing intensification activities, consisting of the construction of additional buildings on existing assets and modifications to existing buildings, as well as the redevelopment of mixed-use properties.

"**EBITFV**" is a non-GAAP measure of operating cash flow. It is calculated as net income in accordance with GAAP, adjusted by removing the impact of; (i) non-cash adjustments including fair value adjustments on investment properties; (ii) interest expense and other financing costs; (iii) income tax expense; (iv) gains or losses the sale of investment properties; and (v) non-recurring items that may occur under IFRS Accounting Standards.

"**ECL**" means expected credit losses.

"**FFO**" is a non-GAAP financial measure and has the meaning given to it in the REALPAC FFO & AFFO. It is calculated as net income in accordance with IFRS Accounting Standards, adjusted by removing the impact of: (i) fair value adjustments on investment properties; (ii) other fair value adjustments; (iii) gains and losses on the sale of investment properties; (iv) internal leasing expenses; (v) lease principal payments on right-of-use assets; and (vi) deferred income taxes.

"**FVTPL**" means fair value through profit or loss.

"**GAAP**" means generally accepted accounting principles in Canada (which for Canadian reporting issuers is IFRS Accounting Standards) as in effect from time to time and as adopted by the REIT from time to time for the purposes of its public financial reporting.

"**GLA**" means gross leasable area.

"**Gross Book Value**" means at any time the total assets of the REIT as shown in its then most recent consolidated balance sheet.

"**IFRS Accounting Standards**" means IFRS® Accounting Standards as issued by the International Accounting Standards Board.

"**Intensification**" means Properties undergoing the construction of additional buildings and/or modifications to existing buildings, which may result in an increase in GLA to a Property.

"**Investment Properties**" means the portfolio of properties owned by the REIT.

"**NOI**" means property revenue less property expense and is further adjusted for straight-line rent.

"**Property Management Agreement**" means the property management agreement among the Partnership, CTC and CTREL entered into on October 23, 2013, as amended and restated as at August 8, 2023, as further described under section 10.4 entitled "Commercial Agreements with CTC – Property Management Agreement" of the AIF.

"Properties Under Development" means that portion of any (i) Development Property, (ii) Intensification, and (iii) mixed-use properties being developed or redeveloped.

"**REIT Exception**" has the meaning given to that term under section 5.2.4 entitled "Legal and Regulatory Compliance Risk Factors – Tax-Related Risk Factors – Real Estate Investment Trust Status" of the AIF.

"**ROFO Agreement**" means the right of first offer agreement among the REIT, the Partnership and CTC entered into on October 23, 2013, as described under section 10.4 entitled "Commercial Agreements with CTC" of the AIF.

"**Services Agreement**" means the services agreement among the REIT, the Partnership and CTC entered into on October 23, 2013, as amended and restated as at August 8, 2023, pursuant to which CTC or certain of its Subsidiaries provide the Services, as further described under section 10.4 entitled "Commercial Agreements with CTC – Services Agreement" of the AIF.

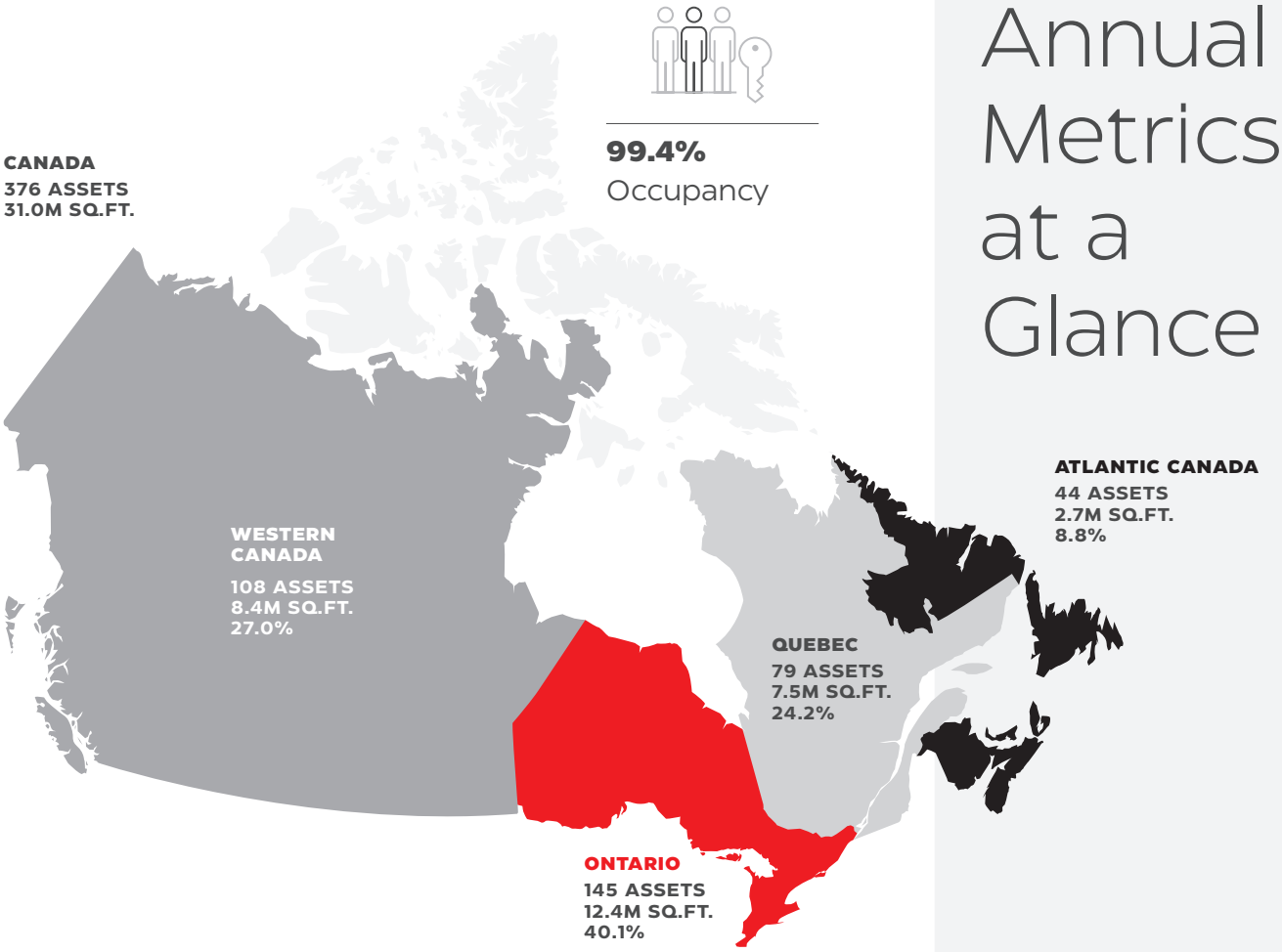
"**SIFT Rules**" has the meaning given to that term under section 5.2.4 entitled "Legal and Regulatory Compliance Risk Factors – Tax-Related Risk Factors – Real Estate Investment Trust Status" of the AIF.

"**Special Voting Units**" means special voting units of the REIT issued in tandem with the issuance of Class B LP Units and, in certain limited circumstances, in connection with the Class C LP Units, and "**Special Voting Unit**" means any one of them.

"**Unitholders**" means holders of Units, and "**Unitholder**" means any one of them.

"**Units**" means trust units in the capital of the REIT, other than Special Voting Units, and "**Unit**" means any one of them.

Annual Metrics at a Glance



Gross Leasable Area (GLA) by Property Type

26.3M Sq.Ft. Retail Properties

84.7% of Total Portfolio GLA

4.6M Sq.Ft. Industrial Properties

14.7% of Total Portfolio GLA

0.2M Sq.Ft. Mixed-Use Properties

0.6% of Total Portfolio GLA

Portfolio Highlights

7.7 Year Weighted Average Lease Term

1.5% Average Annual Rent Escalations From Canadian Tire Leases

44.6% of Base Minimum Rent is From Major Urban Markets

$7.2B Fair Market Value of Investment Properties

Visit our website at
ctreit.com

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