CANADIAN APARTMENT
PROPERTIES • REIT

FINANCIAL REPORT

THREE AND SIX MONTHS ENDED
JUNE 30, 2026

Q2

CANADIAN APARTMENT
PROPERTIES • REIT

August 6, 2026

Report to Unitholders

It is a privilege to provide my first report to Unitholders as President and Chief Executive Officer of CAPREIT. While I am still in the early stages of my tenure, I have already been encouraged by the solid foundation upon which CAPREIT is built, supported by a high-quality portfolio and an exceptional team.

The operating environment remains more challenging today than it has been in recent years. Elevated levels of new supply, particularly in certain urban regions, along with softer demand tied to significantly reduced immigration, continue to place pressure on leasing conditions and rent growth throughout the apartment market. At the same time, higher financing costs are weighing on earnings across the sector. While these factors have created near-term headwinds, I am confident that the long-term fundamentals supporting the Canadian rental housing sector – including homeownership affordability challenges, demographic trends and persistent supply constraints – remain firmly in our favour.

Against that backdrop, our priorities today are clear: direct capital to opportunities that are accretive, including ongoing investment in the NCIB program; strengthen CAPREIT's sustainable cash flow generation; and further fortify the balance sheet. These priorities continue to build upon the strong strategic progress CAPREIT has made over the past several years, during which the quality of the portfolio was significantly enhanced.

Moving forward, maximizing the long-term value of the business will remain our overarching objective. Achieving that will require us to continually optimize our operations, enhance efficiency throughout the organization, and ensure that capital is allocated to the highest and best use. While I will continue to assess the business in the months ahead, my initial observations have reinforced my confidence in the depth of expertise across the CAPREIT platform. Together, disciplined execution and the commitment of our people to operational excellence will remain central to delivering stronger long-term performance.

With that, it is my pleasure to report that CAPREIT continued to demonstrate resilience despite ongoing pressure on market fundamentals. In the second quarter of 2026, turnover remained weighted toward shorter-tenured leases that are above current market rents, and while we continue to work through this dynamic, we did see some moderation in the negative rent spreads on these turnovers as compared to the first quarter. Overall, our rent growth was supported by lease renewals combined with the positive mark-to-market opportunity embedded throughout the portfolio, with our operating teams remaining focused on balancing occupancy, pricing, and resident retention. This drove a 2.3% increase in same property occupied average monthly rent to $1,731, while maintaining a healthy same property physical occupancy rate of 97.5% across the Canadian portfolio as of June 30, 2026. Combined with effective cost control initiatives, our same property NOI margin remained strong at 66.2% for the second quarter.

On our capital recycling program, to date, CAPREIT has completed approximately $29 million of dispositions in Canada; $145 million of European property divestments; the privatization of European Residential REIT for $99 million, providing CAPREIT with greater flexibility in managing remaining asset sales; and the investment of an aggregate $37 million on high-quality apartments and an operating lease buyout. We have also deployed $71 million into our NCIB program to repurchase and cancel 2.0 million Trust Units at a weighted average price of $36 per Unit, representing a meaningful discount to our diluted NAV per Unit of $54 as of June 30, 2026.

Diluted FFO per Unit was $0.654 for the current quarter, which is modestly lower as compared to the second quarter of 2025, primarily due to lost NOI from dispositions and higher interest costs associated with mortgage refinancings and credit facilities payable, partially offset by the benefits of our NCIB repurchases. Moving ahead, we are committed to further reinforcing a prudent leverage profile and driving stronger per-unit earnings growth.

Although I am only at the beginning of my journey, I believe CAPREIT is well positioned for the future. I look forward to working alongside our residents, employees, leadership team and the Board of Trustees as we continue strengthening CAPREIT's long-term earnings power and creating sustainable value for our Unitholders.

Brad Cutsey
President and Chief Executive Officer

CANADIAN APARTMENT
PROPERTIES • REIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2026

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SECTION I: DISCLAIMER AND OVERVIEW

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, 2026 and June 30, 2025, dated August 6, 2026, should be read in conjunction with CAPREIT's unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2026 and consolidated annual financial statements for the year ended December 31, 2025. 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, unless otherwise stated. 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 generally grow; that rental rates on turnovers will generally 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, leasing risk, competition for residents, privacy, cyber security and data governance risks, availability and cost of debt, acquisitions and dispositions, 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, 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, controls over disclosures and financial reporting, the nature of Trust Units, dilution, distributions, and foreign operations 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 2025 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 IFRS Accounting 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 Funds From Operations ("AFFO"), 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 Adjustments ("Adjusted EBITDAFVA") (the "Non-IFRS Financial Measures"), as well as diluted FFO per unit, diluted AFFO per unit, diluted NAV per unit, FFO payout ratio, AFFO payout ratio, Total Debt to Gross Book Value, Net Debt to Adjusted EBITDAFVA, 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 (loss) 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

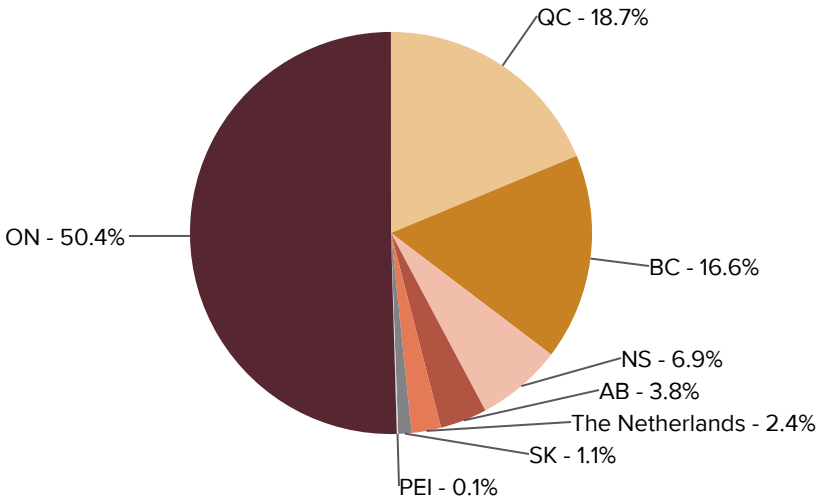
CAPREIT is Canada's largest publicly-traded provider of quality rental housing. CAPREIT owns approximately 45,400 residential apartment suites and townhomes (excluding approximately 100 suites classified as assets held for sale), that are well-located across Canada and, to a lesser extent, the Netherlands as of June 30, 2026.

CAPREIT's concentration on the Canadian 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, 2026. 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, 2026, CAPREIT's investments in its property portfolio reflect different forms of property interests, including: Apartments and Townhomes, Land Leasehold Interests and an Operating Leasehold Interest.

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.

Residential Portfolio by Geography

As at	June 30, 2026		December 31, 2025		June 30, 2025	
Residential Suites	**Number of Suites**	**%[1]**	**Number of Suites**	%[1]	**Number of Suites**	%[1]
Ontario						
Greater Toronto Area	**16,248**	**35.7**	16,248	35.4	16,248	34.6
London / Kitchener / Waterloo	**4,206**	**9.3**	4,206	9.2	4,105	8.8
Ottawa	**1,683**	**3.7**	1,683	3.7	1,683	3.6
	22,137	**48.7**	22,137	48.3	22,036	47.0
Québec						
Greater Montréal Region	**7,890**	**17.4**	7,890	17.1	7,333	15.6
Québec City	**2,245**	**4.9**	2,245	4.9	2,245	4.8
	10,135	**22.3**	10,135	22.0	9,578	20.4
British Columbia						
Greater Vancouver Area[2]	**3,795**	**8.3**	3,718	8.1	4,128	8.8
Victoria and Other British Columbia	**2,231**	**4.9**	2,231	4.9	2,133	4.5
	6,026	**13.2**	5,949	13.0	6,261	13.3
Nova Scotia						
Halifax	**3,408**	**7.5**	3,408	7.4	3,408	7.3
Alberta						
Calgary	**1,512**	**3.3**	1,512	3.3	1,512	3.2
Edmonton	**806**	**1.8**	806	1.8	1,115	2.4
	2,318	**5.1**	2,318	5.1	2,627	5.6
Saskatchewan						
Regina	**741**	**1.6**	741	1.6	234	0.5
Prince Edward Island						
Charlottetown	**80**	**0.2**	188	0.4	188	0.4
Total Canadian residential suites[3]	**44,845**	**98.6**	44,876	97.8	44,332	94.5
Europe						
The Netherlands residential portfolio[4]	**615**	**1.4**	1,029	2.2	2,592	5.5
Total residential portfolio	**45,460**	**100.0**	45,905	100.0	46,924	100.0

[1] Represents percentage of the residential portfolio by number of suites.

[2] As at June 30, 2026, 61 of the 86 suites that were temporarily unavailable for occupancy as a result of a fire at one of the properties in Q4 2025 continue to be offline and are excluded from the residential portfolio suite count (December 31, 2025 – 86 suites, June 30, 2025 – nil suites).

[3] As at June 30, 2026, includes 90 suites classified as assets held for sale in Canada (December 31, 2025 and June 30, 2025 – nil suites).

[4] As at June 30, 2026, includes nil suites classified as assets held for sale in Europe (December 31, 2025 – 410 suites, June 30, 2025 – 1,556 suites).

While maintaining a strong and strategic presence in Ontario's 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 the location of individual properties and the mitigation of risks arising from potential downturns in any specific markets.

OBJECTIVES AND BUSINESS STRATEGY

CAPREIT's objectives are to:

- 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, alongside high and stable 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. In addition, 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, satisfaction, and retention 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 procurement framework combines enterprise-level governance with decentralized sourcing and contract management, enabling local teams to manage vendor relationships and negotiate contracts that reflect regional market conditions. This approach is designed to support competitive pricing, enhance operational flexibility, and improve cost management while maintaining appropriate oversight and controls.

Portfolio Optimization	CAPREIT aims to continuously improve the quality of its portfolio and earnings through a variety of initiatives, including the acquisition of well-located, high-quality Canadian apartment properties that are cash flow accretive, and the disposition of certain low-yielding, non-core properties, subject to its strategic criteria and the availability of market opportunities. Through this ongoing repositioning program, CAPREIT seeks to enhance the portfolio's geographic exposure by achieving greater diversification across high-growth Canadian regions with strong long-term market fundamentals, while increasing earnings, reducing risk, and diversifying its resident base. The funds from its non-core divestitures are primarily used to acquire additional high-performing properties that align with CAPREIT's long-term strategy and generate strong in-place cash flows, to pay down debt and fortify the balance sheet, or for other strategic or general trust purposes, depending on market conditions and the most accretive avenue for capital deployment. Management believes the disciplined 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 earnings 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 enables 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 generating potential of its portfolio.
Environmental, Social, and Governance ("ESG")	CAPREIT continues to review and refine its ESG strategy in an effort to elevate the quality of life for residents and to enhance the performance of our portfolio. CAPREIT's overarching commitments include ensuring that its buildings and services meet the highest achievable standards, fostering a culture where diversity, equity, and inclusion are foundational, and ultimately integrating ESG practices across our operations to build safe, resilient, and sustainable communities, which, in turn, deliver stable returns. These commitments enable CAPREIT to better demonstrate its environmental responsibility, attract and retain the best people in the business in which it operates, build 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 2025 ESG Report, which was issued in May 2026.
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 SUMMARY

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.

Net Operating Income ("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 (loss) and comprehensive income (loss). 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"), and the unsecured non-revolving construction and term credit facility to reduce greenhouse gas ("GHG") emissions ("GHG Reduction 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, 2026, December 31, 2025, and June 30, 2025 and for the three and six months ended June 30, 2026 and June 30, 2025. 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, 2026	December 31, 2025	June 30, 2025
Total portfolio performance and other measures			
Number of suites[1]	**45,460**	45,905	46,924
Investment properties fair value[2] (000s)	**$ 14,434,520**	$ 14,732,478	$ 14,481,143
Assets held for sale (000s)	**$ 21,554**	$ 141,392	$ 586,738
Occupied AMR			
Canadian residential portfolio	**$ 1,738**	$ 1,718	$ 1,693
Occupancy			
Canadian residential portfolio	**97.5 %**	97.3 %	98.3 %

[1] As at June 30, 2026, includes 90 suites in Canada classified as assets held for sale (December 31, 2025 – 410 suites in Europe, June 30, 2025 – 1,556 suites in Europe). Commercial suites are excluded in all periods.
[2] Investment properties exclude assets held for sale.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Financial performance				
Operating revenues (000s)	**$ 246,414**	$ 254,434	**$ 494,314**	$ 507,745
NOI (000s)	**$ 163,384**	$ 169,802	**$ 318,417**	$ 327,821
NOI margin	**66.3 %**	66.7 %	**64.4 %**	64.6 %
Same property NOI (000s)	**$ 155,781**	$ 154,324	**$ 301,910**	$ 297,927
Same property NOI margin	**66.4 %**	66.5 %	**64.3 %**	64.0 %
Net income (loss) (000s)	**$ (63,971)**	$ 74,475	**$ (246,424)**	$ 82,460
Distributions per unit	**$ 0.388**	$ 0.388	**$ 0.775**	$ 0.771
FFO per unit – diluted[1]	**$ 0.654**	$ 0.661	**$ 1.249**	$ 1.246
FFO payout ratio[1]	**59.2 %**	58.5 %	**62.0 %**	61.8 %

[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, 2026	December 31, 2025	June 30, 2025
Financing metrics and liquidity			
Total Debt to Gross Book Value[1]	**41.2%**	39.3%	38.5%
Weighted average mortgage effective interest rate per annum	**3.35%**	3.30%	3.17%
Weighted average mortgage term (years)	**4.2**	4.4	4.5
Net Debt to Adjusted EBITDAFVA (times)[1][2]	**9.9x**	9.6x	9.0x
Debt Service Coverage Ratio (times)[1][3]	**1.8x**	1.9x	2.0x
Interest Coverage Ratio (times)[1][3]	**3.3x**	3.4x	3.4x
Cash and cash equivalents (000s)[4]	**$ 34,723**	$ 33,176	$ 28,639
Available borrowing capacity – Acquisition and Operating Facility (000s)[5]	**$ 179,833**	$ 181,971	$ 61,919
Capital			
Unitholders' equity (000s)	**$ 8,343,379**	$ 8,761,196	$ 8,879,025
NAV (000s)[1]	**$ 8,419,855**	$ 8,809,579	$ 8,935,968
Total number of units – diluted (000s)[6]	**154,840**	156,180	159,168
NAV per unit – diluted[1]	**$ 54.38**	$ 56.41	$ 56.14
Closing price of Trust Units	**$ 34.88**	$ 36.87	$ 44.41

(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) Net Debt is as at period end. Adjusted EBITDAFVA is based on the trailing 12 months ended.
(3) Based on the trailing 12 months ended.
(4) As at June 30, 2026, cash and cash equivalents include amounts retained to fund near-term liabilities and contingencies.
(5) Excludes an unused accordion option of $200,000 (December 31, 2025 – $200,000, June 30, 2025 – $400,000).
(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 2026 RESULTS OF OPERATIONS

Strategic Initiatives Update

- For the three and six months ended June 30, 2026, CAPREIT acquired one property in Vancouver, British Columbia with 51 suites and completed an operating lease buyout in Mississauga, Ontario for a total gross purchase price of $37.1 million (excluding transaction costs and customary adjustments).

- For the three months ended June 30, 2026, CAPREIT disposed of land adjacent to an existing residential building in Toronto, Ontario, and one residential property with 201 suites and three single residential suites located in the Netherlands. The gross sale price was $72.5 million, consisting of $1.0 million in Canada and $71.5 million in Europe (excluding transaction costs and customary adjustments). Including the above dispositions, for the six months ended June 30, 2026, CAPREIT disposed of 522 suites for a total gross sale price of $173.9 million, consisting of $29.0 million in Canada and $144.9 million in Europe (excluding transaction costs and customary adjustments).

- In March 2026, CAPREIT entered into an agreement to acquire all of the issued and outstanding units of European Residential REIT ("ERES") not already owned by CAPREIT for consideration of $1.19 per ERES unit in an all-cash transaction (the "ERES Transaction"). ERES held a special meeting for voting unitholders ("ERES Unitholders") to consider and vote on the ERES Transaction on April 27, 2026. During this meeting, ERES Unitholders approved the ERES Transaction. The ERES Transaction closed on May 1, 2026 for $98.7 million (excluding transaction costs). CAPREIT funded the ERES Transaction with cash on hand and availability from the Acquisition and Operating Facility.

- During the three months ended June 30, 2026, CAPREIT purchased and cancelled approximately 0.9 million Trust Units under the Normal Course Issuer Bid ("NCIB") program, at a weighted average purchase price of $35.59 per Trust Unit, for a total cost of $30.5 million (excluding the federal 2% tax on repurchases of Trust Units). During the six months ended June 30, 2026, CAPREIT purchased and cancelled approximately 1.6 million Trust Units under the NCIB program, at a weighted average purchase price of $36.16 per Trust Unit, for a total cost of $59.5 million (excluding the federal 2% tax on repurchases of Trust Units).

Operating Results

- On turnovers and renewals for the Canadian residential portfolio, monthly residential rents for the three and six months ended June 30, 2026 increased by 1.1% and 1.6%, respectively, compared to 3.8% and 3.5%, respectively, for the three and six months ended June 30, 2025. On turnovers and renewals for the Canadian residential portfolio, the change in monthly rent on suite turnovers in July was up 0.2%, while the change in monthly rent on lease renewals was up 1.8%.

- Same Property Occupied AMR for the Canadian residential portfolio as at June 30, 2026 increased by 2.3% compared to June 30, 2025, while same property occupancy for the Canadian residential portfolio decreased to 97.5% (June 30, 2025 – 98.4%). Occupancy for the same property Canadian residential portfolio as at July 31, 2026 decreased to 97.3%, consistent with the typical seasonal trend observed between June and July.

- NOI for the Canadian same property portfolio increased by 0.9% and 1.5%, respectively, for the three and six months ended June 30, 2026 compared to the same periods last year. In addition, NOI margin for the Canadian same property portfolio remained stable at 66.2% for the three months ended June 30, 2026, and increased to 64.2%, up 0.3 percentage point, for the six months ended June 30, 2026 compared to the same periods last year.

- Diluted FFO per unit decreased by 1.1% for the three months ended June 30, 2026, compared to the same period last year, primarily due to lost NOI from disposed properties, higher interest expense on mortgages payable and credit facilities payable, partially offset by the impact of Trust Units purchased and cancelled through the NCIB program, which reduced the overall weighted average Units outstanding by approximately 3.4%. Diluted FFO per unit increased by 0.2%, for the six months ended June 30, 2026, compared to the same period last year, primarily due to lower trust expenses, net of reorganization and retirement costs, and the impact of Trust Units purchased and cancelled through the NCIB program, which reduced the overall weighted average Units outstanding by approximately 3.8%, partially offset by lost NOI from dispositions.

Balance Sheet Highlights

- As at June 30, 2026, CAPREIT had $179.8 million of available capacity on its Acquisition and Operating Facility.

- Based on the current property portfolio, management expects to complete between $1.2 billion to $1.3 billion in total mortgage financings for 2026, which assumes that there will be no future acquisitions and dispositions. To date, CAPREIT has completed or committed financings totalling $446.7 million, with a weighted average interest rate of 3.83% per annum and a weighted average term to maturity of 6.9 years.

- For the six months ended June 30, 2026, the overall carrying value of investment properties (excluding assets held for sale) decreased by $298.0 million primarily due to fair value loss of $388.8 million, dispositions of $31.8 million, and transfers to assets held for sale of $21.6 million, partially offset by property capital investments of $101.7 million, and acquisitions of $38.6 million.

- Diluted NAV per unit as at June 30, 2026 decreased to $54.38 from $54.79 as at March 31, 2026, primarily due to fair value losses recognized on investment properties.

Subsequent Events

- Subsequent to June 30, 2026, CAPREIT purchased and cancelled 0.3 million Trust Units under the 2026-2027 NCIB, at a weighted average purchase price of $35.13 per Trust Unit, for a total cost of $11.9 million (excluding the federal 2% tax on repurchases of Trust Units).

SECTION III: OPERATIONAL AND FINANCIAL RESULTS

CANADIAN OCCUPIED AVERAGE MONTHLY RENTS AND OCCUPANCY

Occupied AMR is defined as actual residential rents divided by the total number of occupied suites in the property, and does not include revenues from parking, laundry, or other sources. Same property Occupied AMR and occupancy include all properties owned by CAPREIT continuously since December 31, 2024, and therefore do not take into account the impact of acquisitions or dispositions completed during 2025 and 2026, or properties that are classified as held for sale as at June 30, 2026.

Canadian Occupied AMR and Occupancy by Geography

	Total Portfolio[1]				Same Property			
As at June 30,	**2026**		**2025**		**2026**		**2025**	
Residential Suites	**Occupied AMR**	**Occ. %**	**Occupied AMR**	**Occ. %**	**Occupied AMR**	**Occ. %**	**Occupied AMR**	**Occ. %**
Ontario								
Greater Toronto Area	**$ 1,867**	**98.4**	$ 1,828	98.7	**$ 1,867**	**98.4**	$ 1,828	98.7
London / Kitchener / Waterloo	**1,489**	**96.6**	1,427	98.7	**1,466**	**96.4**	1,431	98.7
Ottawa	**2,056**	**99.1**	1,993	99.5	**2,056**	**99.1**	1,993	99.5
	$ 1,811	**98.1**	$ 1,766	98.8	**$ 1,809**	**98.1**	$ 1,768	98.8
Québec								
Greater Montréal Region	**$ 1,518**	**96.3**	$ 1,420	97.9	**$ 1,459**	**96.2**	$ 1,415	97.9
Québec City	**1,495**	**97.7**	1,426	97.3	**1,495**	**97.7**	1,426	97.3
	$ 1,513	**96.6**	$ 1,421	97.8	**$ 1,468**	**96.6**	$ 1,417	97.8
British Columbia								
Greater Vancouver Area	**$ 1,970**	**97.5**	$ 1,974	97.5	**$ 1,967**	**97.6**	$ 1,982	97.8
Victoria and Other British Columbia	**1,751**	**98.1**	1,737	98.7	**1,765**	**98.1**	1,737	98.7
	$ 1,889	**97.7**	$ 1,893	97.9	**$ 1,890**	**97.8**	$ 1,890	98.2
Nova Scotia								
Halifax	**$ 1,753**	**96.4**	$ 1,678	98.0	**$ 1,753**	**96.4**	$ 1,678	98.0
Alberta								
Calgary	**$ 1,578**	**95.4**	$ 1,568	98.9	**$ 1,578**	**95.4**	$ 1,568	98.9
Edmonton	**1,812**	**98.4**	1,742	97.0	**1,810**	**98.9**	1,827	95.6
	$ 1,661	**96.5**	$ 1,641	98.1	**$ 1,643**	**96.4**	$ 1,637	98.0
Saskatchewan								
Regina	**$ 1,587**	**97.4**	$ 1,416	99.6	**$ 1,469**	**97.0**	$ 1,416	99.6
Prince Edward Island								
Charlottetown	**$ 1,393**	**98.8**	$ 1,500	94.1	**$ 1,393**	**98.8**	$ 1,365	98.8
Total Canadian residential suites	**$ 1,738**	**97.5**	$ 1,693	98.3	**$ 1,731**	**97.5**	$ 1,692	98.4

[1] Includes assets held for sale, as applicable.

The overall rate of growth in Canadian residential 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 renewals; and (ii) rental increases driven by turnover in certain provinces across the Canadian portfolio.

Occupancy for the same property Canadian residential portfolio as at June 30, 2026 decreased by 0.9 percentage points to 97.5% compared to June 30, 2025, reflecting current pressures in residential market dynamics. Occupancy for the same property Canadian residential portfolio as at July 31, 2026 decreased to 97.3%, consistent with the typical seasonal trend observed between June and July. On turnovers and renewals for the Canadian residential portfolio, the change in monthly rent on suite turnovers in July was up 0.2%, while the change in monthly rent on lease renewals was up 1.8%.

The weighted average monthly gross rent per square foot for total Canadian residential suites was approximately $2.07 as at June 30, 2026, having increased from $2.03 as at June 30, 2025.

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.

	2027[1]	**2026**	**2025**
Ontario annual rental guideline	1.9%	**2.1%**	2.5%
Ontario Consumer Price Index at time of announcement[1]	1.9%	**2.1%**	3.1%
British Columbia annual rental guideline	N/A	**2.3%**	3.0%
British Columbia Consumer Price Index at time of announcement[2]	N/A	**2.3%**	3.0%

[1] Based on the Ontario Consumer Price Index from the 12-month period ending May of the year preceding the guideline year.
[2] Based on the British Columbia Consumer Price Index from the 12-month period ending July of the year preceding the guideline year.

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 – Canadian Residential Portfolio

The tables below summarize the changes in the monthly rent due to suite turnovers and lease renewals in the Canadian residential portfolio for the three and six months ended June 30, 2026 and June 30, 2025.

As at June 30, 2026, approximately 69% (June 30, 2025 – 75%) of the occupied suites in the Canadian residential portfolio have residents who have been in the suite for two years or longer, with the balance in the suite for less than two years. Approximately 20% of leases with resident tenure of less than two years have in-place rents more than 5% above CAPREIT's estimated market rents.

For the Three Months Ended June 30,	2026		2025	
	Change in Monthly Rent	Turnovers and Renewals of Suites[1]	Change in Monthly Rent	Turnovers and Renewals of Suites[1]
	%	%	%	%
Suite turnovers[2]	**(1.2)**	**5.8**	4.6	5.1
Lease renewals	**2.3**	**13.6**	3.5	14.2
Weighted average of turnovers and renewals	**1.1**		3.8	

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

[2] The table below summarizes the changes in monthly rent from suite turnovers, by lease tenure, for the three months ended June 30, 2026 and June 30, 2025.

For the Three Months Ended June 30,	2026		2025	
	Change in Monthly Rent	Turnovers[3]	Change in Monthly Rent	Turnovers[3]
Lease Tenure	%	%	%	%
Less than two years	**(7.1)**	**50.9**	(5.9)	49.3
Two years or longer	**5.4**	**49.1**	16.8	50.7
Change in monthly rent on suite turnovers	**(1.2)**		4.6	

[3] Turnover percentages by lease tenure are calculated as the number of suite turnovers within each tenure category divided by the total number of suite turnovers during the period.

For the Six Months Ended June 30,	2026		2025	
	Change in Monthly Rent	Turnovers and Renewals of Suites[1]	Change in Monthly Rent	Turnovers and Renewals of Suites[1]
	%	%	%	%
Suite turnovers[2]	**(1.6)**	**10.1**	5.7	9.0
Lease renewals	**2.3**	**52.2**	3.1	56.1
Weighted average of turnovers and renewals	**1.6**		3.5	

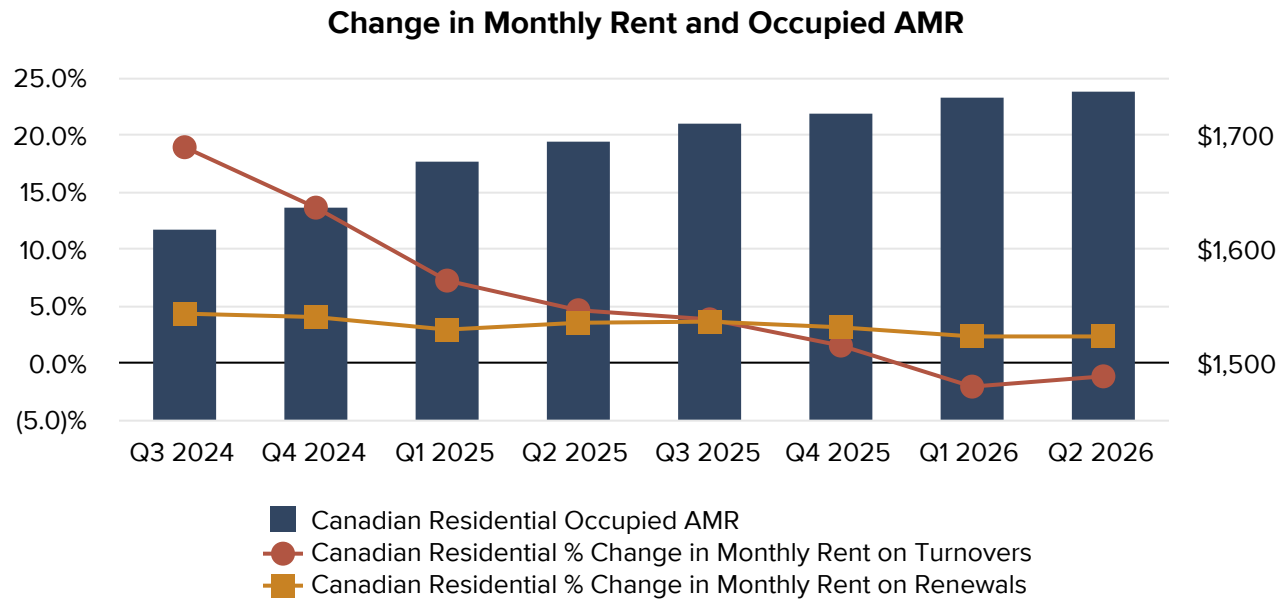
[1] Percentage of suites turned over or renewed during the period is based on the total weighted average number of residential suites held during the period.

[2] The table below summarizes the changes in monthly rent from suite turnovers, by lease tenure, for the six months ended June 30, 2026 and June 30, 2025.

For the Six Months Ended June 30,	2026		2025	
	Change in Monthly Rent	Turnovers[3]	Change in Monthly Rent	Turnovers[3]
Lease Tenure	%	%	%	%
Less than two years	**(8.6)**	**48.3**	(5.8)	48.4
Two years or longer	**5.5**	**51.7**	19.1	51.6
Change in monthly rent on suite turnovers	**(1.6)**		5.7	

[3] Turnover percentages by lease tenure are calculated as the number of suite turnovers within each tenure category divided by the total number of suite turnovers during the period.

Change in monthly rent on suite turnovers remains negative but has improved over the past few months, 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, for the trailing eight quarters.



Tenant Inducements and Expected Credit Losses – Canadian Portfolio

($ Thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2026	**%[1]**	**2025**	**%[1]**	**2026**	**%[1]**	**2025**	**%[1]**
New tenant inducements granted – residential	**$ 4,575**		$ 2,563		**$ 9,412**		$ 6,647	
New tenant inducements granted – commercial	**50**		—		**245**		67	
Total new tenant inducements granted	**$ 4,625**		$ 2,563		**$ 9,657**		$ 6,714	
Amortization of tenant inducements granted[2]	**$ 3,380**	**1.4**	$ 1,993	0.8	**$ 6,316**	**1.3**	$ 3,330	0.7
Expected credit losses	**$ 1,996**	**0.8**	$ 1,941	0.8	**$ 4,041**	**0.8**	$ 3,951	0.8
Vacancy loss[3]	**$ 8,213**	**3.4**	$ 6,314	2.7	**$ 17,195**	**3.6**	$ 13,997	3.0
Operating revenues	**$ 241,088**		$ 235,745		**$ 481,765**		$ 471,242	

[1] As a percentage of total Canadian operating revenues.

[2] Amortization of tenant inducements granted is determined by taking the total value of the inducements granted and spreading it evenly over the term of the respective leases.

[3] Vacancy loss represents the estimated loss of revenue, based on estimated market rents, from unoccupied residential and commercial suites during the period.

For the three and six months ended June 30, 2026, tenant inducements granted and vacancy loss increased across several regions, with the most significant rise in Ontario. These higher levels of inducements reflect CAPREIT's continued strategy to support occupancy levels and maintain competitiveness within key markets.

CANADIAN RESULTS OF OPERATIONS

The table below summarizes revenue from Canadian investment properties by region for the three and six months ended June 30, 2026 and June 30, 2025. Revenue is composed of residential, commercial, and ancillary revenue.

Canadian Operating Revenues by Geography

	Three Months Ended June 30,				Six Months Ended June 30,			
	2026		2025		2026		2025	
($ Thousands)	Revenue	%	Revenue	%	Revenue	%	Revenue	%
Residential suites								
Ontario								
Greater Toronto Area	**$ 95,145**	**39.5**	$ 93,421	39.6	**$ 189,388**	**39.3**	$ 187,950	40.0
London / Kitchener / Waterloo	**18,428**	**7.6**	18,029	7.6	**37,360**	**7.8**	35,828	7.6
Ottawa	**10,508**	**4.4**	10,291	4.4	**20,901**	**4.3**	20,408	4.3
	$ 124,081	**51.5**	$ 121,741	51.6	**$ 247,649**	**51.4**	$ 244,186	51.9
Québec								
Greater Montréal Region	**$ 37,971**	**15.7**	$ 33,490	14.2	**$ 75,938**	**15.7**	$ 67,013	14.2
Québec City	**10,657**	**4.4**	10,275	4.4	**21,176**	**4.4**	20,499	4.4
	$ 48,628	**20.1**	$ 43,765	18.6	**$ 97,114**	**20.1**	$ 87,512	18.6
British Columbia								
Greater Vancouver Area	**$ 21,965**	**9.1**	$ 24,752	10.5	**$ 43,967**	**9.1**	$ 49,031	10.4
Victoria and Other British Columbia	**12,283**	**5.1**	11,644	4.9	**24,440**	**5.1**	23,159	4.9
	$ 34,248	**14.2**	$ 36,396	15.4	**$ 68,407**	**14.2**	$ 72,190	15.3
Nova Scotia								
Halifax	**$ 18,135**	**7.5**	$ 17,642	7.5	**$ 36,087**	**7.5**	$ 35,029	7.4
Alberta								
Calgary	**$ 7,858**	**3.3**	$ 8,263	3.5	**$ 15,932**	**3.3**	$ 16,441	3.5
Edmonton	**4,477**	**1.9**	5,966	2.5	**9,052**	**1.9**	11,382	2.4
	$ 12,335	**5.2**	$ 14,229	6.0	**$ 24,984**	**5.2**	$ 27,823	5.9
Saskatchewan								
Regina	**$ 3,344**	**1.4**	$ 964	0.4	**$ 6,584**	**1.4**	$ 1,879	0.4
Prince Edward Island								
Charlottetown	**$ 317**	**0.1**	$ 940	0.4	**$ 940**	**0.2**	$ 2,073	0.4
Total Canadian residential suites	**$ 241,088**	**100.0**	$ 235,677	99.9	**$ 481,765**	**100.0**	$ 470,692	99.9
MHC Sites								
Total Manufactured Home Community ("MHC") sites	**$ —**	**—**	$ 68	0.1	**$ —**	**—**	$ 550	0.1
Total Canadian portfolio[1]	**$ 241,088**	**100.0**	$ 235,745	100.0	**$ 481,765**	**100.0**	$ 471,242	100.0

[1] Includes revenues for Canadian commercial properties of $5,452 and $11,101 for the three and six months ended June 30, 2026, respectively (three and six months ended June 30, 2025 – $5,851 and $12,057, 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, 2026 are defined as all properties owned by CAPREIT continuously since December 31, 2024, and therefore do not take into account the impact on performance of acquisitions or dispositions completed during 2025 and 2026, or properties that are classified as held for sale as at June 30, 2026. 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 (loss) and comprehensive income (loss).

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

($ Thousands)	Total NOI			Same Property NOI		
For the Three Months Ended June 30,	**2026**	**2025**	**%[1]**	**2026**	**2025**	**%[1]**
Canadian operating revenues						
Rental revenues	**$ 228,479**	$ 223,467	2.2	**$ 217,698**	$ 216,072	0.8
Other[2]	**12,609**	12,278	2.7	**12,040**	11,732	2.6
Total Canadian operating revenues	**$ 241,088**	$ 235,745	2.3	**$ 229,738**	$ 227,804	0.8
Canadian operating expenses						
Realty taxes	**$ (25,690)**	$ (24,343)	5.5	**$ (24,269)**	$ (23,358)	3.9
Utilities	**(13,992)**	(13,703)	2.1	**(13,532)**	(13,297)	1.8
Other[3]	**(41,845)**	(41,816)	0.1	**(39,852)**	(40,444)	(1.5)
Total Canadian operating expenses	**$ (81,527)**	$ (79,862)	2.1	**$ (77,653)**	$ (77,099)	0.7
NOI – Canada	**$ 159,561**	$ 155,883	2.4	**$ 152,085**	$ 150,705	0.9
NOI margin – Canada	**66.2 %**	66.1 %		**66.2 %**	66.2 %	
NOI – Europe	**$ 3,823**	$ 13,919	(72.5)	**$ 3,696**	$ 3,619	2.1
NOI margin – Europe	**71.8 %**	74.5 %		**72.4 %**	74.3 %	
Total NOI	**$ 163,384**	$ 169,802	(3.8)	**$ 155,781**	$ 154,324	0.9
Total margin	**66.3 %**	66.7 %		**66.4 %**	66.5 %	

[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.

($ Thousands)	Total NOI			Same Property NOI		
For the Six Months Ended June 30,	**2026**	**2025**	**%[1]**	**2026**	**2025**	**%[1]**
Canadian operating revenues						
Rental revenues	**$ 456,166**	$ 446,691	2.1	**$ 434,258**	$ 430,998	0.8
Other[2]	**25,599**	24,551	4.3	**24,471**	23,399	4.6
Total Canadian operating revenues	**$ 481,765**	$ 471,242	2.2	**$ 458,729**	$ 454,397	1.0
Canadian operating expenses						
Realty taxes	**$ (51,217)**	$ (48,571)	5.4	**$ (48,303)**	$ (46,546)	3.8
Utilities	**(36,030)**	(36,988)	(2.6)	**(34,884)**	(35,770)	(2.5)
Other[3]	**(85,143)**	(85,077)	0.1	**(81,083)**	(81,889)	(1.0)
Total Canadian operating expenses	**$ (172,390)**	$ (170,636)	1.0	**$ (164,270)**	$ (164,205)	0.0
NOI – Canada	**$ 309,375**	$ 300,606	2.9	**$ 294,459**	$ 290,192	1.5
NOI margin – Canada	**64.2 %**	63.8 %		**64.2 %**	63.9 %	
NOI – Europe	**$ 9,042**	$ 27,215	(66.8)	**$ 7,451**	$ 7,735	(3.7)
NOI margin – Europe	**72.1 %**	74.6 %		**72.8 %**	78.0 %	
Total NOI	**$ 318,417**	$ 327,821	(2.9)	**$ 301,910**	$ 297,927	1.3
Total margin	**64.4 %**	64.6 %		**64.3 %**	64.0 %	

[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.

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, 2026 and June 30, 2025:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Same property NOI – Canada	**$ 152,085**	$ 150,705	**$ 294,459**	$ 290,192
Same property NOI – Europe	**3,696**	3,619	**7,451**	7,735
NOI from acquisitions	**7,312**	1,409	**14,436**	2,128
NOI from dispositions and assets held for sale	**291**	14,069	**2,071**	27,766
Total NOI	**$ 163,384**	$ 169,802	**$ 318,417**	$ 327,821

Canadian Operating Revenues

For the three months ended June 30, 2026, Canadian same property operating revenues increased by $1.9 million, primarily driven by increases in monthly rents on renewals and to a lesser extent on turnovers. Total Canadian operating revenues increased by $5.3 million during the same period, mainly due to revenue generated from acquisitions totalling $8.6 million and operational growth of $1.9 million on the same property operating portfolio as at June 30, 2026, partially offset by lost revenue from dispositions and assets held for sale as at June 30, 2026 totalling $5.2 million.

For the six months ended June 30, 2026, Canadian same property operating revenues increased by $4.3 million, primarily driven by increases in monthly rents on renewals and to a lesser extent on turnovers. Total Canadian operating revenues increased by $10.5 million during the same period, mainly due to revenue generated from acquisitions totalling $18.6 million and operational growth of $4.3 million on the same property operating portfolio as at June 30, 2026, partially offset by lost revenue from dispositions and assets held for sale as at June 30, 2026 totalling $12.4 million.

Canadian Operating Expenses

Realty Taxes

For the three and six months ended June 30, 2026, realty taxes for Canadian total and same property portfolio increased compared to the same periods in the prior year, primarily due to increases in realty tax rates in Ontario and higher property value assessments in Nova Scotia. Canadian total portfolio increased further due to acquisitions, partially offset by dispositions.

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 Canadian utility costs by type for the three and six months ended June 30, 2026 and June 30, 2025.

($ Thousands)	Total Utilities			Same Property Utilities[1]		
For the Three Months Ended June 30,	**2026**	**2025**	**%[2]**	**2026**	**2025**	**%[2]**
Electricity	**$ (4,625)**	$ (4,580)	1.0	**$ (4,411)**	$ (4,436)	(0.6)
Natural gas	**(2,789)**	(2,998)	(7.0)	**(2,679)**	(2,881)	(7.0)
Water	**(6,578)**	(6,125)	7.4	**(6,442)**	(5,980)	7.7
Total	**$ (13,992)**	$ (13,703)	2.1	**$ (13,532)**	$ (13,297)	1.8

[1] Same property results exclude performance of acquisitions and dispositions completed during 2025 and 2026, or properties that are classified as held for sale as at June 30, 2026. For the three months ended June 30, 2026, total utility costs from acquisitions and dispositions completed during 2026 and 2025 were $(460) (for the three months ended June 30, 2025 – $(406)).

[2] Represents the year-over-year percentage change.

For the three months ended June 30, 2026, Canadian total and same property natural gas costs decreased year-over-year, mainly due to lower natural gas rates in Ontario, Alberta, and Nova Scotia. Furthermore, Canadian total and same property water costs increased year-over-year, mainly due to higher water rates in Ontario.

($ Thousands)	Total Utilities			Same Property Utilities[1]		
For the Six Months Ended June 30,	**2026**	**2025**	**%[2]**	**2026**	**2025**	**%[2]**
Electricity	**$ (13,065)**	$ (12,715)	2.8	**$ (12,598)**	$ (12,326)	2.2
Natural gas	**(10,150)**	(11,891)	(14.6)	**(9,744)**	(11,351)	(14.2)
Water	**(12,815)**	(12,382)	3.5	**(12,542)**	(12,093)	3.7
Total	**$ (36,030)**	$ (36,988)	(2.6)	**$ (34,884)**	$ (35,770)	(2.5)

[1] Same property results exclude performance of acquisitions and dispositions completed during 2025 and 2026, or properties that are classified as held for sale as at June 30, 2026. For the six months ended June 30, 2026, total utility costs from acquisitions and dispositions completed during 2026 and 2025 were $(1,146) (for the six months ended June 30, 2025 – $(1,218)).

[2] Represents the year-over-year percentage change.

For the six months ended June 30, 2026, Canadian total and 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 2026, and higher electricity rates in British Columbia and Québec. In addition, Canadian total and same property portfolio natural gas costs decreased year-over-year, mainly due to the federal carbon tax removal that came into effect on April 1, 2025. Furthermore, Canadian total and same property water costs increased year-over-year, mainly due to increased water rates in Ontario and Nova Scotia, partially offset by lower water consumption due to water renewal efficiency projects implemented during the second quarter of 2025 for Ontario.

As at June 30, 2026, Canadian residents 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 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 residents 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 2025 ESG Report.

Other Operating Expenses

For the three and six months ended June 30, 2026, other operating expenses for the Canadian total portfolio remained flat compared with the same periods last year, while the same property portfolio saw an overall decline, mainly due to improved operating efficiencies.

CANADIAN NOI BY REGION

The following tables summarize the Canadian total portfolio NOI and NOI margins by region for the three and six months ended June 30, 2026 and June 30, 2025:

For the Three Months Ended June 30,	2026			2025			Increase (Decrease)
($ Thousands)	NOI	NOI %[1]	NOI Margin (%)	NOI	NOI %[1]	NOI Margin (%)	NOI Change (%)
Residential Suites							
Ontario							
Greater Toronto Area	**$ 63,955**	**40.0**	**67.2**	$ 62,334	39.7	66.7	**2.6**
London / Kitchener / Waterloo	**11,943**	**7.5**	**64.8**	12,130	7.8	67.3	**(1.5)**
Ottawa	**7,424**	**4.7**	**70.7**	7,374	4.7	71.7	**0.7**
	$ 83,322	**52.2**	**67.2**	$ 81,838	52.2	67.2	**1.8**
Québec							
Greater Montréal Region	**$ 22,976**	**14.4**	**60.5**	$ 20,197	13.0	60.3	**13.8**
Québec City	**7,036**	**4.4**	**66.0**	6,529	4.2	63.5	**7.8**
	$ 30,012	**18.8**	**61.7**	$ 26,726	17.2	61.1	**12.3**
British Columbia							
Greater Vancouver Area	**$ 16,297**	**10.2**	**74.2**	$ 18,173	11.7	73.4	**(10.3)**
Victoria and Other British Columbia	**8,920**	**5.6**	**72.6**	8,351	5.4	71.7	**6.8**
	$ 25,217	**15.8**	**73.6**	$ 26,524	17.1	72.9	**(4.9)**
Nova Scotia							
Halifax	**$ 11,495**	**7.2**	**63.4**	$ 11,190	7.2	63.4	**2.7**
Alberta							
Calgary	**$ 4,682**	**2.9**	**59.6**	$ 5,110	3.3	61.8	**(8.4)**
Edmonton	**2,636**	**1.7**	**58.9**	3,374	2.2	56.6	**(21.9)**
	$ 7,318	**4.6**	**59.3**	$ 8,484	5.5	59.6	**(13.7)**
Saskatchewan							
Regina	**$ 2,082**	**1.3**	**62.3**	$ 580	0.4	60.2	**259.0**
Prince Edward Island							
Charlottetown	**$ 115**	**0.1**	**36.3**	$ 497	0.3	52.9	**(76.9)**
Total Canadian residential suites	**$ 159,561**	**100.0**	**66.2**	$ 155,839	99.9	66.1	**2.4**
MHC sites							
MHC sites	**$ —**	**—**	**—**	$ 44	0.1	64.7	**(100.0)**
Total Canadian portfolio[2]	**$ 159,561**	**100.0**	**66.2**	$ 155,883	100.0	66.1	**2.4**

[1] Represents percentage of the total Canadian portfolio by NOI.
[2] Includes Canadian residential and commercial NOI.

For the Six Months Ended June 30,	2026			2025			Increase (Decrease)
($ Thousands)	NOI	NOI %[1]	NOI Margin (%)	NOI	NOI %[1]	NOI Margin (%)	NOI Change (%)
Residential suites							
Ontario							
Greater Toronto Area	**$ 122,846**	**39.8**	**64.9**	$ 120,642	40.3	64.2	**1.8**
London / Kitchener / Waterloo	**23,454**	**7.6**	**62.8**	23,096	7.7	64.5	**1.6**
Ottawa	**14,768**	**4.8**	**70.7**	14,295	4.8	70.0	**3.3**
	$ 161,068	**52.2**	**65.0**	$ 158,033	52.8	64.7	**1.9**
Québec							
Greater Montréal Region	**$ 44,377**	**14.3**	**58.4**	$ 38,612	12.8	57.6	**14.9**
Québec City	**13,510**	**4.4**	**63.8**	12,539	4.2	61.2	**7.7**
	$ 57,887	**18.7**	**59.6**	$ 51,151	17.0	58.5	**13.2**
British Columbia							
Greater Vancouver Area	**$ 32,284**	**10.4**	**73.4**	$ 35,610	11.8	72.6	**(9.3)**
Victoria and Other British Columbia	**17,468**	**5.6**	**71.5**	16,499	5.5	71.2	**5.9**
	$ 49,752	**16.0**	**72.7**	$ 52,109	17.3	72.2	**(4.5)**
Nova Scotia							
Halifax	**$ 21,624**	**7.0**	**59.9**	$ 20,761	6.9	59.3	**4.2**
Alberta							
Calgary	**$ 9,325**	**3.0**	**58.5**	$ 9,676	3.2	58.9	**(3.6)**
Edmonton	**5,408**	**1.7**	**59.7**	6,435	2.1	56.5	**(16.0)**
	$ 14,733	**4.7**	**59.0**	$ 16,111	5.3	57.9	**(8.6)**
Saskatchewan							
Regina	**$ 3,974**	**1.3**	**60.4**	$ 1,031	0.3	54.9	**285.5**
Prince Edward Island							
Charlottetown	**$ 337**	**0.1**	**35.9**	$ 1,016	0.3	49.0	**(66.8)**
Total Canadian residential suites	**$ 309,375**	**100.0**	**64.2**	$ 300,212	99.9	63.8	**3.1**
MHC Sites							
MHC sites	**$ —**	**—**	**—**	$ 394	0.1	71.6	**(100.0)**
Total Canadian portfolio[2]	**$ 309,375**	**100.0**	**64.2**	$ 300,606	100.0	63.8	**2.9**

[1] Represents percentage of the total Canadian portfolio by NOI.
[2] Includes Canadian residential and commercial NOI.

CANADIAN SAME PROPERTY NOI BY REGION

Canadian same property NOI by region includes all properties held continuously since December 31, 2024, and therefore does not take into account the impact on performance of acquisitions or dispositions completed during 2025 and 2026, or properties that are classified as held for sale as at June 30, 2026. Canadian 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 (loss) and comprehensive income (loss). The following tables summarize the Canadian same property NOI and NOI margins by region for the three and six months ended June 30, 2026 and June 30, 2025:

For the Three Months Ended June 30,	2026		2025		Increase (Decrease)
($ Thousands)	Same Property NOI	NOI Margin (%)	Same Property NOI	NOI Margin (%)	NOI Change (%)
Residential Suites					
Ontario					
Greater Toronto Area	**$ 63,964**	**67.2**	$ 62,205	66.6	**2.8**
London / Kitchener / Waterloo[1]	**11,295**	**64.6**	12,019	67.4	**(6.0)**
Ottawa	**7,424**	**70.7**	7,374	71.7	**0.7**
	$ 82,683	**67.2**	$ 81,598	67.1	**1.3**
Québec					
Greater Montréal Region	**$ 19,806**	**59.7**	$ 19,637	60.2	**0.9**
Québec City[2]	**7,036**	**66.0**	6,521	63.5	**7.9**
	$ 26,842	**61.2**	$ 26,158	61.0	**2.6**
British Columbia					
Greater Vancouver Area[3]	**$ 15,269**	**74.3**	$ 15,858	73.8	**(3.7)**
Victoria and Other British Columbia[4]	**8,609**	**72.7**	8,351	71.7	**3.1**
	$ 23,878	**73.7**	$ 24,209	73.1	**(1.4)**
Nova Scotia					
Halifax	**$ 11,495**	**63.4**	$ 11,190	63.4	**2.7**
Alberta					
Calgary[5]	**$ 4,682**	**59.6**	$ 5,108	61.8	**(8.3)**
Edmonton[6]	**1,785**	**58.8**	1,707	56.0	**4.6**
	$ 6,467	**59.4**	$ 6,815	60.3	**(5.1)**
Saskatchewan					
Regina[7]	**$ 605**	**59.8**	$ 580	60.2	**4.3**
Prince Edward Island					
Charlottetown[8]	**$ 115**	**35.9**	$ 155	47.8	**(25.8)**
Total Canadian residential suites same property[9]	**$ 152,085**	**66.2**	$ 150,705	66.2	**0.9**
Canadian same property suites	**42,874**		42,874		

(1) Lower NOI margin compared to last year due to lower operating revenue from higher vacancies and higher operating expenses due to higher insurance, R&M, and expected credit losses.
(2) Higher NOI margin compared to last year due to higher operating revenue from higher monthly rents on renewals and turnovers; and lower operating expenses from lower R&M, partially offset by higher utilities.
(3) Lower NOI compared to last year due to lower operating revenue from lower monthly rents and higher vacancies; and higher operating expenses from higher utilities, partially offset by lower insurance costs.
(4) Higher NOI margin compared to last year due to higher operating revenue from higher monthly rents on renewals and turnovers.
(5) Lower NOI margin compared to last year due to lower operating revenue from higher vacancies, higher operating costs from higher expected credit losses and realty taxes, partially offset by lower utilities.
(6) Higher NOI margin compared to last year due to lower operating expenses from realty taxes and expected credit losses, partially offset by higher utilities.
(7) Higher NOI compared to last year due to higher operating revenue from higher monthly rents on renewals and turnovers, partially offset by higher operating expenses from realty taxes and utilities.
(8) Lower NOI margin compared to last year due to higher operating expense from wages, utilities, and R&M.
(9) Includes Canadian residential and commercial NOI.

For the Six Months Ended June 30,	2026		2025		Increase (Decrease)
($ Thousands)	Same Property NOI	NOI Margin (%)	Same Property NOI	NOI Margin (%)	NOI Change (%)
Residential suites					
Ontario					
Greater Toronto Area	**$ 122,870**	**64.9**	$ 120,259	64.2	**2.2**
London / Kitchener / Waterloo[1]	**22,205**	**62.6**	22,882	64.6	**(3.0)**
Ottawa	**14,768**	**70.7**	14,295	70.0	**3.3**
	$ 159,843	**65.0**	$ 157,436	64.7	**1.5**
Québec					
Greater Montréal Region	**$ 38,142**	**57.4**	$ 37,421	57.8	**1.9**
Québec City[2]	**13,510**	**63.8**	12,532	61.1	**7.8**
	$ 51,652	**59.0**	$ 49,953	58.6	**3.4**
British Columbia					
Greater Vancouver Area[3]	**$ 30,177**	**73.4**	$ 31,096	72.8	**(3.0)**
Victoria and Other British Columbia	**16,889**	**71.6**	16,499	71.2	**2.4**
	$ 47,066	**72.7**	$ 47,595	72.3	**(1.1)**
Nova Scotia					
Halifax[4]	**$ 21,624**	**59.9**	$ 20,761	59.3	**4.2**
Alberta					
Calgary[5]	**$ 9,325**	**58.5**	$ 9,674	58.8	**(3.6)**
Edmonton	**3,512**	**57.9**	3,417	56.0	**2.8**
	$ 12,837	**58.4**	$ 13,091	58.1	**(1.9)**
Saskatchewan					
Regina[6]	**$ 1,185**	**59.6**	$ 1,031	54.9	**14.9**
Prince Edward Island					
Charlottetown[7]	**$ 252**	**39.2**	$ 325	50.0	**(22.5)**
Total Canadian residential suites same property[8]	**$ 294,459**	**64.2**	$ 290,192	63.9	**1.5**
Canadian same property suites	**42,874**		42,874		

(1) Lower NOI margin compared to last year due to higher operating costs from insurance, expected credit losses, R&M and advertising costs, partially offset by lower utilities.

(2) Higher NOI margin compared to last year due to higher operating revenue from higher monthly rents on renewals and turnovers; and lower operating expenses from R&M, partially offset by higher utilities.

(3) Lower NOI compared to last year due to lower operating revenue from higher vacancies, higher operating expenses from utilities and wages, partially offset by lower insurance costs.

(4) Higher NOI compared to last year due to higher operating revenue from higher monthly rents on renewals and turnovers and lower operating expenses from R&M, partially offset by higher realty taxes and expected credit losses.

(5) Lower NOI compared to last year due to lower operating revenue from higher vacancies and higher operating expenses from expected credit losses, partially offset by lower utilities.

(6) Higher NOI margin compared to last year due to higher operating revenue from higher monthly rents on renewals and turnovers; and lower operating expenses from wages.

(7) Lower NOI margin compared to last year due to higher operating expenses from wages, realty taxes and R&M.

(8) Includes Canadian residential and commercial NOI.

THE NETHERLANDS PORTFOLIO OPERATIONAL AND FINANCIAL RESULTS

Same Property Occupied AMR for the Netherlands residential portfolio as at June 30, 2026 increased to €1,462 compared to €1,400 as at June 30, 2025, while same property occupancy for the Netherlands residential portfolio decreased to 89.3% (June 30, 2025 – 93.2%), predominantly due to a number of suites strategically kept vacant.

On turnover, rents increased by 0.1% on 2.9% of the Netherlands same property residential portfolio for the three months ended June 30, 2026, compared to an increase of 7.2% on 1.3% of the Netherlands same property residential portfolio for the three months ended June 30, 2025. For the six months ended June 30, 2026, rents increased by 3.4% on 5.2% of the Netherlands same property residential portfolio, compared to an increase of 19.1% on 6.4% of the Netherlands same property residential portfolio for the six months ended 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, 2026 and June 30, 2025. For rent renewal increases due to indexation beginning on July 1, 2026, tenant notices were served to 88% of the residential portfolio, across which the average rental increase due to indexation and household income adjustment is 4.3%. In the prior year period, leases were renewed for 85% of the residential portfolio, across which the average rental increase due to indexation and household income adjustment was 4.1%.

The following tables summarize the Netherlands total and same property portfolio NOI and NOI margins for the three and six months ended June 30, 2026 and June 30, 2025:

Net Operating Income

($ Thousands)	Total NOI			Same Property NOI		
For the Three Months Ended June 30,	**2026**	**2025**	**%[1]**	**2026**	**2025**	**%[1]**
NOI – Europe	**$ 3,823**	$ 13,919	(72.5)	**$ 3,696**	$ 3,619	2.1
NOI margin – Europe	**71.8 %**	74.5 %		**72.4 %**	74.3 %	

[1] Represents the year-over-year percentage change.

($ Thousands)	Total NOI			Same Property NOI		
For the Six Months Ended June 30,	**2026**	**2025**	**%[1]**	**2026**	**2025**	**%[1]**
NOI – Europe	**$ 9,042**	$ 27,215	(66.8)	**$ 7,451**	$ 7,735	(3.7)
NOI margin – Europe	**72.1 %**	74.6 %		**72.8 %**	78.0 %	

[1] Represents the year-over-year percentage change.

For the three and six months ended June 30, 2026, total NOI was lower compared to the same period last year primarily due to the large volume of property dispositions completed since 2025.

For the three and six months ended June 30, 2026, same property NOI margin was lower compared to the same periods last year primarily due to lost rent on suites intentionally held vacant. The decrease for the six months period was further impacted by higher R&M costs.

NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Operating revenues				
Revenue from investment properties	**$ 246,414**	$ 254,434	**$ 494,314**	$ 507,745
Operating expenses				
Property operating costs	**(57,221)**	(59,628)	**(124,444)**	(130,116)
Realty taxes	**(25,809)**	(25,004)	**(51,453)**	(49,808)
Total operating expenses	**(83,030)**	(84,632)	**(175,897)**	(179,924)
Net operating income	**163,384**	169,802	**318,417**	327,821
Other income	**3,211**	3,202	**6,339**	7,473
Trust expenses	**(18,346)**	(14,789)	**(32,616)**	(31,367)
Unit-based compensation amortization expense:				
Unit-based compensation amortization expense, net	**(2,522)**	(2,215)	**(4,664)**	(4,764)
Unit-based compensation accelerated amortization expense and ERES unit option forfeitures, net	**(5,251)**	(799)	**(5,961)**	(1,559)
Total unit-based compensation amortization expense, net	**(7,773)**	(3,014)	**(10,625)**	(6,323)
Financing-related costs:				
Interest expense on debt and other financing costs	**(51,894)**	(47,703)	**(102,710)**	(95,373)
Interest expense on Exchangeable LP Units	**(560)**	(560)	**(1,120)**	(1,114)
Net loss on derecognition of debt	**(342)**	(256)	**(470)**	(3,809)
Total financing-related costs, net	**(52,796)**	(48,519)	**(104,300)**	(100,296)
Fair value adjustments of investment properties	**(123,656)**	(16,173)	**(388,615)**	(40,960)
Fair value adjustments of financial instruments	**3,638**	(16,487)	**15,037**	(29,493)
Gain (loss) on non-controlling interest	**(12,436)**	3,187	**(14,095)**	(15,934)
Gain (loss) on foreign currency translation	**(3,755)**	362	**(10,956)**	(2,319)
Transaction costs and other activities	**(10,398)**	(4,845)	**(20,794)**	(16,749)
Net income (loss) before income taxes	**(58,927)**	72,726	**(242,208)**	91,853
Current income tax expense	**(5,902)**	(1,488)	**(7,716)**	(8,849)
Deferred income tax recovery (expense)	**858**	3,237	**3,500**	(544)
Total current income tax expense and deferred income tax recovery (expense), net	**(5,044)**	1,749	**(4,216)**	(9,393)
Net income (loss)	**$ (63,971)**	$ 74,475	**$ (246,424)**	$ 82,460
Other comprehensive income, including items that may be reclassified subsequently to net income (loss)				
Gain on foreign currency translation, net of taxes	**$ 2,725**	$ 22,250	**$ 1,104**	$ 51,332
Other comprehensive income	**$ 2,725**	$ 22,250	**$ 1,104**	$ 51,332
Comprehensive income (loss)	**$ (61,246)**	$ 96,725	**$ (245,320)**	$ 133,792

Other Income

Other income comprises interest income from vendor takeback ("VTB") mortgages receivable, interest income from cash on hand, and investment income. 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, cash balances on hand, and dividends declared on investments.

The table below summarizes other income for the three and six months ended June 30, 2026 and June 30, 2025:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Interest income from VTB mortgages receivable	**$ 2,891**	$ 2,710	**$ 5,703**	$ 5,372
Interest income	**99**	229	**124**	1,569
Investment income	**221**	263	**512**	532
Total	**$ 3,211**	$ 3,202	**$ 6,339**	$ 7,473

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.

($ Thousands)	Three Months Ended June 30,				Six Months Ended June 30,			
	2026	**%[1]**	**2025**	**%[1]**	**2026**	**%[1]**	**2025**	**%[1]**
Trust expenses (excluding reorganization and retirement costs)	**$ (9,819)**	**4.0**	$ (12,762)	5.0	**$ (20,449)**	**4.1**	$ (25,253)	5.0
Reorganization and retirement costs	**(8,527)**	**3.5**	(2,027)	0.8	**(12,167)**	**2.5**	(6,114)	1.2
Total Trust expenses	**$ (18,346)**	**7.5**	$ (14,789)	5.8	**$ (32,616)**	**6.6**	$ (31,367)	6.2
Operating revenues	**$ 246,414**		$ 254,434		**$ 494,314**		$ 507,745	

[1] As a percentage of total operating revenues.

During the three and six months ended June 30, 2026 and June 30, 2025, reorganization and retirement costs were incurred related to the retirement of the former Chief Executive Officer ("CEO"), internal organizational optimization, and senior management termination costs. Trust expenses excluding reorganization and retirement costs decreased to $9.8 million and $20.4 million, respectively, for the three and six months ended June 30, 2026, compared to $12.8 million and $25.3 million, respectively, for the three and six months ended June 30, 2025. For the three and six months ended June 30, 2026, the year-over-year decrease was primarily due to lower salaries and benefits, professional fees, and other ERES-related general and administrative expenses.

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.

For the three and six months ended June 30, 2026, unit-based compensation amortization expenses increased by $4.8 million and $4.3 million, respectively, compared to the three and six months ended June 30, 2025, due to accelerated vesting of RURs and PURs, primarily in connection with the retirement of the former CEO.

Financing-Related Costs

For the three and six months ended June 30, 2026, interest expense on debt and other financing costs increased by $4.2 million and $7.3 million, respectively, compared to the three and six months ended June 30, 2025, primarily due to higher interest rates for mortgages in 2026 and higher average credit facility balances, as the prior-year period benefited from net repayments funded by 2024 and 2025 disposition proceeds.

Interest expense on debt and other financing costs includes 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, 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, 2026, interest expense on Exchangeable LP Units totalled $0.6 million and $1.1 million, respectively. For the six months ended June 30, 2026, interest expense on Exchangeable LP Units increased marginally compared to the same period last year due to distribution increase that became effective for the February 2025 distribution, partially offset by the exchange of 202,377 Exchangeable LP Units into Trust Units during the first quarter of 2025.

For the three months and six months ended June 30, 2026, net loss on derecognition of debt totalled $0.3 million and $0.5 million, respectively, and relates to mortgage settlement costs on dispositions.

Fair Value Adjustments of Investment Properties

CAPREIT recorded a fair value loss on investment properties of $123.7 million and $388.6 million for the three and six months ended June 30, 2026, respectively, primarily due to a fair value adjustment in the Canadian portfolio resulting from the prevailing market conditions leading to lower normalized NOI.

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, 2026 and June 30, 2025:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Fair value adjustments of Exchangeable LP units	**$ 910**	$ (1,835)	**$ 2,875**	$ (2,480)
Fair value adjustments of investments	**486**	191	**511**	231
Fair value adjustments of derivative financial instruments	**1,996**	(14,510)	**9,993**	(27,459)
Unit-based compensation remeasurement gain (loss)	**246**	(333)	**1,658**	215
Fair value adjustments of financial instruments	**$ 3,638**	$ (16,487)	**$ 15,037**	$ (29,493)

Gain (Loss) on Non-Controlling Interest

For the three and six months ended June 30, 2026, CAPREIT recorded a mark-to-market loss of $12.4 million and of $14.1 million, respectively, on ERES Units held by non-controlling unitholders due to the difference between ERES's unit redemption price as defined in the ERES DOT compared to the cash consideration of $1.19 per ERES unit paid for the ERES transaction on May 1, 2026. As at June 30, 2026, CAPREIT directly and indirectly holds 100% of the ERES Units and ERES Class B LP Units as a result of the closing of the ERES Transaction.

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, cross-currency swap, and cross-currency interest rate ("CCIR") swap arrangements denominated in either USD or euros. Conversely, wholly owned foreign subsidiaries have cash and certain other transactions which are not denominated in their functional currency. 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, 2026, CAPREIT recorded a loss of $3.8 million and $11.0 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, 2026 and June 30, 2025:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Transaction costs and other adjustments on dispositions, net	**$ (6,521)**	$ (1,395)	**$ (12,261)**	$ (10,341)
Amortization of property, plant and equipment ("PP&E"), and right-of-use asset	**(1,303)**	(1,558)	**(2,673)**	(3,105)
Enterprise resource planning ("ERP") implementation costs[1]	**(2,390)**	(1,892)	**(5,330)**	(3,303)
Other[2]	**(184)**	—	**(530)**	—
Total	**$ (10,398)**	$ (4,845)	**$ (20,794)**	$ (16,749)

[1] Includes licensing, consulting, and salaries and benefits.
[2] Consists of costs relating to the Dutch tax authority audits.

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 are aimed at improving 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. The new ERP system is expected to launch in 2027.

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

Current income tax expense is attributed to the European portfolio where CAPREIT operates through foreign legal entities that may be taxable in local jurisdictions.

For the three and six months ended June 30, 2026, current income tax expense includes taxes attributable to dispositions in CAPREIT's European portfolio of $5.6 million and $6.8 million, respectively. The previous year included amounts related to the Dutch tax authority reassessments. Subsequent to June 30, 2026, CAPREIT concluded a settlement agreement with the Dutch tax authority to resolve the audit matters.

Current income tax expense, net of tax related to CAPREIT's European portfolio dispositions and Dutch tax authority reassessments, was $0.3 million and $0.9 million for the three and six months ended June 30, 2026, respectively, representing decreases of $1.0 million and $2.0 million compared to the same periods last year, reflecting the continued reduction of CAPREIT’s European portfolio in 2025 and 2026.

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, 2026, deferred income tax recovery was $0.9 million and $3.5 million, respectively, mainly attributable to the disposition of certain European subsidiaries and investment properties, as well as net fair value losses recorded on CAPREIT's European investment properties. 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 derecognition of deferred tax assets and fair value adjustments recorded on CAPREIT's European investment properties.

Other Comprehensive Income

Other comprehensive income consists of gain on foreign currency translation on CAPREIT's foreign subsidiaries. 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 (loss).

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 the 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 determined the fair value of its European investment properties as at June 30, 2026 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. The qualified external appraisers engaged by CAPREIT to externally appraise both its Canadian and European portfolio, as applicable, hold recognized relevant professional qualifications and have recent experience in the location and category of the respective properties.

The table below summarizes the fair values of CAPREIT's investment properties and average fair value per suite, along with key market assumptions by geography, as at June 30, 2026 and December 31, 2025. For the six months ended June 30, 2026, there was a $298.0 million decrease in overall carrying value due to fair value adjustments, dispositions, and transfers to assets held for sale, partially offset by property capital investments, acquisitions and foreign currency translation adjustments.

Investment Properties by Geography

($ Thousands)

As at	June 30, 2026			December 31, 2025		
	Fair Value	Average Capitalization Rate[1]	Average Fair Value per Suite[2]	Fair Value	Average Capitalization Rate[1]	Average Fair Value per Suite[2]
Ontario						
Greater Toronto Area	**$ 5,602,498**	**4.46 %**	**$ 345**	$ 5,654,723	4.43 %	$ 348
Other Ontario	**1,667,330**	**4.73 %**	**283**	1,679,360	4.71 %	285
	$ 7,269,828	**4.52 %**	**$ 328**	$ 7,334,083	4.50 %	$ 331
Québec	**$ 2,697,075**	**4.61 %**	**$ 268**	$ 2,787,216	4.60 %	$ 275
British Columbia	**$ 2,392,820**	**4.33 %**	**$ 393**	$ 2,473,180	4.28 %	$ 410
Nova Scotia	**$ 993,240**	**4.77 %**	**$ 291**	$ 997,450	4.76 %	$ 293
Alberta	**$ 557,212**	**5.05 %**	**$ 240**	$ 589,477	5.03 %	$ 254
Saskatchewan	**$ 153,620**	**5.54 %**	**$ 207**	$ 153,960	5.66 %	$ 208
Prince Edward Island	**$ 15,050**	**5.56 %**	**$ 188**	$ 39,510	5.22 %	$ 210
Total Canadian portfolio	**$ 14,078,845**	**4.56 %**	**$ 314**	$ 14,374,876	4.53 %	$ 320
Europe	**$ 355,675**	**4.92 %**	**$ 578**	$ 357,602	4.84 %	$ 578
Total portfolio	**$ 14,434,520**	**4.57 %**	**$ 318**	$ 14,732,478	4.54 %	$ 321

[1] Weighted average capitalization rates exclude 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.

[2] Average fair value per suite represents fair value divided by the number of residential suites (excluding properties classified as assets held for sale) in each respective region.

Current regulatory and macroeconomic developments have impacted overall market activity, and while market activity has recently started to increase, these developments continue to result 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 the investment properties in the current unpredictable environment.

See note 3 to the accompanying condensed consolidated interim financial statements for further details on investment properties.

ACQUISITIONS OF INVESTMENT PROPERTIES

The table below summarizes an investment property acquisition and an operating lease buyout completed since January 1, 2026.

Six Months Ended June 30, 2026

($ Thousands)

Acquisition Date	Suite Count	Region	Fair Value of Investment Properties	Gross Purchase Price[1]
April 14, 2026[2]	**N/A**	Mississauga, ON	**$ 16,782**	**$ 16,782**
June 24, 2026	**51**	Vancouver, BC	**20,350**	**20,350**
Total	**51**		**$ 37,132**	**$ 37,132**
Transaction costs			**$ 1,493**	
Total acquisition costs			**$ 38,625**	

[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 customary adjustments.

[2] Represents an operating lease buyout.

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, 2026.

Six Months Ended June 30, 2026

($ Thousands)

Disposition Date	Suite Count	Region	Fair Value of Investment Properties	Gross Sale Price[1]
January 15, 2026[2]	**33**	The Netherlands	**$ 16,267**	**$ 16,267**
March 2, 2026	**108**	Charlottetown, PEI	**27,762**	**28,000**
March 31, 2026[2]	**88**	The Netherlands	**32,376**	**32,376**
March 31, 2026[2]	**88**	The Netherlands	**24,041**	**24,041**
Q1 2026[3]	**1**	The Netherlands	**700**	**700**
Total Q1 2026	**318**		**101,146**	**101,384**
April 16, 2026[2]	**201**	The Netherlands	**69,187**	**69,187**
May 22, 2026[4]	**N/A**	Toronto, ON	**1,000**	**1,000**
Q2 2026[3]	**3**	The Netherlands	**2,350**	**2,350**
Total Q2 2026	**204**		**72,537**	**72,537**
Total	**522**		**$ 173,683**	**$ 173,921**

[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 customary adjustments.

[2] Previously included in assets held for sale.

[3] Represents disposition of single residential suites.

[4] Represents disposition of land adjacent to an existing residential building owned by CAPREIT.

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 it 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: non-discretionary and 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. Included in non-discretionary capital expenditures are items such as building improvements, including roof, structural, balcony, sidewalks, windows, brick, electrical, and life and safety. Management uses its professional judgement to include other capital expenditure categories that could impact the safety of residents.

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, and 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 as applicable, but excluding development costs) is summarized by category on the next page for the six months ended June 30, 2026 and year ended December 31, 2025.

Six Months Ended June 30, 2026 ($ Thousands)			**% of Total**
Canadian non-discretionary property capital investments			
Building improvements	**$**	**18,662**	**19.0**
Life and safety		**1,699**	**1.7**
	$	**20,361**	**20.7**
Canadian discretionary property capital investments			
Suite improvements	**$**	**41,936**	**42.7**
Common area		**16,246**	**16.5**
Energy-saving, resiliency and water efficiency initiatives		**8,702**	**8.8**
Equipment		**5,454**	**5.5**
Elevators and risers		**4,168**	**4.2**
Other		**684**	**0.7**
	$	**77,190**	**78.4**
Canadian portfolio total[(1)]	**$**	**97,551**	**99.1**
The Netherlands portfolio	**$**	**909**	**0.9**
Total[(2)]	**$**	**98,460**	**100.0**

(1) Excludes development costs of $3,384 for the six months ended June 30, 2026.
(2) Includes assets held for sale.

Year Ended December 31, 2025 ($ Thousands)			**% of Total**
Canadian non-discretionary property capital investments			
Building improvements	$	57,724	25.4
Life and safety		3,709	1.6
	$	61,433	27.1
Canadian discretionary property capital investments			
Suite improvements	$	77,877	34.4
Common area		28,969	12.8
Energy-saving, resiliency and water efficiency initiatives		30,754	13.6
Equipment		10,715	4.7
Elevators and risers		9,279	4.1
Other		2,075	0.9
	$	159,669	70.4
Canadian portfolio total[(1)]	$	221,102	97.5
The Netherlands portfolio	$	5,696	2.5
Total[(2)]	$	226,798	100.0

(1) Excludes development costs of $7,442 for the year ended December 31, 2025.
(2) Includes assets held for sale.

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, 2026, 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 and leverage metrics are summarized in the following tables:

($ Thousands)

As at	June 30, 2026	December 31, 2025	June 30, 2025
Unitholders' equity	**$ 8,343,379**	$ 8,761,196	$ 8,879,025
Exchangeable LP Units	**50,395**	53,270	64,164
Mortgages payable – non-current	**4,644,697**	4,856,580	5,087,294
Mortgages payable – current	**1,114,340**	777,021	690,132
Credit facilities payable	**338,193**	331,250	157,128
Total capital	**$ 14,491,004**	$ 14,779,317	$ 14,877,743

As at	Threshold	June 30, 2026	December 31, 2025[1]	June 30, 2025[1]
Total Debt to Gross Book Value[2]	Maximum 62.5%	**41.2%**	39.3 %	38.5 %
Mortgages Payable to Gross Book Value[2]		**38.9%**	37.1 %	37.5 %
Net Debt to Adjusted EBITDAFVA (times)[2][3]		**9.9x**	9.6x	9.0x

[1] Certain 2025 comparative figures have been adjusted to conform with current period presentation.
[2] 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.
[3] Net debt is presented as at the respective balance sheet date. Adjusted EBITDAFVA is presented for the trailing 12 months ended.

For the 12 Months Ended		June 30, 2026	December 31, 2025[1]	June 30, 2025[1]
Debt Service Coverage Ratio (times)[2][3]	Minimum 1.4	**1.8x**	1.9x	2.0x
Interest Coverage Ratio (times)[2][3]	Minimum 1.65	**3.3x**	3.4x	3.4x
FFO payout ratio[2][3]	Maximum 100%	**60.9%**	60.8 %	59.8 %

[1] Certain 2025 comparative figures have been adjusted to conform with current period presentation.
[2] 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.
[3] 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 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 cash flow on an annual basis to fund the current level of distributions.
ii) CAPREIT's Canadian borrowing capacity as at June 30, 2026 was $179.8 million on its Acquisition and Operating Facility, in addition to an unused accordion option to increase the credit facility limit by up to $200 million.
iii) CAPREIT's cash and cash equivalents as at June 30, 2026 totalled $34.7 million.

As at June 30, 2026, CAPREIT had approximately $1.1 billion of investment properties (excluding assets held for sale, as applicable) that are unencumbered by mortgages. Of these investment properties, approximately $430.3 million are Canadian investment properties which secure the Acquisition and Operating Facility.

The working capital deficiency, as presented on CAPREIT's consolidated balance sheets as at June 30, 2026, 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.

As at June 30, 2026, CAPREIT's credit facilities consist of the $500 million Acquisition and Operating Facility, which can be borrowed in Canadian dollars, USD or euros; and the $70 million GHG Reduction Facility.

On April 30, 2026, the ERES revolving credit facility ("ERES Credit Facility") was terminated in connection with the ERES Transaction.

Acquisition and Operating Facility

The table below summarizes the key terms of the Acquisition and Operating Facility:

($ Thousands)

As at	June 30, 2026	December 31, 2025
Maximum borrowing capacity[1]	**$ 500,000**	$ 500,000
Unused accordion option[2]	**$ 200,000**	$ 200,000
Interest rate per annum:		
Canadian dollar borrowings[3]	**CORRA + 1.65% or Canadian Prime Rate + 0.35%**	CORRA + 1.65% or Canadian Prime Rate + 0.35%
USD borrowings[4]	**SOFR + 1.45%**	SOFR + 1.45%
Euro borrowings[5]	**EURIBOR + 1.35%**	EURIBOR + 1.35%
Maturity date	**February 28, 2028**	February 28, 2028

(1) As at December 31, 2025, included temporary increase of $100,000 in borrowing capacity, with an original maturity of April 30, 2026. On April 30, 2026, the Acquisition and Operating Facility was amended to extend the $100,000 increase until the maturity of the facility in February 2028.
(2) 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.
(3) CORRA stands for Canadian Overnight Repo Rate Average.
(4) SOFR stands for Secured Overnight Financing Rate.
(5) EURIBOR stands for Euro Interbank Offered Rate.

GHG Reduction Facility

On March 26, 2024, CAPREIT entered into a credit agreement pursuant to which the lender will make available a $70 million GHG Reduction Facility for purposes of financing a portion of the costs related to the design, construction, implementation and commissioning of proposed sustainable energy efficiency projects to reduce GHG emissions on certain of CAPREIT's properties. The GHG Reduction Facility has a maturity date of the earlier of 20 years after the completion of the financed projects and 25 years after the date of the agreement. The availability period is the period during which CAPREIT is allowed to make quarterly borrowings from the facility, which is until March 26, 2029, and during which CAPREIT is not required to make principal payments. The interest rate during the availability period will be 3.00% and it will be between 2.47% and 4.47% for 20 years after the availability period depending on the percentage reduction of GHG emissions achieved. Any unpaid amounts need to be repaid by the maturity date of the facility.

The tables below summarize the amounts available and drawn under the respective credit facilities as at June 30, 2026 and December 31, 2025:

($ Thousands)

As at June 30, 2026	Acquisition and Operating Facility	GHG Reduction Facility	Total
Maximum borrowing capacity	**$ 500,000**	**$ 70,000**	**$ 570,000**
Canadian dollar borrowings	**$ (50,855)**	**$ (21,982)**	**$ (72,837)**
USD borrowings	**(266,086)** [1]	**N/A**	**(266,086)**
Euro borrowings	**—**	**N/A**	**—**
Less: Total borrowings	**$ (316,941)**	**$ (21,982)**	**$ (338,923)**
Less: Letters of credit	**(3,226)**	**N/A**	**(3,226)**
Available borrowing capacity	**$ 179,833**	**$ 48,018**	**$ 227,851**
Weighted average interest rate per annum on total borrowings including interest rate swaps	**3.94 %**	**3.00 %**	**3.88 %**

[1] As at June 30, 2026, CAPREIT has USD borrowings totalling US$187,150 that bear interest at the SOFR plus a margin of 1.45% per annum, excluding the impact of CCIR swaps.

($ Thousands)

As at December 31, 2025	Acquisition and Operating Facility	GHG Reduction Facility	ERES Credit Facility	Total
Maximum borrowing capacity	$ 500,000 [1]	$ 70,000	$ 32,187	$ 602,187
Canadian dollar borrowings	$ (7,602)	$ (17,338)	$ —	$ (24,940)
USD borrowings	(307,084) [2]	N/A	—	(307,084)
Euro borrowings	—	N/A	—	—
Less: Total borrowings	$ (314,686)	$ (17,338)	$ —	$ (332,024)
Less: Letters of credit	(3,343)	N/A	—	(3,343)
Available borrowing capacity	$ 181,971	$ 52,662	$ 32,187	$ 266,820
Weighted average interest rate per annum including interest rate swaps	3.65 %	3.00 %	N/A	3.61 %

[1] Includes temporary increase of $100,000 in borrowing capacity, with an original maturity of April 30, 2026. On April 30, 2026, the Acquisition and Operating Facility was amended to extend the $100,000 increase until the maturity of the facility in February 2028.

[2] As at December 31, 2025, CAPREIT has USD borrowings totalling US$224,014 that bear interest at the SOFR plus a margin of 1.45% per annum, excluding the impact of CCIR swaps.

Mortgages Payable

The table below summarizes the type of mortgages payable included in CAPREIT's capital structure and the overall interest rates and terms to maturity as at June 30, 2026, December 31, 2025 and June 30, 2025:

As at	June 30, 2026	December 31, 2025	June 30, 2025
Percentage of CMHC-insured mortgages[1]	**98.5%**	98.3%	97.6%
Percentage of fixed-rate mortgages[2]	**100.0%**	100.0%	100.0%
Weighted average mortgage effective interest rate per annum[3]	**3.35%**	3.30%	3.17%
Weighted average mortgage term to maturity (years)[4]	**4.2**	4.4	4.5

(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 per annum 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 4.3 years and 1.1 years, respectively, as at June 30, 2026 (December 31, 2025 – 4.5 years and 1.7 years, respectively, June 30, 2025 – 4.6 years and 2.4 years, respectively).

CAPREIT is in compliance with all financial covenants on mortgages payable for the three and six months ended June 30, 2026 and June 30, 2025, and for the year ended December 31, 2025.

The table below summarizes the financings and repayments and associated weighted average interest rates closed during the three and six months ended June 30, 2026. The 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 per Annum[2]	New/ Renewed Mortgage Amounts[3]	Weighted Average New Interest Rate per Annum[4]	Weighted Average Term on New/ Renewed Mortgages (Years)	Net Top-up Financing (Repayment) Amounts[5]
Canadian portfolio						
First quarter	**$ 35,648**	**2.27 %**	**$ 76,000**	**3.50 %**	**5.0**	**$ 40,352**
Second quarter	**85,024**	**2.46 %**	**157,353**	**3.74 %**	**6.3**	**72,329**
Acquisitions	**—**	**— %**	**110,192**	**4.19 %**	**10.0**	**110,192**
Total and weighted average	**$ 120,672**	**2.40 %**	**$ 343,545**	**3.83 %**	**7.2**	**$ 222,873**
Subsequent to the quarter:						
Committed or completed	**$ 38,508**	**2.05 %**	**$ 103,162**	**3.83 %**	**5.8**	**$ 64,654**
Total and weighted average	**$ 159,180**	**2.31 %**	**$ 446,707**	**3.83 %**	**6.9**	**$ 287,527**
European portfolio						
First quarter	**$ —**	**— %**	**$ —**	**— %**	**—**	**$ —**
Second quarter	**20,680**	**3.19 %**	**—**	**— %**	**—**	**(20,680)**
Total and weighted average	**$ 20,680**	**3.19 %**	**$ —**	**— %**	**—**	**$ (20,680)**
Grand total and weighted average	**$ 179,860**	**2.41 %**	**$ 446,707**	**3.83 %**	**6.9**	**$ 266,847**

(1) Includes $151,612 of mortgages that matured and $28,248 of mortgages associated with property dispositions during the six months ended June 30, 2026.
(2) Excludes one-to-six-month short-term extensions, where applicable.
(3) Excludes mortgage rate buy-down cost of $511.
(4) Excludes prepaid CMHC premiums, deferred financing costs, and impact of hedging.
(5) Includes $28,248 of mortgages discharged due to property dispositions during the six months ended June 30, 2026.

Based on the current property portfolio, management expects to complete between $1.2 billion to $1.3 billion in total mortgage financings for 2026, which assumes that there will be no future acquisitions and dispositions. 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, generally 35 years, 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 or discharge within the year, from the date the decision is made to the date the mortgage is due to be refinanced or discharged. During the three and six months ended June 30, 2026, amortization expense of CMHC premiums, including net write-off of CMHC premiums on refinanced or discharged mortgages amounted to $2.0 million and $4.1 million, respectively, (excludes write-off of CMHC premiums related to discharge of mortgages due to dispositions). Amortization expense of CMHC premiums during the three and six months ended June 30, 2026 was higher than the three and six months ended June 30, 2025, primarily due to higher CMHC accelerated amortization during the quarter compared to the same period last year. The financing strategy continues to prioritize utilizing the full useful life of the CMHC Certificate of Insurance ("COI") where deemed appropriate.

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

($ Thousands)	**Q2 26**	**Q1 26**	**Q4 25**	**Q3 25**	**Q2 25**	**Q1 25**	**Q4 24**	**Q3 24**
Amortization of CMHC premiums and fees	**$ (2,019)**	$ (2,118)	$ (1,517)	$ (1,550)	$ (1,529)	$ (1,539)	$ (1,576)	$ (1,646)

For 2026, CMHC amortization expense, including write-offs except those relating to dispositions, is expected to be in the range of $7.0 million to $7.5 million.

The breakdown of CAPREIT's future principal repayments, including mortgage maturities, and effective weighted average interest rates as at June 30, 2026 is as follows:

As at June 30, 2026

($ Thousands)

Period	**Principal Amortization**	**Mortgage Maturities**	**Mortgage Balance**	**% of Total Mortgage Balance**	**Effective Weighted Average Interest Rate per Annum (%)** [1]
Remainder of 2026	**$ 74,043**	**$ 524,020**	**$ 598,063**	**10.1**	**3.01**
2027	**127,900**	**689,910**	**817,810**	**13.8**	**3.22**
2028	**115,910**	**693,055**	**808,965**	**13.7**	**3.46**
2029	**95,726**	**547,117**	**642,843**	**10.9**	**3.29**
2030	**78,546**	**571,267**	**649,813**	**11.0**	**3.12**
2031-2036	**148,257**	**2,240,802**	**2,389,059**	**40.5**	**3.51**
	$ 640,382	**$ 5,266,171**	**$ 5,906,553**	**100.0 %**	**3.35 %**
Less: Prepaid CMHC premiums			**$ (109,474)**		
Less: Deferred financing costs			**(18,788)**		
Less: Fair value adjustments			**(19,254)**		
Total			**$ 5,759,037**		
Weighted average term to maturity (years)			**4.2**		

[1] Includes the amortization of deferred financing costs, prepaid CMHC premiums, and fair value adjustments. Effective weighted average interest rates represent the weighted average rate of mortgages maturing in each respective year. The rate shown for the total mortgage balance represents the weighted average interest rate of the total mortgage portfolio.

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, 2026, December 31, 2025, and June 30, 2025 are as follows:

(Thousands of units)

As at	June 30, 2026	December 31, 2025	June 30, 2025
Trust Units	**152,425**	153,884	156,897
Exchangeable LP Units	**1,445**	1,445	1,445
DUs	**165**	153	130
RURs	**703**	624	623
PURs	**102**	74	73
Total number of units outstanding – diluted	**154,840**	156,180	159,168
Ownership by trustees, officers, and other senior management	**0.7 %**	0.6 %	0.6 %

Normal Course Issuer Bid

In March 2026, CAPREIT received acceptance from the TSX of its notice of intention to proceed with the 2026-2027 NCIB, following expiry of the previous NCIB on March 24, 2026 ("2025-2026 NCIB"). Any Trust Units purchased under the NCIB will be cancelled.

The table below summarizes the key details for the 2026-2027 NCIB.

	2026-2027 NCIB
Purchase limit on Trust Units[1]	**15,317,849**
Daily purchase limit on the TSX for Trust Units on any trading day[2]	**136,284**

[1] Represents approximately 10% of the public float of CAPREIT's Trust Units at the time of TSX approval, during the 12-month period commencing on March 25, 2026 and ending on March 24, 2027.
[2] Represents approximately 25% of 545,139 Trust Units, being the average daily TSX trading volume for the six calendar months preceding the start of the 2026-2027 NCIB.

The tables below summarize the NCIB activity for the six months ended June 30, 2026 and year ended December 31, 2025, based on the settlement date of purchases.

For the Six Months Ended June 30, 2026	Weighted Average Purchase Price per Trust Unit	Total Cost of Trust Units Purchased and Cancelled ($ Thousands)	Number of Trust Units Purchased and Cancelled	2026-2027 NCIB Remaining Limit
Beginning limit				**15,317,849**
First quarter 2026[1][2]	**$ 36.78**	**$ 29,010**	**788,660**	**15,207,182**
Second quarter 2026[2]	**35.59**	**30,525**	**857,623**	**14,349,559**
Total	**$ 36.16**	**$ 59,535**	**1,646,283**	**14,349,559**

[1] 677,993 Trust Units were purchased and cancelled under the 2025-2026 NCIB and 110,667 Trust Units were purchased and cancelled under the 2026-2027 NCIB.
[2] The total cost presented and the weighted average purchase price per Trust Unit include commissions. This excludes a net aggregate amount of $1,096 relating to the federal 2% tax on repurchases of Trust Units as well as other NCIB transaction costs.

For the Year Ended December 31, 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
Third quarter 2025[2]	43.36	28,135	648,944	11,465,493
Fourth quarter 2025[2]	38.20	94,057	2,462,006	9,003,487
Total	$ 41.09	$ 294,057	7,156,198	

[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. This excludes a net aggregate amount of $6,501 relating to the federal 2% tax on repurchases of Trust Units as well as other NCIB transaction costs.

Subsequent to June 30, 2026, CAPREIT purchased and cancelled 339,087 Trust Units under the 2026-2027 NCIB, at a weighted average purchase price of $35.13 per Trust Unit, for a total cost of $11.9 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, 2026	%[1]	December 31, 2025	%[1]	June 30, 2025	%[1]
Trust Units	**152,425**	**98.4**	153,884	98.6	156,897	98.6
Exchangeable LP Units[2]	**1,445**	**0.9**	1,445	0.9	1,445	0.9
DUs[3]	**165**	**0.1**	153	0.1	130	0.1
Basic number of units	**154,035**	**99.4**	155,482	99.6	158,472	99.6
Plus:						
RURs[3]	**703**	**0.5**	624	0.4	623	0.4
PURs[3]	**102**	**0.1**	74	0.0	73	0.0
Diluted number of units	**154,840**	**100.0**	156,180	100.0	159,168	100.0

[1] Represents percentage of total diluted units.
[2] See note 12 to the accompanying condensed consolidated interim financial statements for details on Exchangeable LP Units.
[3] See notes 13 and 18 to the audited consolidated annual financial statements 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,	
	2026	2025	2026	2025
Trust Units	**152,812**	158,411	**153,273**	159,546
Exchangeable LP Units[1]	**1,445**	1,445	**1,445**	1,472
DUs[2]	**164**	155	**159**	155
Basic number of units	**154,421**	160,011	**154,877**	161,173
Plus:				
RURs[2]	**701**	627	**683**	607
PURs[2]	**101**	73	**94**	59
Diluted number of units	**155,223**	160,711	**155,654**	161,839

[1] See note 12 to the accompanying condensed consolidated interim financial statements for details on Exchangeable LP Units.
[2] See notes 13 and 18 to the audited consolidated annual financial statements for details of CAPREIT's unit-based compensation plans.

DRIP and Net Distributions Paid

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Distributions declared on Trust Units	**$ 59,165**	$ 61,185	**$ 118,691**	$ 122,750
Distributions declared on Exchangeable LP Units	**560**	560	**1,120**	1,114
Distributions declared on awards outstanding under unit-based compensation plans[1]	**375**	353	**725**	634
Total distributions declared	**$ 60,100**	$ 62,098	**$ 120,536**	$ 124,498
Less:				
Distributions declared on Trust Units reinvested	**$ (1,106)**	$ (1,168)	**$ (2,176)**	$ (2,598)
Distributions declared on unit awards reinvested[1]	**(375)**	(353)	**(725)**	(634)
Net distributions paid in cash[2]	**$ 58,619**	$ 60,577	**$ 117,635**	$ 121,266
Percentage of distributions reinvested	**2.5%**	2.4%	**2.4%**	2.6%

[1] Comprises non-cash distributions related to the DUP and the RUR Plan (see notes 13 and 18 to CAPREIT's audited consolidated annual financial statements 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 received on the eligible units, registered in the participant's name or held in a participant's account pursuant to the DRIP. Exchangeable LP Units are not eligible for the DRIP.

Adjusted Cash Generated from Operating Activities and Net Income (Loss) 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, 2026 and June 30, 2025:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Cash provided by operating activities	**$ 122,517**	$ 134,816	**$ 243,628**	$ 257,270
Adjustments:				
Interest paid on mortgages payable	**(43,309)**	(41,568)	**(86,483)**	(84,003)
Interest paid on credit facilities payable	**(3,087)**	(1,017)	**(6,376)**	(1,783)
Adjusted Cash Generated from Operating Activities	**$ 76,121**	$ 92,231	**$ 150,769**	$ 171,484

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, 2026 and June 30, 2025:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Adjusted Cash Generated from Operating Activities	**$ 76,121**	$ 92,231	**$ 150,769**	$ 171,484
Total distributions declared	**60,100**	62,098	**120,536**	124,498
Excess of Adjusted Cash Generated from Operating Activities over total distributions declared	**$ 16,021**	$ 30,133	**$ 30,233**	$ 46,986

For the three and six months ended June 30, 2026, CAPREIT's Adjusted Cash Generated from Operating Activities exceeded distributions declared by $16.0 million and $30.2 million, respectively (for the three and six months ended June 30, 2025 – $30.1 million and $47.0 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 this occur, that 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 (loss) and total distributions declared, in accordance with the guidelines, for the three and six months ended June 30, 2026 and June 30, 2025:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net income (loss)	**$ (63,971)**	$ 74,475	**$ (246,424)**	$ 82,460
Total distributions declared	**60,100**	62,098	**120,536**	124,498
Excess (shortfall) of net income (loss) over total distributions declared	**$ (124,071)**	$ 12,377	**$ (366,960)**	$ (42,038)

CAPREIT does not use net income (loss) 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 and Adjusted 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 European dispositions and Dutch tax authority audits, 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 on derecognition of debt, ERP implementation costs, and unit-based compensation amortization recovery relating to ERES unit option forfeitures. 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. FFO is not a measure of the sustainability of distributions.

AFFO is calculated in a manner consistent with FFO as defined above, adjusted for non-discretionary capital expenditures, capitalized leasing costs, tenant improvements, straight-line rent and the non-controlling interest of ERES. AFFO is presented in accordance with the recommendations of REALPAC, with the exception of the items described in the FFO section above. It may not, however, be comparable to similar measures presented by other real estate investment trusts or companies in similar or different industries. Management acknowledges that REALPAC views AFFO as a recurring economic earnings metric. However, management also views AFFO as a useful measure to indicate the cash available for distributions to unitholders, capital reinvestment, and debt repayment. AFFO is intended to complement, and not replace, FFO and IFRS-based measures of financial performance.

A reconciliation of net income (loss) to FFO and AFFO is as follows for the three and six months ended June 30, 2026 and June 30, 2025:

($ Thousands, except per unit amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Net income (loss)	**$ (63,971)**	$ 74,475	**$ (246,424)**	$ 82,460
Adjustments:				
Fair value adjustments of investment properties	**123,656**	16,173	**388,615**	40,960
Fair value adjustments of financial instruments	**(3,638)**	16,487	**(15,037)**	29,493
Interest expense on Exchangeable LP Units	**560**	560	**1,120**	1,114
Loss (gain) on non-controlling interest	**12,436**	(3,187)	**14,095**	15,934
FFO impact attributable to ERES Units held by non-controlling unitholders[1]	**(202)**	(2,497)	**(1,106)**	(4,724)
Deferred income tax expense (recovery)	**(858)**	(3,237)	**(3,500)**	544
Loss (gain) on foreign currency translation	**3,755**	(362)	**10,956**	2,319
Transaction costs and other activities[2]	**10,398**	4,845	**20,794**	16,749
Tax related to European dispositions and Dutch tax authority audits[3]	**5,583**	208	**6,797**	5,928
Net loss on derecognition of debt	**342**	256	**470**	3,809
Lease principal repayments	**(264)**	(339)	**(522)**	(674)
Reorganization and retirement costs[4]	**13,778**	2,826	**18,128**	7,673
FFO	**$ 101,575**	$ 106,208	**$ 194,386**	$ 201,585
AFFO adjustments:				
Non-discretionary property capital investments	**(8,889)**	(16,203)	**(20,402)**	(24,190)
Capitalized leasing costs	**(332)**	(349)	**(539)**	(704)
Tenant improvements	**(258)**	(136)	**(399)**	(327)
Straight line rent	**(768)**	(1,110)	**(1,592)**	(1,945)
AFFO impact attributable to ERES Units held by non-controlling unitholders[1]	**1**	—	**8**	12
AFFO	**$ 91,329**	$ 88,410	**$ 171,462**	$ 174,431
FFO	**$ 101,575**	$ 106,208	**$ 194,386**	$ 201,585
Weighted average number of units (000s) – diluted	**155,223**	160,711	**155,654**	161,839
FFO per unit – diluted[5]	**$ 0.654**	$ 0.661	**$ 1.249**	$ 1.246
Total distributions declared	**$ 60,100**	$ 62,098	**$ 120,536**	$ 124,498
FFO	**$ 101,575**	$ 106,208	**$ 194,386**	$ 201,585
FFO payout ratio[6]	**59.2%**	58.5%	**62.0 %**	61.8%
AFFO	**$ 91,329**	$ 88,410	**$ 171,462**	$ 174,431
Weighted average number of units (000s) – diluted	**155,223**	160,711	**155,654**	161,839
AFFO per unit – diluted[7]	**$ 0.588**	$ 0.550	**$ 1.102**	$ 1.078
Total distributions declared	**$ 60,100**	$ 62,098	**$ 120,536**	$ 124,498
AFFO	**$ 91,329**	$ 88,410	**$ 171,462**	$ 174,431
AFFO payout ratio[8]	**65.8%**	70.2%	**70.3 %**	71.4%

(1) For the three and six months ended June 30, 2026, the adjustment is based on applying the 35% weighted average ownership held by ERES non-controlling unitholders from January 1, 2026 to May 1, 2026, the date the ERES Transaction closed, after which no adjustment is required (for the three and six months ended June 30, 2025 – 35%).
(2) Primarily includes transaction costs and customary adjustments on dispositions, amortization of PP&E and right-of-use asset, and ERP implementation costs.
(3) Included in current income tax expense in the statement of net income (loss) and comprehensive income.
(4) For the three and six months ended June 30, 2026, includes $8,527 and $12,167, respectively, of reorganization and retirement costs; and $5,688 and $6,398, respectively, of accelerated vesting of previously granted CAPREIT unit-based compensation, less $437 relating to forfeitures of previously granted ERES unit options upon restructuring, trustee retirement, and senior management termination. For the three and six months ended June 30, 2025, includes $2,027 and $6,114, respectively, of reorganization costs; $nil and $157, respectively, of accelerated vesting of previously granted CAPREIT unit-based compensation; and $799 and $1,402, respectively, of accelerated vesting of ERES RURs that vested.
(5) FFO per unit – diluted is calculated using FFO during the period divided by weighted average number of units – diluted during the period.
(6) FFO payout ratio is calculated using total distributions declared during the period divided by FFO during the period.
(7) AFFO per unit – diluted is calculated using AFFO during the period divided by weighted average number of units – diluted during the period.
(8) AFFO payout ratio is calculated using total distribution declared during the period divided by AFFO during the period.

FFO and AFFO 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 or AFFO and as a result, may cause fluctuation depending on the timing and amount of mortgages coming due. For further details, refer to Liquidity and Financial Condition in Section V.

Contributing to FFO and AFFO are fees earned from ERES on the portion of ERES Units held by non-controlling unitholders totalling $0.1 million and $0.3 million, respectively, for the three and six months ended June 30, 2026 compared to $0.4 million and $0.8 million, respectively, for the three and six months ended June 30, 2025. These fees comprise asset management fees, property management fees and service fees. Fees were lower in 2026 primarily due to a smaller ERES portfolio following property dispositions and because fees were earned only up to May 1, 2026, the closing date of the ERES transaction. Property management fees also declined as CAPREIT is no longer ERES's property manager since January 15, 2025. Refer to Related Party Transactions in Section VI for further details.

FFO for the three and six months ended June 30, 2026 decreased by $4.6 million and $7.2 million, respectively, or 4.4% and 3.6%, respectively, compared to the same periods last year, primarily due to lost NOI from dispositions and higher interest expense on mortgages payable and credit facilities payable, partially offset by lower trust expenses, net of reorganization and retirement costs.

For the three months ended June 30, 2026, diluted FFO per unit decreased by 1.1% compared to the same period last year, primarily due to the same reasons as described above for FFO, partially offset by the impact of Trust Units purchased and cancelled through the NCIB program, which reduced the overall weighted average Units outstanding by approximately 3.4%.

For the six months ended June 30, 2026, diluted FFO per unit increased by 0.2%, compared to the same period last year, primarily due to lower trust expenses, net of reorganization and retirement costs, and the impact of Trust Units purchased and cancelled through the NCIB program, which reduced the overall weighted average Units outstanding by approximately 3.8%, partially offset by lost NOI from disposed properties.

Comparing total distributions declared to FFO, the FFO payout ratio for the three and six months ended June 30, 2026 increased to 59.2% compared to 58.5%, and 62.0% compared to 61.8%, respectively, for the same periods last year, primarily due to FFO declining at a faster pace than total distributions declared.

AFFO for the three months ended June 30, 2026 increased by $2.9 million or 3.3%, compared to the same period last year, primarily due to lower non-discretionary property capital investments.

AFFO for the six months ended June 30, 2026 decreased by $3.0 million or 1.7%, compared to the same period last year, primarily due to the same reasons as described above for FFO, partially offset by the impact of lower non-discretionary property capital investments.

For the three and six months ended June 30, 2026, diluted AFFO per unit increased by 6.9% and 2.2%, respectively, compared to the same period last year, primarily due to the impact of Trust Units purchased and cancelled through the NCIB program, which reduced the overall weighted average Units outstanding by approximately 3.4% and 3.8%, respectively, and lower non-discretionary property capital investments.

Comparing total distributions declared to AFFO, the AFFO payout ratio for the three and six months ended June 30, 2026 improved to 65.8% compared to 70.2%, and 70.3% compared to 71.4%, respectively, for the same periods last year, primarily due to lower distributions resulting from Trust Units purchased and cancelled under the NCIB program.

Total Debt and Total Debt Ratios

Management uses Total Debt, Total Debt to Gross Book Value ratio, and Mortgages Payable to Gross Book Value ratio 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, 2026, December 31, 2025, and June 30, 2025 is as follows:

($ Thousands)

As at	**June 30, 2026**	**December 31, 2025**	**June 30, 2025**
Mortgages payable – non-current	**$ 4,644,697**	$ 4,856,580	$ 5,087,294
Mortgages payable – current	**1,114,340**	777,021	690,132
Total mortgages payable	**$ 5,759,037**	$ 5,633,601	$ 5,777,426
Credit facilities payable – non-current	**338,193**	331,250	157,128
Total Debt	**$ 6,097,230**	$ 5,964,851	$ 5,934,554
Total assets	**$ 14,757,511**	$ 15,132,363	$ 15,355,115
Add: Accumulated amortization of PP&E	**47,512**	45,104	46,147
Gross Book Value[1]	**$ 14,805,023**	$ 15,177,467	$ 15,401,262
Total Debt to Gross Book Value[2]	**41.2 %**	39.3 %	38.5 %
Total Mortgages Payable to Gross Book Value[3]	**38.9 %**	37.1 %	37.5 %

[1] Gross Book Value 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 EBITDAFVA 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. Adjusted EBITDAFVA is also used in the calculation of Net Debt to Adjusted EBITDAFVA. Management believes Adjusted EBITDAFVA 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 EBITDAFVA for the trailing 12 months ended June 30, 2026, December 31, 2025, and June 30, 2025 is as follows:

($ Thousands)

For the Trailing 12 Months Ended	June 30, 2026	December 31, 2025[1]	June 30, 2025[1]
Net income (loss)	**$ (131,833)**	$ 197,051	$ 81,017
Adjustments:			
Interest expense on debt and other financing costs	**198,350**	191,013	205,117
Interest expense on Exchangeable LP Units	**2,239**	2,233	2,343
Total current income tax expense and deferred income tax expense, net	**12,296**	17,473	39,049
Amortization of PP&E and right-of-use asset	**5,981**	6,413	6,401
Total unit-based compensation amortization expense, net	**13,824**	9,522	10,933
EUPP unit-based compensation expense	**(458)**	(476)	(480)
Fair value adjustments of investment properties	**432,345**	84,690	66,983
Fair value adjustments of financial instruments	**(24,659)**	19,871	31,805
Net loss on derecognition of debt	**1,154**	4,493	3,935
Loss on non-controlling interest	**37,817**	39,656	144,933
Loss on foreign currency translation	**12,671**	4,034	19,712
Reorganization and retirement costs	**14,018**	7,965	11,065
Transaction costs and other adjustments on dispositions and other	**40,652**	36,175	31,200
Adjusted EBITDAFVA	**$ 614,397**	$ 620,113	$ 654,013

[1] Certain 2025 comparative figures have been adjusted to conform with current period presentation.

Net Debt to Adjusted EBITDAFVA

Net Debt to Adjusted EBITDAFVA is calculated as total debt, less cash on hand ("Net Debt") divided by EBITDAFVA. Management believes Net Debt to EBITDAFVA is useful in assessing CAPREIT's ability to pay off debt by using CAPREIT's operational earnings. 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)

As at	June 30, 2026	December 31, 2025[1]	June 30, 2025[1]
Mortgages payable – non-current	**$ 4,644,697**	$ 4,856,580	$ 5,087,294
Mortgages payable – current	**1,114,340**	777,021	690,132
Total mortgages payable	**$ 5,759,037**	$ 5,633,601	$ 5,777,426
Credit facilities payable – non-current	**338,193**	331,250	157,128
Total Debt	**$ 6,097,230**	$ 5,964,851	$ 5,934,554
Less: Cash and cash equivalents	**(34,723)**	(33,176)	(28,639)
Net Debt	**$ 6,062,507**	$ 5,931,675	$ 5,905,915
Adjusted EBITDAFVA[2]	**$ 614,397**	$ 620,113	$ 654,013
Net Debt to Adjusted EBITDAFVA (times)[3]	**9.9x**	9.6x	9.0x

[1] Certain 2025 comparative figures have been adjusted to conform with current period presentation.
[2] For the trailing 12 months ended.
[3] Net Debt to Adjusted EBITDAFVA is calculated using Net Debt divided by Adjusted EBITDAFVA.

Debt Service Coverage Ratio

The Debt Service Coverage Ratio is defined as Adjusted EBITDAFVA 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, 2026	December 31, 2025[1]	June 30, 2025[1]
Contractual interest on mortgages payable[2][3]	**$ 168,735**	$ 165,178	$ 169,939
Amortization of deferred financing costs and fair value adjustments on mortgages payable[3]	**9,685**	9,723	9,529
Contractual interest on Credit Facilities payable, net[2]	**9,725**	5,035	13,449
Amortization of deferred financing costs on Credit Facilities payable	**534**	919	918
Mortgage principal repayments	**150,644**	148,180	138,915
Debt service payments	**$ 339,323**	$ 329,035	$ 332,750
Adjusted EBITDAFVA	**$ 614,397**	$ 620,113	$ 654,013
Debt Service Coverage Ratio (times)[4]	**1.8x**	1.9x	2.0x

[1] Certain 2025 comparative figures have been adjusted to conform with current period presentation.
[2] Includes net CCIR and IR swap interest, offsetting contractual interest.
[3] Net of capitalized interest expense.
[4] Debt Service Coverage Ratio is calculated using Adjusted EBITDAFVA divided by debt service payments.

Interest Coverage Ratio

The Interest Coverage Ratio is defined as Adjusted EBITDAFVA 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, 2026	December 31, 2025[1]	June 30, 2025[1]
Contractual interest on mortgages payable[2][3]	**$ 168,735**	$ 165,178	$ 169,939
Amortization of deferred financing costs and fair value adjustments on mortgages payable[3]	**9,685**	9,723	9,529
Contractual interest on Credit Facilities payable, net[2]	**9,725**	5,035	13,449
Amortization of deferred financing costs on Credit Facilities payable	**534**	919	918
Interest expense	**$ 188,679**	$ 180,855	$ 193,835
Adjusted EBITDAFVA	**$ 614,397**	$ 620,113	$ 654,013
Interest Coverage Ratio (times)[4]	**3.3x**	3.4x	3.4x

[1] Certain 2025 comparative figures have been adjusted to conform with current period presentation.
[2] Includes net CCIR and IR swap interest, offsetting contractual interest.
[3] Net of capitalized interest expense.
[4] Interest Coverage Ratio is calculated using Adjusted EBITDAFVA divided by 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, 2026, December 31, 2025, and June 30, 2025 is as follows:

($ Thousands, except per unit amounts)

As at	June 30, 2026	December 31, 2025	June 30, 2025
Unitholders' equity	**$ 8,343,379**	$ 8,761,196	$ 8,879,025
Adjustments:			
Exchangeable LP Units	**50,395**	53,270	64,164
Unit-based compensation financial liabilities excluding ERES RURs and ERES UOP	**29,270**	23,826	24,449
Deferred income tax asset	**—**	—	(84)
Deferred income tax liability[1]	**533**	4,140	22,380
Derivative financial assets – non-current	**—**	—	(6,369)
Derivative financial assets – current	**(6,282)**	(1,878)	—
Derivative financial liabilities – non-current	**2,560**	—	—
Derivative financial liabilities – current	**—**	2,739	11,435
Adjustment to ERES non-controlling interest[2]	**—**	(33,714)	(59,032)
NAV	**$ 8,419,855**	$ 8,809,579	$ 8,935,968
Diluted number of units	**154,840**	156,180	159,168
NAV per unit – diluted[3]	**$ 54.38**	$ 56.41	$ 56.14

[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. During 2026, the adjustment was required until May 1, 2026, the date the ERES Transaction closed, after which no adjustment was required. The table below summarizes the calculation of the adjustment to ERES non-controlling interest as at December 31, 2025 and June 30, 2025:

($ Thousands)

As at	December 31, 2025	June 30, 2025
ERES's NAV	€ 209,986	€ 433,240
Ownership by ERES non-controlling interest	35%	35%
Closing foreign exchange rate	$ 1.60937	$ 1.60325
Impact to NAV due to ERES's non-controlling unitholders	$ 118,281	$ 243,107
Less: ERES Units held by non-controlling unitholders	(84,567)	(184,075)
Adjustment to ERES non-controlling interest	$ 33,714	$ 59,032

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

OTHER INFORMATION

Selected Consolidated Quarterly Information

	Q2 26	Q1 26	Q4 25	Q3 25	Q2 25	Q1 25	Q4 24	Q3 24
Canadian residential Occupied AMR[1]	**$ 1,738**	$ 1,732	$ 1,718	$ 1,709	$ 1,693	$ 1,677	$ 1,636	$ 1,617
Operating revenues (000s)	**$ 246,414**	$ 247,900	$ 243,298	$ 252,321	$ 254,434	$ 253,311	$ 276,361	$ 282,439
NOI (000s)	**$ 163,384**	$ 155,033	$ 158,067	$ 167,823	$ 169,802	$ 158,019	$ 177,942	$ 189,382
NOI Margin	**66.3%**	62.5%	65.0%	66.5%	66.7%	62.4%	64.4%	67.1%
Net income (loss) (000s)	**$ (63,971)**	$ (182,453)	$ 88,405	$ 26,186	$ 74,475	$ 7,985	$ (48,813)	$ 47,370
FFO (000s)[2]	**$ 101,575**	$ 92,811	$ 99,498	$ 105,305	$ 106,208	$ 95,377	$ 104,292	$ 111,833
FFO per unit – diluted[2]	**$ 0.654**	$ 0.595	$ 0.632	$ 0.663	$ 0.661	$ 0.585	$ 0.622	$ 0.659
FFO payout ratio[2]	**59.2%**	65.1%	61.3%	58.6%	58.5%	65.4%	59.8%	56.2%
Total Debt to Gross Book Value[1][2]	**41.2%**	40.3%	39.3%	37.7%	38.5%	37.7%	38.4%	40.9%
NAV per unit – diluted[1][2]	**$ 54.38**	$ 54.79	$ 56.41	$ 56.07	$ 56.14	$ 55.56	$ 55.50	$ 55.78
Weighted average number of units (000s) – diluted	**155,223**	156,090	157,394	158,731	160,711	162,981	167,742	169,586

[1] As at period end.

[2] 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 with available cash and cash equivalents, and 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 AFFO (a Non-IFRS Measure). Management acknowledges that REALPAC views AFFO as a recurring economic earnings metric. However, management also views AFFO as a useful measure to indicate cash available for distributions to unitholders. As such, CAPREIT believes the cash distributions are not an economic return of capital, but a distribution of adjusted funds from operations.

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 foreign subsidiaries, and euro-denominated cash and borrowings held by CAPREIT, 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, 2026	December 31, 2025	June 30, 2025
Canadian dollar per euro (closing rate at period end)	**$ 1.62192**	$ 1.60937	$ 1.60325
Canadian dollar per USD (closing rate at period end)	**1.42178**	1.37082	1.36530

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Canadian dollar per euro (average rate during the period)	**$ 1.60940**	$ 1.56988	**$ 1.60732**	$ 1.54022
Canadian dollar per USD (average rate during the period)	**1.38454**	1.38385	**1.37821**	1.40962

Related Party Transactions

A summary of related party transactions can be found in note 22 to CAPREIT's condensed consolidated interim financial statements for the three and six months ended June 30, 2026. Transactions with ERES are described below.

Transactions with ERES

On March 2, 2026, CAPREIT announced that it had entered into an arrangement to acquire all of the issued and outstanding ERES Units not already owned by CAPREIT for cash consideration of $1.19 per ERES Unit. ERES held a special meeting for ERES Unitholders to consider and vote on the ERES Transaction on April 27, 2026. During this meeting, ERES Unitholders approved the ERES Transaction. The ERES Transaction closed on May 1, 2026 for $98.7 million (excluding transaction costs). CAPREIT funded the ERES Transaction with cash on hand and availability from the Acquisition and Operating Facility.

The table below summarizes fees charged to ERES for the three and six months ended June 30, 2026 and June 30, 2025, including non-recoverable taxes which must be remitted to the government:

($ Thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2026[1]	**2025**	**2026[1]**	**2025**
Asset management fees	**$ 131**	$ 985	**$ 590**	$ 1,988
Service fees	**46**	105	**213**	271
Property management fees[2]	**—**	—	**—**	122
Total	**$ 177**	$ 1,090	**$ 803**	$ 2,381

[1] Upon the closing date of the ERES Transaction on May 1, 2026, CAPREIT fully owns ERES. Accordingly, 2026 amounts reported reflect fees only up to May 1, 2026.

[2] ERES transferred property management services for its residential portfolio in the Netherlands to a third party effective January 15, 2025.

As a result of ERES's closed dispositions in 2025, ERES terminated its regular monthly distribution effective September 2025. The final monthly distribution was for the month of August 2025 and was paid on September 15, 2025.

During the three and six months ended June 30, 2026, no distributions were declared by ERES on ERES Units and Class B Limited Partnership Units to CAPREIT (for the three and six months ended June 30, 2025 – ERES declared and paid a total of $3.6 million and $7.0 million, respectively, in distributions to CAPREIT).

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, 2026 and in note 2 to CAPREIT's consolidated annual financial statements for the year ended December 31, 2025.

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, 2025.

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, 2026, 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, 2026 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, 2025 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 23 to CAPREIT's condensed consolidated interim financial statements for the three and six months ended June 30, 2026.

SUBSEQUENT EVENTS

A summary of subsequent events can be found in note 25 to CAPREIT's condensed consolidated interim financial statements for the three and six months ended June 30, 2026.

CANADIAN APARTMENT
PROPERTIES • REIT

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED
JUNE 30, 2026
(UNAUDITED)

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CONSOLIDATED INTERIM BALANCE SHEETS

(In thousands of Canadian dollars)
(Unaudited)

As at	Note	June 30, 2026	December 31, 2025
Non-current assets			
Investment properties	3	**$ 14,434,520**	$ 14,732,478
Vendor takeback mortgages receivable		**145,542**	139,394
Other assets	7	**16,042**	26,715
Total non-current assets		**14,596,104**	14,898,587
Current assets			
Cash and cash equivalents		**34,723**	33,176
Amounts receivable		**15,920**	16,758
Assets held for sale	6	**21,554**	141,392
Other assets	7	**89,210**	42,450
Total current assets		**161,407**	233,776
Total assets		**$ 14,757,511**	$ 15,132,363
Non-current liabilities			
Debt	8	**$ 4,982,890**	$ 5,187,830
Unit-based compensation financial liabilities	9	**4,401**	11,583
Deferred income tax liability		**533**	4,140
Other liabilities	10	**34,008**	32,011
Total non-current liabilities		**5,021,832**	5,235,564
Current liabilities			
Debt	8	**1,114,340**	777,021
Unit-based compensation financial liabilities	9	**24,869**	12,245
Accounts payable and accrued liabilities	11	**81,754**	90,306
Exchangeable LP Units	12	**50,395**	53,270
ERES Units held by non-controlling unitholders	13	**—**	84,567
Other liabilities	10	**120,942**	118,194
Total current liabilities		**1,392,300**	1,135,603
Total liabilities		**$ 6,414,132**	$ 6,371,167
Unitholders' equity			
Unit capital		**$ 4,152,205**	$ 4,190,499
Retained earnings		**4,120,095**	4,500,722
Accumulated other comprehensive income		**71,079**	69,975
Total unitholders' equity		**$ 8,343,379**	$ 8,761,196
Total liabilities and unitholders' equity		**$ 14,757,511**	$ 15,132,363

See accompanying notes to the condensed consolidated interim financial statements.

Approved on behalf of the Board of Trustees

/s/Dr. Gina Parvaneh Cody

Dr. Gina Parvaneh Cody
Trustee

/s/Brad Cutsey

Brad Cutsey
Trustee

CONSOLIDATED INTERIM STATEMENTS OF NET INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)

(In thousands of Canadian dollars)
(Unaudited)

	Note	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Operating revenues					
Revenue from investment properties	15	**$ 246,414**	$ 254,434	**$ 494,314**	$ 507,745
Operating expenses					
Property operating costs		**(57,221)**	(59,628)	**(124,444)**	(130,116)
Realty taxes		**(25,809)**	(25,004)	**(51,453)**	(49,808)
Total operating expenses		**(83,030)**	(84,632)	**(175,897)**	(179,924)
Net operating income		**163,384**	169,802	**318,417**	327,821
Other income	16	**3,211**	3,202	**6,339**	7,473
Trust expenses	17	**(18,346)**	(14,789)	**(32,616)**	(31,367)
Unit-based compensation amortization expense:					
Unit-based compensation amortization expense, net	9	**(2,522)**	(2,215)	**(4,664)**	(4,764)
Unit-based compensation accelerated amortization expense and ERES unit option forfeitures, net	9	**(5,251)**	(799)	**(5,961)**	(1,559)
Total unit-based compensation amortization expense, net		**(7,773)**	(3,014)	**(10,625)**	(6,323)
Financing-related costs:					
Interest expense on debt and other financing costs	18	**(51,894)**	(47,703)	**(102,710)**	(95,373)
Interest expense on Exchangeable LP Units		**(560)**	(560)	**(1,120)**	(1,114)
Net loss on derecognition of debt		**(342)**	(256)	**(470)**	(3,809)
Total financing-related costs, net		**(52,796)**	(48,519)	**(104,300)**	(100,296)
Fair value adjustments of investment properties	3, 6	**(123,656)**	(16,173)	**(388,615)**	(40,960)
Fair value adjustments of financial instruments	19	**3,638**	(16,487)	**15,037**	(29,493)
Gain (loss) on non-controlling interest	13	**(12,436)**	3,187	**(14,095)**	(15,934)
Gain (loss) on foreign currency translation		**(3,755)**	362	**(10,956)**	(2,319)
Transaction costs and other activities	20	**(10,398)**	(4,845)	**(20,794)**	(16,749)
Net income (loss) before income taxes		**(58,927)**	72,726	**(242,208)**	91,853
Current income tax expense		**(5,902)**	(1,488)	**(7,716)**	(8,849)
Deferred income tax recovery (expense)		**858**	3,237	**3,500**	(544)
Total current income tax expense and deferred income tax recovery (expense), net		**(5,044)**	1,749	**(4,216)**	(9,393)
Net income (loss)		**$ (63,971)**	$ 74,475	**$ (246,424)**	$ 82,460
Other comprehensive income, including items that may be reclassified subsequently to net income (loss)					
Gain on foreign currency translation, net of taxes		**$ 2,725**	$ 22,250	**$ 1,104**	$ 51,332
Other comprehensive income		**$ 2,725**	$ 22,250	**$ 1,104**	$ 51,332
Comprehensive income (loss)		**$ (61,246)**	$ 96,725	**$ (245,320)**	$ 133,792

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)
(Unaudited)

	Note	Number of Trust Units	Unit Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Unitholders' equity, January 1, 2026		**153,884,443**	**$ 4,190,499**	**$ 4,500,722**	**$ 69,975**	**$ 8,761,196**
Unit capital						
Distribution Reinvestment Plan		**60,192**	**2,204**	**—**	**—**	**2,204**
Deferred Units	9	**15,201**	**525**	**—**	**—**	**525**
Restricted Unit Rights	9	**63,416**	**2,337**	**—**	**—**	**2,337**
Performance Unit Rights	9	**11,897**	**445**	**—**	**—**	**445**
Employee Unit Purchase Plan		**36,005**	**1,314**	**—**	**—**	**1,314**
Cancellation of Trust Units under NCIB and other	14	**(1,646,283)**	**(45,119)**	**(15,512)**	**—**	**(60,631)**
Net loss and other comprehensive income						
Net loss		**—**	**—**	**(246,424)**	**—**	**(246,424)**
Other comprehensive income		**—**	**—**	**—**	**1,104**	**1,104**
Distributions on Trust Units						
Distributions declared and paid		**—**	**—**	**(99,002)**	**—**	**(99,002)**
Distributions payable		**—**	**—**	**(19,689)**	**—**	**(19,689)**
Unitholders' equity, June 30, 2026		**152,424,871**	**$ 4,152,205**	**$ 4,120,095**	**$ 71,079**	**$ 8,343,379**

	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	9	43,043	1,915	—	—	1,915
Restricted Unit Rights	9	54,760	2,219	—	—	2,219
Employee Unit Purchase Plan		33,433	1,394	—	—	1,394
Exchangeable LP Units exchanged	12	202,377	8,536	—	—	8,536
Cancellation of Trust Units under NCIB and other	14	(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		—	—	(102,484)	—	(102,484)
Distributions payable		—	—	(20,266)	—	(20,266)
Unitholders' equity, June 30, 2025		156,897,120	$ 4,132,497	$ 4,685,647	$ 60,881	$ 8,879,025

See accompanying notes to the condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(In thousands of Canadian dollars)
(Unaudited)

	Note	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Cash provided by (used in):					
Operating activities					
Net income (loss)		**$ (63,971)**	$ 74,475	**$ (246,424)**	$ 82,460
Items related to operating activities not affecting cash:					
Fair value adjustments of investment properties		**123,656**	16,173	**388,615**	40,960
Fair value adjustments of financial instruments		**(3,638)**	16,487	**(15,037)**	29,493
Mark-to-market loss (gain) on ERES Units held by non-controlling unitholders		**12,436**	(5,132)	**14,095**	12,116
Total unit-based compensation amortization expense, net		**7,773**	3,014	**10,625**	6,323
Other adjustments	21	**8,596**	(2,390)	**18,459**	13,215
Changes in non-cash operating assets and liabilities	21	**(11,920)**	(15,074)	**(24,666)**	(23,938)
Items related to investing activities		**(3,211)**	(3,201)	**(6,339)**	(7,473)
Items related to financing activities	21	**52,796**	50,464	**104,300**	104,114
Cash provided by operating activities		**122,517**	134,816	**243,628**	257,270
Investing activities					
Capital investments	21	**(51,016)**	(56,984)	**(102,539)**	(107,502)
Net disbursements on acquisitions of investment properties	4	**(37,342)**	(30,789)	**(38,821)**	(128,430)
Acquisition of investments		**(901)**	(621)	**(10,158)**	(1,466)
Net proceeds on dispositions of investment properties	5	**125,595**	32,638	**161,852**	394,027
Disposition of investments		**10,469**	182	**12,624**	1,285
Principal received from VTB mortgages receivable		**1,162**	—	**1,162**	—
Investment and interest income received		**(340)**	492	**651**	2,101
Change in restricted funds		**76**	55	**(550)**	746
Cash provided by (used in) investing activities		**47,703**	(55,027)	**24,221**	160,761
Financing activities					
Borrowings	8	**389,134**	139,696	**529,725**	194,356
Principal repayments	8	**(38,080)**	(36,650)	**(76,031)**	(73,567)
Lump-sum repayments	8	**(286,054)**	(12,565)	**(330,144)**	(251,049)
Financing costs and CMHC premiums paid	8	**(8,289)**	(276)	**(11,556)**	(891)
Refunds (deposits) related to financing activities		**880**	87	**(1,145)**	317
Interest paid on mortgages payable		**(43,309)**	(41,568)	**(86,483)**	(84,003)
Interest paid on credit facilities payable		**(3,087)**	(1,017)	**(6,376)**	(1,783)
Debt settlement costs paid		**—**	(116)	**(45)**	(1,971)
Purchase and cancellation of Trust Units		**(30,525)**	(153,714)	**(65,213)**	(179,269)
Distributions paid to Unitholders	21	**(58,170)**	(60,425)	**(116,675)**	(119,944)
Net proceeds on issuance of Trust Units	21	**590**	617	**1,096**	1,158
Interest paid to Exchangeable LP unitholders		**(560)**	(560)	**(1,120)**	(1,133)
Lease payments		**(727)**	(1,577)	**(1,449)**	(3,155)
Purchase of ERES Units held by non-controlling unitholders		**(102,060)**	—	**(102,060)**	—
Interest paid to ERES non-controlling unitholders		**—**	(1,951)	**—**	(4,339)
Cash used in financing activities		**(180,257)**	(170,019)	**(267,476)**	(525,273)
Changes in cash and cash equivalents during the period		**(10,037)**	(90,230)	**373**	(107,242)
Gain (loss) on foreign currency translation		**1,394**	(120)	**1,174**	(362)
Cash and cash equivalents, beginning of the period		**43,366**	118,989	**33,176**	136,243
Cash and cash equivalents, end of the period		**$ 34,723**	$ 28,639	**$ 34,723**	$ 28,639

See accompanying notes to the condensed consolidated interim financial statements.

1. Organization of the Trust

As at June 30, 2026, 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, 2026, CAPREIT directly and indirectly holds a 100% (December 31, 2025 – 65%) ownership of European Residential Real Estate Investment Trust ("ERES"), which operates in the Netherlands. CAPREIT owns units of ERES ("ERES Units") and Class B Limited Partnership units ("ERES Class B LP Units") of ERES Limited Partnership ("ERES LP").

On March 2, 2026, CAPREIT announced that it had entered into an arrangement to acquire all of the issued and outstanding ERES Units not already owned by CAPREIT for cash consideration of $1.19 per ERES Unit (the "ERES Transaction"). ERES held a special meeting for voting unitholders ("ERES Unitholders") to consider and vote on the ERES Transaction on April 27, 2026. During this meeting, ERES Unitholders approved the ERES Transaction. The ERES Transaction closed on May 1, 2026 for $98,662. CAPREIT funded the ERES Transaction with cash on hand and availability from the revolving acquisition and operating facility ("Acquisition and Operating Facility").

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 6, 2026, 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, 2025, prepared in accordance with IFRS Accounting 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, 2026 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, 2025, other than as described below. These condensed consolidated interim financial statements should be read in conjunction with the consolidated annual financial statements for the year ended December 31, 2025.

CAPREIT owns and operates investment properties primarily in Canada and, to a lesser extent, in Europe. Following a significant reduction in the size of its European operations resulting from property dispositions, European operations are no longer material and no longer constitute a separate reportable segment. Accordingly, beginning in 2026, CAPREIT will have one reportable segment and will no longer present segmented information in its condensed consolidated interim financial statements and consolidated annual financial statements.

Certain 2025 comparative figures have been restated to conform with current period presentation.

Impact of Accounting Standards Effective January 1, 2026 on CAPREIT's Condensed Consolidated Interim Financial Statements

Amendments to IFRS 9, Financial Instruments ("IFRS 9") & IFRS 7, Financial Instruments: Disclosures ("IFRS 7")
Effective January 1, 2026, CAPREIT adopted amendments to IFRS 9 and IFRS 7. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments also introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. The amendments had no material impact on the consolidated financial statements of CAPREIT.

3. Investment Properties

The table below summarizes the activities included in investment properties for the six months ended June 30, 2026 and year ended December 31, 2025.

Continuity of Investment Properties

For the Period Ended	Note	June 30, 2026	December 31, 2025
Balance of investment properties, beginning of the period		**$ 14,732,478**	$ 14,868,362
Additions (deductions):			
Acquisitions[1]	4	**38,625**	661,194
Property capital investments		**101,685**	231,659
Capitalized direct leasing costs		**539**	1,188
Dispositions[2]	5	**(31,812)**	(292,907)
Derecognition of right-of-use asset[3]		**—**	(12,503)
Transfers to assets held for sale[4]	6	**(21,554)**	(728,130)
Fair value adjustments		**(388,777)**	(80,494)
Foreign currency translation adjustments and other		**3,336**	84,109
Balance of investment properties, end of the period		**$ 14,434,520**	$ 14,732,478

[1] Includes an operating lease buyout. Refer to note 4 for further information.
[2] Excludes the disposition of investment properties that were previously classified as assets held for sale. Refer to notes 5 and 6 for further information.
[3] On September 10, 2025, CAPREIT disposed of a property with a land leasehold interest. As a result, CAPREIT derecognized the associated right-of-use asset and lease liability.
[4] For the six months ended June 30, 2026, transfers included $21,554 of an investment property from Canada (year ended December 31, 2025 – $728,130 of investment properties from Europe).

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 determined the fair value of its European investment properties as at June 30, 2026 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. The qualified external appraisers engaged by CAPREIT to externally appraise both its Canadian and European portfolio, as applicable, hold recognized relevant professional qualifications and have recent experience in the location and category of the respective properties.

Current regulatory and macroeconomic developments have impacted overall market activity, and while market activity has recently started to increase, these developments continue to result 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.

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, 2026 and December 31, 2025:

As at June 30, 2026

Type of Interest	Fair Value	Rate Type	Min.	Max.	Weighted Average
Apartments and townhomes – Canada[1]	**$ 13,832,521**	Capitalization rate	**3.66 %**	**6.60 %**	**4.56 %**
Apartments – Europe[2]	**355,675**	Discount rate	**6.60 %**	**10.75 %**	**9.53 %**
		Terminal capitalization rate	**4.75 %**	**8.56 %**	**6.02 %**

(1) Includes Canadian commercial operations, but excludes operating leasehold interests, land leasehold interests, and right-of-use assets totalling $207,699 and new acquisitions totalling $38,625.
(2) Includes European commercial operations.

As at December 31, 2025

Type of Interest	Fair Value	Rate Type	Min.	Max.	Weighted Average
Apartments and townhomes – Canada[1]	$ 13,759,735	Capitalization rate	3.66 %	6.60 %	4.53 %
Apartments – Europe[2]	357,602	Discount rate	7.00 %	10.35 %	9.25 %
		Terminal capitalization rate	4.75 %	8.56 %	6.00 %

(1) Includes Canadian commercial operations, but excludes apartments and townhomes acquired during the three months ended December 31, 2025 totalling $345,310. Also excludes operating leasehold interests, land leasehold interests, and right-of-use assets totalling $269,831.
(2) Includes European commercial operations.

As at June 30, 2026, the fair value of operating leasehold interests was $34,590 (December 31, 2025 – $91,370), the fair value of land leasehold interests was $142,220 (December 31, 2025 – $147,400), and the fair value of right-of-use assets included in investment properties was $30,889 (December 31, 2025 – $31,061). Following the operating lease buyout completed on April 14, 2026, CAPREIT has one remaining operating leasehold interest as at June 30, 2026. The option to buy out the remaining operating leasehold interest became available in October 2024 and will remain available until October 2034.

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, 2026:

As at June 30, 2026 Change in Capitalization Rate[1]	Change in Fair Value of Investment Properties
(0.50)%	**$ 1,772,448**
(0.25)%	**834,555**
+0.25%	**(747,483)**
+0.50%	**(1,420,879)**

(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 $144,030. A 1% decrease in normalized NOI would result in a decrease in fair value of investment properties of $144,041.

4. Acquisitions of Investment Properties

The table below summarizes an investment property acquisition and an operating lease buyout completed since January 1, 2026.

Six Months Ended June 30, 2026

Acquisition Date	Suite Count	Region	Fair Value of Investment Properties	Gross Purchase Price[1]
April 14, 2026[2]	**N/A**	Mississauga, ON	**$ 16,782**	**$ 16,782**
June 24, 2026	**51**	Vancouver, BC	**20,350**	**20,350**
Total	**51**		**$ 37,132**	**$ 37,132**
Transaction costs			**$ 1,493**	
Total acquisition costs			**$ 38,625**	

[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 customary adjustments.

[2] Represents an operating lease buyout.

Acquisitions of Investment Properties Completed During the Six Months Ended June 30, 2025

For the six months ended June 30, 2025, CAPREIT acquired 420 suites for a total acquisition cost of $155,441.

Net Disbursements on Acquisitions of Investment Properties

The net disbursements made for the acquisitions of investment properties and an operating lease buyout 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,	
	2026	**2025**	**2026**	**2025**
Acquired properties	**$ (38,625)**	$ (56,473)	**$ (38,625)**	$ (155,441)
Fair value of mortgages payable assumed	**—**	28,477	**—**	33,882
Change in deposit on acquisitions	**1,133**	(1,853)	**224**	(2,725)
Change in investment properties included in accounts payable and accrued liabilities	**150**	(940)	**(420)**	(4,146)
Net disbursements	**$ (37,342)**	$ (30,789)	**$ (38,821)**	$ (128,430)

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, 2026.

Six Months Ended June 30, 2026

Disposition Date	Suite Count	Region	Fair Value of Investment Properties	Gross Sale Price[1]
January 15, 2026[2]	**33**	The Netherlands	**$ 16,267**	**$ 16,267**
March 2, 2026	**108**	Charlottetown, PEI	**27,762**	**28,000**
March 31, 2026[2]	**88**	The Netherlands	**32,376**	**32,376**
March 31, 2026[2]	**88**	The Netherlands	**24,041**	**24,041**
Q1 2026[3]	**1**	The Netherlands	**700**	**700**
Total Q1 2026	**318**		**101,146**	**101,384**
April 16, 2026[2]	**201**	The Netherlands	**69,187**	**69,187**
May 22, 2026[4]	**N/A**	Toronto, ON	**1,000**	**1,000**
Q2 2026[3]	**3**	The Netherlands	**2,350**	**2,350**
Total Q2 2026	**204**		**72,537**	**72,537**
Total	**522**		**$ 173,683**	**$ 173,921**

(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 customary adjustments.
(2) Previously included in assets held for sale.
(3) Represents disposition of single residential suites.
(4) Represents disposition of land adjacent to an existing residential building owned by CAPREIT.

Dispositions of Investment Properties Completed During the Six Months Ended June 30, 2025

For the six months ended June 30, 2025, CAPREIT disposed of 2,196 suites and sites for a total fair value of $409,114.

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,	
	2026	**2025**	**2026**	**2025**
Fair value of disposed investment properties	**$ 3,350**	$ 10,554	**$ 31,812**	$ 102,040
Fair value of disposed assets held for sale	**69,187**	12,500	**141,871**	307,074
Fair value of VTB mortgages receivable	**—**	—	**(3,762)**	(3,831)
Closing costs and other adjustments	**(2,599)**	(1,395)	**(8,339)**	(10,341)
Change in proceeds receivable[1]	**55,545**	10,472	**—**	—
Working capital adjustments	**112**	507	**270**	(915)
Net proceeds	**$ 125,595**	$ 32,638	**$ 161,852**	$ 394,027

(1) Relate to the Netherlands dispositions on March 31, 2026 and March 31, 2025, respectively. The net proceeds were received in April 2026 and April 2025, respectively.

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

As at June 30, 2026, CAPREIT classified one property in Canada as an asset held for sale totalling $21,554. Management had committed to a plan to sell this asset, and the sale was considered to be highly probable as at June 30, 2026. There were no mortgages or other liabilities related to assets held for sale as at June 30, 2026.

As at December 31, 2025, CAPREIT classified certain properties in the Netherlands as assets held for sale totalling $141,392. Management had committed to a plan to sell these assets, and the sales were considered to be highly probable as at December 31, 2025. There were no mortgages or other liabilities related to assets held for sale as at December 31, 2025.

The table below summarizes the activities included in assets held for sale for the six months ended June 30, 2026 and year ended December 31, 2025.

Assets Held for Sale

For the Period Ended	Note	June 30, 2026	December 31, 2025
Balance, beginning of the period		**$ 141,392**	$ 307,460
Additions (deductions):			
Transfers from investment properties[1]	3	**21,554**	728,130
Property capital investments		**159**	2,581
Dispositions of investment properties	5	**(141,871)**	(899,730)
Fair value adjustments		**162**	(4,196)
Foreign currency translation adjustments		**158**	7,147
Balance, end of the period[2]		**$ 21,554**	$ 141,392

[1] For the six months ended June 30, 2026, transfers included $21,554 of an investment property from Canada (year ended December 31, 2025 – $728,130 of investment properties from Europe).
[2] As at June 30, 2026, consists of $21,554 from Canada (December 31, 2025 – $141,392 from Europe).

7. Other Assets

As at	June 30, 2026	December 31, 2025
Other non-current assets		
Property, plant, and equipment ("PP&E")[1]	**$ 52,125**	$ 50,400
Accumulated amortization of PP&E	**(47,512)**	(45,104)
PP&E, net of accumulated amortization	**4,613**	5,296
Right-of-use asset, net of accumulated amortization and other[2]	**2,551**	2,834
Investments	**8,878**	18,585
Total	**$ 16,042**	$ 26,715
Other current assets		
Prepaid expenses and other	**$ 52,952**	$ 21,002
Restricted funds	**10,515**	9,965
Investments	**16,648**	8,603
Derivative financial assets	**6,282**	1,878
VTB mortgage interest receivable	**2,813**	1,002
Total	**$ 89,210**	$ 42,450

[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 $4,426 (December 31, 2025 – $4,119).

8. Debt

Continuity of Total Debt

	For the Six Months Ended June 30, 2026		
	Mortgages Payable	Credit Facilities Payable	Total Debt
Balance, beginning of the period	**$ 5,633,601**	**$ 331,250**	**$ 5,964,851**
Add:			
Borrowings[1]	**288,828**	**240,897**	**529,725**
Less:			
Principal repayments	**(76,031)**	**—**	**(76,031)**
Lump-sum repayments[1][2]	**(86,635)**	**(243,509)**	**(330,144)**
Financing costs and CMHC premiums paid	**(11,355)**	**(201)**	**(11,556)**
Non-cash adjustments:			
Amortization and write-off of deferred financing costs, prepaid CMHC premiums, and fair value adjustments	**9,430**	**244**	**9,674**
Foreign currency translation adjustments	**1,199**	**9,512**	**10,711**
Balance, end of the period	**$ 5,759,037**	**$ 338,193**	**$ 6,097,230**
Less: Current portion	**1,114,340**	**—**	**1,114,340**
Total non-current portion	**$ 4,644,697**	**$ 338,193**	**$ 4,982,890**

[1] Excludes non-cash mortgage renewals of $54,717.
[2] Includes $28,248 of mortgages discharged due to property dispositions.

	For the Year Ended December 31, 2025		
	Mortgages Payable	Credit Facilities Payable	Total Debt
Balance, beginning of the year	$ 5,987,869	$ 4,145	$ 5,992,014
Add:			
Borrowings[1]	213,157	620,105	833,262
Less:			
Principal repayments	(148,180)	—	(148,180)
Lump-sum repayments[1][2]	(654,772)	(292,498)	(947,270)
Financing costs and CMHC premiums paid	(3,315)	(791)	(4,106)
Non-cash adjustments:			
Fair value of mortgages assumed upon property acquisitions	187,395	—	187,395
Amortization and write-off of deferred financing costs, prepaid CMHC premiums, and fair value adjustments	18,352	919	19,271
Foreign currency translation adjustments	33,095	(630)	32,465
Balance, end of the year	$ 5,633,601	$ 331,250	$ 5,964,851
Less: Current portion	777,021	—	777,021
Total non-current portion	$ 4,856,580	$ 331,250	$ 5,187,830

[1] Excludes non-cash mortgage renewals of $215,482.
[2] Includes $404,503 of mortgages discharged due to property dispositions.

Mortgages Payable

As at[1]	June 30, 2026	December 31, 2025
Weighted average effective interest rate per annum	**3.35 %**	3.30 %
Maturity date	**2026 – 2036**	2026 – 2036
Investment properties pledged as security on mortgages	**$ 13,326,457**	$ 13,369,887
Investment properties not pledged as security on mortgages[2]	**$ 1,108,063**	$ 1,362,591

[1] Excludes assets held for sale and liabilities related to assets held for sale, as applicable.
[2] Includes $430,329 (December 31, 2025 – $483,686) of investment properties which secure the Acquisition and Operating Facility.

Future principal repayments as at June 30, 2026 for the years indicated are as follows:

As at June 30, 2026	Principal Amount	% of Total Principal
Remainder of 2026	**$ 598,063**	**10.1**
2027	**817,810**	**13.8**
2028	**808,965**	**13.7**
2029	**642,843**	**10.9**
2030	**649,813**	**11.0**
2031 – 2036	**2,389,059**	**40.5**
Total principal	**$ 5,906,553**	**100.0**
Less: Prepaid CMHC premiums	**(109,474)**	
Less: Deferred financing costs	**(18,788)**	
Less: Fair value adjustments	**(19,254)**	
Total mortgages payable	**$ 5,759,037**	

Credit Facilities Payable

As at June 30, 2026, CAPREIT's credit facilities consist of the $500,000 Acquisition and Operating Facility, which can be borrowed in Canadian dollars, US dollars ("USD") or euros; and the $70,000 greenhouse gas ("GHG") reduction facility ("GHG Reduction Facility"), collectively the ("Credit Facilities").

On April 30, 2026, CAPREIT terminated the €20,000 ERES revolving credit facility ("ERES Credit Facility") in connection with the ERES Transaction.

The tables below summarize the amounts available and drawn under the respective credit facilities as at June 30, 2026 and December 31, 2025:

As at June 30, 2026	Acquisition and Operating Facility	GHG Reduction Facility	Total
Maximum borrowing capacity	**$ 500,000**	**$ 70,000**	**$ 570,000**
Canadian dollar borrowings	**$ (50,855)**	**$ (21,982)**	**$ (72,837)**
USD borrowings	**(266,086)** [1]	**N/A**	**(266,086)**
Euro borrowings	**—**	**N/A**	**—**
Less: Total borrowings	**$ (316,941)**	**$ (21,982)**	**$ (338,923)**
Less: Letters of credit	**(3,226)**	**N/A**	**(3,226)**
Available borrowing capacity	**$ 179,833**	**$ 48,018**	**$ 227,851**
Weighted average interest rate per annum on total borrowings including interest rate swaps	**3.94 %**	**3.00 %**	**3.88 %**

[1] As at June 30, 2026, CAPREIT has USD borrowings totalling US$187,150 that bear interest at the Secured Overnight Financing Rate ("SOFR") plus a margin of 1.45% per annum, excluding the impact of cross-currency interest rate ("CCIR") swaps.

As at December 31, 2025	Acquisition and Operating Facility	GHG Reduction Facility	ERES Credit Facility	Total
Maximum borrowing capacity	$ 500,000 [1]	$ 70,000	$ 32,187	$ 602,187
Canadian dollar borrowings	$ (7,602)	$ (17,338)	$ —	$ (24,940)
USD borrowings	(307,084) [2]	N/A	—	(307,084)
Euro borrowings	—	N/A	—	—
Less: Total borrowings	$ (314,686)	$ (17,338)	$ —	$ (332,024)
Less: Letters of credit	(3,343)	N/A	—	(3,343)
Available borrowing capacity	$ 181,971	$ 52,662	$ 32,187	$ 266,820
Weighted average interest rate per annum on total borrowings including interest rate swaps	3.65 %	3.00 %	N/A	3.61 %

[1] Includes temporary increase of $100,000 in borrowing capacity, with an original maturity of April 30, 2026. On April 30, 2026, the Acquisition and Operating Facility was amended to extend the $100,000 increase until the maturity of the facility in February 2028.

[2] As at December 31, 2025, CAPREIT has USD borrowings totalling US$224,014 that bear interest at the SOFR plus a margin of 1.45% per annum, excluding the impact of CCIR swaps.

9. 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 EUPP provides for the issuance of Trust Units. 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, 2026, the maximum number of Trust Units issuable under CAPREIT's unit-based compensation plans is 11,500,000 (December 31, 2025 – 11,500,000). The maximum number of Trust Units available for future issuance under these unit-based compensation plan agreements as at June 30, 2026 is 1,091,932 (December 31, 2025 – 1,337,297).

On May 1, 2026, the ERES unit-based compensation plans were terminated in conjunction with the ERES Transaction.

The tables below summarize the activity of CAPREIT's unit-based compensation plans (excluding EUPP) for the six months ended June 30, 2026 and year ended December 31, 2025:

CAPREIT's Unit-based Compensation Plans

Six Months Ended June 30, 2026				
(Number of units)	**DUs**	**RURs**	**PURs**	**Total**
Unit rights outstanding as at January 1, 2026	**152,770**	**624,124**	**74,376**	**851,270**
Activity during the period				
Granted	**24,436**	**133,137**	**37,536**	**195,109**
Settled in Trust Units	**(15,201)**	**(63,416)**	**(11,897)**	**(90,514)**
Cancelled or forfeited	**—**	**(5,602)**	**(3)**	**(5,605)**
Distributions reinvested	**3,399**	**14,452**	**2,005**	**19,856**
Unit rights outstanding as at June 30, 2026	**165,404**	**702,695**	**102,017**	**970,116**

Year Ended December 31, 2025				
(Number of units)	**DUs**	**RURs**	**PURs**	**Total**
Unit rights outstanding as at January 1, 2025	154,409	550,422	29,729	734,560
Activity during the year				
Granted	35,848	124,354	42,156	202,358
Settled in Trust Units	(43,043)	(62,467)	—	(105,510)
Cancelled or forfeited	(1)	(11,317)	—	(11,318)
Distributions reinvested	5,557	23,132	2,491	31,180
Unit rights outstanding as at December 31, 2025	152,770	624,124	74,376	851,270

The table below summarizes the change in the total unit-based compensation financial liabilities for the six months ended June 30, 2026 and year ended December 31, 2025, including the settlement of such liabilities through Trust Units and ERES Units.

For the Period Ended	June 30, 2026	December 31, 2025
Total unit-based compensation financial liabilities, beginning of the period	**$ 23,828**	$ 24,631
Unit-based compensation amortization expense, excluding accelerated amortization expense and ERES unit option forfeitures, net	**4,664**	9,742
Unit-based compensation accelerated amortization expense and ERES unit option forfeitures, net[(1)]	**5,961**	(220)
Unit-based compensation remeasurement gain	**(1,658)**	(3,648)
Settlement of unit-based compensation awards for Trust Units	**(3,525)**	(4,932)
Settlement of unit-based compensation awards for ERES Units	**—**	(1,845)
Foreign currency translation adjustments and other	**—**	100
Total unit-based compensation financial liabilities, end of the period	**$ 29,270**	$ 23,828

(1) For the six months ended June 30, 2026, includes $6,398 of accelerated vesting of previously granted CAPREIT unit-based compensation (for the year ended December 31, 2025 – $234) and $nil of accelerated vesting of ERES restricted unit rights ("ERES RURs") (for the year ended December 31, 2025 – $1,402). Also includes $437 of recovery relating to forfeitures of previously granted ERES unit options upon restructuring, trustee retirement, and senior management termination (for the year ended December 31, 2025 – $1,856).

The table below summarizes the non-current and current unit-based compensation financial liabilities for each plan as at June 30, 2026 and December 31, 2025:

As at	June 30, 2026	December 31, 2025
Non-current		
RURs	**$ 4,073**	$ 10,949
PURs	**328**	634
	$ 4,401	$ 11,583
Current		
DUs	**$ 5,769**	$ 5,633
RURs	**16,284**	6,610
PURs	**2,816**	—
ERES unit options	**—**	2
	$ 24,869	$ 12,245
Total unit-based compensation financial liabilities	**$ 29,270**	$ 23,828

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

As at June 30, 2026, 0.7% (December 31, 2025 – 0.6%) of all Trust Units outstanding and CAPREIT's unit-based compensation financial liabilities were held by trustees, officers and other senior management of CAPREIT.

10. Other Liabilities

As at	June 30, 2026	December 31, 2025
Other non-current liabilities		
Non-current lease liabilities	**$ 30,789**	$ 31,352
Derivative financial liabilities	**2,560**	—
Other	**659**	659
Total	**$ 34,008**	$ 32,011
Other current liabilities		
Security deposits	**$ 40,293**	$ 42,283
Deferred revenue and other	**19,991**	19,392
Mortgage and Credit Facilities interest payable	**14,826**	14,749
Distributions payable to Unitholders	**19,689**	19,877
Current tax liability	**12,431**	5,548
Derivative financial liabilities	**—**	2,739
Liabilities relating to Dutch tax authority audits	**13,712**	13,606
Total	**$ 120,942**	$ 118,194

11. Accounts Payable and Accrued Liabilities

As at	June 30, 2026	December 31, 2025
Accounts payable	**$ 21,679**	$ 27,406
Accrued liabilities	**60,075**	62,900
Total	**$ 81,754**	$ 90,306

12. 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, 2026 and year ended December 31, 2025 as follows:

For the Period Ended	June 30, 2026	December 31, 2025
Exchangeable LP Units issued and outstanding, beginning of the period	**1,444,809**	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**	1,444,809

For the Period Ended	June 30, 2026	December 31, 2025
Balance of Exchangeable LP Units, beginning of the period	**$ 53,270**	$ 70,220
Fair value adjustments of Exchangeable LP Units	**(2,875)**	(8,414)
Exchangeable LP Units exchanged for Trust Units	**—**	(8,536)
Balance of Exchangeable LP Units, end of the period	**$ 50,395**	$ 53,270

13. ERES Units Held by Non-Controlling Unitholders

The ERES Units held by non-controlling unitholders were classified as equity on ERES's consolidated balance sheets but were classified as a liability on CAPREIT's consolidated balance sheets. ERES Units were redeemable at any time, in whole or in part, by the Unitholders. As at June 30, 2026, CAPREIT directly and indirectly holds 100% of the ERES Units and ERES Class B LP Units as a result of the closing of the ERES Transaction on May 1, 2026 (see note 1). Accordingly, non-controlling unitholders held no ownership of ERES as at June 30, 2026 (December 31, 2025 – 35%).

The table below summarizes the activity of ERES Units held by non-controlling unitholders for the six months ended June 30, 2026 and year ended December 31, 2025:

For the Period Ended	June 30, 2026	December 31, 2025
Balance of ERES Units held by non-controlling unitholders, beginning of the period	**$ 84,567**	$ 170,018
Mark-to-market loss (gain) on ERES Units	**14,095**	(87,391)
Interest expense to ERES non-controlling unitholders	**—**	5,157
Special interest expense to ERES non-controlling unitholders	**—**	121,890
Loss on non-controlling interest	**$ 14,095**	$ 39,656
Add: Settlement of ERES RURs	**—**	1,845
Less: Interest paid to ERES non-controlling unitholders[1]	**—**	(5,062)
Less: Special interest paid to ERES non-controlling unitholders[1]	**—**	(121,890)
Less: Purchase of ERES Units held by non-controlling unitholders[2]	**(98,662)**	—
Balance of ERES Units held by non-controlling unitholders, end of the period	**$ —**	$ 84,567

[1] Based on interest declared during the year ended December 31, 2025.
[2] See note 1 for further details about the ERES Transaction.

14. Unitholders' Equity

Normal Course Issuer Bid ("NCIB")

In March 2026, CAPREIT received acceptance from the Toronto Stock Exchange ("TSX") of its notice of intention to proceed with an NCIB ("2026-2027 NCIB"), following expiry of the previous NCIB on March 24, 2026 ("2025-2026 NCIB"). Any Trust Units purchased under the NCIB will be cancelled.

The table below summarizes the key details for the 2026-2027 NCIB.

	2026-2027 NCIB
Purchase limit on Trust Units[1]	**15,317,849**
Daily purchase limit on the TSX for Trust Units on any trading day[2]	**136,284**

[1] Represents approximately 10% of the public float of CAPREIT's Trust Units at the time of TSX approval, during the 12-month period commencing on March 25, 2026 and ending on March 24, 2027.
[2] Represents approximately 25% of 545,139 Trust Units, being the average daily TSX trading volume for the six calendar months preceding the start of the 2026-2027 NCIB.

The table below summarizes the NCIB activity for the three and six months ended June 30, 2026 and June 30, 2025. 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,**	
	2026	**2025**	**2026**	**2025**
Total cost of Trust Units purchased and cancelled under the NCIB[1]	**$ 30,525**	$ 146,361	**$ 59,535**	$ 171,865
Number of Trust Units purchased and cancelled under the NCIB	**857,623**	3,449,258	**1,646,283**	4,045,248
Weighted average purchase price per Trust Unit[1]	**$ 35.59**	$ 42.43	**$ 36.16**	$ 42.49

[1] For the three and six months ended June 30, 2026, the total cost presented and the weighted average purchase price per Trust Unit include commissions. This excludes a net aggregate amount of $564 and $1,096, 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, 2025 – $3,656 and $4,136, respectively).

15. 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 residents and miscellaneous revenues. Miscellaneous revenues consist of cable income, certain common area maintenance recoveries, service charges, and premium service components.

The table below summarizes the non-lease component earned from residents and miscellaneous revenues for the three and six months ended June 30, 2026 and June 30, 2025:

	Three Months Ended June 30,		**Six Months Ended June 30,**	
	2026	**2025**	**2026**	**2025**
Non-lease component earned from residents	**$ 42,414**	$ 41,607	**$ 92,519**	$ 93,271
Miscellaneous revenues	**4,603**	6,782	**9,452**	12,984

16. Other Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Interest income from VTB mortgages receivable	**$ 2,891**	$ 2,710	**$ 5,703**	$ 5,372
Interest income	**99**	229	**124**	1,569
Investment income	**221**	263	**512**	532
Total	**$ 3,211**	$ 3,202	**$ 6,339**	$ 7,473

17. Trust Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Trust expenses (excluding reorganization and retirement costs)	**$ (9,819)**	$ (12,762)	**$ (20,449)**	$ (25,253)
Reorganization and retirement costs	**(8,527)**	(2,027)	**(12,167)**	(6,114)
Total Trust expenses	**$ (18,346)**	$ (14,789)	**$ (32,616)**	$ (31,367)

18. Interest Expense on Debt and Other Financing Costs

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Contractual interest on mortgages payable[1][2]	**$ (43,695)**	$ (41,007)	**$ (86,100)**	$ (82,543)
Amortization of deferred financing costs and fair value adjustments on mortgages payable[2]	**(2,409)**	(2,417)	**(4,829)**	(4,867)
Amortization of CMHC premiums and fees on mortgages payable[2]	**(2,019)**	(1,529)	**(4,137)**	(3,068)
Contractual interest on Credit Facilities payable, net[1]	**(3,168)**	(1,017)	**(6,473)**	(1,783)
Amortization of deferred financing costs on Credit Facilities payable	**(140)**	(493)	**(244)**	(629)
Interest on land and air rights lease liability	**(463)**	(1,240)	**(927)**	(2,483)
Total	**$ (51,894)**	$ (47,703)	**$ (102,710)**	$ (95,373)

[1] Includes net CCIR and interest rate swap interest, offsetting contractual interest.
[2] Net of capitalized interest expense.

19. Fair Value Adjustments of Financial Instruments

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Fair value adjustments of Exchangeable LP Units	**$ 910**	$ (1,835)	**$ 2,875**	$ (2,480)
Fair value adjustments of investments	**486**	191	**511**	231
Fair value adjustments of derivative financial instruments	**1,996**	(14,510)	**9,993**	(27,459)
Unit-based compensation remeasurement gain (loss)	**246**	(333)	**1,658**	215
Fair value adjustments of financial instruments	**$ 3,638**	$ (16,487)	**$ 15,037**	$ (29,493)

20. Transaction Costs and Other Activities

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Transaction costs and other adjustments on dispositions, net	**$ (6,521)**	$ (1,395)	**$ (12,261)**	$ (10,341)
Amortization of PP&E and right-of-use asset	**(1,303)**	(1,558)	**(2,673)**	(3,105)
Enterprise resource planning implementation costs[1]	**(2,390)**	(1,892)	**(5,330)**	(3,303)
Other[2]	**(184)**	—	**(530)**	—
Total	**$ (10,398)**	$ (4,845)	**$ (20,794)**	$ (16,749)

[1] Includes licensing, consulting, and salaries and benefits.
[2] Consists of costs relating to the Dutch tax authority audits.

21. Supplemental Cash Flow Information

a) Other Adjustments

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Closing costs and other adjustments	**$ 6,521**	$ 1,395	**$ 12,261**	$ 10,341
Amortization of PP&E and right-of-use asset	**1,303**	1,558	**2,673**	3,105
Straight-line rent adjustment	**(768)**	(1,110)	**(1,592)**	(1,945)
Deferred income tax expense (recovery)	**(858)**	(3,237)	**(3,500)**	544
Unrealized foreign currency loss (gain)	**2,398**	(996)	**8,617**	1,170
Other adjustments	**$ 8,596**	$ (2,390)	**$ 18,459**	$ 13,215

b) Changes in Non-cash Operating Assets and Liabilities

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Prepaid expenses and other	**$ (24,829)**	$ (17,621)	**$ (29,061)**	$ (8,679)
Amounts receivable	**(905)**	1,043	**(1,468)**	(1,268)
Deposits	**(34)**	922	**(78)**	1,528
Accounts payable, accrued liabilities, and other	**1,992**	10,212	**(4,258)**	(11,107)
Derivative financial instruments	**8,366**	(4,860)	**5,410**	(6,493)
Security deposits	**(1,916)**	(644)	**(2,006)**	(1,342)
Current tax liability	**5,406**	(4,126)	**6,795**	3,423
Changes in non-cash operating assets and liabilities	**$ (11,920)**	$ (15,074)	**$ (24,666)**	$ (23,938)

c) Items Related to Financing Activities

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Interest expense on debt and other financing costs	**$ 51,894**	$ 47,703	**$ 102,710**	$ 95,373
Interest expense on Exchangeable LP Units	**560**	560	**1,120**	1,114
Interest expense to ERES non-controlling unitholders	**—**	1,945	**—**	3,818
Net loss on derecognition of debt	**342**	256	**470**	3,809
Items related to financing activities	**$ 52,796**	$ 50,464	**$ 104,300**	$ 104,114

d) Capital Investments

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Property capital investments (investment properties and assets held for sale) and other	**$ (53,124)**	$ (60,361)	**$ (101,844)**	$ (103,766)
Capitalized direct leasing costs	**(332)**	—	**(539)**	—
Capitalized interest expense	**201**	348	**401**	348
PP&E investments	**(648)**	(909)	**(1,683)**	(1,270)
Change in capital investments included in working capital and other	**2,887**	3,938	**1,126**	(2,814)
Net disbursements	**$ (51,016)**	$ (56,984)	**$ (102,539)**	$ (107,502)

e) Distributions Paid to Unitholders

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Distributions declared to Unitholders	**$ (59,165)**	$ (61,185)	**$ (118,691)**	$ (122,750)
Add: Distributions payable to Unitholders at beginning of the period	**(19,791)**	(20,700)	**(19,877)**	(20,068)
Less: Distributions payable to Unitholders at end of the period	**19,689**	20,266	**19,689**	20,266
Less: Distributions to participants in the CAPREIT Distribution Reinvestment Plan	**1,097**	1,194	**2,204**	2,608
Cash disbursements to Unitholders	**$ (58,170)**	$ (60,425)	**$ (116,675)**	$ (119,944)

f) Net Proceeds on Issuance of Trust Units

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Issuance of Trust Units	**$ 1,257**	$ 2,913	**$ 4,621**	$ 14,064
Settlement of unit-based compensation awards for Trust Units	**(667)**	(2,296)	**(3,525)**	(4,370)
Conversion of Exchangeable LP Units to Trust Units	**—**	—	**—**	(8,536)
Net proceeds	**$ 590**	$ 617	**$ 1,096**	$ 1,158

22. Related Party Transactions

Transactions with Key Management Personnel

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Cash compensation and short-term benefits	**$ (331)**	$ (1,387)	**$ (1,528)**	$ (2,708)
Unit-based compensation – amortization[(1)]	**(7,107)**	(1,609)	**(8,761)**	(3,142)
	(7,438)	(2,996)	**(10,289)**	(5,850)
Unit-based compensation – fair value remeasurement	**653**	490	**1,310**	557
Total compensation expense	**$ (6,785)**	$ (2,506)	**$ (8,979)**	$ (5,293)

(1) For the three and six months ended June 30, 2026, includes accelerated vesting of previously granted unit-based compensation.

23. Commitments and Contingencies

Property-related Commitments

Commitments primarily related to improvements and other expenditures in investment properties of $26,328 are outstanding as at June 30, 2026 (December 31, 2025 – $28,711).

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 $533 as at June 30, 2026 excludes an additional potential income tax liability of $16,798, which could be triggered upon the disposal of a specific asset in Europe. This incremental liability has not been recognized as it qualified for the initial recognition exemption under IAS 12, Income Taxes.

In April 2026, CAPREIT disposed of a European property for which a deferred income tax liability had not been previously recognized. Current income tax expense of $5,516 relating to the disposition of that asset was recorded upon disposition.

In addition, CAPREIT and its subsidiaries may, from time to time, have prior taxation years audited by tax authorities, and may be reassessed with additional tax as a result. To date, reassessments have been received in respect of certain Dutch subsidiaries. As at June 30, 2026, CAPREIT has recorded a total amount of $15,411 for the estimated impact related to Dutch tax authority audits, which was included in current income tax expense in the prior years ended December 31, 2025 and December 31, 2024. Subsequent to June 30, 2026, CAPREIT concluded a settlement agreement with the Dutch tax authority to resolve the audit matters.

24. Fair Value of Financial Instruments and Investment Properties

As at June 30, 2026, the fair value of CAPREIT's mortgages payable is estimated to be $5,748,704 (December 31, 2025 – $5,584,860). 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, 2026, the principal outstanding on CAPREIT's mortgages payable is $5,906,553 (December 31, 2025 – $5,779,191) as shown in note 8. As at June 30, 2026, the fair value of CAPREIT's credit facilities payable is estimated to approximate its total borrowings of $338,923 (December 31, 2025 – $332,024).

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, 2026 and December 31, 2025, 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, 2026	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	**$ —**	**$ —**	**$ 14,434,520**
Assets held for sale	**—**	**—**	**21,554**
Investments held at fair value through profit or loss ("FVTPL")	**1,413**	**—**	**—**
Investments held at fair value through other comprehensive income ("FVOCI")	**—**	**5,942**	**—**
Derivative financial assets	**—**	**6,282**	**—**
Liabilities			
Derivative financial liabilities	**—**	**(2,560)**	**—**
Unit-based compensation financial liabilities	**—**	**(29,270)**	**—**
Exchangeable LP Units	**—**	**(50,395)**	**—**

As at December 31, 2025	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	$ —	$ —	$ 14,732,478
Assets held for sale	—	—	141,392
Investments held at FVTPL	3,554	—	—
Investments held at FVOCI	—	14,212	—
Derivative financial assets	—	1,878	—
Liabilities			
Derivative financial liabilities	—	(2,739)	—
ERES Units held by non-controlling unitholders	—	(84,567)	—
Unit-based compensation financial liabilities	—	(23,828)	—
Exchangeable LP Units	—	(53,270)	—

Although CAPREIT has determined that the majority of the inputs used to value its derivatives fall 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, 2026 and December 31, 2025, 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, 2026 and December 31, 2025, there were no transfers between Level 1, Level 2, and Level 3 during the periods.

25. Subsequent Events

Subsequent to June 30, 2026, CAPREIT purchased and cancelled 339,087 Trust Units under the 2026-2027 NCIB, at a weighted average purchase price of $35.13 per Trust Unit, for a total cost of $11,911 (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."

[1] Member of the Human Resources and Compensation Committee.
[2] Member of the Investment Committee.
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