CANADIAN APARTMENT
PROPERTIES • REIT

FINANCIAL REPORT

THREE AND SIX MONTHS ENDED
JUNE 30, 2025

Q2

CANADIAN APARTMENT PROPERTIES • REIT

August 7, 2025

Report to Unitholders

I am proud to provide this update on CAPREIT's performance for the three and six months ended June 30, 2025, as we have made good progress across each of our organizational objectives. We are continuing to execute on our strategy of high grading the quality of our Canadian portfolio, improving its operational performance, investing in our value-enhancing Normal Course Issuer Bid (NCIB) program, and all while remaining focused on free cash flow. This has resulted in strong growth in earnings for our Unitholders during the second quarter of 2025.

Starting with an update on our capital recycling efforts, so far this year we have closed on the disposition of a total of 1,779 non-core suites and sites in Canada for aggregate proceeds of $274 million. These properties generally have the weakest economic returns, with regulated rents and low cash flow yields. We are continuing to sell these relative under-performers at prices that are at, or above, previously reported IFRS fair values at the time of negotiation, again substantiating the Net Asset Value (NAV) we report on our balance sheet.

We are also making solid progress on our divestment from Europe, and we are moving much closer to our vision of returning to a pure play Canadian apartment REIT in the near term. In the Netherlands, so far in 2025 we have closed on the sale of 417 residential suites and one commercial property in Belgium for $176 million in aggregate proceeds. We have further announced the upcoming disposition of an incremental 1,556 residential suites and one commercial property in Germany for approximately $567 million in combined consideration, net of estimated adjustments, with closing expected by the end of the third quarter of 2025. Subject to completion, our European exposure would go down to only 2% of our consolidated portfolio (based on proportionate investment property fair value and including assets held for sale), all else held equal as of today. Regarding that remaining allocation, as announced by European Residential REIT (ERES), a sale process has been launched for the balance of the portfolio, with the goal of surfacing the residual value and distributing the proceeds, net of wind-up costs, to investors. We look forward to providing an update on that strategic initiative once available.

In accordance with our tried and tested capital allocation program, we are reinvesting the proceeds from our non-core dispositions into the trifecta of strategic opportunity: (i) the acquisition of well-located and high-performing assets, (ii) our NCIB program, and (iii) our ongoing management of debt financing. On the first pillar, this year to date we have invested $165 million to purchase five high-quality properties containing a total of 450 residential suites in Canada. Most of these strategically aligned buildings were constructed in the past few years by reputable developers, and we continue to acquire them at strong pricing that is well below replacement cost. These assets come with strong cash flow profiles arising from largely unregulated rents that still contain embedded mark-to-market potential on acquisition, combined with low capital expenditure requirements and operating costs. Their prime, highly sought-after locations also enhance our geographical diversification and the quality of our resident base, with improved affordability characteristics that reduce our political and reputational risks. Recently constructed buildings now represent 16% of our total portfolio, providing the ideal complement to the stable, long-run rent growth trajectory produced by our core legacy assets, which still account for the majority of our total portfolio at 67% today.

Our NCIB program also remains a key strategic tool, allowing us to invest in our own portfolio and earn a stronger return over acquiring comparable assets in the private market today, and without having to undergo any due diligence work nor incur any transactional risk. To date in 2025, we have reinvested $187 million of our net disposition proceeds to buy back CAPREIT's Trust Units at a weighted average purchase price of $42.64 per Unit. This represents an average 24% discount to our NAV per Unit (diluted) of $56.14 as of June 30, 2025, demonstrating the sizable disconnect which we are capitalizing on to generate higher earnings for our Unitholders.

We have been extremely focused on internally improving our operational performance this past quarter, especially given some short term headwinds that we are facing. We have been actively recalibrating our rent optimization and vacancy mitigation strategies in response to recently evolving market dynamics, and as a result, we are pleased to report that our residential occupancies are up to 98.3% as of June 30, 2025 for the same property and total portfolio in Canada. This has been continuously increasing from 97.9% on March 31, 2025, and 97.5% on December 31, 2024, for the total residential portfolio in Canada, and is now back in line with 98.2% as of June 30, 2024, on a same property basis. Simultaneously, since that comparable period, our same property Canadian residential occupied average rent was up by 5.2% to $1,674 per month as of June 30, 2025. This not only shows sustained demand for professionally managed rental housing, but it also demonstrates that our flexible and proficient operational strategy is working.

We are also making meaningful strides on the expense side, and have taken proactive steps to contain and reduce controllable expenditures in all areas of the business, with a view to enhancing our real economic returns. This past quarter, we were pleased to have successfully mitigated the magnitude of cost increases which we were seeing at the outset of the year. For the three months ended June 30, 2025, operating costs as a percentage of operating revenues decreased to 33.7% on the same property portfolio, as compared to 34.1% for the three months ended June 30, 2024. This was in part due to the elimination of the Federal carbon tax effective April 1, 2025 for all provinces except Québec, which lowered overall utility costs, but also a decrease in repairs and maintenance spending that resulted from the implementation of more rigorous cost control measures, while not compromising on our quality or service standards.

All of these improvements have produced strong operational results for the second quarter, with CAPREIT's Net Operating Income (NOI) margin expanding by 40 basis points to 66.3% on the same property portfolio, up from 65.9% for three months ended June 30, 2024. This organic growth contributed to the 2.6% increase in our Funds From Operations (FFO) per Unit (diluted) to $0.661 in the current period, as compared to $0.644 earned in the prior year period. However, it was the accretive Trust Unit repurchases and cancellations under CAPREIT's NCIB program which mainly drove this increase in earnings, as well as, to a lesser extent, lower interest expense on credit facilities and mortgages payable, partly offset by decreased NOI due to net disposition activity.

Turning to our financial position, we continue to boast one of the strongest balance sheets in our peer universe. Our total debt to gross book value ratio remains low at 38.5% as of period end, which is down considerably from 41.5% as of June 30, 2024. Our well-staggered mortgage profile also carries a low weighted average effective interest rate of 3.2% per annum, and all of our interest costs are conservatively fixed with a weighted average term to maturity of approximately 5 years as of June 30, 2025. In addition, at the close of the second quarter, we had $62 million available on our Acquisition and Operating Facility, which had a maximum borrowing capacity of up to $200 million. This had been previously lowered from $600 million on February 28, 2025, in an effort to actively manage and reduce financing fees. On July 9, 2025, we strategically increased that again to $400 million, effective until September 30, 2025, to temporarily fund acquisitions, capital investments and for other general trust purposes, in anticipation of incoming capital from the expected special cash distribution from ERES in September 2025, as announced on April 2, 2025. This proactive and disciplined approach to debt financing provides us with the ability to efficiently manage our portfolio while capitalizing on available market opportunities that maximize value for Unitholders.

The past few months have been incredibly productive across every facet of the business, and the strong results we achieved during this second quarter of 2025 underscores the success and merits of our strategy. We are making solid progress on our objectives, which all work together to boost the generation of cash flow and ultimately bring us closer to funding capital expenditures and distributions entirely through our FFO. We are well on our way to achieving that in the near future, and we have never had a better team in place to make it happen. I would like to thank all of our Unitholders for their ongoing support, as we continue working to enhance the future for our residents, our people and our investors.

Mark Kenney
President and Chief Executive Officer

CANADIAN APARTMENT PROPERTIES • REIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2025

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SECTION I: OVERVIEW AND DISCLAIMER

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("MD&A") of Canadian Apartment Properties Real Estate Investment Trust's ("CAPREIT") results of operations and financial condition for the three and six months ended June 30, 2025 and June 30, 2024, dated August 7, 2025, should be read in conjunction with CAPREIT's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2025 and consolidated annual financial statements for the year ended December 31, 2024. CAPREIT and its subsidiaries are collectively referred to as "CAPREIT" in the MD&A. The results reported in CAPREIT's MD&A are on a consolidated basis including the full results of any subsidiaries. Information contained on CAPREIT's website or in other documents referred to in this MD&A is not incorporated by reference into, and should not be considered part of, this MD&A unless expressly stated otherwise. Additional information about CAPREIT, including the most recently filed Annual Information Form ("AIF"), is available on SEDAR+ at www.sedarplus.ca.

FORWARD-LOOKING DISCLAIMER

Certain statements contained in this MD&A and Report to Unitholders constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information may relate to CAPREIT's future outlook and anticipated events or results and may include statements regarding the future financial position, business strategy, budgets, litigation, occupancy rates, rental rates, productivity, projected costs, capital investments, development and development opportunities, financial results, taxes, plans and objectives of, or involving, CAPREIT. Particularly, statements regarding CAPREIT's future results, performance, achievements, prospects, costs, opportunities and financial outlook, including those relating to acquisition, disposition and capital investment strategies and the real estate industry generally, are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "will", "would", "should", "could", "likely", "expect", "plan", "anticipate", "believe", "intend", "estimate", "forecast", "predict", "potential", "project", "budget", "continue" or the negative thereof, or other similar expressions concerning matters that are not historical facts. Forward-looking statements are based on certain factors and assumptions regarding expected growth, results of operations, performance, and business prospects and opportunities. In addition, certain specific assumptions were made in preparing forward-looking information, including: that the Canadian and Dutch economies will generally experience growth, which, however, may be adversely impacted by the geopolitical risks, global economy, inflation and elevated interest rates, potential health crises and their direct or indirect impacts on the business of CAPREIT, including CAPREIT's ability to enforce leases, perform capital expenditure work, increase rents and apply for above guideline increases ("AGIs"), obtain financings at favourable interest rates; that Canada Mortgage and Housing Corporation ("CMHC") mortgage insurance will continue to be available and that a sufficient number of lenders will participate in the CMHC-insured mortgage program to ensure competitive rates; that the Canadian capital markets will continue to provide CAPREIT with access to equity and/or debt at reasonable rates; that vacancy rates for CAPREIT properties will be consistent with historical norms; that rental rates on renewals will grow; that rental rates on turnovers will grow; that the difference between in-place and market-based rents will be reduced upon such turnovers and renewals; that CAPREIT will effectively manage price pressures relating to its energy usage; and, with respect to CAPREIT's financial outlook regarding capital investments, assumptions respecting projected costs of construction and materials, availability of trades, the cost and availability of financing, CAPREIT's investment priorities, the properties in which investments will be made, the composition of the property portfolio, the impact and scope of certain commitments and contingencies, and the projected return on investment in respect of specific capital investments. Although the forward-looking statements contained in this MD&A and Report to Unitholders are based on assumptions and information that is currently available to management, which are subject to change, management believes these statements have been prepared on a reasonable basis, reflecting CAPREIT's best estimates and judgements. However, there can be no assurance actual results, terms or timing will be consistent with these forward-looking statements, and they may prove to be incorrect. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond CAPREIT's control, that may cause CAPREIT'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, risks related to: rent control and residential tenancy regulations, general economic conditions, privacy, cyber security and data governance risks, availability and cost of debt, acquisitions and dispositions, leasing risk, valuation risk, liquidity and price volatility of units of CAPREIT ("Trust Units"), catastrophic events, climate change, taxation-related risks (including certain tax liabilities and contingencies), energy costs, environmental matters, vendor management and third-party service providers, operating risk, talent management and human resources shortages, public health crises, other regulatory compliance risks, litigation risk, CAPREIT's investment in European Residential Real Estate Investment Trust ("ERES"), potential conflicts of interest, investment restrictions, lack of diversification of investment assets, geographic concentration, illiquidity of real property, capital investments, dependence on key personnel, property development, adequacy of insurance and captive insurance, competition for residents, controls over disclosures and financial reporting, the nature of Trust Units, dilution, distributions and foreign operation and currency risks. There can be no assurance that the expectations of CAPREIT's management will prove to be correct. For a detailed discussion of risk factors, refer to Risks and Uncertainties in Section VII of the 2024 Annual MD&A. Subject to applicable law, CAPREIT does not undertake any obligation to publicly update or revise any forward-looking information.

NON-IFRS MEASURES

CAPREIT prepares and releases unaudited condensed consolidated interim financial statements and audited consolidated annual financial statements in accordance with International Financial Reporting Standards ("IFRS"). In this MD&A, earnings releases, investor presentations and investor conference calls, CAPREIT discloses measures not recognized under IFRS which do not have standard meanings prescribed by IFRS. These include Funds From Operations ("FFO"), Adjusted Cash Flow from Operations ("ACFO"), Adjusted Cash Generated from Operating Activities, Net Asset Value ("NAV"), Total Debt, Gross Book Value and Adjusted Earnings Before Interest, Tax, Depreciation, Amortization and Fair Value ("Adjusted EBITDAFV") (the "Non-IFRS Financial Measures"), as well as diluted FFO per unit, diluted NAV per unit, FFO payout ratio, ACFO payout ratio, Total Debt to Gross Book Value, Debt Service Coverage Ratio and Interest Coverage Ratio (the "Non-IFRS Ratios" and together with the Non-IFRS Financial Measures, the "Non-IFRS Measures"). Since these measures and related per unit amounts are not recognized under IFRS, they may not be comparable to similar measures reported by other issuers. CAPREIT presents Non-IFRS Measures because management believes Non-IFRS Measures are relevant measures of the ability of CAPREIT to earn revenue and to evaluate its performance, financial condition and cash flows. These Non-IFRS Measures have been assessed for compliance with National Instrument 52-112 and a reconciliation of these Non-IFRS Measures to the comparable IFRS measures, along with further definitions and discussion, is provided in Section VI under Non-IFRS Measures. The Non-IFRS Measures should not be construed as alternatives to net income or cash flows from operating activities determined in accordance with IFRS as indicators of CAPREIT's performance or the sustainability of CAPREIT's distributions.

OVERVIEW

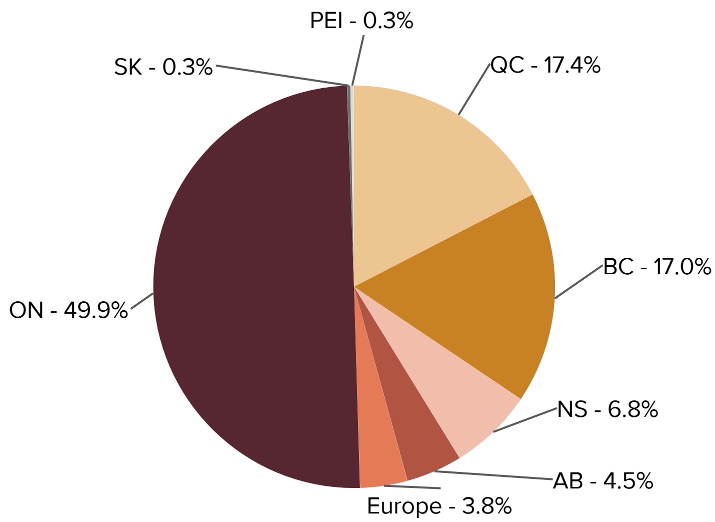
CAPREIT is Canada's largest publicly-traded provider of quality rental housing. CAPREIT owns approximately 45,400 residential apartment suites and townhomes (excluding approximately 1,600 suites in Europe classified as assets held for sale), that are well-located across Canada and the Netherlands as of June 30, 2025.

CAPREIT's concentration on the residential real estate market is aimed at solid year-over-year income growth in a portfolio with stable occupancy. In addition, CAPREIT mitigates risk through demographic diversification by operating properties across the legacy and recently constructed categories, as well as through geographic diversification.

CAPREIT was established under the laws of the Province of Ontario by a Declaration of Trust (the "DOT"), dated February 3, 1997, as most recently amended and restated on June 1, 2022.

The following chart shows the investment properties allocation by region based on the fair value of CAPREIT's investment properties (excluding assets held for sale) as at June 30, 2025. For a detailed discussion of CAPREIT's investment properties, refer to Section IV under Investment Properties.

Property Allocation by Region
(Excluding Assets Held for Sale)



PROPERTY PORTFOLIO

Types of Property Interests
As at June 30, 2025, CAPREIT's investments in its property portfolio reflect different forms of property interests, including: Apartments and Townhomes, Operating Leasehold Interests and Land Leasehold Interests.

Portfolio Diversification
CAPREIT's property portfolio continues to be diversified by geography and balanced among asset types. Management's long-term goal is to further enhance the geographic diversification, high quality and defensive nature of its portfolio through acquisitions and dispositions.

Portfolio by Geography

As at	June 30, 2025		December 31, 2024		June 30, 2024	
Residential Suites	**Number of Suites**	**%[(1)]**	**Number of Suites**	**%[(1)]**	**Number of Suites**	**%[(1)]**
Ontario						
Greater Toronto Area	**16,248**	**34.6**	16,582	34.0	17,139	26.7
London / Kitchener / Waterloo	**4,105**	**8.8**	4,104	8.4	4,099	6.4
Ottawa	**1,683**	**3.6**	1,683	3.5	1,485	2.3
	22,036	**47.0**	22,369	45.9	22,723	35.4
Québec						
Greater Montréal Region	**7,333**	**15.6**	7,948	16.3	7,695	12.0
Québec City	**2,245**	**4.8**	2,245	4.6	2,459	3.8
	9,578	**20.4**	10,193	20.9	10,154	15.8
British Columbia						
Greater Vancouver Area	**4,128**	**8.8**	4,048	8.3	3,811	5.9
Victoria and Other British Columbia	**2,133**	**4.5**	2,133	4.4	2,133	3.3
	6,261	**13.3**	6,181	12.7	5,944	9.2
Nova Scotia						
Halifax	**3,408**	**7.3**	3,408	7.0	3,408	5.3
Alberta						
Calgary	**1,512**	**3.2**	1,512	3.1	1,512	2.4
Edmonton	**1,115**	**2.4**	875	1.8	875	1.4
	2,627	**5.6**	2,387	4.9	2,387	3.8
Prince Edward Island						
Charlottetown	**188**	**0.4**	382	0.8	424	0.7
Saskatchewan						
Regina	**234**	**0.5**	234	0.5	234	0.4
Total Canadian residential suites	**44,332**	**94.5**	45,154	92.7	45,274	70.6
MHC Sites						
Total MHC sites	**—**	**—**	533	1.1	12,138	18.9
Total Canadian portfolio[(2)]	**44,332**	**94.5**	45,687	93.8	57,412	89.5
Europe						
The Netherlands residential portfolio[(3)]	**2,592**	**5.5**	3,009	6.2	6,743	10.5
Total portfolio	**46,924**	**100.0**	48,696	100.0	64,155	100.0

(1) Represents percentage of the portfolio by number of suites and sites.
(2) As at June 30, 2025, includes nil suites classified as assets held for sale in Canada (December 31, 2024 – 1,492 suites and manufactured home community ("MHC") sites, June 30, 2024 – 352 suites).
(3) As at June 30, 2025, includes 1,556 suites classified as assets held for sale in Europe (December 31, 2024 – 311, June 30, 2024 – 464).

While maintaining a strong and strategic presence in Ontario's vibrant residential market, CAPREIT continues to focus on diversifying its portfolio by increasing its allocation in high-growth Canadian markets with strong fundamentals. CAPREIT considers investment opportunities that meet its investment criteria, which include geographical diversification and the mitigation of risks arising from potential downturns in any specific markets.

OBJECTIVES AND BUSINESS STRATEGY

CAPREIT's objectives are to:

- maintain a focus on maximizing occupancy and responsibly growing occupied average monthly rent ("Occupied AMR") in accordance with local conditions in each of its markets;
- upgrade the quality and diversification of the property portfolio through repositioning and capital recycling initiatives to grow earnings and cash flow potential;
- invest capital and adopt leading-edge technologies and solutions to enhance environmental and operational efficiencies, risk management and to help ensure life safety and satisfaction of residents; and
- maintain strong financial management and a conservative and well-balanced capital structure to increase FFO per unit and NAV per unit, and provide long-term, stable and growing cash distributions for holders of Trust Units ("Unitholders").

To meet its objectives, CAPREIT has established the following strategies:

Customer Service	CAPREIT is focused on people. We strive to be the housing provider of choice by providing residents with a safe, comfortable and enjoyable living environment. CAPREIT takes a hands-on approach to managing its properties, emphasizing open and frequent communications to ensure residents' needs are met, with the objective of maintaining a high level of resident satisfaction as well as increasing and maintaining occupancy. Numerous initiatives and partnerships, such as newsletters, social events, resident gardens, resident committees and more, are aimed at building a true sense of community. CAPREIT's sales, marketing and customer experience teams continue to execute on strategies to help attract and retain residents and adapt to changing conditions in each of its local markets. Additionally, the Resident Portal enhances service transparency, facilitates seamless communication, and streamlines maintenance requests, ensuring residents have access to the resources they need. CAPREIT also monitors resident satisfaction through annual surveys, community conversations, and real-time feedback channels, allowing for continuous improvement. These efforts, combined with CAPREIT's lease administration system, improve control of rent-setting by suite, increase resident service and enhance the overall profile and satisfaction of its resident base.

Cost Management	While ensuring the needs of its residents are met, CAPREIT also carefully monitors operating costs in order to deliver services to residents both efficiently and cost-effectively. CAPREIT strives to capture potential economies of scale and cost synergies generated by the size and geographic allocation of its property portfolio. CAPREIT's enterprise-wide procurement system streamlines and centralizes purchasing controls, policies and procedures and is obtaining the most economical pricing through competitive sourcing contracts, improved pricing and enhanced operating efficiencies.

Optimizing the Portfolio	CAPREIT aims to continuously improve the quality of its portfolio and earnings through a variety of initiatives, including accretive acquisitions of well-located and high-performing Canadian apartment properties, and dispositions of certain older, non-core properties, in accordance with its strategic criteria and market opportunities. CAPREIT seeks to enhance the portfolio's geographic exposure by increasing its concentration in attractive, high-growth Canadian regions with strong long-term market fundamentals. Its repositioning program also aims to increase net operating income ("NOI"), reduce risk and diversify its resident base. The funds from its non-core divestitures are primarily used to acquire additional, well-located and high-performing properties that are in line with CAPREIT's current strategy, to pay down debt or for other strategic or general trust purposes, depending on market conditions and the most accretive avenue for capital deployment. Management believes the continued reinvestment of capital is a fundamental component of its value-creation strategy, and underpins its ability to maximize the earnings and cash flow potential of its property portfolio and drive increasingly strong long-term performance.

Capital Investments	CAPREIT is committed to improving its operating performance by investing capital in projects that will sustain or enhance the portfolio's rental income-generating potential. CAPREIT continues to invest in innovative technology solutions that enhance productivity, as well as in environment-friendly, energy-saving, resiliency and water efficiency initiatives that improve NOI while reducing the portfolio's environmental footprint. CAPREIT completes a review of its portfolio and revises its long-term capital investment plan on an annual basis, which allows management to ensure capital investments extend the useful economic life of CAPREIT's properties, enhance their environmental resilience, improve life safety, maximize earnings and improve the long-term cash flow potential of its portfolio.

Environmental, Social and Governance ("ESG")	CAPREIT continues to review and refine its multi-year ESG strategy, and maintain alignment with its corporate vision. CAPREIT's overarching commitments include ensuring that its buildings and services meet the highest standards achievable; fostering a culture where diversity, equity and inclusion are foundational; and ultimately integrating ESG into all aspects of CAPREIT's business and throughout all levels of its organization, supported by strong corporate governance and comprehensive ESG disclosures. These commitments allow CAPREIT to better demonstrate its environmental responsibility; attract and retain the best people in the business in which it operates; build and maintain strong relationships with its residents and the communities in which they live; adopt best practice programs in corporate governance; monitor its progress on ESG priorities; and maintain open and transparent communication with investors and other stakeholders. For more information on CAPREIT's ESG strategy, see the 2024 ESG Report that was issued in May 2025.

Financial Management	CAPREIT takes a conservative approach to financial management and strives to minimize its exposure to interest rate volatility by proactively managing its mortgage debt portfolio to fix and, where possible, reduce average interest rates, stagger maturity dates and effectively manage the average term to maturity. In addition, CAPREIT strives to maintain a conservative overall liquidity position and achieve an optimal balance in its capital resource requirements between debt and equity.

SECTION II: PORTFOLIO OVERVIEW

KEY PERFORMANCE INDICATORS

To assist management and investors in monitoring and evaluating CAPREIT's achievement of its objectives, CAPREIT has defined a number of key operating and performance indicators ("KPIs") to measure the success of its operating and financial strategies.

Occupancy – Through a focused, hands-on approach, CAPREIT strives to achieve optimal occupancies depending on market conditions in each of the geographic regions where it operates.

Occupied AMR – Through its active property management strategies, lease administration system and proactive capital investment programs, CAPREIT strives to achieve increasing Occupied AMR in accordance with local market conditions and rent control legislation, as applicable. Management believes same property Occupied AMR will continue to gradually increase, providing the basis for sustainable year-over-year increases in revenue.

NOI and Same Property NOI – NOI and same property NOI are widely used operating performance indicators in the real estate industry. NOI is presented in CAPREIT's consolidated interim statements of net income and comprehensive income. Same property NOI is based on the operating performance of properties fully owned by CAPREIT in the current and prior year comparative periods, excluding properties that are classified as assets held for sale as at period-end. NOI and same property NOI may not, however, be comparable to similar measures presented by other real estate investment trusts or companies.

FFO per unit – CAPREIT is focused on achieving steady increases in this metric. Management believes this measure is indicative of CAPREIT's overall operating performance.

FFO Payout Ratio – This ratio is meant to monitor the FFO that is retained at CAPREIT to potentially fund investment opportunities, capital initiatives or repay debt, after factoring in distributions, and is not meant to be a measure of the sustainability of CAPREIT's distributions. Although CAPREIT intends to continue to sustain and grow distributions, the actual amount of distributions in respect of the CAPREIT units will depend upon numerous factors including, but not limited to, the amount of debt refinancings, capital expenditures and other factors that may be beyond the control of CAPREIT.

Leverage Ratios and Terms – CAPREIT takes a proactive approach with its mortgage portfolio, striving to manage interest expense volatility risk by fixing the lowest possible average interest rates for long-term mortgages, while mitigating refinancing risk by prudently managing the portfolio's average term to maturity and staggering the maturity dates. For this purpose, CAPREIT strives to ensure its overall leverage ratios and interest and debt service coverage ratios are maintained at a sustainable level. CAPREIT focuses on maintaining capital adequacy by complying with investment and debt restrictions in its DOT and the financial covenants in its credit facility and mortgage agreements. CAPREIT's credit agreements consist of a revolving acquisition and operating facility, which can be borrowed in Canadian dollars, US dollars ("USD") or euros, ("Acquisition and Operating Facility"), the unsecured non-revolving construction and term credit facility to reduce greenhouse gas ("GHG") emissions ("GHG Reduction Facility"), and the ERES revolving credit facility ("ERES Credit Facility") (collectively, the "Credit Facilities"), as described under Liquidity and Financial Condition in Section V.

NAV per unit – Management believes that this measure reflects the residual value of CAPREIT to its Unitholders as at the reporting date and is therefore used by management to evaluate the net asset value attributable to Unitholders, and changes thereon based on the execution of CAPREIT's strategy.

PERFORMANCE MEASURES

The following tables present an overview of certain IFRS and Non-IFRS Measures of CAPREIT as at June 30, 2025, December 31, 2024 and June 30, 2024 and for the three and six months ended June 30, 2025 and June 30, 2024. Management believes these measures are useful in assessing CAPREIT's operating and financial performance in relation to its objectives and business strategy.

As at	June 30, 2025	December 31, 2024	June 30, 2024
Total Portfolio Performance and Other Measures			
Number of suites and sites[1]	**46,924**	48,696	64,155
Investment properties[2] (000s)	**$ 14,481,143**	$ 14,868,362	$ 16,600,604
Assets held for sale (000s)	**$ 586,738**	$ 307,460	$ 221,007
Occupied AMR[1]			
Canadian Residential Portfolio[3]	**$ 1,693**	$ 1,636	$ 1,577
The Netherlands Residential Portfolio	**€ 1,245**	€ 1,222	€ 1,072
Occupancy[1]			
Canadian Residential Portfolio[3]	**98.3 %**	97.5 %	98.2 %
The Netherlands Residential Portfolio	**91.0 %**	94.6 %	97.7 %
Total Portfolio[4]	**97.9 %**	97.2 %	97.7 %

[1] As at June 30, 2025, includes 1,556 suites classified as assets held for sale in Europe (December 31, 2024 – 1,803 suites and sites in Canada and Europe, June 30, 2024 – 816 suites in Canada and Europe), but excludes commercial suites.
[2] Investment properties exclude assets held for sale.
[3] Excludes MHC sites.
[4] Includes MHC sites, as applicable.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Financial Performance				
Operating revenues (000s)	**$ 254,434**	$ 278,126	**$ 507,745**	$ 553,942
NOI (000s)	**$ 169,802**	$ 186,281	**$ 327,821**	$ 363,330
NOI margin	**66.7 %**	67.0 %	**64.6 %**	65.6 %
Same property NOI (000s)	**$ 154,076**	$ 146,858	**$ 296,960**	$ 286,075
Same property NOI margin	**66.3 %**	65.9 %	**64.0 %**	64.4 %
Net income (000s)	**$ 74,475**	$ 112,072	**$ 82,460**	$ 294,185
FFO per unit – diluted[1]	**$ 0.661**	$ 0.644	**$ 1.246**	$ 1.253
Distributions per unit	**$ 0.388**	$ 0.363	**$ 0.771**	$ 0.725
FFO payout ratio[1]	**58.5 %**	56.2 %	**61.8 %**	57.8 %

[1] These measures are not defined by IFRS, do not have standard meanings and may not be comparable with other industries or companies (see Section I – Non-IFRS Measures). For a reconciliation to IFRS, see Section VI – Non-IFRS Measures.

As at	June 30, 2025	December 31, 2024	June 30, 2024
Financing Metrics and Liquidity			
Total debt to gross book value[1]	**38.5%**	38.4%	41.5%
Weighted average mortgage effective interest rate[2]	**3.17%**	3.11%	2.91%
Weighted average mortgage term (years)[2]	**4.5**	4.8	4.7
Debt service coverage ratio (times)[1][3]	**1.9x**	1.9x	1.8x
Interest coverage ratio (times)[1][3]	**3.3x**	3.3x	3.3x
Cash and cash equivalents (000s)[4]	**$ 28,639**	$ 136,243	$ 78,238
Available borrowing capacity – Acquisition and Operating Facility (000s)[5]	**$ 61,919**	$ 500,292	$ 400,938
Capital			
Unitholders' equity (000s)	**$ 8,879,025**	$ 9,027,312	$ 9,431,748
Net asset value (000s)[1]	**$ 8,935,968**	$ 9,042,068	$ 9,334,521
Total number of units – diluted (000s)[6]	**159,168**	162,927	169,562
Net asset value per unit – diluted[1]	**$ 56.14**	$ 55.50	$ 55.05

(1) This measure is not defined by IFRS, does not have standard meaning and may not be comparable with other industries or companies (see Section I – Non-IFRS Measures). For a reconciliation to IFRS, see Section VI – Non-IFRS Measures.
(2) Excludes liabilities related to assets held for sale, as applicable.
(3) Based on the trailing four quarters.
(4) Consists of $11,709 and $16,930 in Canada and Europe, respectively (December 31, 2024 – $122,941 and $13,302, respectively, June 30, 2024 – $7,558 and $70,680, respectively).
(5) Excludes an accordion option of $400,000 (December 31, 2024 – $200,000, June 30, 2024 – $200,000).
(6) Consists of Trust Units, which are classified as Unitholders' Equity, as well as Exchangeable LP Units, deferred units ("DUs"), restricted unit rights ("RURs") and performance unit rights ("PURs"), which are classified as liabilities. See Section VI – Unit Calculations, Distributions, Non-IFRS Measures and Other Information for details.

SUMMARY OF Q2 2025 RESULTS OF OPERATIONS

Strategic Initiatives Update

- For the three months ended June 30, 2025, CAPREIT acquired two properties with 139 suites in Canada for a total gross purchase price of $54.5 million (excluding transaction costs and other adjustments). For the six months ended June 30, 2025, CAPREIT acquired four properties with 420 suites in Canada for a total gross purchase price of $152.1 million (excluding transaction costs and other adjustments).

- For the three months ended June 30, 2025, CAPREIT disposed of 357 sites in the last remaining MHC property located in Moncton, New Brunswick; a non-core residential property with 56 suites located in Summerside, Prince Edward Island and two single residential suites located in the Netherlands. The gross sale price was $23.1 million, consisting of $21.7 million in Canada and $1.4 million in Europe (excluding transaction costs and other adjustments). For the six months ended June 30, 2025, CAPREIT disposed of 2,196 suites and sites for a total gross sale price of $411.0 million, consisting of $274.3 million in Canada and $136.7 million in Europe (excluding transaction costs and other adjustments). CAPREIT is currently targeting the disposition of approximately $400 million of non-core Canadian properties in 2025.

- On April 2, 2025, CAPREIT announced that a subsidiary of ERES has entered into an agreement to sell entities owning 1,446 residential suites in the Netherlands for gross proceeds, net of estimated adjustments, of approximately $522.0 million. Subject to the satisfaction of closing conditions, the announced disposition is expected to close on September 15, 2025. ERES also entered into several agreements to sell its German commercial property and one of its residential properties in the Netherlands for total gross proceeds of approximately $45.4 million. The sales are expected to close in the third quarter of 2025. There can be no assurance that all requirements for closing will be obtained, satisfied or waived.

- Subject to the completion of certain pending dispositions in accordance with the terms and timing disclosed, ERES has announced an intention to declare a special distribution to unitholders of ERES of an estimated €0.90 per ERES Unit and ERES Class B LP Unit, payable in cash in September 2025. The ERES special distribution has not yet been declared and there can be no assurance as to the timing or quantum of such a distribution. ERES also announced its intention to cease its regular monthly cash distributions. Subject to completion of the pending dispositions, the anticipated final ERES regular monthly distribution is to be declared in August 2025, with payment in September 2025. Please refer to ERES's press release dated July 31, 2025 for more information.

- Furthermore, as previously announced, ERES has launched a sale process for all or a portion of the balance of the ERES portfolio. There can be no assurance that this process will result in the successful completion of the sale of any portion of the remaining portfolio or that such sales will be completed at, or above, reported IFRS fair value. It is anticipated that the proceeds of any such sales will be distributed to unitholders of ERES after deducting transaction expenses, taxes, wind-up costs and other costs and expenses, which could be significant.

- On May 15, 2025, CAPREIT filed a base shelf prospectus and a prospectus supplement to renew its at-the-market program ("ATM Program") that allows CAPREIT, at its sole discretion, to issue Trust Units up to an aggregate sale price of $300 million from treasury to the public from time to time, directly on the TSX or on other marketplaces on which the Trust Units are listed or quoted in Canada or where the Trust Units are traded in Canada, at prevailing market prices. The ATM Program will be valid until June 15, 2027 unless terminated prior to such date. CAPREIT's previous ATM program, which commenced on February 22, 2024, ceased upon the establishment of the renewed ATM Program. During the three and six months ended June 30, 2025, no Trust Units were issued under the ATM Program.

- During the three months ended June 30, 2025, CAPREIT purchased and cancelled approximately 3.4 million Trust Units, under the Normal Course Issuer Bid ("NCIB") program, at a weighted average purchase price of $42.43 per Trust Unit, for a total cost of $146.4 million (excluding the federal 2% tax on repurchases of Trust Units). During the six months ended June 30, 2025, CAPREIT purchased and cancelled approximately 4.0 million of Trust Units, under the NCIB program, at a weighted average purchase price of $42.49 per Trust Unit, for a total cost of $171.9 million (excluding the federal 2% tax on repurchases of Trust Units).

Operating Results

- On turnovers and renewals, monthly residential rents for the three and six months ended June 30, 2025 increased by 3.8% and 3.5%, respectively, for the Canadian residential portfolio, compared to 7.5% and 5.0%, respectively, for the three and six months ended June 30, 2024.

- Same Property Occupied AMR for the Canadian residential portfolio as at June 30, 2025 increased by 5.2% compared to June 30, 2024, while same property occupancy for the Canadian residential portfolio increased to 98.3% (June 30, 2024 - 98.2%).

- NOI for the same property portfolio increased by 4.9% and 3.8%, respectively, for the three and six months ended June 30, 2025, compared to the same periods last year. Additionally, NOI margin for the same property portfolio increased to 66.3%, up 0.4%, for the three months ended June 30, 2025, and decreased to 64.0%, down 0.4%, for the six months ended June 30, 2025, compared to the same periods last year.

- Diluted FFO per unit was up 2.6% for the three months ended June 30, 2025 compared to the same periods last year, primarily due the impact of Trust Units purchased and cancelled through the NCIB program and lower interest expense on credit facilities payable and mortgages payable, partially offset by the lost NOI from disposed properties. Diluted FFO per unit was down 0.6% for the six months ended June 30, 2025 compared to the same period last year, primarily due to lost NOI from disposed properties, partially offset by lower interest expense on credit facilities payable and mortgages payable and by the impact of Trust Units purchased and cancelled through the NCIB program.

Balance Sheet Highlights

- As at June 30, 2025, CAPREIT's financial position remains strong, with approximately $73.6 million of available Canadian liquidity, comprising $11.7 million of Canadian cash and cash equivalents and $61.9 million of available capacity on its Acquisition and Operating Facility, excluding the $400 million accordion option.

- To date, CAPREIT completed financings totalling $93.9 million, with a weighted average term to maturity of 5.0 years and a weighted average interest rate of 3.60% per annum.

- For the six months ended June 30, 2025, the overall carrying value of investment properties (excluding assets held for sale) decreased by $387.2 million primarily due to transfers to assets held for sale of $586.7 million, dispositions of $102.0 million and fair value loss of $40.8 million, partially offset by acquisitions of $155.4 million, property capital investments of $104.3 million and foreign currency translation adjustment of $82.6 million.

- Diluted NAV per unit as at June 30, 2025 increased to $56.14 from $55.56 as at March 31, 2025 primarily due to the effects of accretive purchases of Trust Units for cancellation through the NCIB program.

Subsequent Events

- On July 10, 2025, CAPREIT acquired an additional 30 suites in Canada for a total gross purchase price of $13.0 million (excluding transaction costs and other adjustments).

- On July 31, 2025, CAPREIT disposed of a Belgian commercial property for a total gross sale price of $38.8 million (excluding transaction costs and other adjustments).

- Effective February 28, 2025, CAPREIT amended the maximum borrowing capacity on its Acquisition and Operating Facility from $600 million to $200 million in an effort to actively manage capital and reduce financing fees. On July 9, 2025, CAPREIT received approval from its lender to temporarily increase the maximum borrowing capacity on the Acquisition and Operating Facility from $200 million to $400 million until September 30, 2025 (inclusive). CAPREIT strategically increased the borrowing capacity temporarily to fund acquisitions, capital investments, and other general trust purposes in anticipation of proceeds in the third quarter of 2025 from the anticipated special distribution from ERES that was first announced on April 2, 2025.

- Subsequent to June 30, 2025, CAPREIT purchased and cancelled approximately 0.3 million Trust Units under the 2025-2026 NCIB, at a weighted average purchase price of $44.50 per Trust Unit, for a total cost of $15.3 million (excluding the federal 2% tax on repurchases of Trust Units).

SECTION III: OPERATIONAL AND FINANCIAL RESULTS

OCCUPIED AVERAGE MONTHLY RENTS AND OCCUPANCY

Occupied AMR is defined as actual residential rents divided by the total number of occupied suites or sites in the property, and does not include revenues from parking, laundry or other sources. Same property Occupied AMR and occupancy include all properties held as at June 30, 2024, but exclude properties disposed of or held for sale as at June 30, 2025.

Occupied AMR and Occupancy by Geography

	Total Portfolio[1]				Same Property			
As at June 30,	**2025**		**2024**		**2025**		**2024**	
	Occupied AMR	**Occ. %**	**Occupied AMR**	**Occ. %**	**Occupied AMR**	**Occ. %**	**Occupied AMR**	**Occ. %**
Residential Suites								
Ontario								
Greater Toronto Area	**$ 1,828**	**98.7**	$ 1,742	98.8	**$ 1,821**	**98.7**	$ 1,747	98.8
London / Kitchener / Waterloo	**1,427**	**98.7**	1,356	98.6	**1,427**	**98.7**	1,356	98.6
Ottawa	**1,993**	**99.5**	1,833	99.9	**1,919**	**99.5**	1,833	99.9
	$ 1,766	**98.8**	$ 1,678	98.8	**$ 1,753**	**98.8**	$ 1,679	98.8
Québec								
Greater Montréal Region	**$ 1,420**	**97.9**	$ 1,259	96.8	**$ 1,396**	**97.8**	$ 1,304	96.6
Québec City	**1,426**	**97.3**	1,316	97.7	**1,426**	**97.3**	1,344	98.0
	$ 1,421	**97.8**	$ 1,273	97.0	**$ 1,404**	**97.7**	$ 1,314	97.0
British Columbia								
Greater Vancouver Area	**$ 1,974**	**97.5**	$ 1,801	98.8	**$ 1,899**	**97.5**	$ 1,801	98.8
Victoria and Other British Columbia	**1,737**	**98.7**	1,663	98.3	**1,737**	**98.7**	1,663	98.3
	$ 1,893	**97.9**	$ 1,752	98.6	**$ 1,840**	**97.9**	$ 1,752	98.6
Nova Scotia								
Halifax	**$ 1,678**	**98.0**	$ 1,578	97.7	**$ 1,678**	**98.0**	$ 1,578	97.7
Alberta								
Calgary	**$ 1,568**	**98.9**	$ 1,444	99.3	**$ 1,568**	**98.9**	$ 1,444	99.3
Edmonton	**1,742**	**97.0**	1,633	94.1	**1,684**	**96.2**	1,633	94.1
	$ 1,641	**98.1**	$ 1,511	97.4	**$ 1,610**	**97.9**	$ 1,511	97.4
Prince Edward Island								
Charlottetown	**$ 1,500**	**94.1**	$ 1,305	100.0	**$ 1,500**	**94.1**	$ 1,473	100.0
Saskatchewan								
Regina	**$ 1,416**	**99.6**	$ 1,303	96.2	**$ 1,416**	**99.6**	$ 1,303	96.2
Total Canadian residential suites	**$ 1,693**	**98.3**	$ 1,577	98.2	**$ 1,674**	**98.3**	$ 1,592	98.2
MHC Sites								
Total MHC sites	**$ —**	**—**	$ 450	95.9	**$ —**	**—**	$ —	—
Total Canadian portfolio	**$ 1,693**	**98.3**	$ 1,343	97.7	**$ 1,674**	**98.3**	$ 1,592	98.2
Europe								
The Netherlands residential portfolio	**€ 1,245**	**91.0**	€ 1,072	97.7	**€ 1,303**	**92.9**	€ 1,220	98.2
Total portfolio		**97.9**		97.7		**98.2**		98.2

(1) Includes assets held for sale, as applicable.

The rate of growth in total portfolio Occupied AMR has been primarily driven by (i) new acquisitions completed over the past 12 months; and (ii) same property operational growth. The rate of growth in same property Occupied AMR has been primarily due to (i) rental increases on turnover in the rental markets of most provinces across the Canadian portfolio; and (ii) rental increases on renewals.

Occupancy for the total portfolio as at June 30, 2025 increased by 0.2% to 97.9% compared to June 30, 2024. Occupancy for the total Canadian residential portfolio as at June 30, 2025 increased by 0.1% to 98.3% compared to June 30, 2024. Occupancy for the Netherlands total portfolio as at June 30, 2025 decreased by 6.7% to 91.0% compared to June 30, 2024, predominantly related to suites held vacant for dispositions.

The weighted average gross rent per square foot for total Canadian residential suites was approximately $2.03 as at June 30, 2025 and increased from $1.86 as at June 30, 2024.

Annual Rental Guidelines as per Rental Board

The table below presents the annual rental guideline increases in CAPREIT's largest Canadian provinces of operations under rent control legislation impacting lease renewals, if applicable.

	2026[1]	**2025[2]**	**2024[3]**
Ontario	2.1%	**2.5%**	2.5%
British Columbia	N/A	**3.0%**	3.5%

[1] Ontario has capped the rental guideline increase at 2.1%, in line with the Ontario Consumer Price Index at the time of announcement of the 2026 annual rental guideline.

[2] Ontario has capped the rental guideline increase at 2.5%, below the rate of inflation at the time of announcement. Without the cap, the rental guideline increase would have been calculated to be 3.1%, based on the average Ontario Consumer Price Index at the time of announcement of the 2025 annual rental guideline. British Columbia has capped the rental guideline increase at 3.0%, in line with the British Columbia Price Index at the time of announcement of the 2025 annual rental guideline.

[3] Ontario and British Columbia have capped the rental guideline increases at 2.5% and 3.5%, respectively, below rates of inflation at the time of the announcements. Without the cap, the rental guideline increases would have been calculated to be 5.9% and 5.6%, respectively, based on the average Ontario and British Columbia Consumer Price Indices at the time of announcement of the 2024 annual rental guidelines.

CAPREIT's strategy is focused on upgrading portfolio quality through accretive acquisitions of well-located and high-performing properties, alongside selected non-core or opportunistic dispositions. As a result, AGIs and additional rental increases are an insignificant component of CAPREIT's operations, with applications only active for selected suites meeting certain criteria.

Suite Turnovers and Lease Renewals – Total Residential Portfolio

The tables below summarize the changes in the monthly rent due to suite turnovers and lease renewals compared to the prior year.

Canadian Residential Portfolio

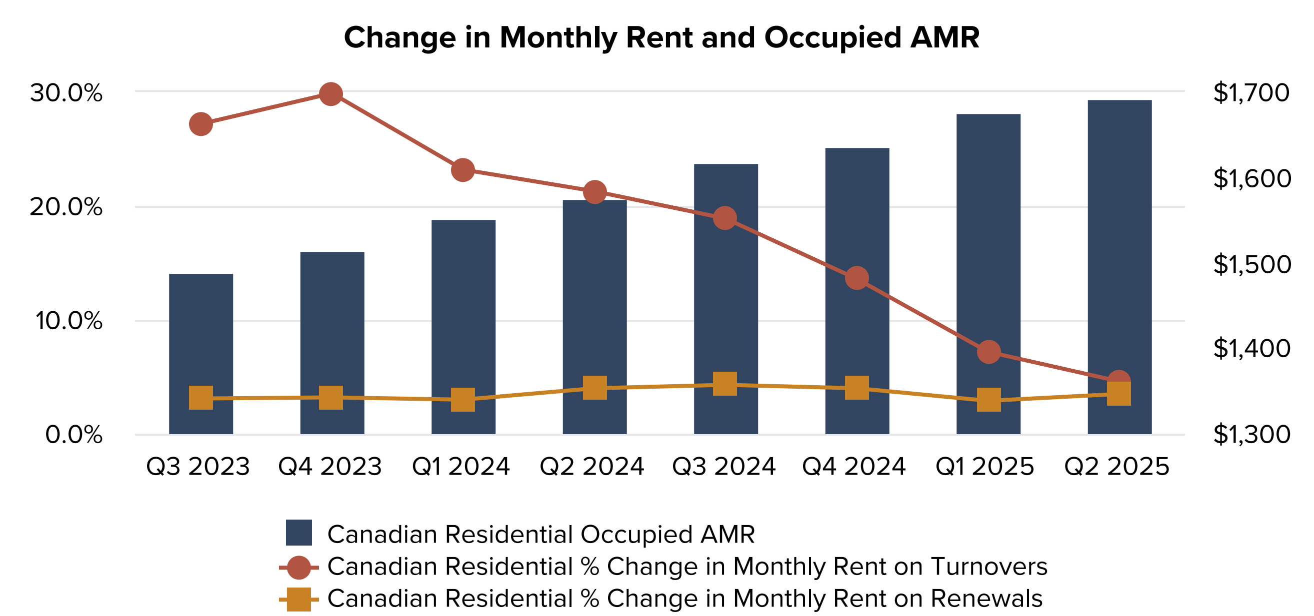
For the Three Months Ended June 30,	2025		2024	
	Change in Monthly Rent	Turnovers and Renewals of Suites[1]	Change in Monthly Rent	Turnovers and Renewals of Suites[1]
	%	%	%	%
Suite turnovers	**4.6**	**5.1**	21.3	3.4
Lease renewals	**3.5**	**14.2**	4.0	14.5
Weighted average of turnovers and renewals	**3.8**		7.5	

[1] Percentage of suites turned over or renewed during the period is based on the total weighted average number of residential suites (excluding MHC sites) held during the period.

For the Six Months Ended June 30,	2025		2024	
	Change in Monthly Rent	Turnovers and Renewals of Suites[1]	Change in Monthly Rent	Turnovers and Renewals of Suites[1]
	%	%	%	%
Suite turnovers	**5.7**	**9.0**	22.0	5.8
Lease renewals	**3.1**	**56.1**	3.2	59.5
Weighted average of turnovers and renewals	**3.5**		5.0	

[1] Percentage of suites turned over or renewed during the period is based on the total weighted average number of residential suites (excluding MHC sites) held during the period.

Change in monthly rent on suite turnovers has decreased over the last few quarters while lease renewals remain stable due to rent controls in certain provinces. The following graph illustrates the change in monthly rent on turnovers and renewals, as well as Occupied AMR (excluding MHC sites), for the trailing eight quarters.



The Netherlands Residential Portfolio

For the Three Months Ended June 30,	2025		2024	
	Change in Monthly Rent	Turnovers and Renewals of Suites(1)	Change in Monthly Rent	Turnovers and Renewals of Suites(1)
	%	%	%	%
Suite turnovers(2)	**3.6**	**1.0**	17.3	1.9
Lease renewals	**—**	**—**	—	—
Weighted average of turnovers and renewals	**3.6**		17.3	

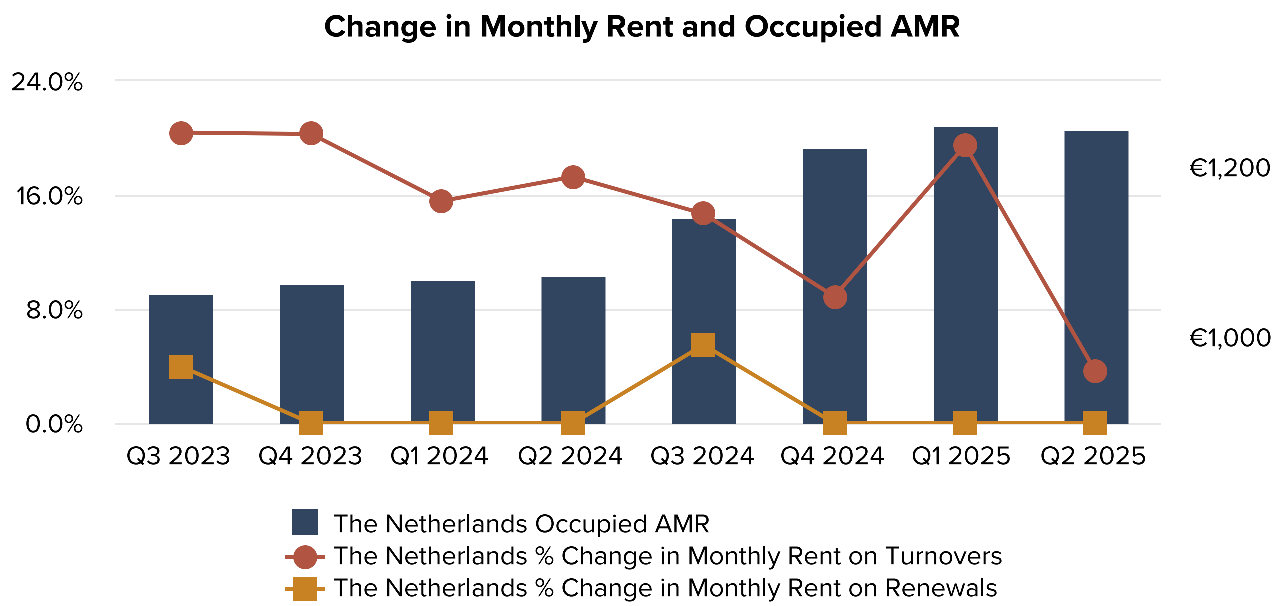
(1) Percentage of suites turned over during the period is based on the total weighted average number of the Netherlands residential suites held during the period.
(2) On turnover, rents increased by 3.6% on 2.6% of the Netherlands same property residential portfolio for the three months ended June 30, 2025 compared to an increase of 9.1% on 3.9% of the Netherlands same property residential portfolio for the three months ended June 30, 2024. Same property residential portfolio for turnover purposes includes all properties continuously owned since December 31, 2023, and excludes properties and suites disposed of or held for sale as at June 30, 2025.

For the Six Months Ended June 30,	2025		2024	
	Change in Monthly Rent	Turnovers and Renewals of Suites(1)	Change in Monthly Rent	Turnovers and Renewals of Suites(1)
	%	%	%	%
Suite turnovers(2)	**13.4**	**2.3**	16.3	5.0
Lease renewals	**—**	**—**	—	—
Weighted average of turnovers and renewals	**13.4**		16.3	

(1) Percentage of suites turned over during the period is based on the total weighted average number of the Netherlands residential suites held during the period.
(2) On turnover, rents increased by 13.4% on 6.1% of the Netherlands same property residential portfolio for the six months ended June 30, 2025 compared to an increase of 9.5% on 8.3% of the Netherlands same property residential portfolio for the six months ended June 30, 2024. Same property residential portfolio for turnover purposes includes all properties continuously owned since December 31, 2023, and excludes properties and suites disposed of or held for sale as at June 30, 2025.

As the Netherlands lease renewals occur once a year in July, there were no changes in lease renewals for the three and six months ended June 30, 2025 and June 30, 2024. For rent renewal increases due to indexation beginning on July 1, 2025, ERES served tenant notices to 85% of the residential portfolio, across which the average rental increase due to indexation and household income adjustment is 4.0%. In the prior year period, ERES renewed leases for 94% of the residential portfolio, across which the average rental increase due to indexation and household income adjustment was 5.5%.

Change in monthly rent on suite turnovers has decreased over the last few quarters while lease renewals show moderate increases during the annual renewal month. The following graph illustrates the change in monthly rent on turnovers and renewals, as well as Occupied AMR, for the trailing eight quarters.



Tenant Inducements and Expected Credit Losses – Total Portfolio

($ Thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	**%[1]**	2024	%[1]	**2025**	**%[1]**	2024	%[1]
New tenant inducements granted – residential	**$ 2,563**		$ 581		**$ 6,647**		$ 962	
New tenant inducements granted – commercial	**—**		—		**67**		6	
Total new tenant inducements granted	**$ 2,563**		$ 581		**$ 6,714**		$ 968	
Tenant inducements amortized	**$ 1,993**	**0.8**	$ 407	0.1	**$ 3,345**	**0.7**	$ 780	0.1
Expected credit losses	**$ 1,984**	**0.8**	$ 1,056	0.4	**$ 4,051**	**0.8**	$ 2,469	0.4
Operating Revenues	**$ 254,434**		$ 278,126		**$ 507,745**		$ 553,942	

[1] As a percentage of total operating revenues.

For the three and six months ended June 30, 2025, both tenant inducements granted and expected credit losses increased compared to the prior periods. This increase is observed across multiple regions, with the highest increases in Ontario, Québec and British Columbia. The elevated tenant inducements are a strategic move to stabilize occupancy and remain competitive in the market. Similarly, the rise in expected credit losses is primarily due to various tenant-related factors. CAPREIT continues to monitor these trends closely and is implementing measures to mitigate their impact.

RESULTS OF OPERATIONS

The table below summarizes revenue from investment properties by region for the three and six months ended June 30, 2025 and June 30, 2024. Revenue is composed of residential, commercial and ancillary revenue.

Total Operating Revenues by Geography

	Three Months Ended June 30,				Six Months Ended June 30,			
	2025		2024		2025		2024	
($ Thousands)	Revenue	%	Revenue	%	Revenue	%	Revenue	%
Residential Suites								
Ontario								
Greater Toronto Area	**$ 93,421**	**36.8**	$ 94,938	34.2	**$ 187,950**	**37.0**	$ 189,355	34.2
London / Kitchener / Waterloo	**18,029**	**7.1**	17,083	6.1	**35,828**	**7.1**	32,119	5.8
Ottawa	**10,291**	**4.0**	8,457	3.0	**20,408**	**4.0**	16,745	3.0
	$ 121,741	**47.9**	$ 120,478	43.3	**$ 244,186**	**48.1**	$ 238,219	43.0
Québec								
Greater Montréal Region	**$ 33,490**	**13.2**	$ 31,268	11.2	**$ 67,013**	**13.2**	$ 63,217	11.4
Québec City	**10,275**	**4.0**	10,341	3.7	**20,499**	**4.0**	21,153	3.8
	$ 43,765	**17.2**	$ 41,609	14.9	**$ 87,512**	**17.2**	$ 84,370	15.2
British Columbia								
Greater Vancouver Area	**$ 24,752**	**9.7**	$ 21,699	7.8	**$ 49,031**	**9.7**	$ 43,932	7.9
Victoria and Other British Columbia	**11,644**	**4.6**	11,230	4.0	**23,159**	**4.6**	22,343	4.0
	$ 36,396	**14.3**	$ 32,929	11.8	**$ 72,190**	**14.3**	$ 66,275	11.9
Nova Scotia								
Halifax	**$ 17,642**	**6.9**	$ 16,626	6.0	**$ 35,029**	**6.9**	$ 32,846	5.9
Alberta								
Calgary	**$ 8,263**	**3.2**	$ 7,754	2.8	**$ 16,441**	**3.2**	$ 15,314	2.8
Edmonton	**5,966**	**2.3**	3,298	1.2	**11,382**	**2.2**	6,468	1.2
	$ 14,229	**5.5**	$ 11,052	4.0	**$ 27,823**	**5.4**	$ 21,782	4.0
Prince Edward Island								
Charlottetown	**$ 940**	**0.4**	$ 1,677	0.6	**$ 2,073**	**0.4**	$ 3,329	0.6
Saskatchewan								
Regina	**$ 964**	**0.4**	$ 897	0.3	**$ 1,879**	**0.4**	$ 1,754	0.3
Total Canadian residential suites	**$ 235,677**	**92.6**	$ 225,268	80.9	**$ 470,692**	**92.7**	$ 448,575	80.9
MHC Sites								
Total MHC sites	**$ 68**	**0.1**	$ 16,842	6.2	**$ 550**	**0.1**	$ 33,582	6.1
Total Canadian portfolio[1]	**$ 235,745**	**92.7**	$ 242,110	87.1	**$ 471,242**	**92.8**	$ 482,157	87.0
Europe								
The Netherlands[2]	**$ 16,590**	**6.5**	$ 33,184	11.9	**$ 32,318**	**6.4**	$ 66,399	12.0
Other Europe[3]	**2,099**	**0.8**	2,832	1.0	**4,185**	**0.8**	5,386	1.0
	$ 18,689	**7.3**	$ 36,016	12.9	**$ 36,503**	**7.2**	$ 71,785	13.0
Total Portfolio	**$ 254,434**	**100.0**	$ 278,126	100.0	**$ 507,745**	**100.0**	$ 553,942	100.0

(1) Includes revenues for Canadian commercial properties of $5,851 and $5,371 for the three months ended June 30, 2025 and June 30, 2024, respectively, and $12,057 and $11,560 for the six months ended June 30, 2025 and June 30, 2024, respectively.
(2) In € thousands, €10,552 and €22,534 for the three months ended June 30, 2025 and June 30, 2024, respectively. In € thousands, €20,996 and €45,228 for the six months ended June 30, 2025 and June 30, 2024, respectively.
(3) Comprised of ERES's revenues for the commercial properties located in Germany and Belgium. In € thousands, €1,338 and €1,922 for the three months ended June 30, 2025 and June 30, 2024, respectively. In € thousands, €2,719 and €3,667 for the six months ended June 30, 2025 and June 30, 2024, respectively.

Net Operating Income

Management believes NOI is a key indicator of operating performance for CAPREIT and in the real estate industry in general. CAPREIT's NOI includes all rental revenues and other related ancillary income generated at the property level, less: (i) related direct costs such as realty taxes, utilities, repairs and maintenance ("R&M") costs, on-site wages and salaries, insurance costs and expected credit losses; and (ii) an appropriate allocation of corporate overhead costs. It may not, however, be comparable to similar measures presented by other real estate investment trusts or companies.

Management believes same property NOI is a key indicator of operating performance of properties fully owned by CAPREIT in the current and prior year comparative periods. Same properties for the three and six months ended June 30, 2025 are defined as all properties owned by CAPREIT continuously since December 31, 2023, and therefore do not take into account the impact on performance of acquisitions or dispositions completed during 2024 and 2025, or properties that are classified as held for sale as at June 30, 2025. Same property NOI is calculated in accordance with the accounting policies used to prepare total NOI as presented in the consolidated interim statements of net income and comprehensive income.

CAPREIT's investment properties primarily consist of apartment suites but include a number of townhomes in Canada and the Netherlands, which generally have higher NOI margins than apartment suites.

($ Thousands)	Total NOI			Same Property NOI		
For the Three Months Ended June 30,	**2025**	**2024**	%(1)	**2025**	**2024**	%(1)
Operating Revenues						
Rental revenues	**$ 241,934**	$ 264,368	(8.5)	**$ 220,741**	$ 211,142	4.5
Other(2)	**12,500**	13,758	(9.1)	**11,801**	11,699	0.9
Total operating revenues	**$ 254,434**	$ 278,126	(8.5)	**$ 232,542**	$ 222,841	4.4
Operating Expenses						
Realty taxes	**$ (25,004)**	$ (24,681)	1.3	**$ (23,241)**	$ (21,483)	8.2
Utilities	**(13,960)**	(16,785)	(16.8)	**(13,406)**	(14,204)	(5.6)
Other(3)	**(45,668)**	(50,379)	(9.4)	**(41,819)**	(40,296)	3.8
Total operating expenses(4)	**$ (84,632)**	$ (91,845)	(7.9)	**$ (78,466)**	$ (75,983)	3.3
NOI	**$ 169,802**	$ 186,281	(8.8)	**$ 154,076**	$ 146,858	4.9
NOI margin	**66.7 %**	67.0 %		**66.3 %**	65.9 %	

(1) Represents the year-over-year percentage change.
(2) Comprises parking and other ancillary income such as laundry and antenna revenue.
(3) Comprises R&M, wages, insurance, advertising, legal costs and expected credit losses.
(4) Total operating expenses, on a constant currency basis, increased (decreased) by approximately (8.2)% and 3.1%, respectively, for the total and same property portfolio compared to the same periods last year.

($ Thousands)	Total NOI			Same Property NOI		
For the Six Months Ended June 30,	**2025**	**2024**	**%[1]**	**2025**	**2024**	**%[1]**
Operating Revenues						
Rental revenues	**$ 482,737**	$ 526,825	(8.4)	**$ 440,127**	$ 421,190	4.5
Other[2]	**25,008**	27,117	(7.8)	**23,580**	23,143	1.9
Total operating revenues	**$ 507,745**	$ 553,942	(8.3)	**$ 463,707**	$ 444,333	4.4
Operating Expenses						
Realty taxes	**$ (49,808)**	$ (49,500)	0.6	**$ (46,407)**	$ (43,478)	6.7
Utilities	**(37,521)**	(39,946)	(6.1)	**(35,917)**	(34,402)	4.4
Other[3]	**(92,595)**	(101,166)	(8.5)	**(84,423)**	(80,378)	5.0
Total operating expenses[4]	**$ (179,924)**	$ (190,612)	(5.6)	**$ (166,747)**	$ (158,258)	5.4
NOI	**$ 327,821**	$ 363,330	(9.8)	**$ 296,960**	$ 286,075	3.8
NOI margin	**64.6 %**	65.6 %		**64.0 %**	64.4 %	

[1] Represents the year-over-year percentage change.
[2] Comprises parking and other ancillary income such as laundry and antenna revenue.
[3] Comprises R&M, wages, insurance, advertising, legal costs and expected credit losses.
[4] Total operating expenses, on a constant currency basis, increased (decreased) by approximately (5.8)% and 5.2%, respectively, for the total and same property portfolio compared to the same period last year.

The following table reconciles same property NOI and NOI from acquisitions, dispositions and assets held for sale to total NOI for the three and six months ended June 30, 2025 and June 30, 2024:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Same property NOI	**$ 154,076**	$ 146,858	**$ 296,960**	$ 286,075
NOI from acquisitions	**8,365**	1,524	**15,715**	1,748
NOI from dispositions and assets held for sale	**7,361**	37,899	**15,146**	75,507
Total NOI	**$ 169,802**	$ 186,281	**$ 327,821**	$ 363,330

Operating Revenues

For the three months ended June 30, 2025, same property operating revenues increased by $9.7 million, primarily driven by increases in monthly rents on turnovers and renewals. Total operating revenues decreased by $23.7 million during the same period, mainly due to lost revenue from dispositions totalling $44.9 million, primarily due to the MHC and ERES portfolio dispositions in 2024, partially offset by revenue generated from acquisitions totalling $10.1 million and operational growth of $11.1 million, primarily on the same property operating portfolio as at June 30, 2025 and to a lesser extent on assets held for sale as at June 30, 2025.

For the six months ended June 30, 2025, same property operating revenues increased by $19.4 million, primarily driven by increases in monthly rents on turnovers and renewals. Total operating revenues decreased by $46.2 million during the same period, mainly due to lost revenue from dispositions totalling $87.4 million, primarily due to MHC and ERES portfolio dispositions in 2024, partially offset by revenue generated from acquisitions totalling $20.7 million and operational growth of $20.5 million, primarily on the same property operating portfolio as at June 30, 2025 and to a lesser extent on assets held for sale as at June 30, 2025.

Operating Expenses

Realty Taxes

For the three and six months ended June 30, 2025, realty taxes for both the total and same property portfolios increased compared to the same periods in the prior year, primarily due to increases in realty tax rates in certain municipalities within the provinces of British Columbia, Ontario and Québec.

Utilities

CAPREIT's utility costs can be highly variable from year to year depending on energy consumption and rates. The table below summarizes CAPREIT's utility costs by type for the three and six months ended June 30, 2025 and June 30, 2024.

($ Thousands)	Total Utilities			Same Property Utilities[1]		
For the Three Months Ended June 30,	**2025**	**2024**	**%[2]**	**2025**	**2024**	**%[2]**
Electricity	**$ 4,580**	$ 5,163	(11.3)	**$ 4,387**	$ 4,553	(3.6)
Natural gas	**3,030**	3,934	(23.0)	**2,862**	3,613	(20.8)
Water	**6,350**	7,688	(17.4)	**6,157**	6,038	2.0
Total	**$ 13,960**	$ 16,785	(16.8)	**$ 13,406**	$ 14,204	(5.6)

(1) Same property results exclude performance of acquisitions or dispositions completed during 2024 and 2025, or properties that are classified as held for sale as at June 30, 2025. For the three months ended June 30, 2025, total utility costs from acquisitions or dispositions completed during 2025 and 2024, or properties that are classified as held for sale as at June 30, 2025, were $554 (for the three months ended June 30, 2024 – $2,581).
(2) Represents the year-over-year percentage change.

For the three months ended June 30, 2025, total property electricity costs decreased year-over-year mainly due to the MHC portfolio disposition in 2024. In addition, natural gas cost decreased year-over-year for the total and same property portfolio, primarily due to the federal carbon tax removal that came into effect on April 1, 2025. Furthermore, total property water costs decreased year-over-year, mainly due to the MHC portfolio disposition in 2024.

($ Thousands)	Total Utilities			Same Property Utilities[1]		
For the Six Months Ended June 30,	**2025**	**2024**	**%[2]**	**2025**	**2024**	**%[2]**
Electricity	**$ 12,716**	$ 12,952	(1.8)	**$ 12,132**	$ 11,558	5.0
Natural gas	**11,945**	11,805	1.2	**11,363**	10,896	4.3
Water	**12,860**	15,189	(15.3)	**12,422**	11,948	4.0
Total	**$ 37,521**	$ 39,946	(6.1)	**$ 35,917**	$ 34,402	4.4

(1) Same property results exclude performance of acquisitions or dispositions completed during 2024 and 2025, or properties that are classified as held for sale as at June 30, 2025. For the six months ended June 30, 2025, total utility costs from acquisitions or dispositions completed during 2025 and 2024, or properties that are classified as held for sale as at June 30, 2025, were $1,604 (for the six months ended June 30, 2024 – $5,544).
(2) Represents the year-over-year percentage change.

For the six months ended June 30, 2025, same property electricity costs increased year-over-year, mainly due to increased consumption driven by colder weather in Ontario and Québec during the first quarter of 2025. In addition, natural gas expenses increased year-over-year, primarily due to higher rates and fees in Ontario and Québec, and colder weather during the first quarter of 2025. Furthermore, total property portfolio water costs decreased year-over-year, mainly due to the MHC portfolio disposition in 2024. In contrast, same property portfolio water costs increased year-over-year, mainly due to higher water rates in British Columbia and Alberta.

As at June 30, 2025, Canadian tenants who pay their electricity charges directly, through sub-metering or direct metering, represented approximately three-quarters of the total residential portfolio in Canada. Additional suites and sites have sub-metering or direct metering in place, for which the cost of electricity is currently borne by CAPREIT and will be assumed by new tenants upon turnover. CAPREIT will continue to evaluate implementing sub-metering in the remaining suites. Sub-metering lowers utility consumption, resulting in a smaller environmental impact, lower operating expenses and lower inflation exposure. For more information on CAPREIT's energy management, and water and waste management efforts, see the Asset Management section and Property Operations section, respectively, of the 2024 ESG Report.

As at June 30, 2025, Dutch tenants who pay their utility charges directly represented 100% of the total 2,592 suites in the Netherlands.

Other Operating Expenses

For the three and six months ended June 30, 2025, other operating expenses for the total property portfolio decreased by $4.7 million and $8.6 million, respectively, or 9.4% and 8.5%, respectively, when compared to the same period last year, primarily due to net disposition activity.

For the three months ended June 30, 2025, other operating expenses for the same property portfolio increased by $1.5 million, or 3.8%, when compared to the same period last year, primarily due to the following reasons:

- higher expected credit losses of $1.0 million due to delays in regulatory processes in Ontario, as well as factors such as the rising cost of living and elevated past due balances not being cleared by prior tenants across most Canadian regions; and
- higher advertising costs of $0.4 million across most Canadian regions to combat the increase in vacancy due to general rental market conditions.

For the six months ended June 30, 2025, other operating expenses for same property portfolio increased by $4.0 million, or 5.0%, when compared to the same period last year, primarily due to the following reasons:

- higher expected credit losses of $1.4 million due to the same reasons described above;
- higher advertising costs of $0.7 million due to the same reason described above; and
- higher R&M costs in Québec of $1.0 million primarily driven by higher in-suite and common area maintenance needs and weather-related maintenance costs in the first quarter of 2025.

NOI BY REGION

The following tables summarize the total portfolio NOI and NOI margins by region for the three and six months ended June 30, 2025 and June 30, 2024:

For the Three Months Ended June 30,	2025			2024			Increase (Decrease)
($ Thousands)	**NOI**	**NOI %[1]**	**NOI Margin (%)**	**NOI**	**NOI %[1]**	**NOI Margin (%)**	**NOI Change (%)**
Residential Suites							
Ontario							
Greater Toronto Area	**$ 62,334**	**36.8**	**66.7**	$ 61,907	33.1	65.2	**0.7**
London / Kitchener / Waterloo	**12,130**	**7.1**	**67.3**	10,768	5.8	63.0	**12.6**
Ottawa	**7,374**	**4.3**	**71.7**	5,971	3.2	70.6	**23.5**
	$ 81,838	**48.2**	**67.2**	$ 78,646	42.1	65.3	**4.1**
Québec							
Greater Montréal Region	**$ 20,197**	**11.9**	**60.3**	$ 20,019	10.7	64.0	**0.9**
Québec City	**6,529**	**3.8**	**63.5**	6,435	3.5	62.2	**1.5**
	$ 26,726	**15.7**	**61.1**	$ 26,454	14.2	63.6	**1.0**
British Columbia							
Greater Vancouver Area	**$ 18,173**	**10.7**	**73.4**	$ 15,802	8.5	72.8	**15.0**
Victoria and Other British Columbia	**8,351**	**4.9**	**71.7**	8,084	4.3	72.0	**3.3**
	$ 26,524	**15.6**	**72.9**	$ 23,886	12.8	72.5	**11.0**
Nova Scotia							
Halifax	**$ 11,190**	**6.6**	**63.4**	$ 10,227	5.5	61.5	**9.4**
Alberta							
Calgary	**$ 5,110**	**3.0**	**61.8**	$ 4,760	2.6	61.4	**7.4**
Edmonton	**3,374**	**2.0**	**56.6**	2,042	1.1	61.9	**65.2**
	$ 8,484	**5.0**	**59.6**	$ 6,802	3.7	61.5	**24.7**
Prince Edward Island							
Charlottetown	**$ 497**	**0.3**	**52.9**	$ 674	0.4	40.2	**(26.3)**
Saskatchewan							
Regina	**$ 580**	**0.3**	**60.2**	$ 495	0.3	55.2	**17.2**
Total Canadian residential suites	**$ 155,839**	**91.7**	**66.1**	$ 147,184	79.0	65.3	**5.9**
MHC sites							
MHC sites	**$ 44**	**0.1**	**64.7**	$ 10,624	5.7	63.1	**(99.6)**
Total Canadian portfolio[2]	**$ 155,883**	**91.8**	**66.1**	$ 157,808	84.7	65.2	**(1.2)**
Europe							
The Netherlands[3]	**$ 12,402**	**7.3**	**74.8**	$ 26,133	14.0	78.8	**(52.5)**
Other Europe[4]	**1,517**	**0.9**	**72.3**	2,340	1.3	82.6	**(35.2)**
Total Europe portfolio	**$ 13,919**	**8.2**	**74.5**	$ 28,473	15.3	79.1	**(51.1)**
Total portfolio	**$ 169,802**	**100.0**	**66.7**	$ 186,281	100.0	67.0	**(8.8)**

(1) Represents percentage of the portfolio by NOI.
(2) Includes Canadian residential and commercial NOI.
(3) In € thousands, NOI of €7,878 and NOI margin of 74.7% for the three months ended June 30, 2025 compared to NOI of €17,745 and NOI margin of 78.7% for the three months ended June 30, 2024.

(4) Comprised of NOI for the commercial properties located in Germany and Belgium. In € thousands, NOI of €968 and NOI margin of 72.3% for the three months ended June 30, 2025 compared to NOI of €1,588 and NOI margin of 82.6% for the three months ended June 30, 2024.

For the Six Months Ended June 30,	2025			2024			Increase (Decrease)
($ Thousands)	NOI	NOI %(1)	NOI Margin (%)	NOI	NOI %(1)	NOI Margin (%)	NOI Change (%)
Residential Suites							
Ontario							
Greater Toronto Area	**$ 120,642**	**36.8**	**64.2**	$ 121,572	33.4	64.2	**(0.8)**
London / Kitchener / Waterloo	**23,096**	**7.0**	**64.5**	19,545	5.4	60.9	**18.2**
Ottawa	**14,295**	**4.4**	**70.0**	11,789	3.2	70.4	**21.3**
	$ 158,033	**48.2**	**64.7**	$ 152,906	42.0	64.2	**3.4**
Québec							
Greater Montréal Region	**$ 38,612**	**11.8**	**57.6**	$ 38,043	10.5	60.2	**1.5**
Québec City	**12,539**	**3.8**	**61.2**	12,722	3.5	60.1	**(1.4)**
	$ 51,151	**15.6**	**58.5**	$ 50,765	14.0	60.2	**0.8**
British Columbia							
Greater Vancouver Area	**$ 35,610**	**10.9**	**72.6**	$ 31,862	8.8	72.5	**11.8**
Victoria and Other British Columbia	**16,499**	**5.0**	**71.2**	16,001	4.4	71.6	**3.1**
	$ 52,109	**15.9**	**72.2**	$ 47,863	13.2	72.2	**8.9**
Nova Scotia							
Halifax	**$ 20,761**	**6.3**	**59.3**	$ 19,488	5.4	59.3	**6.5**
Alberta							
Calgary	**$ 9,676**	**3.0**	**58.9**	$ 8,771	2.4	57.3	**10.3**
Edmonton	**6,435**	**2.0**	**56.5**	3,749	1.0	58.0	**71.6**
	$ 16,111	**5.0**	**57.9**	$ 12,520	3.4	57.5	**28.7**
Prince Edward Island							
Charlottetown	**$ 1,016**	**0.3**	**49.0**	$ 1,442	0.4	43.3	**(29.5)**
Saskatchewan							
Regina	**$ 1,031**	**0.3**	**54.9**	$ 910	0.3	51.9	**13.3**
Total Canadian residential suites	**$ 300,212**	**91.6**	**63.8**	$ 285,894	78.7	63.7	**5.0**
MHC Sites							
MHC sites	**$ 394**	**0.1**	**71.6**	$ 20,989	5.8	62.5	**(98.1)**
Total Canadian portfolio(2)	**$ 300,606**	**91.7**	**63.8**	$ 306,883	84.5	63.6	**(2.0)**
Europe							
The Netherlands(3)	**$ 24,324**	**7.4**	**75.3**	$ 52,099	14.3	78.5	**(53.3)**
Other Europe(4)	**2,891**	**0.9**	**69.1**	4,348	1.2	80.7	**(33.5)**
Total Europe portfolio	**$ 27,215**	**8.3**	**74.6**	$ 56,447	15.5	78.6	**(51.8)**
Total portfolio	**$ 327,821**	**100.0**	**64.6**	$ 363,330	100.0	65.6	**(9.8)**

(1) Represents percentage of the portfolio by NOI.
(2) Includes Canadian residential and commercial NOI.
(3) In € thousands, NOI of €15,805 and NOI margin of 75.3% for the six months ended June 30, 2025 compared to NOI of €35,487 and NOI margin of 78.5% for the six months ended June 30, 2024.

(4) Comprised of NOI from the commercial properties located in Germany and Belgium. In € thousands, NOI of €1,881 and NOI margin of 69.2% for the six months ended June 30, 2025 compared to NOI of €2,959 and NOI margin of 80.7% for the six months ended June 30, 2024.

SAME PROPERTY NOI BY REGION

Same property NOI by region includes all properties held continuously since December 31, 2023, and therefore does not take into account the impact on performance of acquisitions or dispositions completed during 2024 and 2025, or properties that are disposed of or classified as held for sale as at June 30, 2025. Same property NOI is calculated in accordance with the accounting policies used to prepare total NOI as presented in the consolidated interim statements of net income and comprehensive income. The following tables summarize the same property NOI and NOI margins by region for the three and six months ended June 30, 2025 and June 30, 2024:

For the Three Months Ended June 30,	2025		2024		Increase (Decrease)
($ Thousands)	Same Property NOI	NOI Margin (%)	Same Property NOI	NOI Margin (%)	NOI Change (%)
Residential Suites					
Ontario					
Greater Toronto Area	**$ 61,749**	**66.6**	$ 58,581	65.2	**5.4**
London / Kitchener / Waterloo[1]	**10,559**	**66.4**	9,344	62.1	**13.0**
Ottawa	**6,250**	**71.4**	5,971	70.6	**4.7**
	$ 78,558	**66.9**	$ 73,896	65.2	**6.3**
Québec					
Greater Montréal Region[2]	**$ 18,754**	**59.9**	$ 18,700	64.5	**0.3**
Québec City	**6,521**	**63.5**	6,039	62.5	**8.0**
	$ 25,275	**60.8**	$ 24,739	64.0	**2.2**
British Columbia					
Greater Vancouver Area	**$ 16,098**	**72.9**	$ 15,459	72.7	**4.1**
Victoria and Other British Columbia	**8,351**	**71.7**	8,084	72.0	**3.3**
	$ 24,449	**72.5**	$ 23,543	72.5	**3.8**
Nova Scotia					
Halifax	**$ 10,889**	**63.3**	$ 10,174	61.5	**7.0**
Alberta					
Calgary	**$ 5,108**	**61.8**	$ 4,753	61.3	**7.5**
Edmonton[3]	**1,984**	**59.8**	1,995	62.1	**(0.6)**
	$ 7,092	**61.2**	$ 6,748	61.5	**5.1**
Prince Edward Island					
Charlottetown	**$ 415**	**51.2**	$ 336	40.4	**23.5**
Saskatchewan					
Regina	**$ 580**	**60.2**	$ 495	55.2	**17.2**
Total Canadian residential suites same property[4]	**$ 147,258**	**66.0**	$ 139,931	65.5	**5.2**
Europe					
The Netherlands[5]	**$ 5,301**	**73.9**	$ 5,017	74.9	**5.7**
Other Europe[6]	**1,517**	**72.3**	1,910	81.1	**(20.6)**
Total Europe same property	**$ 6,818**	**73.6**	$ 6,927	76.5	**(1.6)**
Total same property	**$ 154,076**	**66.3**	$ 146,858	65.9	**4.9**
Same property suites and sites	**43,662**		43,662		

(1) Higher NOI margin compared to last year due to increased operating revenue and lower R&M.
(2) Lower NOI margin compared to last year due to increased R&M and realty taxes. Realty taxes were lower in 2024 due to a reassessment adjustment relating to 2023.
(3) Slightly lower NOI margin compared to last year due to increased R&M and expected credit losses.
(4) Includes Canadian residential and commercial NOI.
(5) In € thousands, NOI of €3,380 and NOI margin of 73.9% for the three months ended June 30, 2025 compared to NOI of €3,408 and NOI margin of 74.9% for the three months ended June 30, 2024. Lower NOI margin compared to last year primarily due to increased realty taxes and R&M.
(6) Comprised of NOI from the commercial properties located in Germany and Belgium. In € thousands, NOI of €968 and NOI margin of 72.3% for the three months ended June 30, 2025 compared to NOI of €1,296 and NOI margin of 81.1% for the three months ended June 30, 2024. Lower NOI and NOI margin compared to last year primarily due to a reduction in rent after lease renewal in one of the commercial properties and higher R&M.

For the Six Months Ended June 30,	2025		2024		Increase (Decrease)
($ Thousands)	Same Property NOI	NOI Margin (%)	Same Property NOI	NOI Margin (%)	NOI Change (%)
Residential Suites					
Ontario					
Greater Toronto Area	**$ 119,329**	**64.2**	$ 115,186	64.2	**3.6**
London / Kitchener / Waterloo[1]	**20,097**	**63.6**	17,897	60.1	**12.3**
Ottawa	**12,211**	**70.3**	11,789	70.4	**3.6**
	$ 151,637	**64.5**	$ 144,872	64.1	**4.7**
Québec					
Greater Montréal Region[2]	**$ 35,615**	**57.4**	$ 35,629	60.7	**(0.0)**
Québec City	**12,532**	**61.1**	11,651	60.4	**7.6**
	$ 48,147	**58.3**	$ 47,280	60.6	**1.8**
British Columbia					
Greater Vancouver Area	**$ 31,660**	**72.1**	$ 30,700	72.5	**3.1**
Victoria and Other British Columbia	**16,499**	**71.2**	15,978	71.6	**3.3**
	$ 48,159	**71.8**	$ 46,678	72.2	**3.2**
Nova Scotia					
Halifax	**$ 20,186**	**59.1**	$ 19,435	59.3	**3.9**
Alberta					
Calgary[3]	**$ 9,674**	**58.8**	$ 8,775	57.3	**10.2**
Edmonton	**3,817**	**57.3**	3,703	58.0	**3.1**
	$ 13,491	**58.4**	$ 12,478	57.5	**8.1**
Prince Edward Island					
Charlottetown	**$ 812**	**49.2**	$ 690	41.5	**17.7**
Saskatchewan					
Regina	**$ 1,031**	**54.9**	$ 910	51.9	**13.3**
Total Canadian residential suites same property[4]	**$ 283,463**	**63.6**	$ 272,343	63.9	**4.1**
Europe					
The Netherlands[5]	**$ 10,606**	**75.3**	$ 10,124	75.7	**4.8**
Other Europe[6]	**2,891**	**69.1**	3,608	79.5	**(19.9)**
Total Europe same property	**$ 13,497**	**73.8**	$ 13,732	76.7	**(1.7)**
Total same property	**$ 296,960**	**64.0**	$ 286,075	64.4	**3.8**
Same property suites and sites	**43,662**		43,662		

(1) Higher NOI margin compared to last year due to increased operating revenue and lower insurance costs.
(2) Slightly lower NOI margin compared to last year due to increased R&M and realty taxes. Realty taxes were lower in 2024 due to a reassessment adjustment relating to 2023.
(3) Higher NOI margin compared to last year due to increased operating revenue, partially offset by higher R&M.
(4) Includes Canadian residential and commercial NOI.
(5) In € thousands, NOI of €6,900 and NOI margin of 75.3% for the six months ended June 30, 2025 compared to NOI of €6,897 and NOI margin of 75.7% for the six months ended June 30, 2024. Lower NOI margin compared to last year primarily due to increased realty taxes and R&M.
(6) Comprised of NOI from the commercial properties located in Germany and Belgium. In € thousands, NOI of €1,881 and NOI margin of 69.2% for the six months ended June 30, 2025 compared to NOI of €2,456 and NOI margin of 79.4% for the six months ended June 30, 2024. Lower NOI and NOI margin compared to last year primarily due to a reduction in rent after lease renewal in one of the commercial properties and higher R&M.

NET INCOME AND COMPREHENSIVE INCOME

($ Thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Operating revenues				
Revenue from investment properties	**$ 254,434**	$ 278,126	**$ 507,745**	$ 553,942
Operating expenses				
Property operating costs	**(59,628)**	(67,164)	**(130,116)**	(141,112)
Realty taxes	**(25,004)**	(24,681)	**(49,808)**	(49,500)
Total operating expenses	**(84,632)**	(91,845)	**(179,924)**	(190,612)
Net operating income	**169,802**	186,281	**327,821**	363,330
Other income	**3,202**	1,308	**7,473**	4,943
Trust expenses	**(14,789)**	(14,626)	**(31,367)**	(28,360)
Unit-based compensation amortization recovery (expense):				
Unit-based compensation amortization expense	**(3,014)**	(2,066)	**(6,323)**	(3,980)
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination	**—**	—	**—**	2,284
Total unit-based compensation amortization expense, net	**(3,014)**	(2,066)	**(6,323)**	(1,696)
Financing-related costs:				
Interest expense on debt and other financing costs	**(47,703)**	(56,010)	**(95,373)**	(110,418)
Interest expense on Exchangeable LP Units	**(560)**	(597)	**(1,114)**	(1,200)
Net gain (loss) on derecognition of debt	**(256)**	859	**(3,809)**	3,138
Total financing-related costs, net	**(48,519)**	(55,748)	**(100,296)**	(108,480)
Fair value adjustments of investment properties	**(16,173)**	13,190	**(40,960)**	84,509
Fair value adjustments of financial instruments	**(16,487)**	(3,109)	**(29,493)**	(3,682)
Gain (loss) on non-controlling interest	**3,187**	833	**(15,934)**	10,473
Gain (loss) on foreign currency translation	**362**	(3,419)	**(2,319)**	(9,389)
Transaction costs and other activities	**(4,845)**	(2,999)	**(16,749)**	(7,680)
Net income before income taxes	**72,726**	119,645	**91,853**	303,968
Current income tax expense	**(1,488)**	(3,627)	**(8,849)**	(6,501)
Deferred income tax recovery (expense)	**3,237**	(3,946)	**(544)**	(3,282)
Total current income tax expense and deferred income tax recovery (expense), net	**1,749**	(7,573)	**(9,393)**	(9,783)
Net income	**$ 74,475**	$ 112,072	**$ 82,460**	$ 294,185
Other comprehensive income, including items that may be reclassified subsequently to net income				
Gain on foreign currency translation, net of taxes	**$ 22,341**	$ 3,148	**$ 51,278**	$ 2,736
Gain (loss) on investments held at fair value through other comprehensive income	**(91)**	167	**54**	9
Other comprehensive income	**$ 22,250**	$ 3,315	**$ 51,332**	$ 2,745
Comprehensive income	**$ 96,725**	$ 115,387	**$ 133,792**	$ 296,930

Other Income

Other income comprises interest income from vendor takeback ("VTB") mortgages receivable, interest income, investment income, and profit from sale of MHC home inventory. Other income earned is not necessarily of a recurring nature and may vary year-over-year depending on factors such as principal balances outstanding on VTB mortgages receivable and dividends declared on investments.

The table below summarizes other income for the three and six months ended June 30, 2025 and June 30, 2024:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Interest income from VTB mortgages receivable	**$ 2,710**	$ 464	**$ 5,372**	$ 928
Interest income	**229**	416	**1,569**	662
Investment income[1]	**263**	271	**532**	3,032
Profit from sale of MHC home inventory	**—**	157	**—**	321
Total	**$ 3,202**	$ 1,308	**$ 7,473**	$ 4,943

[1] For the three and six months ended June 30, 2024, investment income includes $nil and $2,533, respectively, of semi-annual dividends from Irish Residential Properties REIT plc ("IRES").

Trust Expenses

Trust expenses include costs directly attributable to head office, such as salaries and benefits, trustee fees, professional fees for audit, tax, legal and advisory services, trustees' and officers' insurance premiums, providing property and asset management services, and other general and administrative expenses, net of amounts allocated to property operating expenses for properties owned by CAPREIT. Trust expenses include costs related to the generation of asset management and services fees to ERES (a related party to CAPREIT).

($ Thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2025	**%[1]**	2024	%[1]	**2025**	**%[1]**	2024	%[1]
Trust Expenses (excluding reorganization costs)	**$ (12,762)**	**5.0**	$ (12,904)	4.6	**$ (25,253)**	**5.0**	$ (26,638)	4.8
Reorganization costs	**(2,027)**	**0.8**	(1,722)	0.6	**(6,114)**	**1.2**	(1,722)	0.3
Total Trust Expenses	**$ (14,789)**	**5.8**	$ (14,626)	5.2	**$ (31,367)**	**6.2**	$ (28,360)	5.1
Operating Revenues	**$ 254,434**		$ 278,126		**$ 507,745**		$ 553,942	

[1] As a percentage of total operating revenues.

During the three and six months ended June 30, 2025 and June 30, 2024, reorganization costs were incurred as part of an internal optimization of the organizational structure, reflecting the transformation of our portfolio through strategic initiatives to sell non-core legacy properties and to align with CAPREIT's current business strategy and operating environment. In addition, for the three and six months ended June 30, 2025, costs related to the closure of the property management platform in the Netherlands are included in reorganization costs. ERES transferred property management services for its residential portfolio to a third party, effective January 15, 2025. Trust expenses excluding reorganization costs, decreased to $12.8 million and $25.3 million, respectively, for the three and six months ended June 30, 2025, compared to $12.9 million and $26.6 million, respectively, for the three and six months ended June 30, 2024. For the three and six months ended June 30, 2025, the year-over-year decrease was primarily attributable to lower salaries and benefits.

Unit-based Compensation Amortization Expense

Units are issuable pursuant to CAPREIT's unit-based compensation plans, namely the Deferred Unit Plan ("DUP"), the Restricted Unit Rights Plan ("RUR Plan") and the Employee Unit Purchase Plan ("EUPP"). The DUP provides for the issuance of DUs. The RUR Plan provides for the issuance of RURs and PURs. The EUPP provides for the issuance of Trust Units. Units of ERES ("ERES units") are issuable pursuant to ERES's Unit Options Plan ("ERES UOP") and ERES's Restricted Unit Rights Plan ("ERES RUR Plan").

The table below summarizes the unit-based amortization expense for the three and six months ended June 30, 2025 and June 30, 2024:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
RURs[1]	**$ (1,348)**	$ (1,562)	**$ (3,109)**	$ (3,005)
DUs	**(399)**	(311)	**(801)**	(612)
PURs	**(315)**	—	**(570)**	—
EUPP	**(123)**	(139)	**(236)**	(276)
ERES RURs[2]	**(840)**	(56)	**(1,618)**	(73)
ERES unit options	**11**	2	**11**	(14)
Unit-based compensation amortization expense	**(3,014)**	(2,066)	**(6,323)**	(3,980)
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination[3]	**—**	—	**—**	2,284
Total unit-based compensation amortization expense, net	**$ (3,014)**	$ (2,066)	**$ (6,323)**	$ (1,696)

(1) Includes $nil and $157 for the three and six months ended June 30, 2025, respectively, relating to accelerated vesting of previously granted RURs (three and six months ended June 30, 2024 – $nil).
(2) Includes accelerated vesting of ERES RURs that vested on January 7, 2025 and May 20, 2025 totalling $799 and $1,402, respectively, for the three and six months ended June 30, 2025 (three and six months ended June 30, 2024 – $nil).
(3) During the three and six months ended June 30, 2024, nil and three million ERES unit options were forfeited, respectively, upon senior management termination totalling $nil and $2,284, respectively.

Financing-Related Costs

For the three and six months ended June 30, 2025, interest expense on debt and other financing costs decreased by $8.3 million and $15.0 million, respectively, compared to the three and six months ended June 30, 2024, primarily due to a change in financing strategy resulting in less CMHC premium amortization and the reduction in credit facility balances with net proceeds received from dispositions.

Interest expense on debt and other financing costs include amortization of CMHC premiums. Amortization of CMHC premiums may be subject to a certain degree of fluctuation from period to period as a result of CMHC premium write-offs which occur upon the refinancing of a mortgage, as well as accelerated CMHC amortization expense for mortgages that management intends to fully refinance or discharge within the year, excluding property dispositions. These write-offs and accelerated CMHC amortization expense may fluctuate depending on the timing and amount of mortgages coming due. For further details, please refer to Liquidity and Financial Condition in Section V.

Interest expense on Exchangeable LP Units represents distributions paid and payable on Exchangeable LP Units outstanding. For the three months and six months ended June 30, 2025, interest expense on Exchangeable LP Units totalled $0.6 million and $1.1 million, respectively, and decreased marginally when compared to the prior year comparative periods due to the exchange of 202,377 Exchangeable LP Units into Trust Units during the last quarter, partially offset by the distribution increase that became effective for the February 2025 distribution.

For the three months and six months ended June 30, 2025, net loss on derecognition of debt totalled $0.3 million and $3.8 million, respectively, and primarily relates to mortgage settlement costs on dispositions.

Fair Value Adjustments of Investment Properties

CAPREIT recorded a fair value loss on investment properties of $16.2 million and $41.0 million for the three and six months ended June 30, 2025, respectively, primarily due to a fair value adjustment in the European portfolio resulting from the prevailing market conditions and capitalization rate ("cap rate") expansion in the Canadian portfolio, partially offset by higher forecasted NOI in the Canadian portfolio.

Fair Value Adjustments of Financial Instruments

Fair value adjustments of financial instruments comprise fair value adjustments of Exchangeable LP Units, investments, derivative financial instruments and unit-based compensation.

Fair value adjustments of Exchangeable LP Units and unit-based compensation may vary significantly year-over-year depending on the unit price of CAPREIT. Fair value adjustments of investments may vary significantly year-over-year depending on the unit price of the respective investments. Fair value adjustments of derivative financial instruments may vary significantly year-over-year depending on foreign exchange rates and the yield curve.

The table below summarizes the fair value adjustments of financial instruments for the three and six months ended June 30, 2025 and June 30, 2024:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Fair value adjustments of Exchangeable LP units	**$ (1,835)**	$ 3,361	**$ (2,480)**	$ 7,166
Fair value adjustments of investments	**191**	(10,252)	**231**	(22,205)
Fair value adjustments of derivative financial instruments	**(14,510)**	2,332	**(27,459)**	10,496
Unit-based compensation remeasurement gain (loss)	**(333)**	1,450	**215**	861
Fair value adjustments of financial instruments	**$ (16,487)**	$ (3,109)	**$ (29,493)**	$ (3,682)

Gain (Loss) on Non-Controlling Interest

For the three and six months ended June 30, 2025, CAPREIT recorded a gain of $3.2 million and a loss of $15.9 million, respectively, on ERES units held by non-controlling unitholders. This includes interest expense to ERES non-controlling unitholders of $1.9 million and $3.8 million, respectively, for the three and six months ended June 30, 2025. The remaining change relates to the mark-to-market gain of $5.1 million and mark-to-market loss of $12.1 million, respectively, due to fluctuations in ERES's unit redemption price as defined in the ERES DOT for the three and six months ended June 30, 2025.

Gain (Loss) on Foreign Currency Translation

CAPREIT's functional currency is the Canadian dollar and the functional currency of certain foreign subsidiaries is the euro. CAPREIT is exposed to gains or losses on foreign currency translations due to the execution of its foreign currency and interest rate risk management strategies. CAPREIT has foreign currency cash, borrowings and cross-currency interest rate ("CCIR") swap arrangements denominated in either USD or euros. Similarly, ERES has foreign currency cash, borrowings and interest rate ("IR") swap arrangements, as well as certain other transactions, denominated in either USD or Canadian dollars. The gains or losses on foreign currency translations may vary significantly year-over-year depending on the value of the Canadian dollar relative to the USD and euro.

For the three and six months ended June 30, 2025, CAPREIT recorded a gain of $0.4 million and a loss of $2.3 million on foreign currency translation, respectively, primarily due to CAPREIT's USD borrowings and movements in the USD relative to the Canadian dollar during the periods (for more information, see Section VI – Other Information).

Transaction Costs and Other Activities

The table below summarizes transaction costs and other activities for the three and six months ended June 30, 2025 and June 30, 2024:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Transaction costs and other adjustments on dispositions, net	**$ (1,395)**	$ (1,460)	**$ (10,341)**	$ (4,533)
Amortization of property, plant and equipment ("PP&E") and right-of-use asset	**(1,558)**	(1,539)	**(3,105)**	(3,067)
Enterprise resource planning ("ERP") implementation costs[1]	**(1,892)**	—	**(3,303)**	—
Fair value loss on transfer of other assets to investment properties	**—**	—	**—**	(80)
Total	**$ (4,845)**	$ (2,999)	**$ (16,749)**	$ (7,680)

[1] Includes licensing and consulting costs, and salaries and benefits.

Transaction costs and other adjustments on dispositions are not necessarily of a recurring nature and may vary year-over-year depending on the nature and volume of disposition activity.

CAPREIT is currently undertaking a multi-year business transformation project in which it is replacing its existing ERP system in order to more efficiently manage operations, including, but not limited to, its leasing, resident services, procurement and accounting functions. This initiative will enable CAPREIT to modernize, simplify, standardize and automate key business processes, leading to a host of benefits that will improve the resident and employee experience in the long-term. This investment will ultimately align CAPREIT's technology platform with its overall business strategy and objectives, and better support and enhance CAPREIT's vision to be the best place to live, work and invest. The new ERP system is expected to launch by 2027.

Current Income Tax Expense and Deferred Income Tax Recovery (Expense)

Current income tax expense is attributed to CAPREIT's European portfolio where CAPREIT operates through foreign legal entities that may be taxable in local jurisdictions. Current income tax expense for the three and six months ended June 30, 2025 decreased by $2.1 million and increased by $2.3 million, respectively compared to the same periods last year.

The decrease in current income tax expense for the three months ended June 30, 2025, compared to the same period last year, was primarily due to the reduction of CAPREIT's European portfolio in 2024 and 2025. The increase in current income tax expense for the six months ended June 30, 2025, compared to the same period last year, was primarily driven by taxes attributable to dispositions in CAPREIT's European portfolio in 2025 totalling $1.5 million and the accrual of the potential impact of the Dutch tax authority's reassessment of certain ERES subsidiaries for $4.4 million, partially offset by tax savings of $3.9 million from the reduction of CAPREIT's European portfolio in 2024 and 2025. The reassessed ERES subsidiaries have objected to the reassessments. No final decision has yet been received and actual amounts reassessed may differ significantly from what is currently estimated.

Deferred income tax recovery (expense) is attributed to CAPREIT's European portfolio and will vary significantly year-over-year depending on the fair value of the European investment properties relative to the respective tax cost base. For the three and six months ended June 30, 2025, deferred income tax recovery (expense) was $3.2 million and $(0.5) million, respectively, mainly attributable to the derecognition of deferred tax assets, partially offset by the net fair value losses recorded on CAPREIT's European investment properties. For the three and six months ended June 30, 2024, deferred income tax expense was $3.9 million and $3.3 million, respectively, mainly attributable to the fair value adjustments recorded on CAPREIT's European investment properties.

Other Comprehensive Income

Other comprehensive income comprises unrealized gain on foreign currency translation on CAPREIT's foreign subsidiaries and gain (loss) on certain investments. The gains or losses on foreign currency translations may vary significantly year-over-year depending on the value of the Canadian dollar relative to the euro and the USD.

SECTION IV: INVESTMENT PROPERTIES

INVESTMENT PROPERTIES

Investment properties are defined as properties held to earn rental income or for capital appreciation, or both. Investment properties are recognized initially at cost. Subsequent to initial recognition, all investment properties are measured using the fair value model, whereby changes in fair value are recognized for each reporting period in net income.

CAPREIT's internal valuation team appraises some of CAPREIT's Canadian investment properties using generally the same process and methodology as its external appraiser. CAPREIT's objective is to have a portion of its Canadian investment properties appraised externally every year, on a rotational basis. The partial internalization of valuations for the Canadian portfolio builds synergies within the various CAPREIT sub-functions including Investments and Development functions.

External valuations for the Canadian portfolio, where obtained, are performed throughout the year with quarterly updates provided on capitalization rates. Capitalization rates used by the appraisers are based on recently closed transactions for similar properties and other current market indicators for similar properties. CAPREIT obtains external valuations for a cross-section of investment properties that represents different geographical locations across the Canadian portfolio. For internal valuations, the appraisal methodologies used are consistent with the practices employed by the external appraiser. CAPREIT appraises its European investment properties as at June 30, 2025 using valuations prepared by its internal valuation team. The European internal valuations are based on the same valuation methods used by the external appraiser and available market information.

A summary of the fair values of CAPREIT's investment properties and changes, along with key market assumptions, is presented in the following table. For the six months ended June 30, 2025, there was a $387.2 million decrease in overall carrying value due to transfers to assets held for sale, dispositions and fair value adjustments, partially offset by acquisitions, property capital investments and foreign exchange translation.

Investment Properties by Geography

	Dec. 31, 2024	Carrying Value Change Due To					Jun. 30, 2025	Jun. 30, 2025	Dec. 31, 2024
($ Millions)	Fair Value	Acquisitions	Transfers to Assets Held for Sale and Dispositions [1]	Property Capital Investments [2]	Fair Value Adjustments	Foreign Exchange Translation	Fair Value	Cap Rates [3]	Cap Rates [3]
Greater Toronto Area	$ 5,576	$ —	$ (30)	$ 42	$ 16	$ —	$ 5,604	4.39 %	4.35 %
Other Ontario	1,640	—	—	10	(24)	—	1,626	4.63 %	4.59 %
Québec	2,425	41	—	29	27	—	2,522	4.58 %	4.56 %
British Columbia	2,422	34	—	12	(2)	—	2,466	4.21 %	4.18 %
Nova Scotia	977	—	—	8	(7)	—	978	4.74 %	4.69 %
Alberta	565	80	—	2	7	—	654	5.07 %	5.10 %
Prince Edward Island	70	—	(31)	—	2	—	41	5.25 %	5.36 %
Saskatchewan	38	—	—	—	1	—	39	5.93 %	5.95 %
Subtotal	$ 13,713	$ 155	$ (61)	$ 103	$ 20	$ —	$ 13,930	4.48 %	4.45 %
Europe	1,155	—	(628)	2	(61)	83	551	5.37 %	4.45 %
Total	$ 14,868	$ 155	$ (689)	$ 105	$ (41)	$ 83	$ 14,481	4.51 %	4.45 %

(1) Includes $586.7 million transferred to assets held for sale and $102.0 million of dispositions during the six months ended June 30, 2025.

(2) Represents property capital investments and capitalized direct leasing costs during the six months ended June 30, 2025.

(3) Weighted average capitalization rates exclude investment properties acquired during the second quarter of 2025 for capitalization rates as at June 30, 2025 and exclude investment properties acquired during the fourth quarter of 2024 for capitalization rates as at December 31, 2024; and implied capitalization rates on operating and land leasehold interests. See note 3 to the accompanying condensed consolidated interim financial statements for further valuation assumption details. Capitalization rates for Europe represent the implied capitalization rates for these properties.

Current regulatory and macroeconomic developments have impacted overall market activity, resulting in limited reliable market metrics, such as capitalization rates. As such, the fair values of CAPREIT's investment properties are subject to significant change, and such changes may be material. Management is applying, to the greatest extent practicable, prudence and sound judgement in its basis for fair valuing its investment properties in the current unpredictable environment.

ACQUISITIONS OF INVESTMENT PROPERTIES

The table below summarizes the investment property acquisitions since January 1, 2025, which have contributed to the operating results as from their acquisition dates.

Six Months Ended June 30, 2025

($ Thousands)						
Acquisition Date	**Suite Count**	**Region**		**Fair Value of Investment Property**		**Gross Purchase Price[1]**
January 28, 2025	**41**	Vancouver, BC	**$**	**18,107**	**$**	**18,226**
February 4, 2025	**240**	Edmonton, AB		**79,400**		**79,400**
April 11, 2025	**102**	Montréal, QC		**39,293**		**39,725**
May 29, 2025	**37**	Vancouver, BC		**14,618**		**14,753**
Total	**420**		**$**	**151,418**	**$**	**152,104**
Transaction costs			**$**	**4,023**		
Total acquisition costs			**$**	**155,441**		

[1] The gross purchase price is the amount stated in the purchase and sale agreement and comprises the fair value of investment properties being acquired and, as applicable, the fair value adjustment of mortgages payable assumed by CAPREIT. The gross purchase price excludes transaction costs and other adjustments.

There were no acquisitions completed in the Netherlands during the six months ended June 30, 2025.

The table below summarizes the acquisition of an investment property completed subsequent to June 30, 2025:

($ Thousands)				
Acquisition Date	**Suite Count**	**Region**		**Gross Purchase Price[1]**
July 10, 2025	30	Vancouver, BC	$	13,000
Total	**30**		**$**	**13,000**

[1] Gross purchase price is the amount stated in the purchase and sale agreement and excludes transaction costs and other adjustments.

DISPOSITIONS OF INVESTMENT PROPERTIES

The table below summarizes the dispositions of investment properties (including investment properties previously classified as assets held for sale) completed since January 1, 2025.

Six Months Ended June 30, 2025

($ Thousands)				
Disposition Date	**Suite or Site Count**	**Region**	**Fair Value of Investment Properties**	**Gross Sale Price[1]**
January 20, 2025	**138**	Charlottetown, PEI	**$ 21,765**	**$ 23,000**
January 22, 2025[2]	**242**	Brampton, ON	**73,120**	**73,811**
January 27, 2025[2]	**20**	The Netherlands	**7,764**	**7,764**
January 31, 2025[3]	**176**	Medicine Hat, AB	**12,500**	**12,500**
February 10, 2025[2]	**717**	Montréal, QC	**103,750**	**103,750**
February 12, 2025[2][4]	**259**	The Netherlands	**75,487**	**75,487**
February 19, 2025	**93**	Orangeville, ON	**30,500**	**30,500**
February 25, 2025[2][5]	**—**	Montréal, QC	**9,000**	**9,000**
March 4, 2025[2]	**32**	The Netherlands	**12,953**	**12,953**
March 31, 2025	**104**	The Netherlands	**39,221**	**39,221**
April 15, 2025[3]	**357**	Moncton, NB	**12,500**	**12,500**
May 30, 2025	**56**	Summerside, PEI	**9,200**	**9,200**
Q2 2025[6]	**2**	The Netherlands	**1,354**	**1,354**
Total	**2,196**		**$ 409,114**	**$ 411,040**

(1) The gross sale price is the amount stated in the purchase and sale agreement and comprises the fair value of investment properties being disposed of and, as applicable, the fair value adjustment of mortgages payable assumed by the purchaser and VTB mortgages receivable issued by CAPREIT to the purchaser. The gross sale price excludes transaction costs and other adjustments.
(2) Previously included in assets held for sale.
(3) Relates to the remaining MHC properties that were classified as assets held for sale as at December 31, 2024.
(4) Represents disposition of seven residential properties.
(5) Represents disposition of an office property.
(6) Represents dispositions of single residential suites in one property.

The table below summarizes the disposition of an investment property completed subsequent to June 30, 2025:

($ Thousands)		
Disposition Date	**Region**	**Gross Sale Price[1]**
July 31, 2025[2]	Belgium	$ 38,756
Total		**$ 38,756**

(1) Gross sale price is the amount stated in the purchase and sale agreement and excludes transaction costs and other adjustments.
(2) Represents disposition of a commercial building.

PROPERTY CAPITAL INVESTMENTS

Discretionary and Non-Discretionary Property Capital Investments

Management does not differentiate between maintenance and value-enhancing property capital investments. Maintenance property capital investments are generally not clearly identifiable, nor do they have a common definition, and would require significant judgement to classify property capital investments as maintenance or value-enhancing capital investments. In addition, there is no generally accepted definition of maintenance capital investments in the Canadian real estate industry. Management has decided to classify property capital investments into two categories: discretionary and non-discretionary. Management is of the view that this classification, while still requiring a degree of professional judgement, provides a better measure of economic cash flows.

Non-Discretionary Property Capital Investments are those investments management believes are essential for the safety of residents and to ensure the structural integrity of the properties. These investments may enhance the property's operating effectiveness, including its profitability, through increases in revenues or reductions in costs over the long term. Included in non-discretionary capital expenditures are items such as building improvements, including items such as roof, structural, balcony, sidewalks, windows, brick, electrical, MHC infrastructure investments, and life and safety. Management uses its professional judgement to include other capital expenditure categories that could impact the safety of residents. These Non-Discretionary Property Capital Investments are in addition to regular R&M costs, which have been in the range of $922 to $1,532 per suite and site annually over the past five years and are expensed to NOI. The recent increase in regular R&M costs per residential suite is due to general inflationary pressures, as well as higher maintenance costs that correspond with a reduction in suite and common area capital improvements pursuant to CAPREIT's capital allocation strategy.

Discretionary Property Capital Investments are capital expenditures made to the property that are not essential to the operation of the business in the short term. These investments may enhance the property's operating effectiveness, including its profitability, through increases in revenues or reductions in costs over the long term. Included in discretionary capital expenditures are items such as suite and common area improvements, energy-saving, resiliency and water efficiency initiatives, equipment, boilers, elevators and risers.

Property Capital Investments by Category

CAPREIT capitalizes all capital investments related to the improvement of its properties. These investments have the objective of growing future NOI, increasing property value over the long term, ensuring life safety and safeguarding of assets.

An important component of CAPREIT's property capital investment strategy is to actively manage all properties and improve their operating performance by investing annually while maintaining a focus on capital preservation. This ensures sustainable growth to continually improve the portfolio's future rental income-generating potential.

Energy-saving, resiliency and water efficiency initiatives and suite and common area improvement costs generally tend to increase NOI more quickly compared to other capital investment categories. A breakdown of property capital investments (including assets held for sale, but excluding development costs) is summarized by category on the next page for the six months ended June 30, 2025 and the year ended December 31, 2024.

Six Months Ended June 30, 2025 ($ Thousands)		Canadian Portfolio		The Netherlands Portfolio		Total Portfolio	% of Total
Non-discretionary property capital investments:							
Building improvements	$	22,604	$	33	$	22,637	22.4
Life and safety		1,553		—		1,553	1.5
	$	24,157	$	33	$	24,190	23.9
Discretionary property capital investments:							
Suite improvements	$	36,576	$	1,131	$	37,707	37.3
Common area		14,792		6		14,798	14.7
Energy-saving, resiliency and water efficiency initiatives		11,786		687		12,473	12.4
Equipment		6,226		—		6,226	6.2
Elevators and risers		4,477		2		4,479	4.4
Other		1,098		—		1,098	1.1
	$	74,955	$	1,826	$	76,781	76.1
Total(1)	$	99,112	$	1,859	$	100,971	100.0

(1) Includes assets held for sale, but excludes development costs of $2,795 for the six months ended June 30, 2025.

Year Ended December 31, 2024 ($ Thousands)		Canadian Portfolio		The Netherlands Portfolio		Total Portfolio	% of Total
Non-discretionary property capital investments:							
Building improvements	$	54,813	$	3,455	$	58,268	25.4
MHC infrastructural		5,909		—		5,909	2.6
Life and safety		3,705		999		4,704	2.0
	$	64,427	$	4,454	$	68,881	30.0
Discretionary property capital investments:							
Suite improvements	$	69,935	$	7,784	$	77,719	33.8
Common area		38,921		1,367		40,288	17.5
Energy-saving, resiliency and water efficiency initiatives		14,983		1,872		16,855	7.3
Equipment		11,570		274		11,844	5.2
Elevators and risers		9,474		187		9,661	4.2
MHC improvements		2,891		—		2,891	1.3
Other		1,562		21		1,583	0.7
	$	149,336	$	11,505	$	160,841	70.0
Total(1)	$	213,763	$	15,959	$	229,722	100.0

(1) Includes assets held for sale, but excludes development costs of $12,154 for the year ended December 31, 2024.

Actual costs incurred may vary from period to period depending on the nature and timing of property capital investments. Discretionary property capital investments are not essential to the operation of the business in the short term. In addition, projects are impacted by variable costs, supply chain issues and inflationary pressures, which affect financial viability and total return.

SECTION V: CAPITAL STRUCTURE AND FINANCIAL CONDITION

CAPITAL STRUCTURE

In the short term, CAPREIT utilizes the Credit Facilities, where necessary, to finance its property capital investments, which may include acquisitions. In the long term, retained earnings are utilized and equity issuances, mortgage financings and refinancings, including "top-ups", and the GHG Reduction Facility are put in place to finance the cumulative investments in the property portfolio and ensure the sources of financing better reflect the long-term useful lives of the underlying investments.

As at June 30, 2025, CAPREIT is in compliance with all the investment and debt restrictions and financial covenants contained in the DOT, Credit Facilities and mortgage financing agreements. The total capital managed by CAPREIT and the results of compliance with some of the key covenants and liquidity metrics are summarized in the following tables:

($ Thousands)

As at	June 30, 2025	December 31, 2024	June 30, 2024
Unitholders' equity	**$ 8,879,025**	$ 9,027,312	$ 9,431,748
Exchangeable LP Units	**64,164**	70,220	73,217
Mortgages payable – non-current	**5,087,294**	5,343,549	6,060,330
Mortgages payable – current	**690,132**	644,320	764,687
Credit facilities payable	**157,128**	4,145	301,496
Total capital	**$ 14,877,743**	$ 15,089,546	$ 16,631,478

As at	Threshold	June 30, 2025	December 31, 2024	June 30, 2024
Total debt to gross book value[1]	Maximum 62.5%	**38.5%**	38.4 %	41.5 %
Mortgage debt to gross book value[1][2]		**37.5%**	38.3 %	39.7 %

[1] These measures are not defined by IFRS, do not have standard meanings and may not be comparable with other industries or companies (see Section I – Non-IFRS Measures). For a reconciliation to IFRS, see Section VI – Non-IFRS Measures.
[2] Includes liabilities related to assets held for sale, as applicable.

For the 12 Months Ended		June 30, 2025	December 31, 2024	June 30, 2024
Debt service coverage ratio (times)[1][2]	Minimum 1.4	**1.9x**	1.9x	1.8x
Interest coverage ratio (times)[1][2]	Minimum 1.65	**3.3x**	3.3x	3.3x
FFO payout ratio[1]	Maximum 100%	**59.8%**	57.9 %	58.2 %

[1] These measures are not defined by IFRS, do not have standard meanings and may not be comparable with other industries or companies (see Section I – Non-IFRS Measures). For a reconciliation to IFRS, see Section VI – Non-IFRS Measures.
[2] For the trailing 12 months ended.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity and Capital Resources

Management believes there is adequate overall liquidity to fund property capital investment commitments to provide for future business needs. CAPREIT finances these commitments through: (i) cash and cash equivalents on hand, (ii) the Acquisition and Operating Facility, (iii) the GHG Reduction Facility, (iv) mortgage debt secured by its investment properties, and (v) equity. Management's assessment of CAPREIT's liquidity position continues to be stable for the foreseeable future based on its evaluation of capital resources, as summarized below:

i) CAPREIT's business continues to be stable and is expected to generate sufficient ACFO on an annual basis to fund the current level of distributions; and
ii) CAPREIT's Canadian borrowing capacity as at June 30, 2025 remains strong with $61.9 million available on its Acquisition and Operating Facility, in addition to an accordion option to increase the credit facility limit by up to $400 million.
iii) CAPREIT's cash and cash equivalents as at June 30, 2025 totalled $28.6 million, consisting of $11.7 million in Canada and $16.9 million in Europe.

As at June 30, 2025, CAPREIT had approximately $1.4 billion of investment properties (excluding assets held for sale, as applicable) that are unencumbered by mortgages. Of these investment properties, approximately $573.3 million are Canadian investment properties which secure the Acquisition and Operating Facility. Certain CAPREIT Canadian investment properties carry a negative pledge against the ERES Credit Facility, with a carrying value totalling $295.8 million.

The working capital deficiency, as presented on CAPREIT's consolidated balance sheets as at June 30, 2025, and defined as current assets less current liabilities, is funded through the Credit Facilities and refinancing of mortgages as they mature. Management conducts a liquidity forecast on a regular basis, which includes refinancing of mortgages, property capital investments, potential acquisitions and potential dispositions, to monitor the available capacity.

Credit Facilities Payable

As at June 30, 2025, CAPREIT's credit facilities consist of the $200 million Acquisition and Operating Facility, which can be borrowed in USD, euros or Canadian dollars, the $70 million GHG Reduction Facility as well as the €20 million ERES Credit Facility.

Effective February 28, 2025, CAPREIT amended the Acquisition and Operating Facility. The table below summarizes the key terms of the Acquisition and Operating Facility:

($ Thousands)

As at	June 30, 2025	December 31, 2024
Maximum borrowing capacity	**$ 200,000**	$ 600,000
Accordion option[1]	**$ 400,000**	$ 200,000
Interest rate:		
Canadian dollar borrowings[2]	**CORRA + 1.65% or Canadian Prime Rate + 0.35%**	CORRA + 1.65% or Canadian Prime Rate + 0.35%
USD borrowings[3]	**SOFR + 1.45%**	SOFR + 1.45%
Euro borrowings[4]	**EURIBOR + 1.35%**	EURIBOR + 1.35%
Maturity date	**February 28, 2028**	December 19, 2025

[1] An accordion option is available to increase the credit facility limit upon satisfaction of conditions set out in the agreement and the consent of applicable lenders.
[2] CORRA stands for Canadian Overnight Repo Rate Average.
[3] SOFR stands for Secured Overnight Financing Rate.
[4] EURIBOR stands for Euro Interbank Offered Rate.

Effective February 28, 2025, CAPREIT amended the maximum borrowing capacity on its Acquisition and Operating Facility from $600 million to $200 million in an effort to actively manage capital and reduce financing fees. On July 9, 2025, CAPREIT received approval from its lender to temporarily increase the maximum borrowing capacity on the Acquisition and Operating Facility from $200 million to $400 million until September 30, 2025 (inclusive). CAPREIT strategically increased the borrowing capacity temporarily to fund acquisitions, capital investments, and other general trust purposes in anticipation of proceeds in the third quarter of 2025 from the anticipated special distribution from ERES that was first announced on April 2, 2025.

On June 23, 2025, ERES amended the ERES Credit Facility to reduce the maximum borrowing capacity from €125 million to €20 million. With the reduced availability, the number of lenders has been reduced from three Canadian chartered banks to one Canadian chartered bank, and the tangible net worth covenant has been amended from a minimum of €375 million to €100 million.

The tables below summarize the amounts available and drawn under the respective credit facilities as at June 30, 2025 and December 31, 2024:

($ Thousands) **As at June 30, 2025**	**Acquisition and Operating Facility**	**GHG Reduction Facility**	**ERES Credit Facility**	**Total**
Maximum borrowing capacity	**$ 200,000**	**$ 70,000**	**$ 32,065**	**$ 302,065**
Canadian dollar borrowings	**$ (21,240)**	**$ (11,070)**	**$ —**	**$ (32,310)**
USD borrowings	**(113,498)**	**N/A**	**—**	**(113,498)**
Euro borrowings	**—**	**N/A**	**(11,944)**	**(11,944)**
Less: Total borrowings	**$ (134,738)**	**$ (11,070)**	**$ (11,944)**	**$ (157,752)**
Less: Letters of credit	**(3,343)**	**N/A**	**—**	**(3,343)**
Available borrowing capacity	**$ 61,919**	**$ 58,930**	**$ 20,121**	**$ 140,970**
Weighted average interest rate including interest rate swaps	**4.39 %**	**3.00 %**	**3.24 %**	**4.21 %**

($ Thousands) **As at December 31, 2024**	**Acquisition and Operating Facility**	**GHG Reduction Facility**	**ERES Credit Facility**	**Total**
Maximum borrowing capacity	$ 600,000	$ 70,000	$ 186,610	$ 856,610
Canadian dollar borrowings	$ —	$ (5,019)	$ —	$ (5,019)
USD borrowings	(95,280) [1]	N/A	—	(95,280)
Euro borrowings	—	N/A	—	—
Less: Total borrowings	$ (95,280)	$ (5,019)	$ —	$ (100,299)
Less: Letters of credit	(4,428)	N/A	—	(4,428)
Available borrowing capacity	$ 500,292	$ 64,981	$ 186,610	$ 751,883
Weighted average interest rate including interest rate swaps	4.58 %	3.00 %	N/A	4.50 %

[1] Pursuant to the terms of the Acquisition and Operating Facility, the USD borrowings were netted against cash and cash equivalents on the consolidated balance sheets.

Mortgages Payable

The table below summarizes the type of mortgages payable (excluding liabilities related to assets held for sale, as applicable) included in CAPREIT's capital structure and the overall interest rates and terms to maturity as at June 30, 2025, December 31, 2024 and June 30, 2024:

As at	June 30, 2025	December 31, 2024	June 30, 2024
Percentage of CMHC-insured mortgages[1]	**97.6%**	97.7%	97.1%
Percentage of fixed-rate mortgages[2]	**100.0%**	99.8%	100.0%
Weighted average mortgage effective interest rate[3]	**3.17%**	3.11%	2.91%
Weighted average mortgage term to maturity (years)[4]	**4.5**	4.8	4.7

(1) Excludes European financings.
(2) After taking into consideration interest rate swaps where hedge accounting is not being applied.
(3) Weighted average mortgage effective interest rate includes deferred financing costs, fair value adjustments and prepaid CMHC premiums on an effective interest rate basis.
(4) The mortgages on the Canadian and European properties have a weighted average term to maturity of 4.6 years and 2.4 years, respectively as at June 30, 2025 (December 31, 2024 – 5.0 years and 2.5 years, respectively, June 30, 2024 – 5.2 years and 2.5 years, respectively).

CAPREIT is in compliance with all financial covenants on mortgages payable for the three and six months ended June 30, 2025 and June 30, 2024, and for the year ended December 31, 2024.

The table below summarizes the financings and repayments and associated weighted average interest rates closed during the three and six months ended June 30, 2025. This table excludes mortgages assumed by CAPREIT upon acquisition of investment properties and mortgages assumed by the purchaser upon disposition of investment properties.

($ Thousands)		Original Mortgage Amounts[1]	Weighted Average Original Stated Interest Rate[2]		New/ Renewed Mortgage Amounts	Weighted Average New Interest Rate[3]	Weighted Average Term on New/ Renewed Mortgages (Years)		Repaid Mortgage Amounts[4]
The Canadian Portfolio									
First Quarter	**$**	**137,132**	**2.21 %**	**$**	**68,670**	**3.58 %**	**5.0**	**$**	**(68,462)**
Second Quarter		**4,236**	**3.22 %**		**—**	**— %**	**—**		**(4,236)**
Total and Weighted Average	**$**	**141,368**	**2.24 %**	**$**	**68,670**	**3.58 %**	**5.0**	**$**	**(72,698)**
Subsequent to the quarter:									
Committed or Completed	**$**	**25,198**	**2.83 %**	**$**	**25,198**	**3.64 %**	**5.0**	**$**	**—**
Total and Weighted Average	**$**	**166,566**	**2.33 %**	**$**	**93,868**	**3.60 %**	**5.0**	**$**	**(72,698)**
The ERES Portfolio									
First Quarter	**$**	**135,823**	**1.61 %**	**$**	**—**	**— %**	**—**	**$**	**(135,823)**
Second Quarter		**878**	**1.23 %**		**—**	**— %**	**—**		**(878)**
Total and Weighted Average	**$**	**136,701**	**1.61 %**	**$**	**—**	**— %**	**—**	**$**	**(136,701)**
Grand Total and Weighted Average	**$**	**303,267**	**2.00 %**	**$**	**93,868**	**3.60 %**	**5.0**	**$**	**(209,399)**

(1) Includes $136,259 of mortgages that matured and $167,008 of mortgages associated with property dispositions during the six months ended June 30, 2025.
(2) Excludes one-to-six-month short-term extensions, where applicable.
(3) Excludes prepaid CMHC premiums, deferred financing costs and impact of hedging.
(4) Includes $167,008 of mortgages discharged due to property dispositions during the six months ended June 30, 2025.

As a strategy, CAPREIT leverages CMHC insurance to get access to stable financing at lower interest rates than would be available with conventional mortgage financing or other forms of debt. The premiums associated with the initial mortgage financing along with any additional premiums on future expected mortgage renewals or refinancing are analyzed to ensure the all-in cost of CMHC financing continues to be CAPREIT's most cost-effective form of debt.

CMHC premiums are amortized over the amortization period of the underlying mortgage loans when incurred. If CAPREIT fully refinances or discharges an existing mortgage, any unamortized prepaid CMHC premiums and fees associated with the existing mortgages on that property will be written off in the period in which full refinancing or discharge occurs. CAPREIT accelerates the amortization for prepaid CMHC premiums for mortgages that management intends to fully refinance within the year, from the date the decision is made to refinance to the date the mortgage is due to be refinanced. During the three and six months ended June 30, 2025, CMHC amortization expense including net write-offs of CMHC premiums on refinancing or discharge of mortgages amounted to $1.5 million and $3.1 million, respectively, excluding CMHC write-offs relating to dispositions. CMHC amortization expense incurred during the three and six months ended June 30, 2025 was smaller than the CMHC amortization expense incurred during the three and six months ended June 30, 2024, due to the financing strategy shift from maximizing top-up to support liquidity needs to prioritizing the utilization of the full useful life of CMHC Certificate of Insurance (COI).

The table below summarizes the CMHC amortization expense, including write-offs except those relating to dispositions, for the trailing eight quarters.

($ Thousands)	Q2 25	Q1 25	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23
Amortization of CMHC premiums and fees	**$ (1,529)**	$ (1,539)	$ (1,576)	$ (1,646)	$ (3,459)	$ (3,399)	$ (1,919)	$ (2,657)

CMHC amortization expense, including write-offs except those relating to dispositions, for 2025 is expected to be in the range of $6.0 million to $6.5 million, as the need for mortgage top-up lessens. This allows CAPREIT to maximize the use of CMHC COI through more mortgage renewals.

The breakdown of CAPREIT's Canadian dollar-denominated future principal repayments, including mortgage maturities, and effective weighted average interest rates as at June 30, 2025 is as follows:

As at June 30, 2025

($ Thousands)

Period	Principal Amortization	Mortgage Maturities	Mortgage Balance	% of Total Mortgage Balance	Effective Weighted Average Interest Rate (%) [1]
Remainder of 2025	$ 72,981	$ 374,529	$ 447,510	8.1	2.83
2026	127,487	609,859	737,346	13.4	2.99
2027	103,929	587,728	691,657	12.5	3.31
2028	91,501	645,499	737,000	13.4	3.47
2029	70,593	516,953	587,546	10.7	3.26
2030-2036	168,425	2,144,657	2,313,082	41.9	3.26
	$ 634,916	$ 4,879,225	$ 5,514,141	100.0 %	3.23 %
Less: Prepaid CMHC premiums			$ (105,776)		
Less: Deferred financing costs			(19,915)		
Less: Fair value adjustments			(17,957)		
Total			$ 5,370,493		
Weighted average term to maturity (years)			4.6		

[1] Effective weighted average interest rates for maturing mortgages only. It includes the amortization of deferred financing costs, prepaid CMHC premiums and fair value adjustments.

The breakdown for ERES's euro-denominated future principal repayments, including mortgage maturities, and effective weighted average interest rates as at June 30, 2025 is as follows:

As at June 30, 2025 ($ Thousands) Period	Mortgage Balance ($)	Mortgage Balance (€) [1]	% of Total Mortgage Balance	Effective Weighted Average Interest Rate (%) [2]
Remainder of 2025	$ 10,836	€ 6,759	2.7	1.66
2026	—	—	—	—
2027	227,593	142,119	55.8	1.89
2028	169,419	105,672	41.5	3.29
	$ 407,848	€ 254,550	100.0 %	2.46 %
Less: Deferred financing costs and fair value adjustments	$ (915)			
Total	$ 406,933			
Weighted average term to maturity (years)	2.4			

[1] Included in mortgages payable are non-amortizing mortgages.
[2] Effective weighted average interest rates for maturing mortgages only. It includes the amortization of deferred financing costs, fair value adjustments, and the effect of IR swaps.

Derivative Financial Instruments in Canada

($ Thousands) As at	June 30, 2025	December 31, 2024	June 30, 2024
CCIR swaps[1]	$ 477,110	$ 516,496	$ 849,776
Weighted average interest rate on swaps – paying leg	1.95%	2.04%	2.67%
Weighted average interest rate on swaps – receiving leg	3.03%	3.18%	3.61%
Weighted average remaining term to maturity on swaps (years)	0.3	0.5	0.7

[1] As at June 30, 2025, euro equivalent of €234,000 (December 31, 2024 – €278,818, June 30, 2024 – €442,358), USD equivalent of US$83,130 (December 31, 2024 – US$66,294, June 30, 2024 – US$133,075) and excludes ERES CCIR swaps, where applicable.

Unitholders' Equity, Exchangeable LP Units and Units Awarded under Unit-based Compensation Plans

Unitholders' Equity represents the issued and outstanding Trust Units, and excludes the Exchangeable LP Units and any units issued in connection with unit-based incentive plans. For the purposes of the table below, Exchangeable LP Units and units issued in connection with unit-based incentive plans are treated as equity as they have claims similar or identical to those of the Trust Units.

Units outstanding (excluding ERES) as at June 30, 2025, December 31, 2024 and June 30, 2024 are as follows:

(Thousands of units)

As at	June 30, 2025	December 31, 2024	June 30, 2024
Trust Units	**156,897**	160,546	167,160
Exchangeable LP Units	**1,445**	1,647	1,647
DUs	**130**	154	148
RURs	**623**	550	607
PURs	**73**	30	—
Total number of units outstanding – diluted	**159,168**	162,927	169,562
Ownership by trustees, officers and other senior management	**0.6 %**	0.5 %	0.5 %

Normal Course Issuer Bid

In March 2025, CAPREIT received the TSX's acceptance of its notice of intention to proceed with the 2025-2026 NCIB following expiry of the previous NCIB on March 24, 2025 ("2024-2025 NCIB"). Pursuant to the notice, CAPREIT may purchase up to 16,047,885 of its Trust Units, representing approximately 10% of the public float of its Trust Units at the time of TSX approval, during the 12-month period commencing March 25, 2025 and ending March 24, 2026. Under the NCIB, other than purchases made under the block purchase exemption, CAPREIT may purchase up to 130,561 Trust Units on the TSX during any trading day, which represents approximately 25% of 522,247 Trust Units, being the average daily trading volume on the TSX for the most recently completed six calendar months prior to the TSX's acceptance of the notice of intention to proceed with an NCIB. Any Trust Units purchased under the NCIB will be cancelled.

The tables below summarize the NCIB activity for the six months ended June 30, 2025 and year ended December 31, 2024, based on the settlement date of purchases.

For the Six Months Ended June 30, 2025	Weighted Average Purchase Price per Trust Unit	Total Cost of Trust Units Purchased and Cancelled ($ Thousands)	Number of Trust Units Purchased and Cancelled	2025-2026 NCIB Remaining Limit
Beginning Limit				**16,047,885**
First Quarter 2025[1][2]	**$ 42.79**	**$ 25,504**	**595,990**	**15,563,695**
Second Quarter 2025[2]	**42.43**	**146,361**	**3,449,258**	**12,114,437**
Total	**$ 42.49**	**$ 171,865**	**4,045,248**	**12,114,437**

(1) 111,800 Trust Units were purchased and cancelled under the 2024-2025 NCIB and 484,190 Trust Units were purchased and cancelled under the 2025-2026 NCIB.
(2) The total cost presented and the weighted average purchase price per Trust Unit include commissions, but exclude a net aggregate amount of $4,136 relating to the federal 2% tax on repurchases of Trust Units as well as other NCIB transaction costs.

For the Year Ended December 31, 2024	Weighted Average Purchase Price per Trust Unit	Total Cost of Trust Units Purchased and Cancelled ($ Thousands)	Number of Trust Units Purchased and Cancelled	2024-2025 NCIB Remaining Limit
Beginning Limit				16,724,759
First Quarter 2024[1][2]	$ 48.19	$ 27,081	562,017	16,724,759
Second Quarter 2024	—	—	—	16,724,759
Third Quarter 2024	—	—	—	16,724,759
Fourth Quarter 2024[2]	44.37	300,068	6,762,762	9,961,997
Total	$ 44.66	$ 327,149	7,324,779	9,961,997

(1) 562,017 Trust Units were purchased and cancelled under the 2023-2024 NCIB.
(2) The total cost presented and the weighted average purchase price per Trust Unit include commissions, but exclude a net aggregate amount of $6,589 relating to the federal 2% tax on repurchases of Trust Units as well as other NCIB transaction costs.

Subsequent to June 30, 2025, CAPREIT purchased and cancelled 343,059 Trust Units under the 2025-2026 NCIB, at a weighted average purchase price of $44.50 per Trust Unit, for a total cost of $15.3 million (excluding the federal 2% tax on repurchases of Trust Units).

SECTION VI: UNIT CALCULATIONS, DISTRIBUTIONS, NON-IFRS MEASURES AND OTHER INFORMATION

UNIT CALCULATIONS AND DISTRIBUTIONS

As a result of CAPREIT being an open-end mutual fund trust, Unitholders are entitled to redeem their Trust Units in accordance with the conditions specified in the DOT. The impact of this redemption feature causes CAPREIT's Trust Units to be treated as financial liabilities under IFRS. Consequently, all per unit calculations are considered Non-IFRS Measures.

The following tables summarize the number of units used in calculating Non-IFRS Measures on a per unit basis:

Outstanding Number of Units

(Thousands)

As at	June 30, 2025	%[1]	December 31, 2024	%[1]	June 30, 2024	%[1]
Trust Units	**156,897**	**98.6**	160,546	98.6	167,160	98.5
Exchangeable LP Units[2]	**1,445**	**0.9**	1,647	1.0	1,647	1.0
DUs[3]	**130**	**0.1**	154	0.1	148	0.1
Basic number of units	**158,472**	**99.6**	162,347	99.7	168,955	99.6
Plus:						
RURs[3]	**623**	**0.4**	550	0.3	607	0.4
PURs	**73**	**0.0**	30	0.0	—	—
Diluted number of units	**159,168**	**100.0**	162,927	100.0	169,562	100.0

[1] Represents percentage of total diluted units.
[2] See note 14 to the accompanying condensed consolidated interim financial statements for details on Exchangeable LP Units.
[3] See notes 14 and 19 to the audited consolidated annual financial statements for the year ended December 31, 2024 for details of CAPREIT's unit-based compensation plans.

Weighted Average Number of Units

(Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Trust Units	**158,411**	167,133	**159,546**	167,316
Exchangeable LP Units[1]	**1,445**	1,647	**1,472**	1,647
DUs[2]	**155**	141	**155**	138
Basic number of units	**160,011**	168,921	**161,173**	169,101
Plus:				
RURs[2]	**627**	606	**607**	560
PURs[2]	**73**	—	**59**	—
Diluted number of units	**160,711**	169,527	**161,839**	169,661

[1] See note 14 to the accompanying condensed consolidated interim financial statements for details on Exchangeable LP Units.
[2] See notes 14 and 19 to the audited consolidated annual financial statements for the year ended December 31, 2024 for details of CAPREIT's unit-based compensation plans.

DRIP and Net Distributions Paid

($ Thousands)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Distributions declared on Trust Units	**$ 61,185**	$ 60,474	**$ 122,750**	$ 121,173
Distributions declared on Exchangeable LP Units	**560**	597	**1,114**	1,200
Distributions declared on awards outstanding under unit-based compensation plans[1]	**353**	271	**634**	492
Total distributions declared	**$ 62,098**	$ 61,342	**$ 124,498**	$ 122,865
Less:				
Distributions declared on Trust Units reinvested	**$ (1,168)**	$ (1,486)	**$ (2,598)**	$ (2,519)
Distributions declared on unit awards reinvested[1]	**(353)**	(271)	**(634)**	(492)
Net distributions paid in cash[2]	**$ 60,577**	$ 59,585	**$ 121,266**	$ 119,854
Percentage of distributions reinvested	**2.4%**	2.9%	**2.6%**	2.5%

(1) Comprises non-cash distributions related to the DUP and the RUR Plan (see notes 14 and 19 to CAPREIT's audited consolidated annual financial statements for the year ended December 31, 2024 for a discussion of these plans).
(2) Based on distributions declared during the respective periods.

Under CAPREIT's DRIP, a participant may purchase additional units with the cash distributions paid on the eligible units, registered in the participant's name or held in a participant's account maintained pursuant to the DRIP. Exchangeable LP Units are not eligible for the DRIP.

Adjusted Cash Generated from Operating Activities and Net Income Compared to Total Distributions Declared

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following table quantifies cash generated from operating activities net of interest expense included in cash used in financing activities for the three and six months ended June 30, 2025 and June 30, 2024:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Cash provided by operating activities	**$ 134,816**	$ 155,533	**$ 257,270**	$ 300,521
Adjustments:				
Interest paid on mortgages and credit facilities	**(42,585)**	(48,597)	**(85,786)**	(97,239)
Adjusted Cash Generated from Operating Activities	**$ 92,231**	$ 106,936	**$ 171,484**	$ 203,282

Adjusted Cash Generated from Operating Activities is not defined by IFRS, does not have standard meanings and may not be comparable with other industries or companies.

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following table outlines the differences between Adjusted Cash Generated from Operating Activities and total distributions declared, in accordance with the guidelines, for the three and six months ended June 30, 2025 and June 30, 2024:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Adjusted Cash Generated from Operating Activities	**$ 92,231**	$ 106,936	**$ 171,484**	$ 203,282
Total distributions declared	**62,098**	61,342	**124,498**	122,865
Excess of Adjusted Cash Generated from Operating Activities over total distributions declared	**$ 30,133**	$ 45,594	**$ 46,986**	$ 80,417

For the three and six months ended June 30, 2025, CAPREIT's Adjusted Cash Generated from Operating Activities exceeded distributions declared by $30.1 million and $47.0 million, respectively (for the three and six months ended June 30, 2024 – $45.6 million and $80.4 million, respectively). As per OSC Staff Notice 51-724, if distributions are in excess of Adjusted Cash Generated from Operating Activities, then it represents a return of capital, rather than a return on capital, since they represent cash payments in excess of cash generated from CAPREIT's continuing operations during the period. Management believes, should it occur, there is adequate overall liquidity to fund excess distributions over Adjusted Cash Generated from Operating Activities on an annual basis through cash and cash equivalents on hand and, if necessary, the Acquisition and Operating Facility.

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following table outlines the differences between net income and total distributions declared, in accordance with the guidelines, for the three and six months ended June 30, 2025 and June 30, 2024:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Net income	**$ 74,475**	$ 112,072	**$ 82,460**	$ 294,185
Total distributions declared	**62,098**	61,342	**124,498**	122,865
Excess (shortfall) of net income over total distributions declared	**$ 12,377**	$ 50,730	**$ (42,038)**	$ 171,320

CAPREIT does not use net income as a basis for distributions as it includes non-cash items such as fair value change in investment properties, fair value change in investments, remeasurement of unit-based compensation liabilities and fair value change in derivative financial instruments, which are not reflective of CAPREIT's ability to make distributions. Amounts retained in excess of the declared distributions are used for mortgage principal repayments and capital expenditure requirements.

NON-IFRS MEASURES

Funds From Operations

FFO is a measure of operating performance based on the funds generated by the business before reinvestment or provision for other capital needs. Management considers FFO to be an important measure of CAPREIT's operating performance. Fair value adjustments, gains or losses on dispositions, and other non-cash items do not necessarily provide an accurate picture of CAPREIT's past or recurring operating performance. FFO as presented is in accordance with the recommendations of the Real Property Association of Canada ("REALPAC"), with the exception of (i) the adjustment for gains or losses on fair value through profit or loss ("FVTPL") marketable securities, (ii) the adjustment for amortization of PP&E and right-of-use asset, (iii) accelerated amortization on unit-based compensation, (iv) tax related to ERES dispositions and tax authority reassessments, and (v) the exclusion of the effects of certain items that are not indicative of CAPREIT's long-term operating performance. These items include reorganization, senior management termination and retirement costs, net loss (gain) on derecognition of debt, ERP implementation costs and unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination. It may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries.

As it is an operating performance metric, no adjustment is made to FFO for capital expenditures. For further information on CAPREIT's total property capital investments, please refer to Property Capital Investments in Section IV. See discussions under Foreign Currency Information in Section VI for additional information on hedging instruments currently in place. FFO is not a measure of the sustainability of distributions.

A reconciliation of net income to FFO is as follows for the three and six months ended June 30, 2025 and June 30, 2024:

($ Thousands, except per unit amounts)	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Net income	**$ 74,475**	$ 112,072	**$ 82,460**	$ 294,185
Adjustments:				
Fair value adjustments of investment properties	**16,173**	(13,190)	**40,960**	(84,509)
Fair value adjustments of financial instruments	**16,487**	3,109	**29,493**	3,682
Interest expense on Exchangeable LP Units	**560**	597	**1,114**	1,200
Loss (gain) on non-controlling interest	**(3,187)**	(833)	**15,934**	(10,473)
FFO impact attributable to ERES units held by non-controlling unitholders[(1)]	**(2,497)**	(4,797)	**(4,724)**	(9,513)
Deferred income tax expense (recovery)	**(3,237)**	3,946	**544**	3,282
Loss (gain) on foreign currency translation	**(362)**	3,419	**2,319**	9,389
Transaction costs and other activities[(2)]	**4,845**	2,999	**16,749**	7,680
Tax related to ERES dispositions and tax authority reassessments[(3)]	**208**	1,279	**5,928**	1,922
Net loss (gain) on derecognition of debt	**256**	(859)	**3,809**	(3,138)
Lease principal repayments	**(339)**	(319)	**(674)**	(630)
Reorganization, senior management termination and retirement costs[(4)]	**2,826**	1,722	**7,673**	1,722
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination[(5)]	**—**	—	**—**	(2,284)
FFO	**$ 106,208**	$ 109,145	**$ 201,585**	$ 212,515
Weighted average number of units (000s) – diluted	**160,711**	169,527	**161,839**	169,661
Total distributions declared	**$ 62,098**	$ 61,342	**$ 124,498**	$ 122,865
FFO per unit – diluted[(6)]	**$ 0.661**	$ 0.644	**$ 1.246**	$ 1.253
FFO payout ratio[(7)]	**58.5%**	56.2%	**61.8 %**	57.8 %

(1) For the three and six months ended June 30, 2025, the adjustment is based on applying the 35% weighted average ownership held by ERES non-controlling unitholders (for the three and six months ended June 30, 2024 – 35%).

(2) Primarily includes transaction costs and other adjustments on dispositions and amortization of PP&E, right-of-use asset and ERP implementation costs.

(3) Included in current income tax expense.

(4) For the three and six months ended June 30, 2025, includes $nil and $157, respectively, of accelerated vesting of previously granted CAPREIT unit-based compensation (for the three and six months ended June 30, 2024 – $nil) and $799 and $1,402, respectively, of accelerated vesting of ERES RURs that vested on May 20, 2025 and January 7, 2025 (for the three and six months ended June 30, 2024 – $nil).

(5) During the three and six months ended June 30, 2024, nil and three million ERES unit options were forfeited, respectively, upon senior management termination totalling $nil and $2,284, respectively.

(6) FFO per unit – diluted is calculated using FFO during the period divided by weighted average number of units – diluted.

(7) FFO payout ratio is calculated using total distributions declared during the period divided by FFO.

FFO may be subject to a certain degree of fluctuation from period to period as a result of CMHC premium write-offs which occur upon the refinancing of a mortgage, as well as accelerated CMHC amortization expense for mortgages that management intends to fully refinance or discharge within the year, excluding property dispositions. These write-offs and accelerated CMHC amortization expense are not added back to FFO and as a result, may cause fluctuation depending on the timing and amount of mortgages coming due. For further details, please refer to Liquidity and Financial Condition in Section V.

Contributing to FFO are fees earned from ERES on the portion of ERES units held by non-controlling unitholders totalling $0.4 million and $0.8 million, respectively, for the three and six months ended June 30, 2025 compared to $1.3 million and $2.5 million, respectively, for the three and six months ended June 30, 2024. These fees comprise asset management fees, property management fees, service fees and interest income earned on the promissory note from ERES. Refer to the Related Party Transactions section for further details.

FFO for the three and six months ended June 30, 2025 decreased by $2.9 million and $10.9 million, respectively, or 2.7% and 5.1%, respectively, compared to the same period last year, primarily due to lost NOI from disposed properties, partially offset by lower interest expense on credit facilities payable and mortgages payable.

For the three months ended June 30, 2025, diluted FFO per unit increased by $0.017, or 2.6% compared to the same periods last year, primarily due the impact of Trust Units purchased and cancelled through the NCIB program, reducing overall weighted average Units outstanding by approximately 5.2%, partially offset by lost NOI from disposed properties.

For the six months ended June 30, 2025, diluted FFO per unit decreased by $0.007, or (0.6)% compared to the same periods last year, primarily due to the same reasons noted above, partially offset by the impact of Trust Units purchased and cancelled through the NCIB program, reducing overall weighted average Units outstanding by approximately 4.6%.

Comparing total distributions declared to FFO, the FFO payout ratio for the three and six months ended June 30, 2025 increased to 58.5% compared to 56.2%, and 61.8% compared to 57.8% for the same periods last year, primarily due to lower FFO coupled with the impact of the distribution rate increase effective during the February 2025 monthly distribution.

Adjusted Cash Flows From Operations and Distributions Declared

ACFO is a measure of economic cash flow based on the operating cash flows generated by the business, adjusted to deduct items such as interest expense, actual non-discretionary property capital investments, capitalized leasing costs and amortization of other financing costs, partially offset by investment and interest income. ACFO as calculated by CAPREIT is in accordance with the most recent corresponding definition recommended by REALPAC, with the exception of the adjustment for investment and interest income. Management considers ACFO to be an important economic and sustainable cash flow measure of CAPREIT's operating performance. It may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries.

There may be periods when actual distributions declared exceed ACFO due to seasonal fluctuations in certain periods, regional market volatility, or from year to year based on the timing of property capital investments and the impact of acquisitions and dispositions. Excess distributions (shortfalls) are funded by cash and cash equivalents and, if necessary, the Acquisition and Operating Facility.

The following table reconciles cash provided by operating activities to ACFO for the three and six months ended June 30, 2025 and June 30, 2024:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Cash provided by operating activities	**$ 134,816**	$ 155,533	**$ 257,270**	$ 300,521
Adjustments:				
Interest paid on mortgages payable and credit facilities payable	**(42,585)**	(48,597)	**(85,786)**	(97,239)
Actual non-discretionary property capital investments	**(16,203)**	(17,389)	**(24,190)**	(24,589)
Capitalized leasing costs(1)	**(2,912)**	(834)	**(7,418)**	(1,438)
Amortization and write-offs of other financing costs(2)	**(4,579)**	(6,352)	**(10,402)**	(12,018)
Investment and interest income received	**492**	3,701	**2,101**	4,158
Net ACFO impact attributed to ERES units held by non-controlling unitholders(3)	**(2,674)**	(3,795)	**(3,390)**	(8,319)
Lease payments	**(1,577)**	(1,572)	**(3,155)**	(3,144)
ACFO	**$ 64,778**	$ 80,695	**$ 125,030**	$ 157,932
Total distributions declared	**62,098**	61,342	**124,498**	122,865
Excess ACFO over distributions declared	**$ 2,680**	$ 19,353	**$ 532**	$ 35,067
ACFO payout ratio(4)	**95.9%**	76.0%	**99.6%**	77.8%

(1) Comprises tenant inducements and direct leasing costs.
(2) For the three and six months ended June 30, 2025, includes $(4,439) and $(8,564), respectively, of amortization and write-offs of CMHC premiums, deferred financing costs, fair value adjustments and deferred loan costs (for the three and six months ended June 30, 2024 – $(5,767) and $(10,663), respectively). In addition, for the three and six months ended June 30, 2025, includes $(140) and $(1,838), respectively, of write-offs of CMHC premiums and deferred financing costs on dispositions (for the three and six months ended June 30, 2024 – $(585) and $(1,355), respectively).
(3) For the three and six months ended June 30, 2025, the adjustment is based on applying the 35% weighted average ownership held by ERES non-controlling unitholders (for the three and six months ended June 30, 2024 – 35%).
(4) ACFO payout ratio is calculated using total distributions declared during the period divided by ACFO.

For the three and six months ended June 30, 2025, the ACFO payout ratio increased primarily due to lost NOI from net disposition activities contributing to lower cash provided by operating activities, timing of working capital movements, lower investment income, an increase in the distribution rate effective with the February 2025 monthly distribution, and higher-than-usual tenant inducements granted as part of a strategic move to stabilize occupancy and remain competitive in the current market, compared to the prior year comparative periods.

Total Debt and Total Debt Ratios

Management uses Total Debt, Total Debt to Gross Book Value ratio and Mortgage debt to Gross Book Value as indicators in assessing if the debt level maintained is sufficient to meet cash flow requirements and for evaluating the need to raise funds for further expansion. These Non-IFRS Measures may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries.

A reconciliation for Total Debt and Gross Book Value as at June 30, 2025, December 31, 2024 and June 30, 2024 is as follows:

($ Thousands)

As at	June 30, 2025	December 31, 2024	June 30, 2024
Mortgages payable – non-current	**$ 5,087,294**	$ 5,343,549	$ 6,060,330
Mortgages payable – current	**690,132**	644,320	764,687
Total mortgages payable	**$ 5,777,426**	$ 5,987,869	$ 6,825,017
Credit facilities payable – non-current	**157,128**	4,145	301,496
Total Debt	**$ 5,934,554**	$ 5,992,014	$ 7,126,513
Total Assets	**$ 15,355,115**	$ 15,576,093	$ 17,126,078
Add: Accumulated amortization of PP&E	**46,147**	43,164	47,955
Gross Book Value[1]	**$ 15,401,262**	$ 15,619,257	$ 17,174,033
Total Debt to Gross Book Value[2]	**38.5 %**	38.4 %	41.5 %
Total Mortgages Payable to Gross Book Value[3]	**37.5 %**	38.3 %	39.7 %

[1] Gross Book Value ("GBV") is defined by CAPREIT's DOT.
[2] Total Debt to Gross Book Value is calculated using total debt divided by gross book value.
[3] Total Mortgages Payable to Gross Book Value is calculated using total mortgages payable divided by gross book value.

Adjusted Earnings Before Interest, Taxes, Depreciation, Amortization and Fair Value Adjustments

Adjusted EBITDAFV is calculated as prescribed in CAPREIT's Acquisition and Operating Facility agreement for the purpose of determining the Debt Service Coverage Ratio and Interest Coverage Ratio, and is defined as net income (loss) attributable to Unitholders, reversing, where applicable, interest expense; income taxes; depreciation and amortization; gain or loss attributable to dispositions; non-cash gain or loss resulting from the remeasurement of assets or liabilities; other non-cash amounts included in net income (loss); gain or loss on the repurchase or redemption of securities; foreign exchange gain or loss; and any other extraordinary, non-recurring or unusual items as permitted under CAPREIT's Acquisition and Operating Facility agreement. Management believes Adjusted EBITDAFV is useful in assessing CAPREIT's operating performance, excluding any non-cash items and other extraordinary factors, and its ability to service debt, finance capital expenditures and provide for distributions to its Unitholders. This Non-IFRS Measure may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries.

A reconciliation of net income (loss) to Adjusted EBITDAFV for the trailing 12 months ended June 30, 2025, December 31, 2024 and June 30, 2024 is as follows:

($ Thousands)

For the Trailing 12 Months Ended	June 30, 2025	December 31, 2024	June 30, 2024
Net income (loss)	**$ 81,017**	$ 292,742	$ (54,145)
Adjustments:			
Interest expense on debt and other financing costs	**205,117**	220,162	219,016
Interest expense on Exchangeable LP Units	**2,343**	2,429	2,394
Total current income tax expense and deferred income tax expense (recovery)	**39,049**	39,439	(7,246)
Amortization of PP&E and right-of-use asset	**6,401**	6,363	6,073
Total unit-based compensation amortization expense, net	**10,933**	6,306	5,830
EUPP unit-based compensation expense	**(480)**	(523)	(555)
Fair value adjustments of investment properties	**66,983**	(58,486)	533,875
Fair value adjustments of financial instruments	**31,805**	5,994	(9,739)
Net loss (gain) on derecognition of debt	**3,935**	(3,012)	(2,643)
Loss (gain) on non-controlling interest	**144,933**	118,526	(48,974)
Loss on foreign currency translation	**19,712**	26,782	14,577
Transaction costs and other adjustments on dispositions and other	**31,200**	22,169	9,447
Adjusted EBITDAFV	**$ 642,948**	$ 678,891	$ 667,910

Debt Service Coverage Ratio

The Debt Service Coverage Ratio is defined as Adjusted EBITDAFV divided by the sum of interest expense (including interest on mortgages payable and credit facilities payable and excluding interest with respect to leases, holders of Exchangeable LP Units, and amortization of CMHC premiums and fees on mortgages payable) and all regularly scheduled mortgage principal repayments. The Debt Service Coverage Ratio is calculated as prescribed in the Acquisition and Operating Facility agreement, and is based on the trailing 12 months ended. Management believes the Debt Service Coverage Ratio is useful in determining CAPREIT's ability to service the interest and mortgage principal requirements of its outstanding debt. This Non-IFRS Measure may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries.

($ Thousands)

For the Trailing 12 Months Ended	June 30, 2025	December 31, 2024	June 30, 2024
Contractual interest on mortgages payable[1][2][3]	**$ 169,939**	$ 171,254	$ 167,820
Amortization of deferred financing costs and fair value adjustments on mortgages payable[1]	**9,529**	8,025	6,698
Contractual interest on credit facilities payable, net[2]	**13,449**	25,049	27,117
Amortization of deferred financing costs on credit facilities payable	**918**	731	895
Mortgage principal repayments[1]	**138,915**	153,237	166,194
Debt service payments	**$ 332,750**	$ 358,296	$ 368,724
Adjusted EBITDAFV	**$ 642,948**	$ 678,891	$ 667,910
Debt service coverage ratio (times)	**1.9x**	1.9x	1.8x

[1] Includes mortgages payable related to assets held for sale, as applicable.
[2] Includes net CCIR and IR swap interest, offsetting contractual interest.
[3] Net of capitalized interest expense.

Interest Coverage Ratio

The Interest Coverage Ratio is defined as Adjusted EBITDAFV divided by interest expense (including interest on mortgages payable and credit facilities payable and excluding interest with respect to leases, holders of Exchangeable LP Units, and amortization of CMHC premiums and fees on mortgages payable). The Interest Coverage Ratio is calculated as prescribed in the Acquisition and Operating Facility agreement, and is based on the trailing 12 months ended. Management believes the Interest Coverage Ratio is useful in determining CAPREIT's ability to service the interest requirements of its outstanding debt. This Non-IFRS Measure may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries.

($ Thousands)

For the Trailing 12 Months Ended	**June 30, 2025**	**December 31, 2024**	**June 30, 2024**
Contractual interest on mortgages payable[1][2][3]	**$ 169,939**	$ 171,254	$ 167,820
Amortization of deferred financing costs and fair value adjustments on mortgages payable[1]	**9,529**	8,025	6,698
Contractual interest on credit facilities payable, net[2]	**13,449**	25,049	27,117
Amortization of deferred financing costs on credit facilities payable	**918**	731	895
Interest Expense	**$ 193,835**	$ 205,059	$ 202,530
Adjusted EBITDAFV	**$ 642,948**	$ 678,891	$ 667,910
Interest coverage ratio (times)	**3.3x**	3.3x	3.3x

(1) Includes mortgages payable related to assets held for sale, as applicable.
(2) Includes net CCIR and IR swap interest, offsetting contractual interest.
(3) Net of capitalized interest expense.

Net Asset Value

NAV represents total Unitholders' equity per CAPREIT's consolidated balance sheets, adjusted to include or exclude certain amounts in order to provide what management considers to be a key measure of the residual value of CAPREIT to its Unitholders as at the reporting date. NAV is therefore used by management on both an aggregate and per unit basis to evaluate the net asset value attributable to Unitholders, and changes thereon based on the execution of CAPREIT's strategy. While NAV is calculated based on items included in the consolidated financial statements or supporting notes, NAV itself is not a standardized financial measure under IFRS and may not be comparable to similarly termed financial measures disclosed by other real estate investment trusts or companies in similar or different industries.

A reconciliation of Unitholders' equity to NAV as at June 30, 2025, December 31, 2024 and June 30, 2024 is as follows:

($ Thousands, except per unit amounts)

As at		June 30, 2025		December 31, 2024		June 30, 2024
Unitholders' equity	**$**	**8,879,025**	$	9,027,312	$	9,431,748
Adjustments:						
Exchangeable LP Units		**64,164**		70,220		73,217
Unit-based compensation financial liabilities excluding ERES RURs and ERES UOP		**24,449**		23,701		23,667
Deferred income tax liability[1]		**22,380**		32,076		53,074
Deferred income tax asset		**(84)**		(11,793)		(19,794)
Derivative assets – non-current		**(6,369)**		(8,813)		(36,695)
Derivative assets – current		**—**		(10,263)		(7,586)
Derivative liabilities – current		**11,435**		3,684		469
Adjustment to ERES non-controlling interest[2]		**(59,032)**		(84,056)		(183,579)
NAV	**$**	**8,935,968**	$	9,042,068	$	9,334,521
Diluted number of units		**159,168**		162,927		169,562
NAV per unit – diluted[3]	**$**	**56.14**	$	55.50	$	55.05

(1) Includes deferred income tax liability classified as liabilities related to assets held for sale, as applicable.

(2) CAPREIT accounts for the non-controlling interest in ERES as a liability, measured at the redemption amount, as defined by the ERES DOT, of ERES's units not owned by CAPREIT. The adjustment is made so that the non-controlling interest in ERES is measured at ERES's disclosed NAV, rather than the redemption amount. The table below summarizes the calculation of adjustment to ERES non-controlling interest as at June 30, 2025, December 31, 2024 and June 30, 2024:

($ Thousands)

As at		June 30, 2025		December 31, 2024		June 30, 2024
ERES's NAV	**€**	**433,240**	€	486,259	€	689,324
Ownership by ERES non-controlling interest		**35%**		35%		35%
Closing foreign exchange rate	**$**	**1.60325**	$	1.49288	$	1.46581
Impact to NAV due to ERES's non-controlling unitholders	**$**	**243,107**	$	254,074	$	353,646
Less: ERES units held by non-controlling unitholders		**(184,075)**		(170,018)		(170,067)
Adjustment to ERES non-controlling interest	**$**	**59,032**	$	84,056	$	183,579

(3) NAV per unit – diluted is calculated using NAV as at period end divided by diluted number of units.

OTHER INFORMATION

Selected Consolidated Quarterly Information

	Q2 25	Q1 25	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23
Canadian residential Occupied AMR(1)(2)	**$ 1,693**	$ 1,677	$ 1,636	$ 1,617	$ 1,577	$ 1,552	$ 1,516	$ 1,490
The Netherlands Occupied AMR(2)	**€ 1,245**	€ 1,248	€ 1,222	€ 1,141	€ 1,072	€ 1,068	€ 1,063	€ 1,053
Operating revenues (000s)	**$ 254,434**	$ 253,311	$ 276,361	$ 282,439	$ 278,126	$ 275,816	$ 272,195	$ 268,377
NOI (000s)	**$ 169,802**	$ 158,019	$ 177,942	$ 189,382	$ 186,281	$ 177,049	$ 176,711	$ 178,432
NOI Margin	**66.7%**	62.4%	64.4%	67.1%	67.0%	64.2%	64.9%	66.5%
Net income (loss) (000s)	**$ 74,475**	$ 7,985	$ (48,813)	$ 47,370	$ 112,072	$ 182,113	$ 9,212	$ (357,542)
FFO (000s)(3)	**$ 106,208**	$ 95,377	$ 104,292	$ 111,833	$ 109,145	$ 103,370	$ 102,153	$ 108,280
FFO per unit – diluted(3)	**$ 0.661**	$ 0.585	$ 0.622	$ 0.659	$ 0.644	$ 0.609	$ 0.602	$ 0.638
FFO payout ratio(3)	**58.5%**	65.4%	59.8%	56.2%	56.2%	59.5%	60.4%	56.8%
Total debt to gross book value(2)(3)	**38.5%**	37.7%	38.4%	40.9%	41.5%	41.8%	41.6%	41.4%
NAV per unit – diluted(2)(3)	**$ 56.14**	$ 55.56	$ 55.50	$ 55.78	$ 55.05	$ 54.79	$ 54.23	$ 54.36
Weighted average number of units (000s) – diluted	**160,711**	162,981	167,742	169,586	169,527	169,796	169,828	169,727

(1) Excludes MHC sites.
(2) As at period end.
(3) Non-IFRS Measures are reconciled with IFRS reported amounts in the respective quarterly SEDAR+ filings. These measures are not defined by IFRS, do not have standard meanings and may not be comparable with other industries or companies (see Section I – Non-IFRS Measures).

CAPREIT's operations are affected by seasonal cycles, and operating performance in one quarter may not be indicative of operating performance in any other quarter of the year. The first and fourth quarters of each year are typically more subject to increased energy consumption in the winter months. There may be periods when actual distributions declared may exceed cash generated from (utilized in) operating activities after factoring interest paid, primarily due to seasonal fluctuations. These seasonal or short-term fluctuations are funded, if necessary, with the Acquisition and Operating Facility. CAPREIT determines its annual distributions and the annual distribution rate by, among other considerations, its assessment of ACFO (a Non-IFRS Measure). As such, CAPREIT believes the cash distributions are not an economic return of capital, but a distribution of adjusted cash flow from operating activities.

Foreign Currency Information

CAPREIT's functional currency is the Canadian dollar and the functional currency of certain foreign subsidiaries is the euro. CAPREIT is exposed to gain or loss on foreign currency translation due to its holdings of European assets and liabilities through its ERES subsidiary, euro-denominated cash and borrowings held by CAPREIT, and its investment in IRES, as applicable in respective periods. Further, as part of CAPREIT's foreign currency and interest rate management strategies, CAPREIT has cash, borrowings and CCIR arrangements denominated in USD.

Based on CAPREIT's accounting policies, CAPREIT converted its euro and USD-denominated balances and transactions as at and for the respective periods using the rates shown in the table below:

As at	**June 30, 2025**	**December 31, 2024**	**June 30, 2024**
Canadian dollar per euro (closing rate at period end)	**$ 1.60325**	$ 1.49288	$ 1.46581
Canadian dollar per USD (closing rate at period end)	**1.36530**	1.43722	1.36785

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2025	**2024**	**2025**	**2024**
Canadian dollar per euro (average rate during the period)	**$ 1.56988**	$ 1.47275	**$ 1.54022**	$ 1.46823
Canadian dollar per USD (average rate during the period)	**1.38385**	1.36823	**1.40962**	1.35819

European Foreign Exchange Exposure

The majority of CAPREIT's foreign currency transactions are denominated in euros. Between December 31, 2024 and June 30, 2025, the euro strengthened against the Canadian dollar from a closing price of $1.49288 per euro to $1.60325 per euro. Between June 30, 2024 and June 30, 2025, the euro strengthened against the Canadian dollar from a closing price of $1.46581 per euro to $1.60325 per euro.

The following table summarizes CAPREIT's net foreign investments exposure and its associated derivative financial instruments related to the euro as at June 30, 2025, December 31, 2024 and June 30, 2024. CAPREIT uses derivative financial instruments to minimize its exposure to fluctuations in foreign exchange rates.

(€ Thousands)

As at		June 30, 2025		December 31, 2024		June 30, 2024
ERES assets	**€**	**729,730**	€	865,374	€	1,705,985
Investment in IRES		**—**		—		39,702
CAPREIT's euro cash		**349**		78,944		957
Total foreign assets	**€**	**730,079**	€	944,318	€	1,746,644
ERES liabilities (excluding intercompany transactions)	**€**	**291,980**	€	381,710	€	1,012,954
Total foreign liabilities	**€**	**291,980**	€	381,710	€	1,012,954
Net foreign equity[1]	**€**	**438,099**	€	562,608	€	733,690
Net foreign equity (excluding non-controlling interest)	**€**	**283,573**	€	393,326	€	491,128
Less: cross-currency swaps[2]		**234,000**		278,818		442,358
Net European foreign exchange exposure (excluding non-controlling Interest)	**€**	**49,573**	€	114,508	€	48,770

(1) As at June 30, 2025, net foreign equity includes €437,750 (December 31, 2024 - €483,664, June 30, 2024 - €693,031) relating to ERES in which CAPREIT has a 65% (December 31, 2024 - 65%, June 30, 2024 - 65%) interest.
(2) Excludes cross-currency swaps denominated in USD.

Related Party Transactions

A summary of related party transactions can be found in note 24 to CAPREIT's condensed consolidated interim financial statements for the three and six months ended June 30, 2025. Transactions with ERES are described below.

Other Transactions with ERES

The table below summarizes fees charged to and interest income earned from ERES for the three and six months ended June 30, 2025 and June 30, 2024, including non-recoverable taxes which must be remitted to the government:

($ Thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
		2025		2024		2025		2024
Asset management fees	**$**	**985**	$	2,189	**$**	**1,988**	$	4,243
Property management fees[1]		**—**		1,294		**122**		2,588
Service fees		**105**		193		**271**		410
Total	**$**	**1,090**	$	3,676	**$**	**2,381**	$	7,241

(1) ERES transferred property management services for its residential portfolio in the Netherlands to a third party effective January 15, 2025.

During the three and six months ended June 30, 2025, ERES declared a total of $3.6 million and $7.0 million, respectively, in distributions on ERES units and interest on Class B Limited Partnership units ("ERES Class B LP Units") to CAPREIT (three and six months ended June 30, 2024 – $6.7 million and $13.4 million, respectively).

All intercompany transactions between CAPREIT and ERES, excluding non-recoverable taxes which must be remitted to the government, are eliminated upon consolidation in the condensed consolidated interim financial statements.

SECTION VII: COMPLIANCE AND GOVERNANCE DISCLOSURES, RISKS AND UNCERTAINTIES

ACCOUNTING POLICIES AND CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Summary of Material Accounting Policies

A summary of material accounting policies can be found in note 2 to CAPREIT's condensed consolidated interim financial statements for the three and six months ended June 30, 2025 and in note 2 to CAPREIT's consolidated annual financial statements for the year ended December 31, 2024.

Critical Accounting Estimates, Assumptions, and Judgements

A summary of critical accounting estimates, assumptions and judgements can be found in CAPREIT's consolidated annual financial statements for the year ended December 31, 2024.

CONTROLS AND PROCEDURES

CAPREIT maintains appropriate information systems, procedures and controls to provide reasonable assurance that information disclosed externally is complete, reliable and timely. Pursuant to the Canadian Securities Administrators requirements under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, CAPREIT's Chief Executive Officer and Chief Financial Officer have satisfied themselves that as at June 30, 2025, the design of disclosure controls and procedures and the design of internal controls over financial reporting continue to be appropriate.

CAPREIT did not make any significant changes to the design of internal controls over financial reporting during the three and six months ended June 30, 2025 that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting.

RISKS AND UNCERTAINTIES

There are certain risks inherent in an investment in the Trust Units and in the activities of CAPREIT. Risks and uncertainties are disclosed in CAPREIT's Annual MD&A for the year ended December 31, 2024 in the Risks and Uncertainties section and in CAPREIT's latest AIF.

COMMITMENTS AND CONTINGENCIES

A summary of commitments and contingencies can be found in note 26 to CAPREIT's condensed consolidated interim financial statements for the three and six months ended June 30, 2025.

SUBSEQUENT EVENTS

A summary of subsequent events can be found in note 28 to CAPREIT's condensed consolidated interim financial statements for the three and six months ended June 30, 2025.

CANADIAN APARTMENT PROPERTIES • REIT

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2025
(UNAUDITED)

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CONSOLIDATED INTERIM BALANCE SHEETS

(In thousands of Canadian dollars)

As at	Note	June 30, 2025	December 31, 2024
Non-current assets			
Investment properties	3	**$ 14,481,143**	$ 14,868,362
Vendor takeback mortgages receivable		**136,468**	130,161
Derivative assets	7	**6,369**	8,813
Deferred income tax asset		**84**	11,793
Other assets	8	**27,179**	29,474
Total non-current assets		**14,651,243**	15,048,603
Current assets			
Cash and cash equivalents		**28,639**	136,243
Amounts receivable		**19,459**	17,384
Derivative assets	7	**—**	10,263
Other assets	8	**69,036**	56,140
Assets held for sale	6	**586,738**	307,460
Total current assets		**703,872**	527,490
Total assets		**$ 15,355,115**	$ 15,576,093
Non-current liabilities			
Debt	9	**$ 5,244,422**	$ 5,347,694
Deferred income tax liability		**3,901**	32,076
Unit-based compensation financial liabilities	10	**11,545**	12,305
Other liabilities	11	**44,739**	45,462
Total non-current liabilities		**5,304,607**	5,437,537
Current liabilities			
Debt	9	**690,132**	644,320
ERES units held by non-controlling unitholders	12	**184,075**	170,018
Accounts payable and accrued liabilities	13	**79,372**	101,760
Exchangeable LP Units	14	**64,164**	70,220
Unit-based compensation financial liabilities	10	**12,972**	12,326
Derivative liabilities	7	**11,435**	3,684
Other liabilities	11	**110,854**	108,916
Liabilities related to assets held for sale	6	**18,479**	—
Total current liabilities		**1,171,483**	1,111,244
Total liabilities		**$ 6,476,090**	$ 6,548,781
Unitholders' equity			
Unit capital		**$ 4,132,497**	$ 4,226,115
Retained earnings		**4,685,647**	4,791,648
Accumulated other comprehensive income		**60,881**	9,549
Total unitholders' equity		**$ 8,879,025**	$ 9,027,312
Total liabilities and unitholders' equity		**$ 15,355,115**	$ 15,576,093

See accompanying notes to the condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME

(In thousands of Canadian dollars)

	Note	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Operating revenues					
Revenue from investment properties	17	**$ 254,434**	$ 278,126	**$ 507,745**	$ 553,942
Operating expenses					
Property operating costs		**(59,628)**	(67,164)	**(130,116)**	(141,112)
Realty taxes		**(25,004)**	(24,681)	**(49,808)**	(49,500)
Total operating expenses		**(84,632)**	(91,845)	**(179,924)**	(190,612)
Net operating income		**169,802**	186,281	**327,821**	363,330
Other income	18	**3,202**	1,308	**7,473**	4,943
Trust expenses	19	**(14,789)**	(14,626)	**(31,367)**	(28,360)
Unit-based compensation amortization recovery (expense):					
Unit-based compensation amortization expense	10	**(3,014)**	(2,066)	**(6,323)**	(3,980)
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination	10	**—**	—	**—**	2,284
Total unit-based compensation amortization expense, net		**(3,014)**	(2,066)	**(6,323)**	(1,696)
Financing-related costs:					
Interest expense on debt and other financing costs	20	**(47,703)**	(56,010)	**(95,373)**	(110,418)
Interest expense on Exchangeable LP Units		**(560)**	(597)	**(1,114)**	(1,200)
Net gain (loss) on derecognition of debt		**(256)**	859	**(3,809)**	3,138
Total financing-related costs, net		**(48,519)**	(55,748)	**(100,296)**	(108,480)
Fair value adjustments of investment properties	3, 6	**(16,173)**	13,190	**(40,960)**	84,509
Fair value adjustments of financial instruments	21	**(16,487)**	(3,109)	**(29,493)**	(3,682)
Gain (loss) on non-controlling interest	12	**3,187**	833	**(15,934)**	10,473
Gain (loss) on foreign currency translation		**362**	(3,419)	**(2,319)**	(9,389)
Transaction costs and other activities	22	**(4,845)**	(2,999)	**(16,749)**	(7,680)
Net income before income taxes		**72,726**	119,645	**91,853**	303,968
Current income tax expense		**(1,488)**	(3,627)	**(8,849)**	(6,501)
Deferred income tax recovery (expense)		**3,237**	(3,946)	**(544)**	(3,282)
Total current income tax expense and deferred income tax recovery (expense), net		**1,749**	(7,573)	**(9,393)**	(9,783)
Net income		**$ 74,475**	$ 112,072	**$ 82,460**	$ 294,185
Other comprehensive income, including items that may be reclassified subsequently to net income					
Gain on foreign currency translation, net of taxes		**$ 22,341**	$ 3,148	**$ 51,278**	$ 2,736
Gain (loss) on investments held at fair value through other comprehensive income (loss)		**(91)**	167	**54**	9
Other comprehensive income		**$ 22,250**	$ 3,315	**$ 51,332**	$ 2,745
Comprehensive income		**$ 96,725**	$ 115,387	**$ 133,792**	$ 296,930

See accompanying notes to the condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF UNITHOLDERS' EQUITY

(In thousands of Canadian dollars, except number of Trust Units)

	Note	Number of Trust Units		Unit Capital		Retained Earnings		Accumulated Other Comprehensive Income		Total
Unitholders' equity, January 1, 2025		**160,545,918**	**$**	**4,226,115**	**$**	**4,791,648**	**$**	**9,549**	**$**	**9,027,312**
Unit capital										
Distribution Reinvestment Plan		**62,837**		**2,608**		**—**		**—**		**2,608**
Deferred Units	10	**43,043**		**1,915**		**—**		**—**		**1,915**
Restricted Unit Rights	10	**54,760**		**2,219**		**—**		**—**		**2,219**
Employee Unit Purchase Plan		**33,433**		**1,394**		**—**		**—**		**1,394**
Exchangeable LP Units exchanged	14	**202,377**		**8,536**		**—**		**—**		**8,536**
Cancellation of Trust Units under NCIB and other	15	**(4,045,248)**		**(110,290)**		**(65,711)**		**—**		**(176,001)**
Net income and other comprehensive income										
Net income		**—**		**—**		**82,460**		**—**		**82,460**
Other comprehensive income		**—**		**—**		**—**		**51,332**		**51,332**
Distributions on Trust Units										
Distributions declared and paid	16	**—**		**—**		**(102,484)**		**—**		**(102,484)**
Distributions payable	16	**—**		**—**		**(20,266)**		**—**		**(20,266)**
Unitholders' equity, June 30, 2025		**156,897,120**	**$**	**4,132,497**	**$**	**4,685,647**	**$**	**60,881**	**$**	**8,879,025**

	Note	Number of Trust Units		Unit Capital		Retained Earnings		Accumulated Other Comprehensive Loss		Total
Unitholders' equity, January 1, 2024		167,614,292	$	4,227,156	$	5,063,981	$	(12,542)	$	9,278,595
Unit capital										
Distribution Reinvestment Plan		53,822		2,516		—		—		2,516
Restricted Unit Rights	10	17,309		853		—		—		853
Employee Unit Purchase Plan		36,467		1,709		—		—		1,709
Cancellation of Trust Units under NCIB and other	15	(562,017)		(15,240)		(12,442)		—		(27,682)
Net income and other comprehensive income										
Net income		—		—		294,185		—		294,185
Other comprehensive income		—		—		—		2,745		2,745
Distributions on Trust Units										
Distributions declared and paid		—		—		(100,975)		—		(100,975)
Distributions payable		—		—		(20,198)		—		(20,198)
Unitholders' equity, June 30, 2024		167,159,873	$	4,216,994	$	5,224,551	$	(9,797)	$	9,431,748

See accompanying notes to the condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(In thousands of Canadian dollars)

	Note	Three Months Ended June 30, 2025	Three Months Ended June 30, 2024	Six Months Ended June 30, 2025	Six Months Ended June 30, 2024
Cash provided by (used in):					
Operating activities					
Net income		**$ 74,475**	$ 112,072	**$ 82,460**	$ 294,185
Items related to operating activities not affecting cash:					
Fair value adjustments of investment properties	3, 6	**16,173**	(13,190)	**40,960**	(84,509)
Fair value adjustments of financial instruments	21	**16,487**	3,109	**29,493**	3,682
Mark-to-market loss (gain) on ERES units held by non-controlling unitholders	12	**(5,132)**	(4,439)	**12,116**	(17,651)
Total unit-based compensation amortization expense, net		**3,014**	2,066	**6,323**	1,696
Other adjustments	23	**(1,288)**	10,047	**15,247**	19,633
Changes in non-cash operating assets and liabilities	23	**(16,176)**	(11,854)	**(25,970)**	(27,551)
Items related to investing activities		**(3,201)**	(1,632)	**(7,473)**	(4,622)
Items related to financing activities	23	**50,464**	59,354	**104,114**	115,658
Cash provided by operating activities		**134,816**	155,533	**257,270**	300,521
Investing activities					
Capital investments	23	**(56,984)**	(55,388)	**(107,502)**	(108,610)
Acquisitions, deposits and transaction costs of investment properties	4	**(30,789)**	(32,776)	**(128,430)**	(86,331)
Acquisition of investments		**(621)**	(1,287)	**(1,466)**	(2,656)
Disposition of investment properties (net of assumed mortgages and transaction costs)	5	**32,638**	80,509	**394,027**	145,600
Disposition of investments		**182**	96,688	**1,285**	144,142
Investment and interest income received		**492**	3,701	**2,101**	4,158
Change in restricted funds		**55**	176	**746**	(7)
Cash provided by (used in) investing activities		**(55,027)**	91,623	**160,761**	96,296
Financing activities					
Borrowings	9	**139,696**	295,640	**194,356**	394,629
Principal repayments	6, 9	**(36,650)**	(49,120)	**(73,567)**	(87,889)
Lump-sum repayments	6, 9	**(12,565)**	(349,117)	**(251,049)**	(387,226)
Financing costs and CMHC premiums paid	9	**(276)**	(13,241)	**(891)**	(15,092)
Refunds (deposits) related to financing activities		**87**	677	**317**	(463)
Interest paid on mortgages and credit facilities		**(42,585)**	(48,597)	**(85,786)**	(97,239)
Debt settlement costs paid		**(116)**	—	**(1,971)**	—
Purchase and cancellation of Trust Units	15	**(153,714)**	(15)	**(179,269)**	(27,140)
Distributions paid to Unitholders	23	**(60,425)**	(59,010)	**(119,944)**	(118,712)
Net proceeds on issuance of Trust Units	23	**617**	750	**1,158**	1,451
Interest paid to ERES non-controlling unitholders		**(1,951)**	(3,075)	**(4,339)**	(5,982)
Interest paid to Exchangeable LP unitholders		**(560)**	(597)	**(1,133)**	(1,200)
Lease payments		**(1,577)**	(1,572)	**(3,155)**	(3,144)
Cash used in financing activities		**(170,019)**	(227,277)	**(525,273)**	(348,007)
Changes in cash and cash equivalents during the period		**(90,230)**	19,879	**(107,242)**	48,810
Loss on foreign currency translation		**(120)**	(136)	**(362)**	(100)
Cash and cash equivalents, beginning of the period		**118,989**	58,495	**136,243**	29,528
Cash and cash equivalents, end of the period		**$ 28,639**	$ 78,238	**$ 28,639**	$ 78,238

See accompanying notes to the condensed consolidated interim financial statements.

1. Organization of the Trust

As at June 30, 2025, Canadian Apartment Properties Real Estate Investment Trust ("CAPREIT") owns and manages interests in multi-unit residential rental properties principally located in and near major urban centres across Canada. CAPREIT's net assets and operating results are substantially derived from income-producing real estate located in Canada, where it is also domiciled, and to a lesser extent in Europe.

As at June 30, 2025, CAPREIT directly and indirectly holds a 65% (December 31, 2024 – 65%) ownership of publicly-traded European Residential Real Estate Investment Trust ("ERES"), which operates primarily in the Netherlands, with the remaining 35% (December 31, 2024 – 35%) held by non-controlling unitholders. CAPREIT owns publicly-traded units of ERES ("ERES Units") and Class B Limited Partnership units ("ERES Class B LP Units") of ERES Limited Partnership ("ERES LP").

2. Summary of Material Accounting Policies

Basis of Presentation

These condensed consolidated interim financial statements, which have been approved by CAPREIT's Board of Trustees on August 7, 2025, have been prepared in accordance with IAS 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and note disclosures normally included in the consolidated annual financial statements for the year ended December 31, 2024, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed.

These condensed consolidated interim financial statements have been prepared on a going concern basis and are presented in Canadian dollars, which is also CAPREIT's functional currency. CAPREIT's results for the three and six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the full year due to seasonal variations in utility costs and other factors. CAPREIT has historically experienced higher utility expenses in the first and last quarters as a result of the winter months, which create variations in the quarterly results.

The accounting policies followed in these condensed consolidated interim financial statements are consistent with those of CAPREIT's consolidated annual financial statements for the year ended December 31, 2024. These condensed consolidated interim financial statements should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2024.

Certain 2024 comparative figures have been restated to conform with current period presentation.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

3. Investment Properties

The table below summarizes the activities included in investment properties for the six months ended June 30, 2025 and year ended December 31, 2024.

Continuity of Investment Properties

For the Period Ended	Note	June 30, 2025	December 31, 2024
Balance of investment properties, beginning of the period		**$ 14,868,362**	$ 16,532,096
Additions (deductions):			
Acquisitions	4	**155,441**	665,019
Property capital investments		**103,569**	236,267
Capitalized direct leasing costs		**704**	802
Transfers from other assets		**—**	932
Dispositions[1]	5	**(102,040)**	(281,747)
Transfers to assets held for sale[2]	6	**(586,738)**	(2,408,511)
Fair value adjustments		**(40,763)**	66,216
Foreign currency translation adjustments		**82,608**	57,288
Balance of investment properties, end of the period		**$ 14,481,143**	$ 14,868,362

[1] Excludes the disposition of investment properties that were previously classified as assets held for sale. Refer to notes 5 and 6 for further information.
[2] For the six months ended June 30, 2025, transfers included $586,738 of investment properties from Europe (year ended December 31, 2024 – $1,033,400 of investment properties from Canada and $1,375,111 of investment properties from Europe). Refer to note 6 for further information.

Valuation Basis

Approximately one third of the Canadian portfolio is externally appraised throughout the year with quarterly updates provided on capitalization rates. For the remainder of the portfolio, capitalization rates are determined by the internal valuation team based on recent market transactions. For quarterly interim reporting purposes, CAPREIT updates its rental revenue and operating costs forecast based on market assumptions. CAPREIT appraises its European investment properties as at June 30, 2025 using valuations prepared by its internal valuation team. The European internal valuations are based on the same valuation methods used by the external appraiser and available market information.

Current regulatory and macroeconomic developments have impacted overall market activity, resulting in limited reliable market metrics, such as capitalization rates. As such, the fair values of CAPREIT's investment properties are subject to significant change, and such changes may be material.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

A summary of the market assumptions and ranges used in the valuation of Canadian and European apartments and townhomes (as applicable), along with their fair values, is presented below as at June 30, 2025 and December 31, 2024:

As at June 30, 2025					
Type of Interest	**Fair Value**	**Rate Type**	**Min.**	**Max.**	**Weighted Average**
Apartments and townhomes – Canada[1]	**$ 13,573,599**	Capitalization rate	**3.60 %**	**6.60 %**	**4.48 %**
Apartments – Europe	**551,186**	Discount rate	**6.94 %**	**13.60 %**	**8.82 %**
		Terminal capitalization rate	**3.92 %**	**9.70 %**	**6.24 %**

[1] Includes Canadian commercial operations and excludes investment properties acquired during the three months ended June 30, 2025, operating leasehold interests and land leasehold interests.

As at December 31, 2024					
Type of Interest	**Fair Value**	**Rate Type**	**Min.**	**Max.**	**Weighted Average**
Apartments and townhomes – Canada[1]	$ 13,357,991	Capitalization rate	3.52 %	6.60 %	4.45 %
Apartments and townhomes – Europe[2]	1,155,489	Discount rate	6.95 %	8.95 %	8.20 %
		Terminal capitalization rate	4.75 %	8.80 %	5.63 %

[1] Includes Canadian commercial operations and excludes investment properties acquired during the three months ended December 31, 2024, operating leasehold interests and land leasehold interests.
[2] Rates include European commercial operations except one commercial property owned in Belgium, valued by a third-party appraiser using the direct income capitalization ("DC") method.

As at June 30, 2025, the fair value of operating leasehold interests was $94,670 (December 31, 2024 - $96,440), the fair value of land leasehold interests was $217,880 (December 31, 2024 - $214,280) and the fair value of right-of-use assets included in investment properties was $43,808 (December 31, 2024 - $44,162).

The table below summarizes the impact of changes in the capitalization rate on the fair value of CAPREIT's investment properties as at June 30, 2025:

As at June 30, 2025 **Change in Capitalization Rate[1]**	**Change in Fair Value of Investment Properties**
(0.50)%	**$ 1,796,909**
(0.25)%	**845,317**
+0.25%	**(756,053)**
+0.50%	**(1,436,310)**

[1] For operating leasehold interests, land leasehold interests and European properties, CAPREIT applies discount rates to determine the fair value of these properties. However, for the purposes of the above sensitivity analysis, CAPREIT has utilized the implied capitalization rates for operating leasehold interests, land leasehold interests and European properties to determine the impact on fair value of the total portfolio.

A 1% increase in normalized net operating income ("NOI") would result in an increase in fair value of investment properties of $144,356. A 1% decrease in normalized NOI would result in a decrease in fair value of investment properties of $144,390.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

4. Acquisitions of Investment Properties

The table below summarizes the investment property acquisitions completed since January 1, 2025, which have contributed to the operating results as from their acquisition dates.

Six Months Ended June 30, 2025

Acquisition Date	Suite Count	Region	Fair Value of Investment Property	Gross Purchase Price[1]
January 28, 2025	**41**	Vancouver, BC	**$ 18,107**	**$ 18,226**
February 4, 2025	**240**	Edmonton, AB	**79,400**	**79,400**
April 11, 2025	**102**	Montréal, QC	**39,293**	**39,725**
May 29, 2025	**37**	Vancouver, BC	**14,618**	**14,753**
Total	**420**		**$ 151,418**	**$ 152,104**
Transaction costs			**$ 4,023**	
Total acquisition costs			**$ 155,441**	

[1] The gross purchase price is the amount stated in the purchase and sale agreement and comprises the fair value of investment properties being acquired and, as applicable, the fair value adjustment of mortgages payable assumed by CAPREIT. The gross purchase price excludes transaction costs and other adjustments.

Acquisitions of Investment Properties Completed During the Six Months Ended June 30, 2024

For the six months ended June 30, 2024, CAPREIT acquired 537 suites for a total acquisition cost of $233,812.

Net Disbursements on Acquisitions of Investment Properties

The net disbursements made for the acquisitions of investment properties take into consideration the fair value of the investment properties being acquired, fair value of mortgages payable and other net assets assumed, and working capital and other adjustments relating to transaction costs.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	**2024**	**2025**	**2024**
Acquired properties	**$ (56,473)**	$ (104,511)	**$ (155,441)**	$ (233,812)
Fair value of mortgages payable assumed	**28,477**	77,847	**33,882**	154,916
Change in deposit on acquisitions	**(1,853)**	(6,149)	**(2,725)**	(7,688)
Change in investment properties included in accounts payable and accrued liabilities	**(940)**	37	**(4,146)**	253
Net disbursements	**$ (30,789)**	$ (32,776)	**$ (128,430)**	$ (86,331)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

5. Dispositions of Investment Properties

The table below summarizes the dispositions of investment properties (including investment properties previously classified as assets held for sale) completed during the six months ended June 30, 2025.

Six Months Ended June 30, 2025

Disposition Date	Suite or Site Count	Region	Fair Value of Investment Properties	Gross Sale Price[1]
January 20, 2025	**138**	Charlottetown, PEI	**$ 21,765**	**$ 23,000**
January 22, 2025[2]	**242**	Brampton, ON	**73,120**	**73,811**
January 27, 2025[2]	**20**	The Netherlands	**7,764**	**7,764**
January 31, 2025[3]	**176**	Medicine Hat, AB	**12,500**	**12,500**
February 10, 2025[2]	**717**	Montréal, QC	**103,750**	**103,750**
February 12, 2025[2][4]	**259**	The Netherlands	**75,487**	**75,487**
February 19, 2025	**93**	Orangeville, ON	**30,500**	**30,500**
February 25, 2025[2][5]	**—**	Montréal, QC	**9,000**	**9,000**
March 4, 2025[2]	**32**	The Netherlands	**12,953**	**12,953**
March 31, 2025	**104**	The Netherlands	**39,221**	**39,221**
April 15, 2025[3]	**357**	Moncton, NB	**12,500**	**12,500**
May 30, 2025	**56**	Summerside, PEI	**9,200**	**9,200**
Q2 2025[6]	**2**	The Netherlands	**1,354**	**1,354**
Total	**2,196**		**$ 409,114**	**$ 411,040**

[1] The gross sale price is the amount stated in the purchase and sale agreement and comprises the fair value of investment properties being disposed of and, as applicable, the fair value adjustment of mortgages payable assumed by the purchaser and vendor takeback ("VTB") mortgages receivable issued by CAPREIT to the purchaser. The gross sale price excludes transaction costs and other adjustments.
[2] Previously included in assets held for sale.
[3] Relates to the remaining MHC properties that were classified as assets held for sale as at December 31, 2024.
[4] Represents disposition of seven residential properties.
[5] Represents disposition of an office property.
[6] Represents dispositions of single residential suites in one property.

Dispositions of Investment Properties Completed During the Six Months Ended June 30, 2024

For the six months ended June 30, 2024, CAPREIT disposed of 646 suites for a total fair value of $183,378.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

Net Proceeds on Dispositions of Investment Properties

The net proceeds received from the purchaser take into consideration the fair value of the investment properties being sold and, as applicable, the fair value of VTB mortgages receivable, fair value of the mortgages payable assumed by purchasers, closing costs and working capital adjustments.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Fair value of disposed investment properties	**$ 10,554**	$ 59,059	**$ 102,040**	$ 105,168
Fair value of disposed assets held for sale	**12,500**	32,715	**307,074**	78,210
Fair value of VTB mortgages receivable	**—**	—	**(3,831)**	—
Fair value of mortgages payable assumed by purchasers on dispositions[1]	**—**	(16,146)	**—**	(34,495)
Closing costs and other adjustments	**(1,395)**	(1,460)	**(10,341)**	(4,533)
Proceeds receivable[2]	**10,472**	—	**—**	—
Working capital adjustments	**507**	6,341	**(915)**	1,250
Net proceeds	**$ 32,638**	$ 80,509	**$ 394,027**	$ 145,600

(1) Includes mortgages payable previously classified as liabilities related to assets held for sale, as applicable. Refer to note 6 for further information.
(2) Relates to the Netherlands disposition on March 31, 2025. The net proceeds were received on April 3, 2025.

6. Assets Held for Sale and Liabilities Related to Assets Held for Sale

As at June 30, 2025, CAPREIT classified residential properties totalling 1,556 suites in the Netherlands as assets held for sale totalling $586,738. In addition, the deferred income tax liability of $18,479 associated with certain properties in the Netherlands was classified as liabilities related to assets held for sale. Management had committed to a plan to sell the properties, and the sales were considered to be highly probable as at June 30, 2025.

As at December 31, 2024, CAPREIT classified certain properties in Canada and the Netherlands as assets held for sale totalling $307,460. Management had committed to a plan to sell these assets, and the sales were considered to be highly probable as at December 31, 2024. There were no mortgages or other liabilities related to assets held for sale as at December 31, 2024.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

The tables below summarize the activities included in assets held for sale and liabilities related to assets held for sale for the six months ended June 30, 2025 and year ended December 31, 2024.

Assets Held for Sale

For the Period Ended	Note	June 30, 2025	December 31, 2024
Balance, beginning of the period		**$ 307,460**	$ 45,850
Additions (deductions):			
Transfers from investment properties[1]	3	**586,738**	2,408,511
Property capital investments		**197**	5,609
Dispositions of investment properties		**(307,074)**	(2,136,667)
Fair value adjustments		**(197)**	(7,730)
Foreign currency translation adjustments		**(386)**	(8,113)
Balance, end of the period[2]		**$ 586,738**	$ 307,460

[1] For the six months ended June 30, 2025, transfers included $586,738 of investment properties from Europe (year ended December 31, 2024 - $1,033,400 of investment properties from Canada and $1,375,111 of investment properties from Europe).
[2] As at June 30, 2025, consists of $586,738 from Europe (December 31, 2024 – $210,871 from Canada and $96,589 from Europe).

Liabilities Related to Assets Held for Sale

For the Period Ended	Note	June 30, 2025	December 31, 2024
Balance, beginning of the period		**$ —**	$ 23,706
Additions (deductions):			
Transfers from debt	9	—	7,842
Transfer from deferred income tax liability		**18,479**	34,290
Principal repayments		—	(203)
Lump-sum repayments		—	(2,930)
Carrying amount of mortgages assumed by purchaser upon disposition of investment properties		—	(29,349)
Amortization and write-offs of deferred financing costs and prepaid CMHC premiums, and net change in fair value and other adjustments		—	934
Deferred income tax liability assumed by purchaser		—	(33,999)
Foreign currency translation adjustments		—	(291)
Balance, end of the period		**$ 18,479**	$ —

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

7. Derivative Financial Instruments

CAPREIT has certain derivative financial instruments in place, namely interest rate ("IR") swaps and cross-currency interest rate ("CCIR") swaps. These derivative contracts, for which hedge accounting is not being applied, are summarized in the following tables as at June 30, 2025 and December 31, 2024:

As at June 30, 2025

Type of Instrument		Notional Amount	Year of Maturity	Weighted Average Receiving Leg Rate	Weighted Average Paying Leg Rate		Derivative Asset		Derivative Liability
Non-current									
ERES IR swaps	€	**78,721**	**2027**	**EURIBOR**	**(0.11)%**	**$**	**6,369**	**$**	**—**
Total						**$**	**6,369**	**$**	**—**
Current									
CCIR swaps[1]	$	**363,612**	**2025**	**2.18 %**	**1.26 %**	**$**	**—**	**$**	**(11,023)**
CCIR swaps[2]	US$	**83,130**	**2025**	**Term SOFR + 1.45%**	**4.22 %**		**—**		**(412)**
Total						**$**	**—**	**$**	**(11,435)**

[1] Euro equivalent of €234,000.
[2] One-month CCIR swaps with Canadian dollar equivalent of $114,000.

As at December 31, 2024

Type of Instrument		Notional Amount	Year of Maturity	Weighted Average Receiving Leg Rate	Weighted Average Paying Leg Rate		Derivative Asset		Derivative Liability
Non-current									
ERES IR swaps	€	109,257	2027	EURIBOR	(0.08) %	$	8,813	$	—
Total						$	8,813	$	—
Current									
ERES IR swap	€	25,500	2025	EURIBOR	0.49 %	$	31	$	—
CCIR swaps[1]	$	421,216	2025	2.58 %	1.46 %		9,926		(3,684)
CCIR swap[2]	US$	66,294	2025	Term SOFR + 1.45 %	4.58 %		306		—
Total						$	10,263	$	(3,684)

[1] Euro equivalent of €278,818.
[2] One-month CCIR swap with Canadian dollar equivalent of $95,000.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

8. Other Assets

As at	June 30, 2025	December 31, 2024
Other non-current assets		
Property, plant and equipment ("PP&E")[1]	**$ 53,049**	$ 51,595
Accumulated amortization of PP&E	**(46,147)**	(43,164)
PP&E, net of accumulated amortization	**6,902**	8,431
Right-of-use asset, net of accumulated amortization and other[2]	**3,261**	3,655
Investments	**17,016**	17,388
Total	**$ 27,179**	$ 29,474
Other current assets		
Prepaid expenses and other	**$ 44,552**	$ 33,986
Restricted funds	**10,527**	11,273
Investments	**10,900**	10,517
VTB mortgage interest receivable	**3,057**	364
Total	**$ 69,036**	$ 56,140

[1] Consists of head office and regional offices' leasehold improvements, corporate assets and information technology systems.
[2] Right-of-use asset, net of accumulated amortization of $3,807 (December 31, 2024 – $3,500).

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

9. Debt

Continuity of Total Debt

	For the Six Months Ended June 30, 2025		
	Mortgages Payable	**Credit Facilities Payable**	**Total Debt**
Balance, beginning of the period	**$ 5,987,869**	**$ 4,145**	**$ 5,992,014**
Add:			
Borrowings[1]	**18,188**	**176,168**	**194,356**
Less:			
Principal repayments	**(73,567)**	**—**	**(73,567)**
Lump-sum repayments[1][2]	**(227,586)**	**(23,463)**	**(251,049)**
Financing costs and CMHC premiums paid	**(540)**	**(351)**	**(891)**
Non-cash adjustments:			
Fair value of mortgages assumed upon property acquisition	**33,882**	**—**	**33,882**
Amortization and write-off of deferred financing costs, prepaid CMHC premiums and fair value adjustments	**9,774**	**629**	**10,403**
Foreign currency translation adjustments	**29,406**	**—**	**29,406**
Balance, end of the period	**$ 5,777,426**	**$ 157,128**	**$ 5,934,554**
Less: Current portion	**690,132**	**—**	**690,132**
Total non-current portion	**$ 5,087,294**	**$ 157,128**	**$ 5,244,422**

(1) Excludes non-cash mortgage renewals of $50,482.
(2) Includes $167,008 of mortgages discharged due to property dispositions.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

	For the Year Ended December 31, 2024		
	Mortgages Payable	**Credit Facilities Payable**	**Total Debt**
Balance, beginning of the year	$ 6,653,988	$ 405,133	$ 7,059,121
Add:			
Borrowings[1]	431,946	455,982	887,928
Less:			
Principal repayments	(153,034)	—	(153,034)
Lump-sum repayments[1][2][3]	(1,206,929)	(883,431)	(2,090,360)
Financing costs and CMHC premiums paid	(18,310)	(568)	(18,878)
Non-cash adjustments:			
Fair value of mortgages assumed upon property acquisitions	329,142	—	329,142
Carrying amount of mortgage assumed by purchaser upon property disposition[3]	(89,893)	—	(89,893)
Transfers to liabilities related to assets held for sale	(7,842)	—	(7,842)
Amortization and write-off of deferred financing costs, prepaid CMHC premiums and fair value adjustments	22,174	731	22,905
Foreign currency translation adjustments	26,627	26,298	52,925
Balance, end of the year	$ 5,987,869	$ 4,145	$ 5,992,014
Less: Current portion	644,320	—	644,320
Total non-current portion	$ 5,343,549	$ 4,145	$ 5,347,694

(1) Excludes non-cash mortgage renewals of $107,983.
(2) Includes $752,552 of mortgages discharged due to property dispositions.
(3) Excludes mortgages that were previously classified as liabilities related to assets held for sale. Refer to note 6 for further information.

Mortgages Payable

As at[1]	June 30, 2025	December 31, 2024
Weighted average effective interest rate	**3.17 %**	3.11 %
Maturity date	**2025 – 2036**	2025 – 2036
Investment properties pledged as security on mortgages	**$ 13,047,322**	$ 13,623,232
Investment properties not pledged as security on mortgages	**$ 1,433,821**	$ 1,245,130

(1) Excludes assets held for sale and liabilities related to assets held for sale, as applicable.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

Future principal repayments as at June 30, 2025 for the years indicated are as follows:

As at June 30, 2025		Principal Amount	% of Total Principal
Remainder of 2025	$	458,346	7.7
2026		737,346	12.5
2027		919,250	15.5
2028		906,419	15.3
2029		587,546	9.9
2030 – 2036		2,313,082	39.1
Total principal	$	5,921,989	100.0
Less: Prepaid CMHC premiums		(105,776)	
Less: Deferred financing costs		(20,830)	
Less: Fair value adjustments		(17,957)	
Total mortgages payable	$	5,777,426	

Credit Facilities Payable

As at June 30, 2025, CAPREIT's credit facilities consist of the $200,000 acquisition and operating facility ("Acquisition and Operating Facility"), which can be borrowed in Canadian dollars, US dollars ("USD") or euros; the $70,000 greenhouse gas ("GHG") reduction facility ("GHG Reduction Facility"); as well as the €20,000 ERES revolving credit facility ("ERES Credit Facility", collectively, the "Credit Facilities").

Certain Canadian investment properties secure the Acquisition and Operating Facility, with a carrying value totalling $573,271 (December 31, 2024 – $601,334).

The ERES Credit Facility is subject to certain financial covenants and a negative pledge provided by a subsidiary of CAPREIT under which a pool of Canadian investment properties must remain unencumbered. As at June 30, 2025, a total of $295,822 (December 31, 2024 – $281,916) of CAPREIT Canadian investment properties carried a negative pledge against the ERES Credit Facility. A subsidiary of CAPREIT also provides a guarantee on the ERES Credit Facility.

Effective February 28, 2025, CAPREIT amended the Acquisition and Operating Facility. The table below summarizes the key terms of the Acquisition and Operating Facility:

As at		June 30, 2025		December 31, 2024
Maximum borrowing capacity	$	200,000	$	600,000
Accordion option[1]	$	400,000	$	200,000
Interest rate:				
Canadian dollar borrowings[2]		CORRA + 1.65% or Canadian Prime Rate + 0.35%		CORRA + 1.65% or Canadian Prime Rate + 0.35%
USD borrowings[3]		SOFR + 1.45%		SOFR + 1.45%
Euro borrowings[4]		EURIBOR + 1.35%		EURIBOR + 1.35%
Maturity date		February 28, 2028		December 19, 2025

[1] An accordion option is available to increase the credit facility limit upon satisfaction of conditions set out in the agreement and the consent of applicable lenders.
[2] CORRA stands for Canadian Overnight Repo Rate Average.
[3] SOFR stands for Secured Overnight Financing Rate.
[4] EURIBOR stands for Euro Interbank Offered Rate.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

On June 23, 2025, ERES amended the ERES Credit Facility to reduce the maximum borrowing capacity from €125,000 to €20,000. With the reduced availability, the number of lenders has been reduced from three Canadian chartered banks to one Canadian chartered bank, and the tangible net worth covenant has been amended from a minimum of €375,000 to €100,000.

The tables below summarize the amounts available and drawn under the respective credit facilities as at June 30, 2025 and December 31, 2024:

As at June 30, 2025	**Acquisition and Operating Facility**	**GHG Reduction Facility**	**ERES Credit Facility**	**Total**
Maximum borrowing capacity	**$ 200,000**	**$ 70,000**	**$ 32,065**	**$ 302,065**
Canadian dollar borrowings	**$ (21,240)**	**$ (11,070)**	**$ —**	**$ (32,310)**
USD borrowings	**(113,498)**	**N/A**	**—**	**(113,498)**
Euro borrowings	**—**	**N/A**	**(11,944)**	**(11,944)**
Less: Total borrowings	**$ (134,738)**	**$ (11,070)**	**$ (11,944)**	**$ (157,752)**
Less: Letters of credit	**(3,343)**	**N/A**	**—**	**(3,343)**
Available borrowing capacity	**$ 61,919**	**$ 58,930**	**$ 20,121**	**$ 140,970**
Weighted average interest rate including interest rate swaps	**4.39 %**	**3.00 %**	**3.24 %**	**4.21 %**

As at December 31, 2024	**Acquisition and Operating Facility**	**GHG Reduction Facility**	**ERES Credit Facility**	**Total**
Maximum borrowing capacity	$ 600,000	$ 70,000	$ 186,610	$ 856,610
Canadian dollar borrowings	$ —	$ (5,019)	$ —	$ (5,019)
USD borrowings	(95,280) [1]	N/A	—	(95,280)
Euro borrowings	—	N/A	—	—
Less: Total borrowings	$ (95,280)	$ (5,019)	$ —	$ (100,299)
Less: Letters of credit	(4,428)	N/A	—	(4,428)
Available borrowing capacity	$ 500,292	$ 64,981	$ 186,610	$ 751,883
Weighted average interest rate including interest rate swaps	4.58 %	3.00 %	N/A	4.50 %

[1] Pursuant to the terms of the Acquisition and Operating Facility, the USD borrowings were netted against cash and cash equivalents on the consolidated balance sheets.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

10. Unit-based Compensation Financial Liabilities

Units of CAPREIT ("Trust Units") are issuable pursuant to CAPREIT's unit-based compensation plans, namely the Employee Unit Purchase Plan ("EUPP"), the Deferred Unit Plan ("DUP") and the Restricted Unit Rights Plan ("RUR Plan"). The DUP provides for the issuance of deferred units ("DUs"). The RUR Plan provides for the issuance of restricted unit rights ("RURs") and performance unit rights ("PURs"). As at June 30, 2025, the maximum number of Trust Units issuable under CAPREIT's unit-based compensation plans (excluding ERES) is 11,500,000 (December 31, 2024 – 11,500,000). The maximum number of Trust Units available for future issuance under these unit-based compensation plan agreements as at June 30, 2025 is 1,404,368 (December 31, 2024 – 1,626,592).

ERES units are issuable pursuant to ERES's Unit Options Plan ("ERES UOP") and ERES's Restricted Unit Rights Plan ("ERES RUR Plan"). The maximum number of ERES unit options and ERES restricted unit rights ("ERES RURs") that may be reserved under ERES's unit-based compensation plans is 10% of the outstanding ERES units (including ERES Class B LP Units). As at June 30, 2025, the maximum number of ERES unit options and ERES RURs allowable for future issuance under ERES's unit-based compensation plans is 20,990,499 (December 31, 2024 – 21,236,942).

The tables below summarize the activity of CAPREIT's unit-based compensation plans (excluding EUPP) and ERES's unit-based compensation plans for the six months ended June 30, 2025 and for the year ended December 31, 2024:

CAPREIT's Unit-based Compensation Plans (excluding EUPP)

Six Months Ended June 30, 2025 (Number of units)	**DUs**	**RURs**	**PURs**	**Total CAPREIT**[1]
Unit rights outstanding as at January 1, 2025	**154,409**	**550,422**	**29,729**	**734,560**
Activity during the period				
Granted	**15,656**	**122,790**	**42,156**	**180,602**
Settled in Trust Units	**(43,043)**	**(54,760)**	**—**	**(97,803)**
Cancelled or forfeited	**(1)**	**(7,056)**	**—**	**(7,057)**
Distributions reinvested	**2,946**	**11,222**	**1,078**	**15,246**
Unit rights outstanding as at June 30, 2025	**129,967**	**622,618**	**72,963**	**825,548**

[1] Excludes units from the EUPP, ERES UOP and ERES RUR Plan.

Year Ended December 31, 2024 (Number of units)	**DUs**	**RURs**	**PURs**	**Total CAPREIT**[1]
Unit rights outstanding as at January 1, 2024	133,840	473,131	—	606,971
Activity during the year				
Granted	24,251	145,242	29,491	198,984
Settled in Trust Units	(8,100)	(79,571)	—	(87,671)
Cancelled or forfeited	—	(6,111)	—	(6,111)
Distributions reinvested	4,418	17,731	238	22,387
Unit rights outstanding as at December 31, 2024	154,409	550,422	29,729	734,560

[1] Excludes units from the EUPP, ERES UOP and ERES RUR Plan.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

ERES's Unit-based Compensation Plans

Six Months Ended June 30, 2025 (Number of units)	**ERES unit options**	**ERES RURs**	**Total ERES**
Unit options and unit rights outstanding as at January 1, 2025	**1,765,734**	**402,460**	**2,168,194**
Activity during the period			
Granted[1]	**—**	**337,805**	**337,805**
Exercised or settled in ERES Units	**—**	**(747,869)**	**(747,869)**
Cancelled or forfeited	**(20,000)**	**—**	**(20,000)**
Distributions reinvested	**—**	**7,604**	**7,604**
Unit options and unit rights outstanding as at June 30, 2025	**1,745,734**	**—**	**1,745,734**

(1) The ERES Board approved the ERES RURs granted during the three months ended June 30, 2025 to vest immediately. In addition, the ERES Board approved the outstanding RURs from the beginning of the year to vest immediately on January 7, 2025.

Year Ended December 31, 2024 (Number of units)	**ERES unit options**	**ERES RURs**	**Total ERES**
Unit options and unit rights outstanding as at January 1, 2024	4,977,094	—	4,977,094
Activity during the year			
Granted	—	305,000	305,000
Cancelled or forfeited	(3,204,160)	(30,745)	(3,234,905)
Surrendered	(7,200)	—	(7,200)
Distributions reinvested[1]	—	128,205	128,205
Unit options and unit rights outstanding as at December 31, 2024	1,765,734	402,460	2,168,194

(1) Include 113,750 ERES RURs issued as a result of the ERES special distribution declared and paid in December 2024. Refer to note 12 for further information.

The table below summarizes the change in the total unit-based compensation financial liabilities for the six months ended June 30, 2025 and the year ended December 31, 2024, including the settlement of such liabilities through Trust Units and ERES Units.

For the Period Ended	**June 30, 2025**	**December 31, 2024**
Total unit-based compensation financial liabilities, beginning of the period	**$ 24,631**	$ 23,423
Unit-based compensation amortization expense, excluding ERES UOP forfeitures upon senior management termination[1]	**6,323**	8,590
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination[2]	**—**	(2,284)
Unit-based compensation remeasurement gain	**(215)**	(1,238)
Settlement of unit-based compensation awards for Trust Units	**(4,370)**	(4,497)
Settlement of unit-based compensation awards for ERES Units	**(1,845)**	—
Foreign currency translation adjustments and other	**(7)**	637
Total unit-based compensation financial liabilities, end of the period	**$ 24,517**	$ 24,631

(1) For the six months ended June 30, 2025, includes $157 of accelerated vesting of previously granted CAPREIT unit-based compensation (for the year ended December 31, 2024 – $309) and $1,402 of accelerated vesting of ERES RURs (for the year ended December 31, 2024 – $nil).
(2) Relates to the forfeiture of previously granted ERES unit options upon senior management termination during the year ended December 31, 2024.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

The table below summarizes the non-current and current unit-based compensation financial liabilities for each plan as at June 30, 2025 and December 31, 2024:

As at	June 30, 2025	December 31, 2024
Non-current		
RURs	**$ 10,909**	$ 11,890
PURs	**636**	112
ERES RURs	**—**	303
	$ 11,545	$ 12,305
Current		
DUs	**$ 5,766**	$ 6,583
RURs	**7,138**	5,116
ERES unit options	**68**	627
	$ 12,972	$ 12,326
Total unit-based compensation financial liabilities	**$ 24,517**	$ 24,631

Units or Unit-based Compensation Financial Liabilities Held by Trustees, Officers and Other Senior Management

As at June 30, 2025, 0.6% (December 31, 2024 – 0.5%) of all Trust Units outstanding and CAPREIT's unit-based compensation financial liabilities (excluding ERES) were held by trustees, officers and other senior management of CAPREIT.

11. Other Liabilities

As at	June 30, 2025	December 31, 2024
Other non-current liabilities		
Non-current lease liabilities	**$ 44,080**	$ 44,803
Other	**659**	659
Total	**$ 44,739**	$ 45,462
Other current liabilities		
Security deposits	**$ 45,380**	$ 46,206
Deferred revenue and other	**18,904**	18,749
Mortgage interest payable	**13,997**	15,107
Distributions payable to Unitholders	**20,266**	20,068
Interest payable to ERES non-controlling unitholders	**493**	1,045
Current tax liability	**11,814**	7,741
Total	**$ 110,854**	$ 108,916

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

12. ERES Units Held by Non-Controlling Unitholders

The ERES units held by non-controlling unitholders are classified as equity on ERES's consolidated balance sheets but are classified as a liability on CAPREIT's consolidated balance sheets. ERES units are redeemable at any time, in whole or in part, by the unitholders. As at June 30, 2025, non-controlling unitholders held 35% (December 31, 2024 – 35%) of total ERES units and ERES Class B LP Units.

In connection with the portfolio sales in ERES that closed in 2024, the Board of Trustees of ERES declared a special distribution to the unitholders of ERES of €1.00 per ERES unit, payable in cash (the "ERES Special Distribution"). The ERES Special Distribution was payable to unitholders of record at the close of business on December 23, 2024, with payment on December 31, 2024. The ERES Special Distribution did not qualify for ERES's Distribution Reinvestment Plan.

The table below summarizes the activity of ERES units held by non-controlling unitholders for the six months ended June 30, 2025 and for the year ended December 31, 2024:

For the Period Ended	June 30, 2025	December 31, 2024
Balance of ERES units held by non-controlling unitholders, beginning of the period	**$ 170,018**	$ 186,522
Mark-to-market loss (gain) on ERES units(1)	**12,116**	(18,634)
Interest expense to ERES non-controlling unitholders	**3,818**	14,543
Special interest expense to ERES non-controlling unitholders	**—**	122,617
Loss on non-controlling interest	**$ 15,934**	$ 118,526
Add: Settlement of ERES RURs	**1,845**	—
Less: Interest paid to ERES non-controlling unitholders(2)	**(3,722)**	(12,413)
Less: Special interest paid to ERES non-controlling unitholders(2)	**—**	(122,617)
Balance of ERES units held by non-controlling unitholders, end of the period	**$ 184,075**	$ 170,018

(1) The mark-to-market gain for the year ended December 31, 2024 includes the impact of the ERES Special Distribution paid on December 31, 2024.
(2) Based on interest declared during the respective periods

13. Accounts Payable and Accrued Liabilities

As at	June 30, 2025	December 31, 2024
Accounts payable	**$ 36,563**	$ 44,073
Accrued liabilities	**42,809**	57,687
Total	**$ 79,372**	$ 101,760

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

14. Exchangeable LP Units

The carrying value of the Class B limited partnership units of CAPREIT Limited Partnership ("Exchangeable LP Units") is measured at their fair value, which is based on the closing price of the Trust Units on the TSX. The tables below summarize the activity of the Exchangeable LP Units for the six months ended June 30, 2025 and for the year ended December 31, 2024 as follows:

For the Period Ended	June 30, 2025	December 31, 2024
Exchangeable LP Units issued and outstanding, beginning of the period	**1,647,186**	1,647,186
Exchangeable LP Units exchanged for Trust Units	**(202,377)**	—
Exchangeable LP Units issued and outstanding, end of the period	**1,444,809**	1,647,186

For the Period Ended	June 30, 2025	December 31, 2024
Balance of Exchangeable LP Units, beginning of the period	**$ 70,220**	$ 80,383
Fair value adjustments of Exchangeable LP Units	**2,480**	(10,163)
Exchangeable LP Units exchanged for Trust Units	**(8,536)**	—
Balance of Exchangeable LP Units, end of the period	**$ 64,164**	$ 70,220

15. Unitholders' Equity

a) Normal Course Issuer Bid ("NCIB")

In March 2025, CAPREIT received the TSX's acceptance of its notice of intention to proceed with an NCIB ("2025-2026 NCIB"), following expiry of the previous NCIB on March 24, 2025 ("2024-2025 NCIB"). Pursuant to the notice, CAPREIT may purchase up to 16,047,885 of its Trust Units, representing approximately 10% of the public float of its Trust Units at the time of TSX approval, during the 12-month period commencing March 25, 2025 and ending March 24, 2026. Under the NCIB, other than purchases made under the block purchase exemption, CAPREIT may purchase up to 130,561 Trust Units on the TSX during any trading day, which represents approximately 25% of 522,247 Trust Units, being the average daily trading volume on the TSX for the most recently completed six calendar months prior to the TSX's acceptance of the notice of intention to proceed with an NCIB. Any Trust Units purchased under the NCIB will be cancelled.

The table below summarizes the NCIB activity for the three and six months ended June 30, 2025 and June 30, 2024. The excess of the purchase price over the weighted average historical Trust Unit issuance price was recorded as a reduction to retained earnings.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
Total cost of Trust Units purchased and cancelled under the NCIB(1)	**$ 146,361**	$ —	**$ 171,865**	$ 27,081
Number of Trust Units purchased and cancelled under the NCIB	**3,449,258**	—	**4,045,248**	562,017
Weighted average purchase price per Trust Unit(1)	**$ 42.43**	$ —	**$ 42.49**	$ 48.19

(1) For the three and six months ended June 30, 2025, the total cost presented and the weighted average purchase price per Trust Unit include commissions, but exclude a net aggregate amount of $3,656 and $4,136, respectively, relating to the federal 2% tax on repurchases of Trust Units as well as other NCIB transaction costs (for the three and six months ended June 30, 2024 – $nil and $601).

Refer to note 28 for details on Trust Units repurchased subsequent to June 30, 2025.

b) Base Shelf Prospectus

On May 15, 2025, CAPREIT renewed its base shelf prospectus that was set to expire in June 2025. The renewed base shelf prospectus is valid for a 25-month period from May 15, 2025 to June 15, 2027, during which CAPREIT may offer Trust Units, subscription receipts, debt securities, or any combination thereof. Any issue of securities under the base shelf prospectus will require the filing of a prospectus supplement that will include specific terms of the securities being offered.

c) At-the-Market Program ("ATM Program")

On May 15, 2025, CAPREIT filed a prospectus supplement to renew its ATM program that allows CAPREIT, at its sole discretion, to issue Trust Units up to an aggregate sale price of $300,000 from treasury to the public from time to time, directly on the TSX or on other marketplaces on which the Trust Units are listed or quoted in Canada or where the Trust Units are traded in Canada, at prevailing market prices.

In connection with the establishment of the ATM Program, CAPREIT has entered into an equity distribution agreement dated May 15, 2025 (the "Equity Distribution Agreement") with a major financial institution (the "Agent"). Any Trust Units sold in the ATM Program will be distributed through the TSX or any other permitted marketplace at the market prices prevailing at the time of sale. The volume and timing of distributions under the ATM Program, if any, will be determined at CAPREIT’s sole discretion. There is no certainty that any Trust Units will be offered or sold under the ATM Program. The ATM Program will be effective until June 15, 2027, unless terminated prior to such date by CAPREIT or otherwise in accordance with the terms of the Equity Distribution Agreement.

The ATM Program is being established pursuant to a prospectus supplement dated May 15, 2025 to CAPREIT’s base shelf prospectus dated May 15, 2025, both of which have been filed with securities regulatory authorities in each of the provinces of Canada. CAPREIT’s previous at-the-market equity program, which commenced on February 22, 2024, ceased upon the establishment of the renewed ATM Program.

During the three and six months ended June 30, 2025, no Trust Units were issued under the ATM Program (three and six months ended June 30, 2024 – nil).

16. Distributions on Trust Units

CAPREIT pays monthly distributions to its Unitholders in accordance with its Declaration of Trust ("DOT"). Distributions declared by CAPREIT's Board of Trustees are payable monthly, on or about the 15th day of the following month. On February 13, 2025, the Board of Trustees approved an increase in monthly distributions from $0.125 to $0.1292 per Trust Unit, or from $1.50 to $1.55 per Trust Unit on an annualized basis. The increase is effective with the February 2025 distribution payable on March 17, 2025 to Unitholders of record as at February 28, 2025.

17. Revenue from Contracts with Customers

In accordance with IFRS 15, Revenue from contracts with customers ("IFRS 15"), management has evaluated the lease and non-lease components of its revenue from investment properties. Revenues under IFRS 15 consist of a non-lease component earned from tenants and miscellaneous revenues. Miscellaneous revenues consist of cable income, certain common area maintenance recoveries, service charges and premium service components.

For the three and six months ended June 30, 2025, the non-lease component earned from tenants was $41,607 and $93,271, respectively (for the three and six months ended June 30, 2024 – $47,415 and $100,694, respectively). For the three and six months ended June 30, 2025, the miscellaneous revenues were $6,782 and $12,984, respectively (for the three and six months ended June 30, 2024 – $5,966 and $12,149, respectively).

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

18. Other Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Interest income from VTB mortgages receivable	**$ 2,710**	$ 464	**$ 5,372**	$ 928
Interest income	**229**	416	**1,569**	662
Investment income[1]	**263**	271	**532**	3,032
Profit from sale of MHC home inventory	**—**	157	**—**	321
Total	**$ 3,202**	$ 1,308	**$ 7,473**	$ 4,943

[1] For the three and six months ended June 30, 2025, investment income includes $nil of semi-annual dividends from Irish Residential Properties REIT plc (for the three and six months ended June 30, 2024 – $nil and $2,533, respectively).

19. Trust Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Trust expenses (excluding reorganization costs)	**$ (12,762)**	$ (12,904)	**$ (25,253)**	$ (26,638)
Reorganization costs	**(2,027)**	(1,722)	**(6,114)**	(1,722)
Total Trust expenses	**$ (14,789)**	$ (14,626)	**$ (31,367)**	$ (28,360)

20. Interest Expense on Debt and Other Financing Costs

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Contractual interest on mortgages payable[1][2][3]	**$ (41,007)**	$ (42,720)	**$ (82,543)**	$ (83,858)
Amortization of deferred financing costs and fair value adjustments on mortgages payable[1]	**(2,417)**	(2,092)	**(4,867)**	(3,363)
Amortization of CMHC premiums and fees on mortgages payable[1]	**(1,529)**	(3,459)	**(3,068)**	(6,858)
Contractual interest on credit facilities payable, net[2]	**(1,017)**	(6,270)	**(1,783)**	(13,383)
Amortization of deferred financing costs on credit facilities payable	**(493)**	(216)	**(629)**	(442)
Interest on land and air rights lease liability	**(1,240)**	(1,253)	**(2,483)**	(2,514)
Total	**$ (47,703)**	$ (56,010)	**$ (95,373)**	$ (110,418)

[1] Includes mortgages payable related to assets held for sale, as applicable.
[2] Includes net CCIR and IR swap interest, offsetting contractual interest.
[3] Net of capitalized interest expense.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

21. Fair Value Adjustments of Financial Instruments

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Fair value adjustments of Exchangeable LP Units	**$ (1,835)**	$ 3,361	**$ (2,480)**	$ 7,166
Fair value adjustments of investments	**191**	(10,252)	**231**	(22,205)
Fair value adjustments of derivative financial instruments	**(14,510)**	2,332	**(27,459)**	10,496
Unit-based compensation remeasurement gain (loss)	**(333)**	1,450	**215**	861
Fair value adjustments of financial instruments	**$ (16,487)**	$ (3,109)	**$ (29,493)**	$ (3,682)

22. Transactions Costs and Other Activities

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Transaction costs and other adjustments on dispositions, net	**$ (1,395)**	$ (1,460)	**$ (10,341)**	$ (4,533)
Amortization of PP&E and right-of-use asset	**(1,558)**	(1,539)	**(3,105)**	(3,067)
Enterprise resource planning implementation costs[1]	**(1,892)**	—	**(3,303)**	—
Fair value loss on transfer of other assets to investment properties	**—**	—	**—**	(80)
Total	**$ (4,845)**	$ (2,999)	**$ (16,749)**	$ (7,680)

[1] Includes licensing and consulting costs, and salaries and benefits.

23. Supplemental Cash Flow Information

a) Other Adjustments

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Closing costs and other adjustments	**$ 1,395**	$ 1,460	**$ 10,341**	$ 4,533
Amortization of PP&E and right-of-use asset	**1,558**	1,539	**3,105**	3,067
Straight-line rent adjustment	**(8)**	(19)	**87**	(19)
Deferred income tax expense	**(3,237)**	3,946	**544**	3,282
Unrealized foreign currency loss (gain)	**(996)**	3,121	**1,170**	8,690
Fair value loss on transfer of other assets to investment properties	**—**	—	**—**	80
Other adjustments	**$ (1,288)**	$ 10,047	**$ 15,247**	$ 19,633

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

b) Changes in Non-cash Operating Assets and Liabilities

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Prepaid expenses	**$ (17,272)**	$ (12,349)	**$ (7,975)**	$ (22,472)
Tenant inducements, direct leasing costs and other adjustments	**(1,451)**	(400)	**(2,736)**	(560)
Amounts receivable	**1,043**	(442)	**(1,268)**	(3,292)
Deposits	**922**	163	**1,528**	(194)
MHC home inventory	**—**	279	**—**	650
Accounts payable, accrued liabilities and other	**10,212**	(2,911)	**(11,107)**	(13,024)
Derivative financial instruments	**(4,860)**	1,970	**(6,493)**	6,220
Security deposits	**(644)**	(394)	**(1,342)**	732
Current tax liability	**(4,126)**	2,230	**3,423**	4,389
Changes in non-cash operating assets and liabilities	**$ (16,176)**	$ (11,854)	**$ (25,970)**	$ (27,551)

c) Items Related to Financing Activities

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Interest expense on debt and other financing costs	**$ 47,703**	$ 56,010	**$ 95,373**	$ 110,418
Interest expense on Exchangeable LP Units	**560**	597	**1,114**	1,200
Interest expense to ERES non-controlling unitholders	**1,945**	3,606	**3,818**	7,178
Net loss (gain) on derecognition of debt	**256**	(859)	**3,809**	(3,138)
Items related to financing activities	**$ 50,464**	$ 59,354	**$ 104,114**	$ 115,658

d) Capital Investments

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Property capital investments (investment properties and assets held for sale)	**$ (60,361)**	$ (59,720)	**$ (103,766)**	$ (101,921)
PP&E investments	**(909)**	(820)	**(1,270)**	(1,713)
Capitalized interest expense	**348**	—	**348**	—
Change in capital investments included in accounts payable and accrued liabilities	**3,938**	5,152	**(2,814)**	(4,976)
Net disbursements	**$ (56,984)**	$ (55,388)	**$ (107,502)**	$ (108,610)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

e) Distributions Paid to Unitholders

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Distributions declared to Unitholders	**$ (61,185)**	$ (60,474)	**$ (122,750)**	$ (121,173)
Add: Distributions payable to Unitholders at beginning of the period	**(20,700)**	(20,192)	**(20,068)**	(20,253)
Less: Distributions payable to Unitholders at end of the period	**20,266**	20,198	**20,266**	20,198
Less: Distributions to participants in the CAPREIT DRIP	**1,194**	1,458	**2,608**	2,516
Cash disbursements to Unitholders	**$ (60,425)**	$ (59,010)	**$ (119,944)**	$ (118,712)

f) Issuance of Trust Units

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Issuance of Trust Units	**$ 2,913**	$ 902	**$ 14,064**	$ 2,562
Settlement of unit-based compensation awards for Trust Units	**(2,296)**	(152)	**(4,370)**	(1,111)
Conversion of Exchangeable LP Units to Trust Units	**—**	—	**(8,536)**	—
Net proceeds	**$ 617**	$ 750	**$ 1,158**	$ 1,451

24. Related Party Transactions

Transactions with Key Management Personnel

Key management personnel and trustee compensation expense included in the consolidated interim statements of net income and comprehensive income comprises:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	**2025**	2024
Cash compensation and short-term benefits	**$ (1,387)**	$ (1,188)	**$ (2,708)**	$ (2,460)
Unit-based compensation – amortization	**(1,609)**	(1,159)	**(3,142)**	(2,203)
	(2,996)	(2,347)	**(5,850)**	(4,663)
Unit-based compensation – fair value remeasurement	**490**	746	**557**	1,494
Total compensation expense	**$ (2,506)**	$ (1,601)	**$ (5,293)**	$ (3,169)

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

25. Segmented Information

CAPREIT owns and operates investment properties located in Canada, the Netherlands, Germany and Belgium. In measuring performance, CAPREIT distinguishes its operations on a geographic basis and, accordingly, has identified two reportable segments for disclosure purposes with the following aggregation: (i) Canada and (ii) Europe. CAPREIT's chief operating decision-maker, determined to be the President and Chief Executive Officer of CAPREIT, reviews operating results of the Canadian and European properties to make decisions about resources to be allocated to the segments and to assess their performance.

			For the Three Months Ended June 30, 2025	
Selected consolidated interim statements of net income and comprehensive income items	Canada	Europe	Unallocated Items	Consolidated Financial Statements
Revenue from investment properties	**$ 235,745**	**$ 18,689**	**$ —**	**$ 254,434**
Operating expenses	**(79,862)**	**(4,770)**	**—**	**(84,632)**
Net operating income	**$ 155,883**	**$ 13,919**	**$ —**	**$ 169,802**
Fair value adjustments of investment properties	**$ 14,070**	**$ (30,243)**	**$ —**	**$ (16,173)**
Effective interest on mortgages payable[(1)(2)]	**(42,384)**	**(2,569)**	**—**	**(44,953)**
Other[(3)]	**—**	**—**	**(34,201)**	**(34,201)**
Net income (loss)	**$ 127,569**	**$ (18,893)**	**$ (34,201)**	**$ 74,475**

(1) Includes mortgages payable related to assets held for sale, as applicable.
(2) Includes net CCIR and IR swap interest, offsetting contractual interest.
(3) Consists primarily of gain (loss) on non-controlling interest, trust expenses, gain (loss) on foreign currency translation, transaction costs and other activities, fair value adjustments of financial instruments, current income tax expense and deferred income tax recovery (expense).

			For the Three Months Ended June 30, 2024	
Selected consolidated interim statements of net income and comprehensive income items	Canada	Europe	Unallocated Items	Consolidated Financial Statements
Revenue from investment properties	$ 242,110	$ 36,016	$ —	$ 278,126
Operating expenses	(84,302)	(7,543)	—	(91,845)
Net operating income	$ 157,808	$ 28,473	$ —	$ 186,281
Fair value adjustments of investment properties	$ (3,152)	$ 16,342	$ —	$ 13,190
Effective interest on mortgages payable[(1)(2)]	(40,773)	(7,498)	—	(48,271)
Other[(3)]	—	—	(39,128)	(39,128)
Net income (loss)	$ 113,883	$ 37,317	$ (39,128)	$ 112,072

(1) Includes mortgages payable related to assets held for sale, as applicable.
(2) Includes net CCIR and IR swap interest, offsetting contractual interest.
(3) Consists primarily of gain (loss) on non-controlling interest, trust expenses, gain (loss) on foreign currency translation, transaction costs and other activities, fair value adjustments of financial instruments, current income tax expense and deferred income tax recovery (expense).

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

For the Six Months Ended June 30, 2025				
Selected consolidated interim statements of net income and comprehensive income items	Canada	Europe	Unallocated Items	Consolidated Financial Statements
Revenue from investment properties	$ 471,242	$ 36,503	$ —	$ 507,745
Operating expenses	(170,636)	(9,288)	—	(179,924)
Net operating income	$ 300,606	$ 27,215	$ —	$ 327,821
Fair value adjustments of investment properties	$ 20,304	$ (61,264)	$ —	$ (40,960)
Effective interest on mortgages payable(1)(2)	(85,154)	(5,324)	—	(90,478)
Other(3)	—	—	(113,923)	(113,923)
Net income (loss)	$ 235,756	$ (39,373)	$ (113,923)	$ 82,460

(1) Includes mortgages payable related to assets held for sale, as applicable.
(2) Includes net CCIR and IR swap interest, offsetting contractual interest.
(3) Consists primarily of gain (loss) on non-controlling interest, trust expenses, gain (loss) on foreign currency translation, transaction costs and other activities, fair value adjustments of financial instruments, current income tax expense and deferred income tax recovery (expense).

For the Six Months Ended June 30, 2024				
Selected consolidated interim statements of net income and comprehensive income items	Canada	Europe	Unallocated Items	Consolidated Financial Statements
Revenue from investment properties	$ 482,157	$ 71,785	$ —	$ 553,942
Operating expenses	(175,274)	(15,338)	—	(190,612)
Net operating income	$ 306,883	$ 56,447	$ —	$ 363,330
Fair value adjustments of investment properties	$ 71,585	$ 12,924	$ —	$ 84,509
Effective interest on mortgages payable(1)(2)	(79,589)	(14,490)	—	(94,079)
Other(3)	—	—	(59,575)	(59,575)
Net income (loss)	$ 298,879	$ 54,881	$ (59,575)	$ 294,185

(1) Includes mortgages payable related to assets held for sale, as applicable.
(2) Includes net CCIR and IR swap interest, offsetting contractual interest.
(3) Consists primarily of gain (loss) on non-controlling interest, trust expenses, gain (loss) on foreign currency translation, transaction costs and other activities, fair value adjustments of financial instruments, current income tax expense and deferred income tax recovery (expense).

As at June 30, 2025				
Selected consolidated interim balance sheet items	Canada	Europe	Unallocated Items	Consolidated Financial Statements
Investment properties	$ 13,929,957	$ 551,186	$ —	$ 14,481,143
Assets held for sale	—	586,738	—	586,738
Other(1)	—	—	287,234	287,234
Total assets	$ 13,929,957	$ 1,137,924	$ 287,234	$ 15,355,115
Mortgages payable	$ 5,370,493	$ 406,933	$ —	$ 5,777,426
Other(2)	—	—	698,664	698,664
Total liabilities	$ 5,370,493	$ 406,933	$ 698,664	$ 6,476,090

(1) Consists primarily of VTB receivable, cash and cash equivalents and other assets.
(2) Consists primarily of ERES units held by non-controlling unitholders, other liabilities, accounts payable and accrued liabilities and Exchangeable LP Units.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

				As at December 31, 2024
Selected consolidated interim balance sheet items	Canada	Europe	Unallocated Items	Consolidated Financial Statements
Investment properties	$ 13,712,873	$ 1,155,489	$ —	$ 14,868,362
Assets held for sale	210,871	96,589	—	307,460
Other[1]	—	—	400,271	400,271
Total assets	$ 13,923,744	$ 1,252,078	$ 400,271	$ 15,576,093
Mortgages payable	$ 5,474,298	$ 513,571	$ —	$ 5,987,869
Other[2]	—	—	560,912	560,912
Total liabilities	$ 5,474,298	$ 513,571	$ 560,912	$ 6,548,781

[1] Consists primarily of VTB receivable, cash and cash equivalents and other assets.
[2] Consists primarily of ERES units held by non-controlling unitholders, other liabilities, accounts payable and accrued liabilities and Exchangeable LP Units.

26. Commitments and Contingencies

Property-related Commitments

Commitments primarily related to improvements and other expenditures in investment properties of $29,989 are outstanding as at June 30, 2025 (December 31, 2024 – $32,691).

Contingencies

CAPREIT and its subsidiaries are contingently liable under guarantees provided to certain lenders in the event of default, and with respect to litigation and claims that arise from time to time in the ordinary course of business and from CAPREIT and its subsidiaries' dispositions. Matters relating to litigation and claims are generally covered by insurance, or have been provided for where appropriate.

CAPREIT's deferred income tax liability of $3,901 as at June 30, 2025 excludes an additional potential income tax liability of $25,509, which could be triggered upon the disposal of specific assets. This incremental liability has not been recognized as it qualified for the initial recognition exemption under IAS 12, Income Taxes.

In addition, ERES and its subsidiaries may, from time to time, have prior taxation years audited by tax authorities, and may be reassessed additional tax as a result. As at June 30, 2025, ERES has recorded a total provision of $7,644 for the estimated impact related to reassessments by the Dutch tax authority in respect of certain subsidiaries, of which $208 and $4,437 were included in current income tax expense for the three and six months ended June 30, 2025, respectively, and the remainder was recorded in the prior year. The reassessed ERES subsidiaries have objected to the reassessments. These reassessments are subject to ongoing discussions with the Dutch tax authority. No final decision has yet been received and actual amounts reassessed may differ significantly from what is currently estimated.

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

27. Fair Value of Financial Instruments and Investment Properties

As at June 30, 2025, the fair value of CAPREIT's mortgages payable, excluding liabilities related to assets held for sale, as applicable, is estimated to be $5,700,498 (December 31, 2024 – $5,855,497). The difference between the carrying amount and the fair value of mortgages payable is due to changes in interest rates and foreign exchange rates since the dates the individual mortgages payable were financed, and the impact of the passage of time on the primarily fixed rate nature of CAPREIT's mortgages payable. The fair value of the mortgages payable is based on discounted future cash flows using rates that reflect current rates for similar financial instruments with similar durations, terms and conditions. As at June 30, 2025, the principal outstanding on CAPREIT's mortgages payable is $5,921,989 (December 31, 2024 – $6,141,060) as shown in note 9. As at June 30, 2025, the fair value of CAPREIT's credit facilities payable is estimated to approximate its total net borrowings of $157,752 (December 31, 2024 – $5,019).

CAPREIT's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement and considers factors specific to the asset or liability.

The following tables present CAPREIT's estimates of assets and liabilities measured at fair value on a recurring basis based on information available to management as at June 30, 2025 and December 31, 2024, and aggregated by the level in the fair value hierarchy within which those measurements fall. These estimates are not necessarily indicative of the amounts CAPREIT could ultimately realize.

As at June 30, 2025	**Level 1**	**Level 2**	**Level 3**
	Quoted Prices in Active Markets for Identical Assets and Liabilities	**Significant Other Observable Inputs**	**Significant Unobservable Inputs**
Recurring measurements			
Assets			
Investment properties	$ —	$ —	$ **14,481,143**
Assets held for sale	—	—	**586,738**
Investments held at fair value through profit or loss	**2,459**	—	—
Investments held at fair value through other comprehensive income	—	**16,016**	—
Derivative financial assets	—	**6,369**	—
Liabilities			
Derivative financial liabilities	—	**(11,435)**	—
ERES units held by non-controlling unitholders	—	**(184,075)**	—
Unit-based compensation financial liabilities	—	**(24,517)**	—
Exchangeable LP Units	—	**(64,164)**	—

(All amounts in thousands of Canadian dollars, except unit and per unit amounts, or unless otherwise stated)

As at December 31, 2024	Level 1 Quoted Prices in Active Markets for Identical Assets and Liabilities	Level 2 Significant Other Observable Inputs	Level 3 Significant Unobservable Inputs
Recurring measurements			
Assets			
Investment properties	$ —	$ —	$ 14,868,362
Assets held for sale	—	—	307,460
Investments held at fair value through profit or loss	2,364	—	—
Investments held at fair value through other comprehensive income	—	15,623	—
Derivative financial assets	—	19,076	—
Liabilities			
Derivative financial liabilities	—	(3,684)	—
ERES units held by non-controlling unitholders	—	(170,018)	—
Unit-based compensation financial liabilities	—	(24,631)	—
Exchangeable LP Units	—	(70,220)	—

Although CAPREIT has determined that the majority of the inputs used to value its derivatives falls within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by CAPREIT. As at June 30, 2025 and December 31, 2024, CAPREIT has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustment is not significant to the overall valuation of the derivative. As a result, CAPREIT has determined that the derivative valuations in their entirety should be classified as Level 2 of the fair value hierarchy. For assets and liabilities measured at fair value as at June 30, 2025 and December 31, 2024, there were no transfers between Level 1, Level 2 and Level 3 during the periods.

28. Subsequent Events

The table below summarizes the acquisition of an investment property completed subsequent to June 30, 2025:

Acquisition Date	Suite Count	Region	Gross Purchase Price[1]
July 10, 2025	30	Vancouver, BC	$ 13,000
Total	**30**		**$ 13,000**

[1] Gross purchase price is the amount stated in the purchase and sale agreement and excludes transaction costs and other adjustments.

The table below summarizes the disposition of an investment property completed subsequent to June 30, 2025:

Disposition Date	Region	Gross Sale Price[1]
July 31, 2025[2]	Belgium	$ 38,756
Total		**$ 38,756**

[1] Gross sale price is the amount stated in the purchase and sale agreement and excludes transaction costs and other adjustments.
[2] Represents disposition of a commercial building.

On July 9, 2025, CAPREIT received approval from its lender to temporarily increase the maximum borrowing capacity on the Acquisition and Operating Facility from $200,000 to $400,000 until September 30, 2025 (inclusive).

Subsequent to June 30, 2025, CAPREIT purchased and cancelled 343,059 Trust Units under the 2025-2026 NCIB, at a weighted average purchase price of $44.50 per Trust Unit, for a total cost of $15,267 (excluding the federal 2% tax on repurchases of Trust Units).

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STOCK EXCHANGE LISTING
Trust Units of CAPREIT are listed on the Toronto Stock Exchange under the trading symbol "CAR.UN."

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