



CANADIAN APARTMENT
PROPERTIES • REIT



FINANCIAL REPORT

THREE MONTHS ENDED
MARCH 31, 2025

Q1



CANADIAN APARTMENT
PROPERTIES • REIT

May 8, 2025

Report to Unitholders

The past few months have seen the emergence of several new and developing trends which together are noticeably impacting the residential rental sector in Canada today. These are stemming from revisions to immigration targets affecting population growth rates and demand across the country, the temporary influx of new supply deliveries in certain markets, ongoing affordability pressures, shifting political landscapes and legislation as well as continuing changes to tariffs, amongst other moving pieces. This has, undoubtedly, required some internal adjustments to our strategies to adapt to this latest evolution of our operating environment, while externally, such uncertainties have created an overhang in the capital markets that is driving enhanced volatility. However, in an industry that is inherently cyclical, we highlight that this is yet another transitory phase which we are well-equipped to handle, as we have in the past. With this backdrop, I will provide a summary of our strategic, operational and financial results for the first quarter of 2025.

We are continuing to simplify our platform and focus on upgrading the quality of our Canadian apartment portfolio through a combination of repositioning initiatives and the strategic investment of our capital into property improvements. This year to date, we have closed on the disposition of 1,723 non-core suites and sites in Canada for aggregate gross proceeds of \$265 million, including one 717-suite portfolio which we sold for \$104 million to the City of Montréal's affordable housing initiative. We are securing prices that are at, or above, previously reported IFRS fair values at the time of negotiation, further substantiating our robust valuations process and conservative Net Asset Value (NAV). In the Netherlands, so far this year we have completed the sale of a total of 415 residential suites for combined consideration of \$135 million, and we have announced the upcoming disposition of an incremental 1,446 suites for gross proceeds, net of estimated adjustments, of approximately \$522 million, with closing expected in the third quarter of 2025. With this divestment, and our plans to launch a bid process for the sale of the remainder of the portfolio in Europe, whether in part or in full (as announced by European Residential REIT), we are excited to be making meaningful strides toward our objective of returning to our roots as a pure play Canadian apartment REIT.

Pursuant to our capital reallocation and portfolio repositioning strategies, we have reinvested \$137 million of net sale proceeds into the acquisition of three recently constructed rental properties. These contain a total of 383 residential suites located in strong, targeted Canadian cities in which CAPREIT is seeking to increase its exposure. The mid-market apartments were purchased at significant discounts to replacement cost, and at ages wherein they provide an ideal balance of embedded value and growth potential. This dynamic is the byproduct of a confluence of factors impacting developers in recent years, leading to a unique, limited pipeline of acquisition opportunities that has been fuelling an integral part of CAPREIT's high-grading strategy. Today, we are pleased to have recently constructed buildings represent 16% of our consolidated portfolio, an increasingly optimal allocation which supplements our high-quality legacy rental properties in Canada. This older, yet predominantly still core portfolio has accumulated a significant runway of mark-to-market potential over the years and accounts for the large majority of our asset base, providing for stability in our long-run rent growth profile. Going forward, we will continue to underwrite potential strategic acquisitions for as long as that opportunity exists, and insofar as it remains accretive.

As always, we will evaluate all options for capital deployment within the context of other alternative uses of liquidity, including the generation of enhanced returns through our Normal Course Issuer Bid (NCIB) program. In 2025, we have reinvested \$88 million of our net disposition proceeds to buy back CAPREIT's Trust Units at a weighted average purchase price of approximately \$42 per unit. This represents an average 25% discount to our NAV of \$56 per unit (diluted) as of March 31, 2025, which, as noted, we have been proving via the pricing of our non-core property sales. Through this program, we can effectively achieve higher returns by investing in our own portfolio, versus acquiring comparable assets in the private market, and in doing so, we are maximizing earnings for our Unitholders.

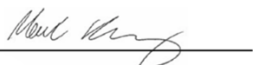
Moving on to an operational update, our Canadian total portfolio and same property residential occupancy was at 97.9% on March 31, 2025. Although this is down from 98.4% as of March 31, 2024, it has improved since December 31, 2024. This was a result of CAPREIT's vacancy mitigation strategies which we recalibrated in response to recent shifts in market dynamics, including refining and enhancing various marketing, incentive and retention initiatives, with a view to maintaining strong occupancies while optimizing revenue. Our Canadian residential occupied average monthly rent was \$1,656 as of

period end, representing a strong increase of 5.7% as compared to the same property portfolio on March 31, 2024. This reflects the sizeable mark-to-market built into our long-standing, diversified portfolio, that protects our rent growth profile against the effects of shorter-term market swings. In summation, overall same property operating revenues were up by 4.3% for the current quarter as compared to the prior year period.

On the expense side, property operating costs were up by 7.2% on the same property portfolio. As a percentage of operating revenues, this represents an increase of approximately 100 basis points. Reasons for this variance include elevated repairs and maintenance costs largely arising from weather-related expenses incurred this past winter season, primarily in Ontario and Québec. Colder weather also drove up electricity and natural gas costs due to increased consumption, which was compounded by increased natural gas prices in these two provinces. In addition, the quarter experienced higher bad debt and advertising costs associated with changes in the rental marketplace, to which CAPREIT has been proactively responding, as described. As a result, CAPREIT's same property NOI margin was down to 62.3% for the three months ended March 31, 2025, which compares to 63.3% in the prior year period. Our FFO per unit (diluted) likewise decreased by 3.9% to \$0.585 for the current quarter, due to lower NOI predominantly from net disposition activity, partly offset by lower interest expense on credit facilities, reduced overhead costs (excluding reorganization costs) and accretive Trust Unit repurchases and cancellations under our NCIB program.

One of our key priorities has been the reinforcement of our financial position, and today we are proud to have one of the strongest balance sheets in our peer universe. Our total debt to gross book value ratio is low at 37.7% and we have nearly \$200 million in immediately accessible borrowing capacity on our Acquisition and Operating Facility as of period end. We have also optimized our mortgage financings in Canada, which carry a weighted average effective interest rate of 3.2% per annum for a weighted average term to maturity of approximately five years as of March 31, 2025. This conservative and flexible financial structure supports our ability to execute on our strategic objectives, all of which revolve around the primary goal of boosting cash flow generation, and ultimately growing Unitholder returns.

As a testament to our performance on that front to date, as well as our confidence in the future, this past quarter we were pleased to have increased our monthly distribution by another 3% to \$1.55 per Trust Unit annualized, which was effective for our February 2025 distribution, paid in March 2025. Although the past few months have been subject to some turbulence, the pillars of our business remain strong, and the long-term fundamentals of the residential rental industry in Canada are robust. With these healthy fundamentals in view, we continue to work towards improving our operational and financial results throughout the remainder of 2025.



Mark Kenney
President and Chief Executive Officer



CANADIAN APARTMENT
PROPERTIES • REIT

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE THREE MONTHS ENDED
MARCH 31, 2025

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SECTION I: OVERVIEW AND DISCLAIMER

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("MD&A") of Canadian Apartment Properties Real Estate Investment Trust's ("CAPREIT") results of operations and financial condition for the three months ended March 31, 2025 and March 31, 2024, dated May 8, 2025, should be read in conjunction with CAPREIT's unaudited condensed consolidated interim financial statements for the three months ended March 31, 2025 and consolidated annual financial statements for the year ended December 31, 2024. CAPREIT and its subsidiaries are collectively referred to as "CAPREIT" in the MD&A. The results reported in CAPREIT's MD&A are on a consolidated basis including the full results of any subsidiaries. Information contained on CAPREIT's website or in other documents referred to in this MD&A is not incorporated by reference into, and should not be considered part of, this MD&A unless expressly stated otherwise. Additional information about CAPREIT, including the most recently filed Annual Information Form ("AIF"), is available on SEDAR+ at www.sedarplus.ca.

FORWARD-LOOKING DISCLAIMER

Certain statements contained in this MD&A and Report to Unitholders constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information may relate to CAPREIT's future outlook and anticipated events or results and may include statements regarding the future financial position, business strategy, budgets, litigation, occupancy rates, rental rates, productivity, projected costs, capital investments, development and development opportunities, financial results, taxes, plans and objectives of, or involving, CAPREIT. Particularly, statements regarding CAPREIT's future results, performance, achievements, prospects, costs, opportunities and financial outlook, including those relating to acquisition, disposition and capital investment strategies and the real estate industry generally, are forward-looking statements. In some cases, forward-looking information can be identified by terms such as "may", "will", "would", "should", "could", "likely", "expect", "plan", "anticipate", "believe", "intend", "estimate", "forecast", "predict", "potential", "project", "budget", "continue" or the negative thereof, or other similar expressions concerning matters that are not historical facts. Forward-looking statements are based on certain factors and assumptions regarding expected growth, results of operations, performance, and business prospects and opportunities. In addition, certain specific assumptions were made in preparing forward-looking information, including: that the Canadian and Dutch economies will generally experience growth, which, however, may be adversely impacted by the geopolitical risks, global economy, inflation and elevated interest rates, potential health crises and their direct or indirect impacts on the business of CAPREIT, including CAPREIT's ability to enforce leases, perform capital expenditure work, increase rents and apply for above guideline increases ("AGIs"), obtain financings at favourable interest rates; that Canada Mortgage and Housing Corporation ("CMHC") mortgage insurance will continue to be available and that a sufficient number of lenders will participate in the CMHC-insured mortgage program to ensure competitive rates; that the Canadian capital markets will continue to provide CAPREIT with access to equity and/or debt at reasonable rates; that vacancy rates for CAPREIT properties will be consistent with historical norms; that rental rates on renewals will grow; that rental rates on turnovers will grow; that the difference between in-place and market-based rents will be reduced upon such turnovers and renewals; that CAPREIT will effectively manage price pressures relating to its energy usage; and, with respect to CAPREIT's financial outlook regarding capital investments, assumptions respecting projected costs of construction and materials, availability of trades, the cost and availability of financing, CAPREIT's investment priorities, the properties in which investments will be made, the composition of the property portfolio and the projected return on investment in respect of specific capital investments. Although the forward-looking statements contained in this MD&A and Report to Unitholders are based on assumptions and information that is currently available to management, which are subject to change, management believes these statements have been prepared on a reasonable basis, reflecting CAPREIT's best estimates and judgements. However, there can be no assurance actual results, terms or timing will be consistent with these forward-looking statements, and they may prove to be incorrect. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond CAPREIT's control, that may cause CAPREIT's or the industry's actual results, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, risks related to: rent control and residential tenancy regulations, general economic conditions, privacy, cyber security and data governance risks, availability and cost of debt, acquisitions and dispositions, leasing risk, valuation risk, liquidity

and price volatility of units of CAPREIT ("Trust Units"), catastrophic events, climate change, taxation-related risks, energy costs, environmental matters, vendor management and third-party service providers, operating risk, talent management and human resources shortages, public health crises, other regulatory compliance risks, litigation risk, CAPREIT's investment in European Residential Real Estate Investment Trust ("ERES"), potential conflicts of interest, investment restrictions, lack of diversification of investment assets, geographic concentration, illiquidity of real property, capital investments, dependence on key personnel, property development, adequacy of insurance and captive insurance, competition for residents, controls over disclosures and financial reporting, the nature of Trust Units, dilution, distributions and foreign operation and currency risks. There can be no assurance that the expectations of CAPREIT's management will prove to be correct. For a detailed discussion of risk factors, refer to Risks and Uncertainties in Section VII of the 2024 Annual MD&A. Subject to applicable law, CAPREIT does not undertake any obligation to publicly update or revise any forward-looking information.

NON-IFRS MEASURES

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

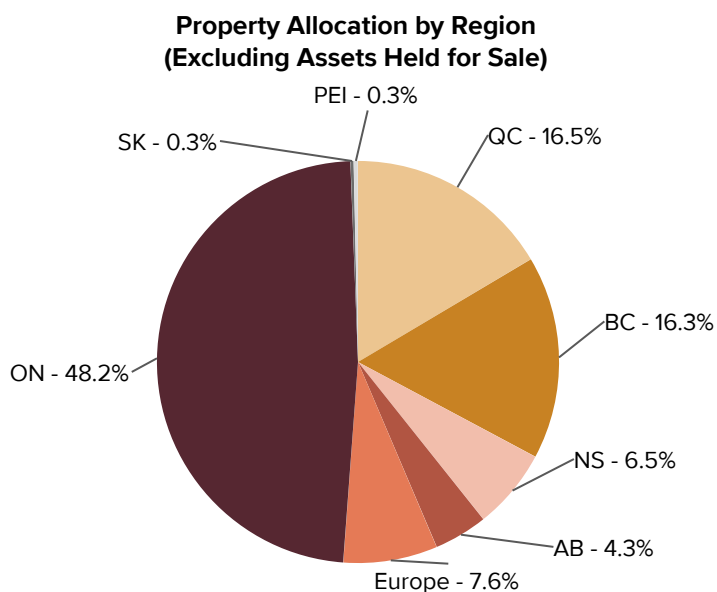
OVERVIEW

CAPREIT is Canada's largest publicly-traded provider of quality rental housing. CAPREIT owns approximately 46,800 residential apartment suites and townhomes (excluding approximately 400 sites classified as assets held for sale), that are well-located across Canada and the Netherlands as of March 31, 2025.

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

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

The following chart shows the investment properties allocation by region based on the fair value of CAPREIT's investment properties (excluding assets held for sale) as at March 31, 2025. For a detailed discussion of CAPREIT's investment properties, refer to Section IV under Investment Properties.



PROPERTY PORTFOLIO

Types of Property Interests

CAPREIT's investments in its property portfolio reflect different forms of property interests, including: Apartments and Townhomes, Operating Leasehold Interests, Land Leasehold Interests and manufactured home community ("MHC") sites (currently classified as assets held for sale).

Portfolio Diversification

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

Portfolio by Geography

As at	March 31, 2025		December 31, 2024		March 31, 2024	
Residential Suites	Number of Suites	% ⁽¹⁾	Number of Suites	% ⁽¹⁾	Number of Suites	% ⁽¹⁾
Ontario						
Greater Toronto Area	16,247	34.3	16,582	34.0	17,139	26.7
London / Kitchener / Waterloo	4,105	8.7	4,104	8.4	4,099	6.4
Ottawa	1,683	3.6	1,683	3.5	1,485	2.3
	22,035	46.6	22,369	45.9	22,723	35.4
Québec						
Greater Montréal Region	7,231	15.3	7,948	16.3	7,695	12.0
Québec City	2,245	4.8	2,245	4.6	2,459	3.8
	9,476	20.1	10,193	20.9	10,154	15.8
British Columbia						
Greater Vancouver Area	4,089	8.7	4,048	8.3	3,934	6.1
Victoria and Other British Columbia	2,133	4.5	2,133	4.4	2,133	3.3
	6,222	13.2	6,181	12.7	6,067	9.4
Nova Scotia						
Halifax	3,408	7.2	3,408	7.0	3,340	5.2
Alberta						
Calgary	1,512	3.2	1,512	3.1	1,512	2.4
Edmonton	1,115	2.4	875	1.8	697	1.1
	2,627	5.6	2,387	4.9	2,209	3.5
Prince Edward Island						
Charlottetown	244	0.5	382	0.8	424	0.7
Saskatchewan						
Regina	234	0.5	234	0.5	234	0.4
Total Canadian residential suites	44,246	93.7	45,154	92.7	45,151	70.4
MHC Sites						
Total MHC sites	357	0.8	533	1.1	12,138	18.9
Total Canadian portfolio ⁽²⁾	44,603	94.5	45,687	93.8	57,289	89.3
Europe						
The Netherlands residential portfolio ⁽³⁾	2,594	5.5	3,009	6.2	6,862	10.7
Total portfolio	47,197	100.0	48,696	100.0	64,151	100.0

⁽¹⁾ Represents percentage of the portfolio by number of suites and sites.

⁽²⁾ As at March 31, 2025, includes 357 sites classified as assets held for sale in Canada (December 31, 2024 – 1,492 suites and sites, March 31, 2024 – 79 suites).

⁽³⁾ As at March 31, 2025, includes nil suites classified as assets held for sale in Europe (December 31, 2024 – 311, March 31, 2024 – nil).

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

OBJECTIVES AND BUSINESS STRATEGY

CAPREIT's objectives are to:

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

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

<p>Customer Service</p>	<p>CAPREIT is focused on people. We strive to be the housing provider of choice by providing residents with a safe, comfortable and enjoyable living environment. CAPREIT takes a hands-on approach to managing its properties, emphasizing open and frequent communications to ensure residents' needs are met, with the objective of maintaining a high level of resident satisfaction as well as increasing and maintaining occupancy. Numerous initiatives and partnerships, such as newsletters, social events, resident gardens, resident committees and more, are aimed at building a true sense of community. CAPREIT's sales, marketing and customer experience teams continue to execute on strategies to help attract and retain residents and adapt to changing conditions in each of its local markets. Additionally, the Resident Portal enhances service transparency, facilitates seamless communication, and streamlines maintenance requests, ensuring residents have access to the resources they need. CAPREIT also monitors resident satisfaction through annual surveys, community conversations, and real-time feedback channels, allowing for continuous improvement. These efforts, combined with CAPREIT's lease administration system, improve control of rent-setting by suite, increase resident service and enhance the overall profile and satisfaction of its resident base.</p>
<p>Cost Management</p>	<p>While ensuring the needs of its residents are met, CAPREIT also carefully monitors operating costs in order to deliver services to residents both efficiently and cost-effectively. CAPREIT strives to capture potential economies of scale and cost synergies generated by the size and geographic allocation of its property portfolio. CAPREIT's enterprise-wide procurement system streamlines and centralizes purchasing controls, policies and procedures and is obtaining the most economical pricing through competitive sourcing contracts, improved pricing and enhanced operating efficiencies.</p>

Optimizing the Portfolio

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

Capital Investments

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

Environmental, Social and Governance ("ESG")

CAPREIT continues to review and refine its multi-year ESG strategy, and maintain alignment with its corporate vision. CAPREIT's overarching commitments include ensuring that its buildings and services meet the highest standards achievable; fostering a culture where diversity, equity and inclusion are foundational; and ultimately integrating ESG into all aspects of CAPREIT's business and throughout all levels of its organization, supported by strong corporate governance and comprehensive ESG disclosures. These commitments allow CAPREIT to better demonstrate its environmental responsibility; attract and retain the best people in the business in which it operates; build and maintain strong relationships with its residents and the communities in which they live; adopt best practice programs in corporate governance; monitor its progress on ESG priorities; and maintain open and transparent communication with investors and other stakeholders. For more information on CAPREIT's ESG strategy, see the 2023 ESG Report that was issued in June 2024.

Financial Management

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

SECTION II: PORTFOLIO OVERVIEW

KEY PERFORMANCE INDICATORS

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

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

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

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

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

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

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

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

PERFORMANCE MEASURES

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

As at	March 31, 2025	December 31, 2024	March 31, 2024
Total Portfolio Performance and Other Measures			
Number of suites and sites ⁽¹⁾	47,197	48,696	64,151
Investment properties ⁽²⁾ (000s)	\$ 14,941,512	\$ 14,868,362	\$ 16,695,616
Assets held for sale (000s)	\$ 12,500	\$ 307,460	\$ 33,000
Occupied AMR⁽¹⁾			
Canadian Residential Portfolio ⁽³⁾	\$ 1,677	\$ 1,636	\$ 1,552
The Netherlands Residential Portfolio	€ 1,248	€ 1,222	€ 1,068
Occupancy⁽¹⁾			
Canadian Residential Portfolio ⁽³⁾	97.9 %	97.5 %	98.4 %
The Netherlands Residential Portfolio	93.6 %	94.6 %	98.5 %
Total Portfolio ⁽⁴⁾	97.6 %	97.2 %	98.0 %

⁽¹⁾ As at March 31, 2025, includes 357 sites classified as assets held for sale in Canada (December 31, 2024 – 1,803 suites and sites in Canada and Europe, March 31, 2024 – 79 suites in Canada), but excludes commercial suites.

⁽²⁾ Investment properties exclude assets held for sale.

⁽³⁾ Excludes MHC sites.

⁽⁴⁾ Includes MHC sites.

For the Three Months Ended March 31,	2025	2024
Financial Performance		
Operating revenues (000s)	\$ 253,311	\$ 275,816
NOI (000s)	\$ 158,019	\$ 177,049
NOI margin	62.4 %	64.2 %
Same property NOI (000s)	\$ 149,165	\$ 145,330
Same property NOI margin	62.3 %	63.3 %
Net income (000s)	\$ 7,985	\$ 182,113
FFO per unit – diluted ⁽¹⁾	\$ 0.585	\$ 0.609
Distributions per unit	\$ 0.383	\$ 0.362
FFO payout ratio ⁽¹⁾	65.4 %	59.5 %

⁽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	March 31, 2025	December 31, 2024	March 31, 2024
Financing Metrics and Liquidity			
Total debt to gross book value ⁽¹⁾	37.7%	38.4%	41.8%
Weighted average mortgage effective interest rate ⁽²⁾	3.16%	3.11%	2.84%
Weighted average mortgage term (years) ⁽²⁾	4.7	4.8	4.7
Debt service coverage ratio (times) ⁽¹⁾⁽³⁾	1.9x	1.9x	1.8x
Interest coverage ratio (times) ⁽¹⁾⁽³⁾	3.3x	3.3x	3.3x
Cash and cash equivalents (000s) ⁽⁴⁾	\$ 118,989	\$ 136,243	\$ 58,495
Available borrowing capacity – Acquisition and Operating Facility (000s) ⁽⁵⁾	\$ 195,572	\$ 500,292	\$ 254,657
Capital			
Unitholders' equity (000s)	\$ 8,989,395	\$ 9,027,312	\$ 9,374,475
Net asset value (000s) ⁽¹⁾	\$ 9,032,079	\$ 9,042,068	\$ 9,287,633
Total number of units – diluted (000s) ⁽⁶⁾	162,562	162,927	169,501
Net asset value per unit – diluted ⁽¹⁾	\$ 55.56	\$ 55.50	\$ 54.79

⁽¹⁾ This measure is not defined by IFRS, does not have standard meaning and may not be comparable with other industries or companies (see Section I – Non-IFRS Measures). For a reconciliation to IFRS, see Section VI – Non-IFRS Measures.

⁽²⁾ Excludes liabilities related to assets held for sale, as applicable.

⁽³⁾ Based on the trailing four quarters.

⁽⁴⁾ Consists of \$106,521 and \$12,468 in Canada and Europe, respectively (December 31, 2024 – \$122,941 and \$13,302, respectively, March 31, 2024 – \$37,331 and \$21,164, respectively).

⁽⁵⁾ Excludes an accordion option of \$400,000 (December 31, 2024 – \$200,000, March 31, 2024 – \$200,000).

⁽⁶⁾ Consists of Trust Units, which are classified as Unitholders' Equity, as well as Exchangeable LP Units, deferred units ("DUs"), restricted unit rights ("RURs") and performance unit rights ("PURs"), which are classified as liabilities. See Section VI – Unit Calculations, Distributions, Non-IFRS Measures and Other Information for details.

SUMMARY OF Q1 2025 RESULTS OF OPERATIONS

Strategic Initiatives Update

- CAPREIT continues to invest in strategic opportunities that are accretive. For the three months ended March 31, 2025, CAPREIT acquired two properties with 281 suites in Canada for a total gross purchase price of \$97.6 million (excluding transaction costs and other adjustments).
- For the three months ended March 31, 2025, CAPREIT disposed of 1,190 suites, which were comprised of four non-core portfolios located in Canada; an MHC property with 176 sites located in Medicine Hat, Alberta; an office property located in Montréal, Québec; and 10 residential properties in the Netherlands with 415 suites. The gross sale price was \$388.0 million, consisting of \$252.6 million in Canada and \$135.4 million in Europe (excluding transaction costs and other adjustments). CAPREIT is currently targeting the disposition of approximately \$400 million of non-core Canadian properties in 2025.
- In March 2025, CAPREIT received the TSX's acceptance of its notice to proceed with a normal course issuer bid ("NCIB"), following expiry of the previous NCIB on March 24, 2025, ("2025-2026 NCIB"). During the three months ended March 31, 2025, CAPREIT purchased and cancelled approximately 0.6 million of Trust Units, under the NCIB program, at a weighted average purchase price of \$42.79 per Trust Unit, for a total cost of \$25.5 million (excluding the federal 2% tax on repurchases of Trust Units).
- On February 13, 2025, the Board of Trustees approved an increase in monthly distributions from \$0.125 to \$0.1292 per Trust Unit, or from \$1.50 to \$1.55 per Trust Unit on an annualized basis. The increase is effective with the February 2025 distribution payable on March 17, 2025 to Unitholders of record as at February 28, 2025.

Operating Results

- On turnovers and renewals, monthly residential rents for the three months ended March 31, 2025 increased by 3.4% for the Canadian residential portfolio, compared to 4.1% for the three months ended March 31, 2024.
- Same property Occupied AMR for the Canadian residential portfolio as at March 31, 2025 increased by 5.7% compared to March 31, 2024, while same property occupancy for the Canadian residential portfolio decreased to 97.9% (March 31, 2024 - 98.4%).
- NOI for the same property portfolio increased by 2.6% for the three months ended March 31, 2025 compared to the same period last year. Additionally, NOI margin for the same property portfolio decreased to 62.3%, down 1.0%, for the three months ended March 31, 2025 compared to the same period last year.
- Diluted FFO per unit was down 3.9% for the three months ended March 31, 2025, compared to the same period last year, primarily due to lost NOI from disposed properties, partially offset by additional NOI from acquired properties, lower interest expense on credit facilities, and lower trust expenses (excluding reorganization costs).

Balance Sheet Highlights

- As at March 31, 2025, CAPREIT's financial position remains strong, with approximately \$302.1 million of available Canadian liquidity, comprising \$106.5 million of Canadian cash and cash equivalents and \$195.6 million of available capacity on its Acquisition and Operating Facility, excluding the \$400 million accordion option.
- To date, CAPREIT completed financings totalling \$68.7 million, with a weighted average term to maturity of 5.0 years and a weighted average interest rate of 3.58% per annum.
- For the three months ended March 31, 2025 the overall carrying value of investment properties (excluding assets held for sale) increased by \$73.2 million primarily due to acquisitions of \$99.0 million, foreign currency translation adjustment of \$46.7 million, and property capital investments of \$43.6 million, which were partially offset by dispositions of \$91.5 million and fair value loss of \$24.6 million.
- Diluted NAV per unit as at March 31, 2025 increased slightly to \$55.56 from \$55.50 as at December 31, 2024, primarily reflecting a decrease in the number of diluted units and stable NAV during Q1 2025.

Subsequent Events

- On April 2, 2025, CAPREIT announced that a subsidiary of ERES has entered into an agreement to sell entities owning 1,446 residential suites in the Netherlands for gross proceeds, net of estimated adjustments, of approximately \$522.0 million. The proceeds will be paid in cash, with a portion to be used to repay associated mortgage principal outstanding and amounts outstanding on the ERES Credit Facility. Remaining net proceeds will be used for the payment of a special cash distribution of an estimated €0.80 per ERES Unit and ERES Class B LP Unit. Subject to the receipt of any regulatory approvals and satisfaction of closing conditions, the announced disposition is anticipated to close between early August and mid-September 2025.
- Furthermore, ERES is currently working with its financial and real estate advisors in connection with the launch of a bid process for the balance of the ERES portfolio, whether in part or in full. Proposals are expected to be received in the third quarter of 2025, and the ERES Board, with assistance from its advisors, will determine which proposal(s), if any, achieve the objective of uncovering the maximum value of ERES's remaining portfolio, and distributing the proceeds, net of wind-up costs, to ERES's unitholders.

- Subsequent to March 31, 2025, up to and including May 8, 2025, CAPREIT purchased and cancelled 1.5 million Trust Units under the 2025-2026 NCIB, at a weighted average purchase price of \$41.35 per Trust Unit, for a total cost of \$62.0 million (excluding the federal 2% tax on repurchases of Trust Units). These purchases were funded by cash on hand as at March 31, 2025.
- On April 11, 2025, CAPREIT acquired an additional 102 suites in Montréal, Québec for a total gross purchase price of \$39.7 million (excluding transaction costs and other adjustments).
- On April 15, 2025, CAPREIT disposed of an additional 357 MHC sites in Moncton, New Brunswick for a total gross sale price of \$12.5 million (excluding transaction costs and other adjustments). This disposition represents the last MHC property that was previously owned by CAPREIT and that was classified as assets held for sale as at March 31, 2025.

SECTION III: OPERATIONAL AND FINANCIAL RESULTS

OCCUPIED AVERAGE MONTHLY RENTS AND OCCUPANCY

Occupied AMR is defined as actual residential rents divided by the total number of occupied suites or sites in the property, and does not include revenues from parking, laundry or other sources. Same property Occupied AMR and occupancy include all properties held as at March 31, 2024, but exclude properties disposed of or held for sale as at March 31, 2025.

Occupied AMR and Occupancy by Geography

As at March 31,	Total Portfolio ⁽¹⁾				Same Property			
	2025		2024		2025		2024	
	Occupied AMR	Occ. %	Occupied AMR	Occ. %	Occupied AMR	Occ. %	Occupied AMR	Occ. %
Residential Suites								
Ontario								
Greater Toronto Area	\$ 1,817	98.9	\$ 1,725	99.0	\$ 1,810	98.9	\$ 1,730	99.0
London / Kitchener / Waterloo	1,414	99.0	1,343	98.5	1,414	99.0	1,343	98.5
Ottawa	1,977	99.4	1,818	99.9	1,903	99.5	1,818	99.9
	\$ 1,754	99.0	\$ 1,663	99.0	\$ 1,742	99.0	\$ 1,664	99.0
Québec								
Greater Montréal Region	\$ 1,389	96.9	\$ 1,240	97.4	\$ 1,373	96.8	\$ 1,284	97.3
Québec City	1,403	97.3	1,297	97.7	1,403	97.3	1,324	97.6
	\$ 1,392	97.0	\$ 1,254	97.4	\$ 1,381	97.0	\$ 1,294	97.4
British Columbia								
Greater Vancouver Area	\$ 1,968	97.1	\$ 1,771	98.9	\$ 1,880	97.1	\$ 1,768	98.9
Victoria and Other British Columbia	1,722	97.0	1,637	98.0	1,722	97.0	1,637	98.0
	\$ 1,884	97.1	\$ 1,724	98.6	\$ 1,824	97.0	\$ 1,722	98.6
Nova Scotia								
Halifax	\$ 1,664	96.6	\$ 1,533	98.2	\$ 1,653	96.6	\$ 1,533	98.2
Alberta								
Calgary	\$ 1,553	97.9	\$ 1,394	98.3	\$ 1,553	97.9	\$ 1,394	98.3
Edmonton	1,702	95.3	1,417	95.3	1,520	94.4	1,417	95.3
	\$ 1,615	96.8	\$ 1,401	97.3	\$ 1,543	96.8	\$ 1,401	97.3
Prince Edward Island								
Charlottetown	\$ 1,433	96.7	\$ 1,298	99.8	\$ 1,433	96.7	\$ 1,402	99.6
Saskatchewan								
Regina	\$ 1,382	93.6	\$ 1,258	96.6	\$ 1,382	93.6	\$ 1,258	96.6
Total Canadian residential suites	\$ 1,677	97.9	\$ 1,552	98.4	\$ 1,656	97.9	\$ 1,566	98.4
MHC Sites								
Total MHC sites	\$ 358	84.0	\$ 447	95.9	\$ —	—	\$ —	—
Total Canadian portfolio	\$ 1,668	97.8	\$ 1,323	97.9	\$ 1,656	97.9	\$ 1,566	98.4
Europe								
The Netherlands residential portfolio	€ 1,248	93.6	€ 1,068	98.5	€ 1,248	93.6	€ 1,175	99.0
Total portfolio		97.6		98.0		97.7		98.5

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

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

Occupancy for the total portfolio as at March 31, 2025 decreased by 0.4% to 97.6% compared to March 31, 2024. Occupancy for the total Canadian residential portfolio as at March 31, 2025 decreased by 0.5% to 97.9% compared to March 31, 2024. CAPREIT views this as a transitory vacancy trend influenced by a shift in the residential market dynamics. As part of CAPREIT's strategic approach, CAPREIT aims to manage vacancies in high-demand and high-velocity markets in order to grow Occupied AMR to align with prevailing market conditions. Occupancy for the Netherlands total portfolio as at March 31, 2025 decreased by 4.9% to 93.6% compared to March 31, 2024, predominantly related to suites held vacant for dispositions.

The weighted average gross rent per square foot for total Canadian residential suites was approximately \$1.99 as at March 31, 2025 and increased from \$1.83 as at March 31, 2024.

Annual Rental Guidelines as per Rental Board

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

	2025 ⁽¹⁾	2024 ⁽²⁾
Ontario	2.5%	2.5%
British Columbia	3.0%	3.5%

⁽¹⁾ Ontario has capped the rental guideline increase at 2.5%, below the rate of inflation at the time of announcement. Without the cap, the rental guideline increase would have been calculated to be 3.1%, based on the average Ontario Consumer Price Index at the time of announcement of the 2025 annual rental guideline. British Columbia has capped the rental guideline increase at 3.0%, in line with the British Columbia Price Index at the time of announcement of the 2025 annual rental guideline.

⁽²⁾ Ontario and British Columbia have capped the rental guideline increases at 2.5% and 3.5%, respectively, below rates of inflation at the time of the announcements. Without the cap, the rental guideline increases would have been calculated to be 5.9% and 5.6%, respectively, based on the average Ontario and British Columbia Consumer Price Indices at the time of announcement of the 2024 annual rental guidelines.

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

Suite Turnovers and Lease Renewals – Total Residential Portfolio

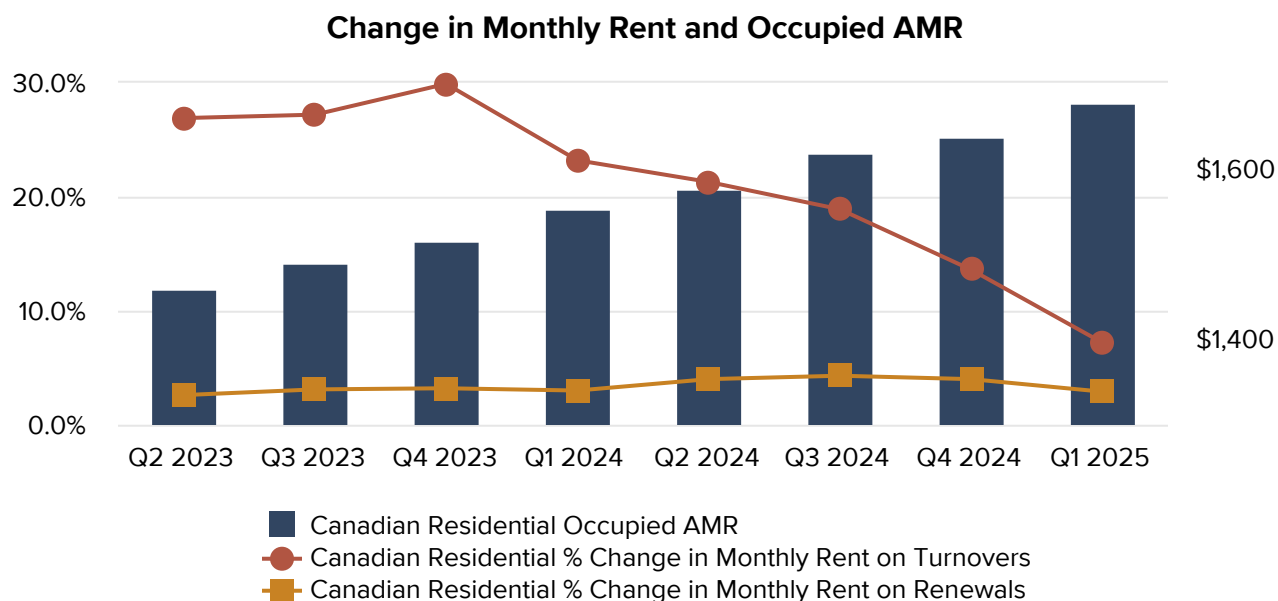
The tables below summarize the changes in the monthly rent due to suite turnovers and lease renewals compared to the prior year.

Canadian Residential Portfolio

For the Three Months Ended March 31,	2025		2024	
	Change in Monthly Rent	Turnovers and Renewals of Suites ⁽¹⁾	Change in Monthly Rent	Turnovers and Renewals of Suites ⁽¹⁾
	%	%	%	%
Suite turnovers	7.2	3.9	23.2	2.4
Lease renewals	2.9	41.8	3.0	45.0
Weighted average of turnovers and renewals	3.4		4.1	

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

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



The Netherlands Residential Portfolio

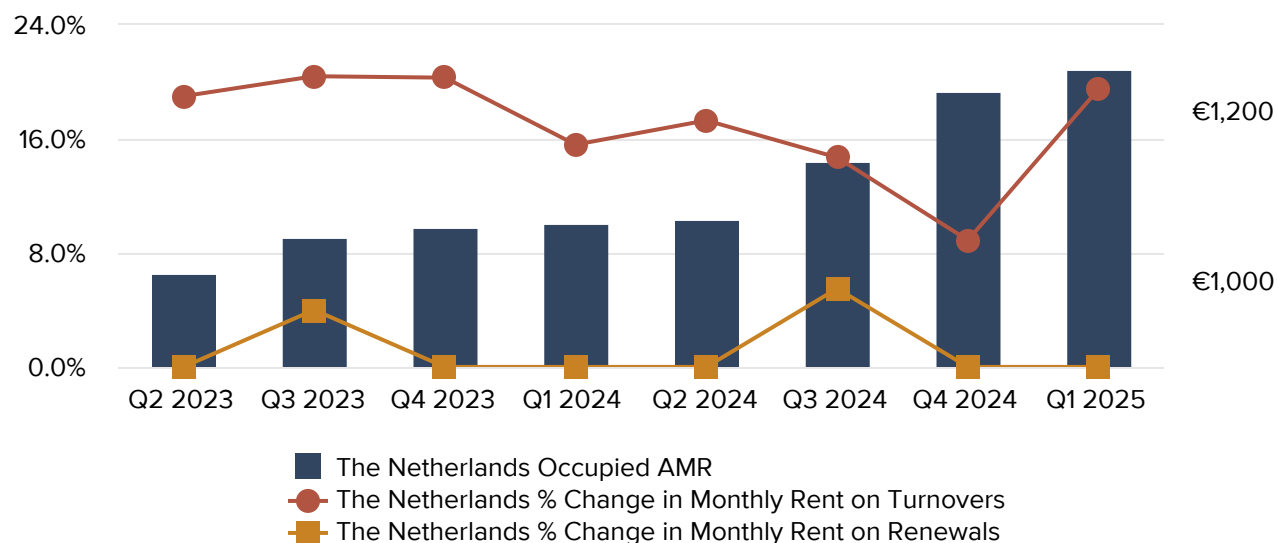
For the Three Months Ended March 31,	2025		2024	
	Change in Monthly Rent	Turnovers and Renewals of Suites ⁽¹⁾	Change in Monthly Rent	Turnovers and Renewals of Suites ⁽¹⁾
	%	%	%	%
Suite turnovers ⁽²⁾	19.5	1.3	15.6	3.1
Lease renewals	—	—	—	—
Weighted average of turnovers and renewals	19.5		15.6	

⁽¹⁾ Percentage of suites turned over during the period is based on the total weighted average number of the Netherlands residential suites held during the period.

⁽²⁾ On turnover, rents increased by 19.5% on 1.4% of the Netherlands same property residential portfolio for the three months ended March 31, 2025 compared to an increase of 17.6% on 3.7% of the Netherlands same property residential portfolio for the three months ended March 31, 2024. Same property residential portfolio for turnover purposes includes all properties continuously owned since December 31, 2023, and excludes properties and suites disposed of as at March 31, 2025.

As the Netherlands lease renewals occur once a year in July, there were no changes in lease renewals for the three months ended March 31, 2025 and March 31, 2024. For rent renewal increases due to indexation beginning on July 1, 2025, ERES served tenant notices to 85% of the residential portfolio, across which the average rental increase due to indexation and household income adjustment is 4.0%. In the prior year period, ERES renewed leases for 94% of the residential portfolio, across which the average rental increase due to indexation and household income adjustment was 5.5%.

Change in monthly rent on suite turnovers continues to remain strong while lease renewals show moderate increases during the annual renewal month. The following graph illustrates the change in monthly rent on turnovers and renewals, as well as Occupied AMR, for the trailing eight quarters.

Change in Monthly Rent and Occupied AMR

Tenant Inducements and Expected Credit Losses – Total Portfolio

(\$ Thousands)

For the Three Months Ended March 31,	2025	%⁽¹⁾	2024	%⁽¹⁾
New tenant inducements granted – residential	\$ 4,084		\$ 381	
New tenant inducements granted – commercial	67		6	
Total new tenant inducements granted	\$ 4,151		\$ 387	
Tenant inducements amortized	\$ 1,352	0.5	\$ 373	0.1
Expected credit losses	\$ 2,067	0.8	\$ 1,413	0.5

⁽¹⁾ As a percentage of total operating revenues.

For the three months ended March 31, 2025, both tenant inducements granted and expected credit losses increased compared to the prior period. This increase is observed across multiple regions, with the highest increases in Ontario and British Columbia. The elevated tenant inducements are a strategic move to stabilize occupancy and remain competitive in the market. Similarly, the rise in expected credit losses is primarily due to various tenant-related factors. CAPREIT continues to monitor these trends closely and is implementing measures to mitigate their impact.

RESULTS OF OPERATIONS

The table below summarizes revenue from investment properties by region for the three months ended March 31, 2025 and March 31, 2024. Revenue is composed of residential, commercial and ancillary revenue.

Total Operating Revenues by Geography

For the Three Months Ended March 31, (\$ Thousands)	2025		2024	
	Revenue	%	Revenue	%
Residential Suites				
Ontario				
Greater Toronto Area	\$ 94,529	37.5	\$ 94,417	34.3
London / Kitchener / Waterloo	17,799	7.0	15,036	5.5
Ottawa	10,117	4.0	8,288	3.0
	\$ 122,445	48.5	\$ 117,741	42.8
Québec				
Greater Montréal Region	\$ 33,523	13.2	\$ 31,949	11.6
Québec City	10,224	4.0	10,812	3.9
	\$ 43,747	17.2	\$ 42,761	15.5
British Columbia				
Greater Vancouver Area	\$ 24,279	9.6	\$ 22,233	8.1
Victoria and Other British Columbia	11,515	4.5	11,113	4.0
	\$ 35,794	14.1	\$ 33,346	12.1
Nova Scotia				
Halifax	\$ 17,387	6.9	\$ 16,220	5.9
Alberta				
Calgary	\$ 8,178	3.2	\$ 7,560	2.7
Edmonton	5,416	2.1	3,170	1.1
	\$ 13,594	5.3	\$ 10,730	3.8
Prince Edward Island				
Charlottetown	\$ 1,133	0.4	\$ 1,652	0.6
Saskatchewan				
Regina	\$ 915	0.4	\$ 857	0.3
Total Canadian residential suites	\$ 235,015	92.8	\$ 223,307	81.0
MHC Sites				
Total MHC sites	\$ 482	0.2	\$ 16,740	6.1
Total Canadian portfolio ⁽¹⁾	\$ 235,497	93.0	\$ 240,047	87.1
Europe				
The Netherlands ⁽²⁾	\$ 15,728	6.2	\$ 33,215	12.0
Other Europe ⁽³⁾	2,086	0.8	2,554	0.9
	\$ 17,814	7.0	\$ 35,769	12.9
Total Portfolio	\$ 253,311	100.0	\$ 275,816	100.0

⁽¹⁾ Includes revenue from Canadian commercial properties of \$6,206 and \$6,189 for the three months ended March 31, 2025 and March 31, 2024, respectively.

⁽²⁾ In € thousands, €10,444 and €22,694 for the three months ended March 31, 2025 and March 31, 2024, respectively.

⁽³⁾ Comprised of ERES's revenue from commercial properties located in Germany and Belgium. In € thousands, €1,381 and €1,745 for the three months ended March 31, 2025 and March 31, 2024, respectively.

Net Operating Income

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

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

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

(\$ Thousands) For the Three Months Ended March 31,	Total NOI			Same Property NOI		
	2025	2024	% ⁽¹⁾	2025	2024	% ⁽¹⁾
Operating Revenues						
Rental revenues	\$ 240,803	\$ 262,457	(8.3)	\$ 227,685	\$ 218,066	4.4
Other ⁽²⁾	12,508	13,359	(6.4)	11,833	11,538	2.6
Total operating revenues	\$ 253,311	\$ 275,816	(8.2)	\$ 239,518	\$ 229,604	4.3
Operating Expenses						
Realty taxes	\$ (24,804)	\$ (24,819)	(0.1)	\$ (23,356)	\$ (22,155)	5.4
Utilities	(23,561)	(23,161)	1.7	(22,687)	(20,382)	11.3
Other ⁽³⁾	(46,927)	(50,787)	(7.6)	(44,310)	(41,737)	6.2
Total operating expenses ⁽⁴⁾	\$ (95,292)	\$ (98,767)	(3.5)	\$ (90,353)	\$ (84,274)	7.2
NOI	\$ 158,019	\$ 177,049	(10.7)	\$ 149,165	\$ 145,330	2.6
NOI margin	62.4 %	64.2 %		62.3 %	63.3 %	

⁽¹⁾ Represents the year-over-year percentage change.

⁽²⁾ Comprises parking and other ancillary income such as laundry and antenna revenue.

⁽³⁾ Comprises R&M, wages, insurance, advertising, legal costs and expected credit losses.

⁽⁴⁾ Total operating expenses, on a constant currency basis, increased (decreased) by approximately (3.7)% and 7.0%, respectively, for the total and same property portfolio compared to the same period last year.

The following table reconciles same property NOI and NOI from acquisitions, dispositions and assets held for sale to total NOI for the three months ended March 31, 2025 and March 31, 2024:

(\$ Thousands) For the Three Months Ended March 31,	2025	2024
Same property NOI	\$ 149,165	\$ 145,330
NOI from acquisitions	7,350	224
NOI from dispositions and assets held for sale	1,504	31,495
Total NOI	\$ 158,019	\$ 177,049

Operating Revenues

For the three months ended March 31, 2025, same property operating revenues increased by \$9.9 million, primarily driven by increases in monthly rents on turnovers and renewals, partially offset by a decrease in occupancy. Total operating revenues decreased by \$22.5 million during the same period, mainly due to lost revenue from dispositions totalling \$43.0 million, primarily due to the MHC and ERES portfolio dispositions in 2024, partially offset by revenue generated from acquisitions totalling \$10.6 million and operational growth of \$9.9 million, primarily on the same property operating portfolio as at March 31, 2025.

Operating Expenses

Realty Taxes

For the three months ended March 31, 2025, realty taxes for same property portfolio increased compared to the same period last year, primarily due to increases in realty tax rates in Ontario and British Columbia.

Utilities

CAPREIT's utility costs can be highly variable from year to year depending on energy consumption and rates. The table below summarizes CAPREIT's utility costs by type for the three months ended March 31, 2025 and March 31, 2024.

(\$ Thousands) For the Three Months Ended March 31,	Total Utilities			Same Property Utilities ⁽¹⁾		
	2025	2024	% ⁽²⁾	2025	2024	% ⁽²⁾
Electricity	\$ 8,136	\$ 7,789	4.5	\$ 7,760	\$ 7,022	10.5
Natural gas	8,915	7,871	13.3	8,498	7,290	16.6
Water	6,510	7,501	(13.2)	6,429	6,070	5.9
Total	\$ 23,561	\$ 23,161	1.7	\$ 22,687	\$ 20,382	11.3

⁽¹⁾ Same property results exclude performance of acquisitions or dispositions completed during 2024 and 2025, or properties that are classified as held for sale as at March 31, 2025. For the three months ended March 31, 2025, total utility costs from acquisitions or dispositions completed during 2025 and 2024, or properties that are classified as held for sale as at March 31, 2025, were \$874 (for the three months ended March 31, 2024 – \$2,779).

⁽²⁾ Represents the year-over-year percentage change.

For the three months ended March 31, 2025, electricity and natural gas costs increased year-over-year, mainly due to increased consumption driven by colder weather in Ontario and Québec during the first quarter of 2025. In addition, natural gas expenses increased year-over-year, primarily due to higher rates in Ontario and Québec. Furthermore, total property portfolio water costs decreased year-over-year, mainly due to the disposition of the majority of the MHC portfolio in 2024.

As at March 31, 2025, Canadian tenants who pay their electricity charges directly, through sub-metering or direct metering, represented approximately three-quarters of the total residential portfolio in Canada. Additional suites and sites have sub-metering or direct metering in place, for which the cost of electricity is currently borne by CAPREIT and will be assumed by new tenants upon turnover. CAPREIT will continue to evaluate implementing sub-metering in the remaining suites. Sub-metering lowers utility consumption, resulting in a smaller environmental impact, lower operating expenses and lower inflation exposure. For more information on CAPREIT's energy management, and water and waste management efforts, see the Asset Management section of the 2023 ESG Report.

As at March 31, 2025, Dutch tenants who pay their utility charges directly represented 100% of the total 2,594 suites in the Netherlands.

Other Operating Expenses

For the three months ended March 31, 2025, other operating expenses for the total property portfolio decreased by \$3.9 million, or 7.6%, when compared to the same period last year, primarily due to the disposition of the majority of the MHC portfolio in 2024.

For the three months ended March 31, 2025, other operating expenses for the same property portfolio increased by \$2.6 million, or 6.2%, when compared to the same period last year, primarily due to the following reasons:

- higher R&M costs in Québec and Ontario of \$0.7 million and \$0.5 million, respectively, primarily driven by weather-related maintenance costs and higher in-suite and common area maintenance needs. In addition, there were higher snow removal costs in Ontario of \$0.2 million due to the more severe winter weather compared to the prior period;
- higher expected credit losses of \$0.5 million due to delays in regulatory processes in Ontario, as well as factors such as the rising cost of living and elevated past due balances not being cleared by prior tenants across most Canadian regions; and
- higher advertising costs of \$0.3 million across most Canadian regions to combat the increase in vacancy due to general rental market conditions.

NOI BY REGION

The following table summarizes the total portfolio NOI and NOI margins by region for the three months ended March 31, 2025 and March 31, 2024:

For the Three Months Ended March 31, (\$ Thousands)	2025			2024			Increase (Decrease)
	NOI	NOI % ⁽¹⁾	NOI Margin (%)	NOI	NOI % ⁽¹⁾	NOI Margin (%)	NOI Change (%)
Residential Suites							
Ontario							
Greater Toronto Area	\$ 58,308	36.9	61.7	\$ 59,665	33.6	63.2	(2.3)
London / Kitchener / Waterloo	10,966	6.9	61.6	8,777	5.0	58.4	24.9
Ottawa	6,921	4.4	68.4	5,818	3.3	70.2	19.0
	\$ 76,195	48.2	62.2	\$ 74,260	41.9	63.1	2.6
Québec							
Greater Montréal Region	\$ 18,415	11.7	54.9	\$ 18,024	10.2	56.4	2.2
Québec City	6,010	3.8	58.8	6,287	3.6	58.1	(4.4)
	\$ 24,425	15.5	55.8	\$ 24,311	13.8	56.9	0.5
British Columbia							
Greater Vancouver Area	\$ 17,437	11.0	71.8	\$ 16,060	9.1	72.2	8.6
Victoria and Other British Columbia	8,148	5.2	70.8	7,917	4.5	71.2	2.9
	\$ 25,585	16.2	71.5	\$ 23,977	13.6	71.9	6.7
Nova Scotia							
Halifax	\$ 9,571	6.1	55.0	\$ 9,261	5.2	57.1	3.3
Alberta							
Calgary	\$ 4,566	2.9	55.8	\$ 4,011	2.3	53.1	13.8
Edmonton	3,061	1.9	56.5	1,707	1.0	53.8	79.3
	\$ 7,627	4.8	56.1	\$ 5,718	3.3	53.3	33.4
Prince Edward Island							
Charlottetown	\$ 519	0.3	45.8	\$ 768	0.4	46.5	(32.4)
Saskatchewan							
Regina	\$ 451	0.3	49.3	\$ 415	0.2	48.4	8.7
Total Canadian residential suites	\$ 144,373	91.4	61.4	\$ 138,710	78.4	62.1	4.1
MHC Sites							
MHC sites	\$ 350	0.2	72.6	\$ 10,365	5.8	61.9	(96.6)
Total Canadian portfolio ⁽²⁾	\$ 144,723	91.6	61.5	\$ 149,075	84.2	62.1	(2.9)
Europe							
The Netherlands ⁽³⁾	\$ 11,922	7.5	75.8	\$ 25,966	14.7	78.2	(54.1)
Other Europe ⁽⁴⁾	1,374	0.9	65.9	2,008	1.1	78.6	(31.6)
Total Europe portfolio	\$ 13,296	8.4	74.6	\$ 27,974	15.8	78.2	(52.5)
Total portfolio	\$ 158,019	100.0	62.4	\$ 177,049	100.0	64.2	(10.7)

⁽¹⁾ Represents percentage of the portfolio by NOI.

⁽²⁾ Includes Canadian residential and commercial NOI.

⁽³⁾ In € thousands, NOI of €7,927 and NOI margin of 75.9% for the three months ended March 31, 2025 compared to NOI of €17,742 and NOI margin of 78.2% for the three months ended March 31, 2024.

⁽⁴⁾ Comprised of NOI from the commercial properties located in Germany and Belgium. In € thousands, NOI of €913 and NOI margin of 66.1% for the three months ended March 31, 2025 compared to NOI of €1,371 and NOI margin of 78.6% for the three months ended March 31, 2024.

SAME PROPERTY NOI BY REGION

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

For the Three Months Ended March 31, (\$ Thousands)	2025		2024		Increase (Decrease)
	Same Property NOI	NOI Margin (%)	Same Property NOI	NOI Margin (%)	NOI Change (%)
Residential Suites					
Ontario					
Greater Toronto Area ⁽¹⁾	\$ 57,579	61.7	\$ 56,606	63.2	1.7
London / Kitchener / Waterloo ⁽²⁾	9,538	60.7	8,553	58.1	11.5
Ottawa ⁽³⁾	5,961	69.2	5,818	70.2	2.5
	\$ 73,078	62.2	\$ 70,977	63.1	3.0
Québec					
Greater Montréal Region ⁽⁴⁾	\$ 16,861	54.8	\$ 16,929	57.0	(0.4)
Québec City	6,010	58.8	5,612	58.4	7.1
	\$ 22,871	55.8	\$ 22,541	57.4	1.5
British Columbia					
Greater Vancouver Area ⁽⁵⁾	\$ 15,562	71.3	\$ 15,241	72.2	2.1
Victoria and Other British Columbia ⁽⁶⁾	8,148	70.8	7,893	71.2	3.2
	\$ 23,710	71.1	\$ 23,134	71.9	2.5
Nova Scotia					
Halifax ⁽⁷⁾	\$ 9,297	54.8	\$ 9,261	57.1	0.4
Alberta					
Calgary ⁽⁸⁾	\$ 4,566	55.8	\$ 4,022	53.3	13.5
Edmonton ⁽⁹⁾	1,833	54.9	1,707	53.8	7.4
	\$ 6,399	55.6	\$ 5,729	53.4	11.7
Prince Edward Island					
Charlottetown	\$ 489	47.2	\$ 456	44.4	7.2
Saskatchewan					
Regina	\$ 451	49.3	\$ 415	48.4	8.7
Total Canadian residential suites same property ⁽¹⁰⁾	\$ 136,295	61.3	\$ 132,513	62.3	2.9
Europe					
The Netherlands ⁽¹¹⁾	\$ 11,496	76.3	\$ 11,118	76.2	3.4
Other Europe ⁽¹²⁾	1,374	65.9	1,699	77.8	(19.1)
Total Europe same property	\$ 12,870	74.9	\$ 12,817	76.4	0.4
Total same property	\$ 149,165	62.3	\$ 145,330	63.3	2.6
Same property suites and sites	45,273		45,273		

⁽¹⁾ Slightly lower NOI margin compared to last year due to increased utilities and R&M.

⁽²⁾ Higher NOI and NOI margin compared to last year due to strong rental lifts in renewals and turnover, higher occupancy, lower insurance costs and above guideline increases.

⁽³⁾ Slightly lower NOI margin compared to last year due to increased utilities.

⁽⁴⁾ Slightly lower NOI margin compared to last year due to increased R&M and lower occupancy.

⁽⁵⁾ Slightly lower NOI margin compared to last year due to increased realty taxes and utilities.

⁽⁶⁾ Slightly lower NOI margin compared to last year due to increased utilities.

⁽⁷⁾ Slightly lower NOI margin compared to last year due to increased utilities and R&M and lower occupancy.

⁽⁸⁾ Higher NOI and NOI margin compared to last year due to strong rental lifts in renewals, higher parking revenue and lower utilities.

⁽⁹⁾ Higher NOI and NOI margin compared to last year due to strong rental lifts in renewals and lower insurance.

⁽¹⁰⁾ Includes Canadian residential and commercial NOI.

⁽¹¹⁾ In € thousands, NOI of €7,629 and NOI margin of 76.3% for the three months ended March 31, 2025 compared to NOI of €7,597 and NOI margin of 76.2% for the three months ended March 31, 2024. Slightly higher NOI and NOI margin compared to last year primarily due to higher occupied AMR and lower advertising costs, partially offset by an increase in property management fees.

⁽¹²⁾ Comprised of NOI from the commercial properties located in Germany and Belgium. In € thousands, NOI of €913 and NOI margin of 66.1% for the three months ended March 31, 2025 compared to NOI of €1,160 and NOI margin of 77.7% for the three months ended March 31, 2024. Lower NOI and NOI margin compared to last year primarily due to expiration of one of the commercial leases.

NET INCOME AND COMPREHENSIVE INCOME

(\$ Thousands)

For the Three Months Ended March 31,	2025	2024
Operating revenues		
Revenue from investment properties	\$ 253,311	\$ 275,816
Operating expenses		
Property operating costs	(70,488)	(73,948)
Realty taxes	(24,804)	(24,819)
Total operating expenses	(95,292)	(98,767)
Net operating income	158,019	177,049
Other income	4,271	3,635
Trust expenses	(16,578)	(13,734)
Unit-based compensation amortization recovery (expense):		
Unit-based compensation amortization expense	(3,309)	(1,914)
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination	—	2,284
Total unit-based compensation amortization recovery (expense), net	(3,309)	370
Financing-related costs:		
Interest expense on debt and other financing costs	(47,670)	(54,408)
Interest expense on Exchangeable LP Units	(554)	(603)
Net gain (loss) on derecognition of debt	(3,553)	2,279
Total financing-related costs, net	(51,777)	(52,732)
Fair value adjustments of investment properties	(24,787)	71,319
Fair value adjustments of financial instruments	(13,006)	(573)
Gain (loss) on non-controlling interest	(19,121)	9,640
Loss on foreign currency translation	(2,681)	(5,970)
Transaction costs and other activities	(11,904)	(4,681)
Net income before income taxes	19,127	184,323
Current income tax expense	(7,361)	(2,874)
Deferred income tax recovery (expense)	(3,781)	664
Total current income tax expense and deferred income tax recovery (expense), net	(11,142)	(2,210)
Net income	\$ 7,985	\$ 182,113
Other comprehensive income (loss), including items that may be reclassified subsequently to net income		
Gain (loss) on foreign currency translation, net of taxes	\$ 28,937	\$ (412)
Gain (loss) on investments held at fair value through other comprehensive income (loss)	145	(158)
Other comprehensive income (loss)	\$ 29,082	\$ (570)
Comprehensive income	\$ 37,067	\$ 181,543

Other Income

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

The table below summarizes other income for the three months ended March 31, 2025 and March 31, 2024:

(\$ Thousands)

For the Three Months Ended March 31,	2025	2024
Interest income from VTB mortgages receivable	\$ 2,662	\$ 464
Interest income	1,340	246
Investment income ⁽¹⁾	269	2,761
Profit from sale of MHC home inventory	—	164
Total	\$ 4,271	\$ 3,635

⁽¹⁾ For the three months ended March 31, 2024, investment income includes \$2,533 of semi-annual dividends from Irish Residential Properties REIT plc ("IRES").

Trust Expenses

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

(\$ Thousands)

For the Three Months Ended March 31,	2025	%⁽¹⁾	2024	%⁽¹⁾
Trust Expenses (excluding reorganization costs)	\$ (12,491)	4.9 %	\$ (13,734)	5.0 %
Reorganization costs	(4,087)	1.6 %	—	— %
Total Trust Expenses	\$ (16,578)	6.5 %	\$ (13,734)	5.0 %
Operating Revenues	\$ 253,311		\$ 275,816	

⁽¹⁾ As a percentage of total operating revenues.

During the three months ended March 31, 2025, reorganization costs were incurred as part of an internal optimization of the organizational structure, reflecting the transformation of our portfolio through strategic initiatives to sell non-core legacy properties and to align with CAPREIT's current business strategy and operating environment. In addition, costs related to the closure of the property management platform in the Netherlands are included. ERES transferred property management services for its residential portfolio to a third party, effective January 15, 2025. Trust expenses excluding reorganization costs, decreased to \$12.5 million for the three months ended March 31, 2025, compared to \$13.7 million for the three months ended March 31, 2024. For the three months ended March 31, 2025, the year-over-year decrease was primarily due to lower salaries and benefits.

Unit-based Compensation Amortization Expense

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

The table below summarizes the unit-based amortization expense for the three months ended March 31, 2025 and March 31, 2024:

(\$ Thousands)

For the Three Months Ended March 31,	2025	2024
RURs ⁽¹⁾	\$ (1,761)	\$ (1,443)
DUs	(402)	(301)
PURs	(255)	—
EUPP	(113)	(137)
ERES RURs ⁽²⁾	(778)	(17)
ERES unit options	—	(16)
Unit-based compensation amortization expense	(3,309)	(1,914)
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination ⁽³⁾	—	2,284
Total unit-based compensation amortization recovery (expense), net	\$ (3,309)	\$ 370

⁽¹⁾ For the three months ended March 31, 2025, includes \$157 of accelerated vesting of previously granted CAPREIT unit-based compensation (for the three months ended March 31, 2024 - \$nil)

⁽²⁾ For the three months ended March 31, 2025, includes \$603 of accelerated vesting of ERES RURs that vested on January 7, 2025 (for the three months ended March 31, 2024 - \$nil).

⁽³⁾ During the three months ended March 31, 2024, three million ERES unit options were forfeited upon senior management termination totalling \$2,284.

Financing-Related Costs

For the three months ended March 31, 2025, interest expense on debt and other financing costs decreased by \$6.7 million compared to the three months ended March 31, 2024 primarily due to a net reduction in credit facility balances from net disposition proceeds received in 2024 and the change in mortgage financing strategy from more refinancings to renewals, which lowers CMHC premium amortization.

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

Interest expense on Exchangeable LP Units represents distributions paid and payable on Exchangeable LP Units outstanding. For the three months ended March 31, 2025, interest expense on Exchangeable LP Units totalled \$0.6 million, and decreased marginally compared to the same period last year due to the exchange of 202,377 Exchangeable LP Units into Trust Units during the current quarter, partially offset by the distribution increase that became effective for February 2025 distribution.

For the three months ended March 31, 2025, net loss on derecognition of debt totalled \$3.6 million of mortgage settlement costs related to dispositions.

Fair Value Adjustments of Investment Properties

CAPREIT recorded a fair value loss on investment properties and assets held for sale of \$24.8 million for the three months ended March 31, 2025, primarily due to a fair value adjustment in the European portfolio resulting from the prevailing market conditions, partially offset by higher forecasted NOI in the Canadian portfolio.

Fair Value Adjustments of Financial Instruments

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

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

The table below summarizes the fair value adjustments of financial instruments for the three months ended March 31, 2025 and March 31, 2024:

(\$ Thousands)

For the Three Months Ended March 31,	2025	2024
Fair value adjustments of Exchangeable LP units	\$ (645)	\$ 3,805
Fair value adjustments of investments	40	(11,953)
Fair value adjustments of derivative financial instruments	(12,949)	8,164
Unit-based compensation remeasurement gain (loss)	548	(589)
Fair value adjustments of financial instruments	\$ (13,006)	\$ (573)

Loss (Gain) on Non-Controlling Interest

For the three months ended March 31, 2025, CAPREIT recorded a loss of \$19.1 million on ERES units held by non-controlling unitholders. This includes interest expense to ERES non-controlling unitholders of \$1.9 million for the three months ended March 31, 2025. The remaining change relates to the mark-to-market loss of \$17.2 million due to fluctuations in ERES's unit redemption price as defined in the ERES DOT for the three months ended March 31, 2025.

Loss on Foreign Currency Translation

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

For the three months ended March 31, 2025, CAPREIT recorded a loss on foreign currency translation of \$2.7 million primarily due to the strengthening of the euro when compared to the Canadian dollar during the period. (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 months ended March 31, 2025 and March 31, 2024:

(\$ Thousands)

For the Three Months Ended March 31,	2025	2024
Transaction costs and other adjustments on dispositions, net	\$ (8,946)	\$ (3,073)
Amortization of property, plant and equipment ("PP&E") and right-of-use asset	(1,547)	(1,528)
Enterprise resource planning ("ERP") implementation costs ⁽¹⁾	(1,411)	—
Fair value gain (loss) on transfer of other assets to investment properties	—	(80)
Total	\$ (11,904)	\$ (4,681)

⁽¹⁾ Includes licensing and consulting costs, and salaries and benefits.

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

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

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

Current income tax expense is attributed to CAPREIT's European portfolio where CAPREIT operates through foreign legal entities that may be taxable in local jurisdictions. Current income tax expense for the three months ended March 31, 2025 increased by \$4.5 million, compared to the same period last year primarily driven by the dispositions in CAPREIT's European portfolio in 2025 and the accrual of the potential impact of the Dutch tax authority's reassessment of certain ERES subsidiaries for prior taxation years accounting for \$5.7 million. This was partially offset by the reduction of CAPREIT's European portfolio in 2024. The reassessed ERES subsidiaries have objected to the reassessments. These reassessments are subject to ongoing discussions with the Dutch tax authority and actual amounts reassessed may differ as no final decision has yet been received.

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 months ended March 31, 2025, deferred income tax expense was \$3.8 million, mainly attributable to the derecognition of deferred tax assets, partially offset by the net fair value losses recorded on CAPREIT's European investment properties. For the three months ended March 31, 2024, deferred income tax recovery was \$0.7 million, mainly attributable to the net fair value losses recorded on CAPREIT's European investment properties.

Other Comprehensive Income (Loss)

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

SECTION IV: INVESTMENT PROPERTIES

INVESTMENT PROPERTIES

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

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

External valuations for the Canadian portfolio, where obtained, are performed throughout the year with quarterly updates provided on capitalization rates. Capitalization rates used by the appraisers are based on recently closed transactions for similar properties and other current market indicators for similar properties. CAPREIT obtains external valuations for a cross-section of investment properties that represents different geographical locations across the Canadian portfolio. For internal valuations, the appraisal methodologies used are consistent with the practices employed by the external appraiser. CAPREIT's European residential portfolio was valued using the same methods and key assumptions as described in Note 4 of CAPREIT's audited consolidated annual financial statements for the year ended December 31, 2024.

A summary of the fair values of CAPREIT's investment properties and changes, along with key market assumptions, is presented in the following table. For the three months ended March 31, 2025, there was a \$73.2 million increase in overall carrying value due to acquisitions, foreign exchange translation, and property capital investments, partially offset by dispositions and fair value adjustments.

Investment Properties by Geography

	Dec. 31, 2024	Carrying Value Change Due To					Mar. 31, 2025	Mar. 31, 2025	Dec. 31, 2024
		Fair Value	Acquisitions	Dispositions	Property Capital Investments ⁽¹⁾	Fair Value Adjustments	Foreign Exchange Translation	Fair Value	Cap Rates ⁽²⁾
(\$ Millions)									
Greater Toronto Area	\$ 5,576	\$ —	\$ (30)	\$ 19	\$ 24	\$ —	\$ 5,589	4.35 %	4.35 %
Other Ontario	1,640	—	—	4	(28)	—	1,616	4.61 %	4.59 %
Québec	2,425	—	—	11	25	—	2,461	4.55 %	4.56 %
British Columbia	2,422	19	—	5	(5)	—	2,441	4.18 %	4.18 %
Nova Scotia	977	—	—	3	(12)	—	968	4.69 %	4.69 %
Alberta	565	80	—	1	(1)	—	645	5.06 %	5.10 %
Prince Edward Island	70	—	(22)	—	2	—	50	5.32 %	5.36 %
Saskatchewan	38	—	—	—	1	—	39	5.92 %	5.95 %
Subtotal	\$ 13,713	\$ 99	\$ (52)	\$ 43	\$ 6	\$ —	\$ 13,809	4.45 %	4.45 %
Europe	1,155	—	(39)	1	(31)	47	1,133	4.61 %	4.45 %
Total	\$ 14,868	\$ 99	\$ (91)	\$ 44	\$ (25)	\$ 47	\$ 14,942	4.46 %	4.45 %

⁽¹⁾ Represents property capital investments and capitalized direct leasing costs during the three months ended March 31, 2025.

⁽²⁾ Weighted average capitalization rates exclude investment properties acquired during the first quarter of 2025 for capitalization rates as at March 31, 2025 and exclude investment properties acquired during the fourth quarter of 2024 for capitalization rates as at December 31, 2024; and implied capitalization rates on operating and land leasehold interests. See note 3 to the accompanying condensed consolidated interim financial statements for further valuation assumption details. Capitalization rates for Europe represent the implied capitalization rates for these properties.

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

ACQUISITIONS OF INVESTMENT PROPERTIES

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

Three Months Ended March 31, 2025

(\$ Thousands)				
Acquisition Date	Suite Count	Region	Fair Value of Investment Property	Gross Purchase Price⁽¹⁾
January 28, 2025	41	Vancouver, BC	\$ 18,107	\$ 18,226
February 4, 2025	240	Edmonton, AB	79,400	79,400
Total	281		\$ 97,507	\$ 97,626
Transaction costs			\$ 1,461	
Total acquisition costs			\$ 98,968	

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

There were no acquisitions completed in the Netherlands during the three months ended March 31, 2025.

The table below summarizes the acquisition of an investment property completed subsequent to March 31, 2025:

(\$ Thousands)				
Acquisition Date	Suite Count	Region	Gross Purchase Price⁽¹⁾	
April 11, 2025	102	Montréal, QC	\$	39,725
Total	102		\$	39,725

⁽¹⁾ Gross purchase price excludes transaction costs and other adjustments.

DISPOSITIONS OF INVESTMENT PROPERTIES

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

Three Months Ended March 31, 2025

(\$ Thousands)				
Disposition Date	Suite or Site Count	Region	Fair Value of Investment Properties	Gross Sale Price ⁽¹⁾
January 20, 2025	138	Charlottetown, PEI	\$ 21,765	\$ 23,000
January 22, 2025 ⁽²⁾	242	Brampton, ON	73,120	73,811
January 27, 2025 ⁽²⁾	20	The Netherlands	7,764	7,764
January 31, 2025 ⁽³⁾	176	Medicine Hat, AB	12,500	12,500
February 10, 2025 ⁽²⁾	717	Montréal, QC	103,750	103,750
February 12, 2025 ⁽²⁾⁽⁴⁾	259	The Netherlands	75,487	75,487
February 19, 2025	93	Orangeville, ON	30,500	30,500
February 25, 2025 ⁽²⁾⁽⁵⁾	—	Montréal, QC	9,000	9,000
March 4, 2025 ⁽²⁾	32	The Netherlands	12,953	12,953
March 31, 2025	104	The Netherlands	39,221	39,221
Total	1,781		\$ 386,060	\$ 387,986

⁽¹⁾ The gross sale price is the amount stated in the purchase and sale agreement and comprises the fair value of investment properties being disposed of and, as applicable, the fair value adjustment of mortgages payable assumed by the purchaser and VTB mortgages receivable issued by CAPREIT to the purchaser. The gross sale price excludes transaction costs and other adjustments.

⁽²⁾ Previously included in assets held for sale.

⁽³⁾ Relates to one of the two remaining MHC properties that were classified as assets held for sale as at December 31, 2024.

⁽⁴⁾ Represents disposition of seven residential properties.

⁽⁵⁾ Represents disposition of an office property.

The table below summarizes the disposition of an investment property completed subsequent to March 31, 2025:

(\$ Thousands)				
Disposition Date	Site Count	Region		Gross Sale Price ⁽¹⁾
April 15, 2025 ⁽²⁾	357	Moncton, NB	\$	12,500
Total	357		\$	12,500

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

⁽²⁾ Relates to the remaining MHC property that was classified as assets held for sale as at March 31, 2025.

PROPERTY CAPITAL INVESTMENTS

Discretionary and Non-Discretionary Property Capital Investments

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

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

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

Property Capital Investments by Category

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

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

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

Three Months Ended March 31, 2025					
(\$ Thousands)	Canadian Portfolio	The Netherlands Portfolio	Total Portfolio	% of Total	
Non-discretionary property capital investments:					
Building improvements	\$ 7,371	\$ 33	\$ 7,404	17.4	
Life and safety	583	—	583	1.4	
	\$ 7,954	\$ 33	\$ 7,987	18.8	
Discretionary property capital investments:					
Suite improvements	\$ 17,144	\$ 462	\$ 17,606	41.4	
Common area	6,947	6	6,953	16.4	
Energy-saving, resiliency and water efficiency initiatives	4,636	59	4,695	11.1	
Equipment	3,105	—	3,105	7.3	
Elevators and risers	1,750	2	1,752	4.1	
Other	382	—	382	0.9	
	\$ 33,964	\$ 529	\$ 34,493	81.2	
Total ⁽¹⁾	\$ 41,918	\$ 562	\$ 42,480	100.0	

⁽¹⁾ Includes assets held for sale, but excludes development costs of \$925 for the three months ended March 31, 2025.

Year Ended December 31, 2024

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

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

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

SECTION V: CAPITAL STRUCTURE AND FINANCIAL CONDITION**CAPITAL STRUCTURE**

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

As at March 31, 2025, CAPREIT is in compliance with all the investment and debt restrictions and financial covenants contained in the DOT, Credit Facilities and mortgage financing agreements. The total capital managed by CAPREIT and the results of compliance with some of the key covenants and liquidity metrics are summarized in the following table:

(\$ Thousands)

As at	March 31, 2025	December 31, 2024	March 31, 2024
Unitholders' equity	\$ 8,989,395	\$ 9,027,312	\$ 9,374,475
Exchangeable LP Units	62,329	70,220	76,578
Mortgages payable – non-current	5,243,972	5,343,549	5,832,546
Mortgages payable – current	530,187	644,320	845,178
Mortgages payable related to assets held for sale	—	—	7,842
Credit facilities payable	25,469	4,145	483,238
Total capital	\$ 14,851,352	\$ 15,089,546	\$ 16,619,857

As at	Threshold	March 31, 2025	December 31, 2024	March 31, 2024
Total debt to gross book value ⁽¹⁾	Maximum 62.5%	37.7%	38.4 %	41.8 %
Mortgage debt to gross book value ⁽¹⁾⁽²⁾		37.6%	38.3 %	39.0 %

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

⁽²⁾ Includes liabilities related to assets held for sale, as applicable.

For the 12 Months Ended		March 31, 2025	December 31, 2024	March 31, 2024
Debt service coverage ratio (times) ⁽¹⁾⁽²⁾	Minimum 1.4	1.9x	1.9x	1.8x
Interest coverage ratio (times) ⁽¹⁾⁽²⁾	Minimum 1.65	3.3x	3.3x	3.3x
FFO payout ratio ⁽¹⁾	Maximum 100%	59.2%	57.9 %	59.5 %

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

⁽²⁾ For the trailing 12 months ended.

LIQUIDITY AND FINANCIAL CONDITION

Liquidity and Capital Resources

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

- i) CAPREIT's business continues to be stable and is expected to generate sufficient ACFO on an annual basis to fund the current level of distributions; and
- ii) CAPREIT's Canadian borrowing capacity as at March 31, 2025 remains strong with \$195.6 million available on its Acquisition and Operating Facility, in addition to an accordion option to increase the credit facility limit by up to \$400 million.
- iii) CAPREIT's cash and cash equivalents as at March 31, 2025 totalled \$119.0 million, consisting of \$106.5 million in Canada and \$12.5 million in Europe.

As at March 31, 2025, CAPREIT had approximately \$1.5 billion of investment properties (excluding assets held for sale, as applicable) that are unencumbered by mortgages. Of these investment properties, approximately \$571.1 million are Canadian investment properties which secure the Acquisition and Operating Facility. Certain CAPREIT Canadian investment properties carry a negative pledge against the ERES Credit Facility, with a carrying value totalling \$288.3 million.

The working capital deficiency, as presented on CAPREIT's consolidated balance sheets as at March 31, 2025, and defined as current assets less current liabilities, is funded through the Credit Facilities and refinancing of mortgages as they mature. Management conducts a liquidity forecast on a regular basis, which includes refinancing of mortgages, property capital investments, potential acquisitions and potential dispositions, to monitor the available capacity.

Credit Facilities Payable

As at March 31, 2025, CAPREIT's credit facilities consist of the \$200 million Acquisition and Operating Facility, which can be borrowed in USD, euros or Canadian dollars, the \$70 million GHG Reduction Facility as well as the €125 million ERES Credit Facility.

Acquisition and Operating Facility

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

(\$ Thousands)

As at	March 31, 2025	December 31, 2024
Maximum borrowing capacity	\$ 200,000	\$ 600,000
Accordion option ⁽¹⁾	\$ 400,000	\$ 200,000
Interest rate:		
Canadian dollar borrowings ⁽²⁾	CORRA + 1.65%	CORRA + 1.65%
USD borrowings ⁽³⁾	SOFR + 1.45%	SOFR + 1.45%
Euro borrowings ⁽⁴⁾	EURIBOR + 1.35%	EURIBOR + 1.35%
Maturity date	February 28, 2028	December 19, 2025

⁽¹⁾ An accordion option is available to increase the credit facility limit upon satisfaction of conditions set out in the agreement and the consent of applicable lenders.

⁽²⁾ CORRA stands for Canadian Overnight Repo Rate Average.

⁽³⁾ SOFR stands for Secured Overnight Financing Rate.

⁽⁴⁾ EURIBOR stands for Euro Interbank Offered Rate.

Certain Canadian investment properties are secured against the Acquisition and Operating Facility, with a carrying value totalling \$571.1 million (December 31, 2024 – \$601.3 million).

The tables below summarize the amounts available and drawn under the respective Credit Facilities as at March 31, 2025 and December 31, 2024:

(\$ Thousands)				
As at March 31, 2025	Acquisition and Operating Facility	GHG Reduction Facility	ERES Credit Facility	Total
Maximum borrowing capacity	\$ 200,000	\$ 70,000	\$ 194,161	\$ 464,161
Canadian dollar borrowings	\$ —	\$ (8,784)	\$ —	\$ (8,784)
USD borrowings	—	N/A	—	—
Euro borrowings	—	N/A	(17,785) ⁽¹⁾	(17,785)
Less: Total borrowings	\$ —	\$ (8,784)	\$ (17,785)	\$ (26,569)
Less: Letters of credit	(4,428)	N/A	—	(4,428)
Available borrowing capacity	\$ 195,572	\$ 61,216	\$ 176,376	\$ 433,164
Weighted average interest rate including interest rate swaps	N/A	3.00 %	3.73 %	3.49 %

⁽¹⁾ As at March 31, 2025, ERES has euro borrowings totalling €11,450 that bear interest at the EURIBOR plus a margin of 1.35% per annum.

(\$ Thousands)

As at December 31, 2024	Acquisition and Operating Facility	GHG Reduction Facility	ERES Credit Facility	Total
Maximum borrowing capacity	\$ 600,000	\$ 70,000	\$ 186,610	\$ 856,610
Canadian dollar borrowings	\$ —	\$ (5,019)	\$ —	\$ (5,019)
USD borrowings	(95,280) ⁽¹⁾	N/A	—	(95,280)
Euro borrowings	—	N/A	—	—
Less: Total borrowings	\$ (95,280)	\$ (5,019)	\$ —	\$ (100,299)
Less: Letters of credit	(4,428)	N/A	—	(4,428)
Available borrowing capacity	\$ 500,292	\$ 64,981	\$ 186,610	\$ 751,883
Weighted average interest rate including interest rate swaps	4.58 % ⁽²⁾	3.00 %	N/A	4.50 %

⁽¹⁾ As at December 31, 2024, CAPREIT has USD borrowings totalling US\$66,294 that bear interest at the Term SOFR plus a margin of 1.45% per annum, excluding the impact of CCIR swaps. Pursuant to the terms of the Acquisition and Operating Facility, the USD borrowings were netted against cash and cash equivalents on the consolidated balance sheets.

⁽²⁾ As at December 31, 2024, excluding the impact of CCIR swaps, the weighted average interest rate on the Acquisition and Operating Facility is 4.94% per annum. For details on the swaps, refer to note 7 to the accompanying condensed consolidated interim financial statements.

Mortgages Payable

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

As at	March 31, 2025	December 31, 2024	March 31, 2024
Percentage of CMHC-insured mortgages ⁽¹⁾	97.6%	97.7%	97.1%
Percentage of fixed-rate mortgages ⁽²⁾	100.0%	99.8%	100.0%
Weighted average mortgage effective interest rate ⁽³⁾	3.16%	3.11%	2.84%
Weighted average mortgage term to maturity (years) ⁽⁴⁾	4.7	4.8	4.7

⁽¹⁾ Excludes European financings.

⁽²⁾ After taking into consideration interest rate swaps where hedge accounting is not being applied.

⁽³⁾ Weighted average mortgage effective interest rate includes deferred financing costs, fair value adjustments and prepaid CMHC premiums on an effective interest rate basis.

⁽⁴⁾ The mortgages on the Canadian and European properties have a weighted average term to maturity of 4.9 years and 2.6 years, respectively as at March 31, 2025 (December 31, 2024 – 5.0 years and 2.5 years, respectively, March 31, 2024 – 5.2 years and 2.7 years, respectively).

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

The table below summarizes the financings and repayments and associated weighted average interest rates closed during the three months ended March 31, 2025. This table excludes mortgages assumed by CAPREIT upon acquisition of investment properties and mortgages assumed by the purchaser upon disposition of investment properties.

(\$ Thousands)	Original Mortgage Amounts ⁽¹⁾	Weighted Average Original Stated Interest Rate ⁽²⁾	New/Renewed Mortgage Amounts	Weighted Average New Interest Rate ⁽³⁾	Weighted Average Term on New/Renewed Mortgages (Years)	Repaid Mortgage Amounts ⁽⁴⁾
The Canadian Portfolio						
First Quarter	\$ 137,132	2.21 %	\$ 68,670	3.58 %	5.0	\$ (68,462)
Total and Weighted Average	\$ 137,132	2.21 %	\$ 68,670	3.58 %	5.0	\$ (68,462)
The ERES Portfolio						
First Quarter	\$ 135,823	1.61 %	\$ —	— %	—	\$ (135,823)
Total and Weighted Average	\$ 135,823	1.61 %	\$ —	— %	—	\$ (135,823)
Grand Total and Weighted Average	\$ 272,955	1.91 %	\$ 68,670	3.58 %	5.0	\$ (204,285)

⁽¹⁾ Includes \$111,060 of mortgages that matured and \$161,895 of mortgages associated with property dispositions during the three months ended March 31, 2025.

⁽²⁾ Excludes one-to-six-month short-term extensions.

⁽³⁾ Excludes prepaid CMHC premiums, deferred financing costs and impact of hedging.

⁽⁴⁾ Includes \$161,895 of mortgages discharged due to property dispositions during the three months ended March 31, 2025.

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

CMHC premiums are amortized over the amortization period of the underlying mortgage loans when incurred. If CAPREIT fully refinances or discharges an existing mortgage, any unamortized prepaid CMHC premiums and fees associated with the existing mortgages on that property will be written off in the period in which full refinancing or discharge occurs. CAPREIT accelerates the amortization for prepaid CMHC premiums for mortgages that management intends to fully refinance within the year, from the date the decision is made to refinance to the date the mortgage is due to be refinanced. During the three months ended March 31, 2025, CMHC amortization expense including net write-offs of CMHC premiums on refinancing or discharge of mortgages amounted to \$1.5 million excluding CMHC write-offs relating to dispositions, which was smaller than the CMHC amortization expense incurred during the three months ended March 31, 2024, due to the financing strategy shift from maximizing top-up to support liquidity needs to prioritizing the utilization of the full useful life of CMHC Certificate of Insurance (COI).

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

(\$ Thousands)	Q1 25	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Q2 23
Amortization of CMHC premiums and fees	\$ (1,539)	\$ (1,576)	\$ (1,646)	\$ (3,459)	\$ (3,399)	\$ (1,919)	\$ (2,657)	\$ (3,643)

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

The breakdown of CAPREIT's Canadian dollar-denominated future principal repayments, including mortgage maturities, and effective weighted average interest rates as at March 31, 2025 is as follows:

As at March 31, 2025						
(\$ Thousands)						
Period	Principal Amortization	Mortgage Maturities	Mortgage Balance	% of Total Mortgage Balance	Effective Weighted Average Interest Rate (%) ⁽¹⁾	
Remainder of 2025	\$ 109,237	\$ 374,529	\$ 483,766	8.8	2.84	
2026	126,947	609,859	736,806	13.3	3.00	
2027	103,671	566,227	669,898	12.1	3.30	
2028	91,540	643,300	734,840	13.3	3.47	
2029	70,592	516,953	587,545	10.6	3.26	
2030-2036	168,425	2,144,704	2,313,129	41.9	3.26	
	\$ 670,412	\$ 4,855,572	\$ 5,525,984	100.0 %	3.23 %	
Less: Prepaid CMHC premiums			\$ (107,392)			
Less: Deferred financing costs			(20,677)			
Less: Fair value adjustments			(18,660)			
Total			\$ 5,379,255			
Weighted average term to maturity (years)			4.9			

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

The breakdown for ERES's euro-denominated future principal repayments, including mortgage maturities, and effective weighted average interest rates as at March 31, 2025 is as follows:

As at March 31, 2025					
(\$ Thousands)					
Period	Mortgage Balance (\$)	Mortgage Balance (€) ⁽¹⁾	% of Total Mortgage Balance	Effective Weighted Average Interest Rate (%) ⁽²⁾	
Remainder of 2025	\$ 10,499	€ 6,759	2.7	1.66	
2027	221,394	142,666	55.9	1.89	
2028	164,139	105,672	41.4	3.29	
	\$ 396,032	€ 255,097	100.0 %	2.46 %	
Less: Deferred financing costs and fair value adjustments	\$ (1,128)				
Total	\$ 394,904				
Weighted average term to maturity (years)		2.6			

⁽¹⁾ Included in mortgages payable are non-amortizing mortgages.

⁽²⁾ Effective weighted average interest rates for maturing mortgages only. It includes the amortization of deferred financing costs, fair value adjustments, and the effect of IR swaps.

Derivative Financial Instruments in Canada

(\$ Thousands)

As at	March 31, 2025	December 31, 2024	March 31, 2024
CCIR swaps ⁽¹⁾	\$ 359,068	\$ 516,496	\$ 1,008,687
Weighted average interest rate on swaps – paying leg	1.38%	2.04%	3.32%
Weighted average interest rate on swaps – receiving leg	2.16%	3.18%	4.10%
Weighted average remaining term to maturity on swaps (years)	0.5	0.5	0.8

⁽¹⁾ As at March 31, 2025, euro equivalent of €234,000 (December 31, 2024 – €278,818, March 31, 2024 – €442,358), USD equivalent of US\$nil (December 31, 2024 – US\$66,294, March 31, 2024 – US\$251,756) and excludes ERES CCIR swaps, where applicable.

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

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

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

(Thousands of units)

As at	March 31, 2025	December 31, 2024	March 31, 2024
Trust Units	160,251	160,546	167,109
Exchangeable LP Units	1,445	1,647	1,647
DUs	164	154	140
RURs	630	550	605
PURs	72	30	—
Total number of units outstanding – diluted	162,562	162,927	169,501
Ownership by trustees, officers and other senior management	0.6 %	0.5 %	0.5 %

Normal Course Issuer Bid

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

Subsequent to March 31, 2025, up to and including May 8, 2025, CAPREIT purchased and cancelled 1,499,457 Trust Units under the 2025-2026 NCIB, at a weighted average purchase price of \$41.35 per Trust Unit, for a total cost of \$62.0 million (excluding the federal 2% tax on repurchases of Trust Units). These purchases were funded by the cash on hand as at March 31, 2025.

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

For the Three Months Ended March 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
Total	\$ 42.79	\$ 25,504	595,990	15,563,695

⁽¹⁾ 111,800 Trust Units were purchased and cancelled under the 2024-2025 NCIB and 484,190 Trust Units were purchased and cancelled under the 2025-2026 NCIB.

⁽²⁾ The total cost presented and the weighted average purchase price per Trust Unit include commissions, but exclude a net aggregate amount of \$480 relating to the federal 2% tax on repurchases of Trust Units as well as other NCIB transaction costs.

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

⁽¹⁾ 562,017 Trust Units were purchased and cancelled under the 2023-2024 NCIB.

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

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	March 31,		December 31,		March 31,	
	2025	% ⁽¹⁾	2024	% ⁽¹⁾	2024	% ⁽¹⁾
Trust Units	160,251	98.6	160,546	98.6	167,109	98.5
Exchangeable LP Units ⁽²⁾	1,445	0.9	1,647	1.0	1,647	1.0
DUs ⁽³⁾	164	0.1	154	0.1	140	0.1
Basic number of units	161,860	99.6	162,347	99.7	168,896	99.6
Plus:						
RURs ⁽³⁾	630	0.4	550	0.3	605	0.4
PURs	72	0.0	30	0.0	—	—
Diluted number of units	162,562	100.0	162,927	100.0	169,501	100.0

⁽¹⁾ Represents percentage of total diluted units.

⁽²⁾ See note 14 to the accompanying condensed consolidated interim financial statements for details on Exchangeable LP Units.

⁽³⁾ See notes 14 and 19 to the audited consolidated annual financial statements for the year ended December 31, 2024 for details of CAPREIT's unit-based compensation plans.

Weighted Average Number of Units

(Thousands)

For the Three Months Ended March 31,	2025	2024
Trust Units	160,694	167,499
Exchangeable LP Units ⁽¹⁾	1,499	1,647
DUs ⁽²⁾	155	135
Basic number of units	162,348	169,281
Plus:		
RURs ⁽²⁾	587	515
PURs ⁽²⁾	46	—
Diluted number of units	162,981	169,796

⁽¹⁾ See note 14 to the accompanying condensed consolidated interim financial statements for details on Exchangeable LP Units.

⁽²⁾ See notes 14 and 19 to the audited consolidated annual financial statements for the year ended December 31, 2024 for details of CAPREIT's unit-based compensation plans.

DRIP and Net Distributions Paid

(\$ Thousands)

For the Three Months Ended March 31,	2025	2024
Distributions declared on Trust Units	\$ 61,565	\$ 60,699
Distributions declared on Exchangeable LP Units	554	603
Distributions declared on awards outstanding under unit-based compensation plans ⁽¹⁾	281	221
Total distributions declared	\$ 62,400	\$ 61,523
Less:		
Distributions declared on Trust Units reinvested	\$ (1,430)	\$ (1,033)
Distributions declared on unit awards reinvested ⁽¹⁾	(281)	(221)
Net distributions paid in cash ⁽²⁾	\$ 60,689	\$ 60,269
Percentage of distributions reinvested	2.7%	2.0%

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

⁽²⁾ Based on distributions declared during the respective periods.

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

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

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following table quantifies cash generated from operating activities net of interest expense included in cash used in financing activities for the three months ended March 31, 2025 and March 31, 2024:

(\$ Thousands)

For the Three Months Ended March 31,	2025	2024
Cash provided by operating activities	\$ 122,454	\$ 144,988
Adjustments:		
Interest paid on mortgages and credit facilities	(43,201)	(48,642)
Adjusted Cash Generated from Operating Activities	\$ 79,253	\$ 96,346

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 months ended March 31, 2025 and March 31, 2024:

(\$ Thousands)

For the Three Months Ended March 31,	2025	2024
Adjusted Cash Generated from Operating Activities	\$ 79,253	\$ 96,346
Total distributions declared	62,400	61,523
Excess of Adjusted Cash Generated from Operating Activities over total distributions declared	\$ 16,853	\$ 34,823

For the three months ended March 31, 2025, CAPREIT's Adjusted Cash Generated from Operating Activities exceeded distributions declared by \$16.9 million. As per OSC Staff Notice 51-724, if distributions are in excess of Adjusted Cash Generated from Operating Activities, then it represents a return of capital, rather than a return on capital, since they represent cash payments in excess of cash generated from CAPREIT's continuing operations during the period. Management believes, should it occur, there is adequate overall liquidity to fund excess distributions over Adjusted Cash Generated from Operating Activities on an annual basis through cash and cash equivalents on hand and, if necessary, the Acquisition and Operating Facility.

As required by National Policy 41-201, "Income Trusts and Other Indirect Offerings", the following table outlines the differences between net income and total distributions declared, in accordance with the guidelines, for the three months ended March 31, 2025 and March 31, 2024:

(\$ Thousands)

For the Three Months Ended March 31,	2025	2024
Net income	\$ 7,985	\$ 182,113
Total distributions declared	62,400	61,523
Excess (shortfall) of net income over total distributions declared	\$ (54,415)	\$ 120,590

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

NON-IFRS MEASURES**Funds From Operations**

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

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

A reconciliation of net income to FFO is as follows for the three months ended March 31, 2025 and March 31, 2024:

(\$ Thousands, except per unit amounts)

For the Three Months Ended March 31,	2025	2024
Net income	\$ 7,985	\$ 182,113
Adjustments:		
Fair value adjustments of investment properties	24,787	(71,319)
Fair value adjustments of financial instruments	13,006	573
Interest expense on Exchangeable LP Units	554	603
Loss (gain) on non-controlling interest	19,121	(9,640)
FFO impact attributable to ERES units held by non-controlling unitholders ⁽¹⁾	(2,227)	(4,716)
Deferred income tax expense (recovery)	3,781	(664)
Loss on foreign currency translation	2,681	5,970
Transaction costs and other activities ⁽²⁾	11,904	4,681
Tax related to ERES dispositions and tax authority reassessments ⁽³⁾	5,720	643
Net loss (gain) on derecognition of debt	3,553	(2,279)
Lease principal repayments	(335)	(311)
Reorganization, senior management termination and retirement costs ⁽⁴⁾	4,847	—
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination ⁽⁵⁾	—	(2,284)
FFO	\$ 95,377	\$ 103,370
Weighted average number of units (000s) – diluted	162,981	169,796
Total distributions declared	\$ 62,400	\$ 61,523
FFO per unit – diluted ⁽⁶⁾	\$ 0.585	\$ 0.609
FFO payout ratio ⁽⁷⁾	65.4%	59.5%

⁽¹⁾ The adjustment is based on applying the 35% weighted average ownership held by ERES non-controlling unitholders (March 31, 2024 – 35%).

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

⁽³⁾ Included in current income tax expense.

⁽⁴⁾ For the three months ended March 31, 2025, includes \$157 of accelerated vesting of previously granted CAPREIT unit-based compensation (for the three months ended March 31, 2024 - \$nil) and \$603 of accelerated vesting of ERES RURs that vested on January 7, 2025 (for the three months ended March 31, 2024 - \$nil).

⁽⁵⁾ During the three months ended March 31, 2024, three million ERES unit options were forfeited upon senior management termination totalling \$2,284.

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

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

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

Contributing to FFO are fees earned from ERES on the portion of ERES units held by non-controlling unitholders totalling \$0.5 million and \$1.2 million, respectively for the three months ended March 31, 2025 and March 31, 2024. These fees comprise asset management fees, property management fees, acquisition fees, service fees and interest income earned on promissory note from ERES. Refer to the Related Party Transactions in Section VI – Other Information for further details.

FFO for the three months ended March 31, 2025 decreased by \$8.0 million, or 7.7% compared to the same period last year, primarily due to lost NOI from disposed properties, partially offset by additional NOI from acquired properties, lower interest expense on credit facilities, and lower trust expenses (excluding reorganization costs).

For the three months ended March 31, 2025, diluted FFO per unit decreased by \$0.024, or 3.9%, compared to the same period last year, primarily due to the same reasons described above, partially offset by the impact of Trust Units purchased and cancelled through the NCIB program, reducing overall weighted average Units outstanding by approximately 4.0%.

Comparing total distributions declared to FFO, the FFO payout ratio for the three months ended March 31, 2025 increased to 65.4% compared to 59.5% for the same period last year primarily due to lower FFO coupled with the impact of distribution rate increase effective during the February 2025 monthly distribution.

Adjusted Cash Flows From Operations and Distributions Declared

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

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

The following table reconciles cash provided by operating activities to ACFO for the three months ended March 31, 2025 and March 31, 2024:

(\$ Thousands)

For the Three Months Ended March 31,	2025	2024
Cash provided by operating activities	\$ 122,454	\$ 144,988
Adjustments:		
Interest paid on mortgages payable and credit facilities payable	(43,201)	(48,642)
Actual non-discretionary property capital investments	(7,987)	(7,200)
Capitalized leasing costs ⁽¹⁾	(4,506)	(604)
Amortization and write-offs of other financing costs ⁽²⁾	(5,823)	(5,666)
Investment and interest income received	1,609	457
Net ACFO impact attributed to ERES units held by non-controlling unitholders ⁽³⁾	(716)	(4,524)
Lease payments	(1,578)	(1,572)
ACFO	\$ 60,252	\$ 77,237
Total distributions declared	62,400	61,523
Excess (deficit) ACFO over distributions declared	\$ (2,148)	\$ 15,714
ACFO payout ratio ⁽⁴⁾	103.6%	79.7%

⁽¹⁾ Comprises tenant inducements and direct leasing costs.

⁽²⁾ For the three months ended March 31, 2025, includes \$(4,125) of amortization and write-offs of CMHC premiums, deferred financing costs, fair value adjustments and deferred loan costs (for the three months ended March 31, 2024 – \$(4,896)). In addition, for the three months ended March 31, 2025, includes \$(1,698) of write-offs of CMHC premiums and deferred financing costs on dispositions (for the three months ended March 31, 2024 – \$(770)).

⁽³⁾ For the three months ended March 31, 2025, the adjustment is based on applying the 35% weighted average ownership held by ERES non-controlling unitholders (for the three months ended March 31, 2024 – 35%).

⁽⁴⁾ ACFO payout ratio is calculated using total distributions declared during the period divided by ACFO.

For the three months ended March 31, 2025, the ACFO payout ratio increased primarily due to lost NOI from net disposition activities contributing to lower cash provided by operating activities and higher than usual tenant inducements granted as part of a strategic move to stabilize occupancy and remain competitive in the current market, compared to the prior year comparative period.

Total Debt and Total Debt Ratios

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

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

(\$ Thousands)

As at	March 31, 2025	December 31, 2024	March 31, 2024
Mortgages payable – non-current	\$ 5,243,972	\$ 5,343,549	\$ 5,832,546
Mortgages payable – current	530,187	644,320	845,178
Mortgages payable related to assets held for sale	—	—	7,842
Total mortgages payable	\$ 5,774,159	\$ 5,987,869	\$ 6,685,566
Credit facilities payable – non-current	25,469	4,145	483,238
Total Debt	\$ 5,799,628	\$ 5,992,014	\$ 7,168,804
Total Assets	\$ 15,323,496	\$ 15,576,093	\$ 17,111,296
Add: Accumulated amortization of PP&E	44,712	43,164	46,569
Gross Book Value ⁽¹⁾	\$ 15,368,208	\$ 15,619,257	\$ 17,157,865
Total Debt to Gross Book Value ⁽²⁾	37.7 %	38.4 %	41.8 %
Total Mortgages Payable to Gross Book Value ⁽³⁾	37.6 %	38.3 %	39.0 %

⁽¹⁾ Gross Book Value ("GBV") is defined by CAPREIT's DOT.

⁽²⁾ Total Debt to Gross Book Value is calculated using total debt divided by gross book value.

⁽³⁾ Total Mortgages Payable to Gross Book Value is calculated using total mortgages payable divided by gross book value.

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

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

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

(\$ Thousands)

For the Trailing 12 Months Ended	March 31, 2025	December 31, 2024	March 31, 2024
Net income (loss)	\$ 118,614	\$ 292,742	\$ (126,234)
Adjustments:			
Interest and other financing costs	213,424	220,162	215,678
Interest on Exchangeable LP Units	2,380	2,429	2,388
Total current income tax expense and deferred income tax expense (recovery), net	48,371	39,439	(29,088)
Amortization of PP&E and right-of-use asset	6,382	6,363	6,138
Total unit-based compensation amortization expense, net	9,985	6,306	5,570
EUPP unit-based compensation expense	(496)	(523)	(548)
Fair value adjustments of investment properties	37,620	(58,486)	657,880
Fair value adjustments of financial instruments	18,427	5,994	(13,249)
Net loss (gain) on derecognition of debt	2,820	(3,012)	(2,215)
Loss (gain) on non-controlling interest	147,287	118,526	(75,959)
Loss on foreign currency translation	23,493	26,782	5,649
Transaction costs and other adjustments on dispositions and other	29,373	22,169	10,663
Adjusted EBITDAFV	\$ 657,680	\$ 678,891	\$ 656,673

Debt Service Coverage Ratio

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

(\$ Thousands)

For the Trailing 12 Months Ended	March 31, 2025	December 31, 2024	March 31, 2024
Contractual interest on mortgages payable ⁽¹⁾⁽²⁾	\$ 171,652	\$ 171,254	\$ 163,950
Amortization of deferred financing costs, fair value adjustments and OCI hedge interest on mortgages payable ⁽¹⁾	9,204	8,025	6,129
Contractual interest on credit facilities payable, net ⁽²⁾	18,702	25,049	28,008
Amortization of deferred financing costs on credit facilities payable	641	731	906
Mortgage principal repayments ⁽¹⁾	151,385	153,237	157,046
Debt service payments	\$ 351,584	\$ 358,296	\$ 356,039
Adjusted EBITDAFV	\$ 657,680	\$ 678,891	\$ 656,673
Debt service coverage ratio (times)	1.9x	1.9x	1.8x

⁽¹⁾ Includes mortgages payable related to assets held for sale, as applicable.

⁽²⁾ Includes net CCIR and IR swap interest, offsetting contractual interest.

Interest Coverage Ratio

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

(\$ Thousands)

For the Trailing 12 Months Ended	March 31, 2025	December 31, 2024	March 31, 2024
Contractual interest on mortgages payable ⁽¹⁾⁽²⁾	\$ 171,652	\$ 171,254	\$ 163,950
Amortization of deferred financing costs, fair value adjustments and OCI hedge interest on mortgages payable ⁽¹⁾	9,204	8,025	6,129
Contractual interest on credit facilities payable, net ⁽²⁾	18,702	25,049	28,008
Amortization of deferred financing costs on credit facilities payable	641	731	906
Interest Expense	\$ 200,199	\$ 205,059	\$ 198,993
Adjusted EBITDAFV	\$ 657,680	\$ 678,891	\$ 656,673
Interest coverage ratio (times)	3.3x	3.3x	3.3x

⁽¹⁾ Includes mortgages payable related to assets held for sale, as applicable.

⁽²⁾ Includes net CCIR and IR swap interest, offsetting contractual interest.

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 March 31, 2025, December 31, 2024 and March 31, 2024 is as follows:

(\$ Thousands, except per unit amounts)

As at	March 31, 2025	December 31, 2024	March 31, 2024
Unitholders' equity	\$ 8,989,395	\$ 9,027,312	\$ 9,374,475
Adjustments:			
Exchangeable LP Units	62,329	70,220	76,578
Unit-based compensation financial liabilities excluding ERES's RUR and ERES UOP	24,067	23,701	22,926
Deferred income tax liability	24,981	32,076	50,114
Deferred income tax asset	(86)	(11,793)	(20,837)
Derivative assets – non-current	(7,500)	(8,813)	(36,441)
Derivative assets – current	(450)	(10,263)	(8,167)
Derivative liabilities – current	3,639	3,684	1,227
Adjustment to ERES non-controlling interest ⁽¹⁾	(64,296)	(84,056)	(172,242)
NAV	\$ 9,032,079	\$ 9,042,068	\$ 9,287,633
Diluted number of units	162,562	162,927	169,501
NAV per unit – diluted ⁽²⁾	\$ 55.56	\$ 55.50	\$ 54.79

⁽¹⁾ CAPREIT accounts for the non-controlling interest in ERES as a liability, measured at the redemption amount, as defined by the ERES DOT, of ERES's units not owned by CAPREIT. The adjustment is made so that the non-controlling interest in ERES is measured at ERES's disclosed NAV, rather than the redemption amount. The table below summarizes the calculation of adjustment to ERES non-controlling interest as at March 31, 2025, December 31, 2024 and March 31, 2024:

(\$ Thousands)

As at	March 31, 2025	December 31, 2024	March 31, 2024
ERES's NAV	€ 462,904	€ 486,259	€ 676,778
Ownership by ERES non-controlling interest	35%	35%	35%
Closing foreign exchange rate	1.55329	1.49288	1.46162
Impact to NAV due to ERES's non-controlling unitholders	\$ 251,658	\$ 254,074	\$ 346,217
Less: ERES units held by non-controlling unitholders	(187,362)	(170,018)	(173,975)
Adjustment to ERES non-controlling interest	\$ 64,296	\$ 84,056	\$ 172,242

⁽²⁾ NAV per unit – diluted is calculated using NAV as at period end divided by diluted number of units.

OTHER INFORMATION

Selected Consolidated Quarterly Information

	Q1 25	Q4 24	Q3 24	Q2 24	Q1 24	Q4 23	Q3 23	Q2 23
Canadian residential Occupied AMR ⁽¹⁾⁽²⁾	\$ 1,677	\$ 1,636	\$ 1,617	\$ 1,577	\$ 1,552	\$ 1,516	\$ 1,490	\$ 1,460
The Netherlands Occupied AMR ⁽²⁾	€ 1,248	€ 1,222	€ 1,141	€ 1,072	€ 1,068	€ 1,063	€ 1,053	€ 1,009
Operating revenues (000s)	\$ 253,311	\$ 276,361	\$ 282,439	\$ 278,126	\$ 275,816	\$ 272,195	\$ 268,377	\$ 263,798
NOI (000s)	\$ 158,019	\$ 177,942	\$ 189,382	\$ 186,281	\$ 177,049	\$ 176,711	\$ 178,432	\$ 173,785
NOI Margin	62.4%	64.4%	67.1%	67.0%	64.2%	64.9%	66.5%	65.9%
Net income (loss) (000s)	\$ 7,985	\$ (48,813)	\$ 47,370	\$ 112,072	\$ 182,113	\$ 9,212	\$ (357,542)	\$ 39,983
FFO (000s) ⁽³⁾	\$ 95,377	\$ 104,292	\$ 111,833	\$ 109,145	\$ 103,370	\$ 102,153	\$ 108,280	\$ 100,076
FFO per unit – diluted ⁽³⁾	\$ 0.585	\$ 0.622	\$ 0.659	\$ 0.644	\$ 0.609	\$ 0.602	\$ 0.638	\$ 0.590
FFO payout ratio ⁽³⁾	65.4%	59.8%	56.2%	56.2%	59.5%	60.4%	56.8%	61.5%
Total debt to gross book value ⁽²⁾⁽³⁾	37.7%	38.4%	40.9%	41.5%	41.8%	41.6%	41.4%	40.4%
NAV per unit – diluted ⁽²⁾⁽³⁾	\$ 55.56	\$ 55.50	\$ 55.78	\$ 55.05	\$ 54.79	\$ 54.23	\$ 54.36	\$ 57.08
Weighted average number of units (000s) – diluted	162,981	167,742	169,586	169,527	169,796	169,828	169,727	169,664

⁽¹⁾ Excludes MHC sites.

⁽²⁾ As at period end.

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

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

Foreign Currency Information

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

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

As at	March 31, 2025	December 31, 2024	March 31, 2024
Canadian dollar per euro (closing rate at period end)	\$ 1.55329	\$ 1.49288	\$ 1.46162
Canadian dollar per USD (closing rate at period end)	1.43542	1.43722	1.35424

For the Three Months Ended	March 31, 2025	March 31, 2024
Canadian dollar per euro (average rate during the period)	\$ 1.51024	\$ 1.46371
Canadian dollar per USD (average rate during the period)	1.43568	1.34814

European Foreign Exchange Exposure

The majority of CAPREIT's foreign currency transactions are denominated in euros. Between December 31, 2024 and March 31, 2025, the euro strengthened against the Canadian dollar from a closing price of \$1.49288 per euro to \$1.55329 per euro. Between March 31, 2024 and March 31, 2025, the euro strengthened against the Canadian dollar from a closing price of \$1.46162 per euro to \$1.55329 per euro.

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

(€ Thousands)

As at	March 31, 2025	December 31, 2024	March 31, 2024
ERES assets	€ 755,397	€ 865,374	€ 1,722,474
Investment in IRES	—	—	78,001
CAPREIT's euro cash	77	78,944	751
Total foreign assets	€ 755,474	€ 944,318	€ 1,801,226
ERES liabilities (excluding intercompany transactions)	€ 300,487	€ 381,710	€ 1,039,031
Total foreign liabilities	€ 300,487	€ 381,710	€ 1,039,031
Net foreign equity ⁽¹⁾	€ 454,987	€ 562,608	€ 762,195
Net foreign equity (excluding non-controlling interest)	€ 295,768	€ 393,326	€ 522,989
Less: cross-currency swaps ⁽²⁾	234,000	278,818	442,358
Net European foreign exchange exposure (excluding non-controlling interest)	€ 61,768	€ 114,508	€ 80,631

⁽¹⁾ As at March 31, 2025, net foreign equity includes €454,910 (December 31, 2024 - €483,664, March 31, 2024 - €683,443) relating to ERES in which CAPREIT has a 65% (December 31, 2024 - 65%, March 31, 2024 - 65%) interest.

⁽²⁾ Excludes cross-currency swaps denominated in USD.

Related Party Transactions

A summary of related party transactions can be found in note 24 to CAPREIT's condensed consolidated interim financial statements for the three months ended March 31, 2025. Transactions with ERES are described below.

Other Transactions with ERES

The table below summarizes fees charged to and interest income earned from ERES for the three months ended March 31, 2025 and March 31, 2024, including non-recoverable taxes which must be remitted to the government:

(\$ Thousands)

For the Three Months Ended March 31,	2025	2024
Asset management fees	\$ 1,003	\$ 2,054
Property management fees ⁽¹⁾	122	1,294
Service fees	166	217
Total	\$ 1,291	\$ 3,565

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

During the three months ended March 31, 2025, ERES declared a total of \$3.4 million in distributions on ERES units and interest on Class B Limited Partnership units ("ERES Class B LP Units") to CAPREIT (three months ended March 31, 2024 – \$6.7 million).

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, AND OUTLOOK

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 months ended March 31, 2025 and in note 2 to CAPREIT's consolidated annual financial statements for the year ended December 31, 2024.

Critical Accounting Estimates, Assumptions, and Judgements

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

CONTROLS AND PROCEDURES

CAPREIT maintains appropriate information systems, procedures and controls to provide reasonable assurance that information disclosed externally is complete, reliable and timely. Pursuant to the Canadian Securities Administrators requirements under National Instrument 52-109, Certification of Disclosure in Issuers' Annual and Interim Filings, CAPREIT's Chief Executive Officer and Chief Financial Officer have satisfied themselves that as at March 31, 2025, the design of disclosure controls and procedures and the design of internal controls over financial reporting continue to be appropriate.

CAPREIT did not make any significant changes to the design of internal controls over financial reporting during the three months ended March 31, 2025 that have materially affected, or are reasonably likely to materially affect, the internal controls over financial reporting.

RISKS AND UNCERTAINTIES

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

COMMITMENTS AND CONTINGENCIES

A summary of commitments and contingencies can be found in note 26 to CAPREIT's condensed consolidated interim financial statements for the three months ended March 31, 2025.

SUBSEQUENT EVENTS

A summary of subsequent events can be found in note 28 to CAPREIT's condensed consolidated interim financial statements for the three months ended March 31, 2025.



CANADIAN APARTMENT
PROPERTIES • REIT

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED
MARCH 31, 2025
(UNAUDITED)

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CONSOLIDATED INTERIM BALANCE SHEETS

(In thousands of Canadian dollars)

As at	Note	March 31, 2025	December 31, 2024
Non-current assets			
Investment properties	3	\$ 14,941,512	\$ 14,868,362
Vendor takeback mortgages receivable		135,040	130,161
Derivative assets	7	7,500	8,813
Deferred income tax asset		86	11,793
Other assets	8	28,653	29,474
Total non-current assets		15,112,791	15,048,603
Current assets			
Cash and cash equivalents		118,989	136,243
Amounts receivable	5	30,412	17,384
Derivative assets	7	450	10,263
Other assets	8	48,354	56,140
Assets held for sale	6	12,500	307,460
Total current assets		210,705	527,490
Total assets		\$ 15,323,496	\$ 15,576,093
Non-current liabilities			
Debt	9	\$ 5,269,441	\$ 5,347,694
Deferred income tax liability		24,981	32,076
Unit-based compensation financial liabilities	10	10,140	12,305
Other liabilities	11	45,102	45,462
Total non-current liabilities		5,349,664	5,437,537
Current liabilities			
Debt	9	530,187	644,320
ERES units held by non-controlling unitholders	12	187,362	170,018
Accounts payable and accrued liabilities	13	68,677	101,760
Exchangeable LP Units	14	62,329	70,220
Unit-based compensation financial liabilities	10	15,178	12,326
Derivative liabilities	7	3,639	3,684
Other liabilities	11	117,065	108,916
Total current liabilities		984,437	1,111,244
Total liabilities		\$ 6,334,101	\$ 6,548,781
Unitholders' equity			
Unit capital		\$ 4,222,494	\$ 4,226,115
Retained earnings		4,728,270	4,791,648
Accumulated other comprehensive income		38,631	9,549
Total unitholders' equity		\$ 8,989,395	\$ 9,027,312
Total liabilities and unitholders' equity		\$ 15,323,496	\$ 15,576,093

See accompanying notes to the condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF NET INCOME AND COMPREHENSIVE INCOME

(In thousands of Canadian dollars)

For the Three Months Ended March 31,	Note	2025	2024
Operating revenues			
Revenue from investment properties	17	\$ 253,311	\$ 275,816
Operating expenses			
Property operating costs		(70,488)	(73,948)
Realty taxes		(24,804)	(24,819)
Total operating expenses		(95,292)	(98,767)
Net operating income			
Other income	18	4,271	3,635
Trust expenses	19	(16,578)	(13,734)
Unit-based compensation amortization recovery (expense):			
Unit-based compensation amortization expense	10	(3,309)	(1,914)
Unit-based compensation amortization recovery relating to ERES UOP forfeitures upon senior management termination	10	—	2,284
Total unit-based compensation amortization recovery (expense), net		(3,309)	370
Financing-related costs:			
Interest expense on debt and other financing costs	20	(47,670)	(54,408)
Interest expense on Exchangeable LP Units		(554)	(603)
Net gain (loss) on derecognition of debt		(3,553)	2,279
Total financing-related costs, net		(51,777)	(52,732)
Fair value adjustments of investment properties	3, 6	(24,787)	71,319
Fair value adjustments of financial instruments	21	(13,006)	(573)
Gain (loss) on non-controlling interest	12	(19,121)	9,640
Loss on foreign currency translation		(2,681)	(5,970)
Transaction costs and other activities	22	(11,904)	(4,681)
Net income before income taxes			
Current income tax expense		(7,361)	(2,874)
Deferred income tax recovery (expense)		(3,781)	664
Total current income tax expense and deferred income tax recovery (expense), net		(11,142)	(2,210)
Net income		\$ 7,985	\$ 182,113
Other comprehensive income (loss), including items that may be reclassified subsequently to net income			
Gain (loss) on foreign currency translation, net of taxes		\$ 28,937	\$ (412)
Gain (loss) on investments held at fair value through other comprehensive income (loss)		145	(158)
Other comprehensive income (loss)		\$ 29,082	\$ (570)
Comprehensive income		\$ 37,067	\$ 181,543

See accompanying notes to the condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF UNITHOLDERS' EQUITY

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

	Note	Number of Trust Units	Unit Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total
Unitholders' equity, January 1, 2025		160,545,918	\$ 4,226,115	\$ 4,791,648	\$ 9,549	\$ 9,027,312
Unit capital						
Distribution Reinvestment Plan		34,200	1,414	—	—	1,414
Restricted Unit Rights	10	48,611	1,961	—	—	1,961
Employee Unit Purchase Plan		15,881	654	—	—	654
Exchangeable LP Units exchanged	14	202,377	8,536	—	—	8,536
Cancellation of Trust Units under NCIB and other	15	(595,990)	(16,186)	(9,798)	—	(25,984)
Net income and other comprehensive income						
Net income		—	—	7,985	—	7,985
Other comprehensive income		—	—	—	29,082	29,082
Distributions on Trust Units						
Distributions declared and paid	16	—	—	(40,865)	—	(40,865)
Distributions payable	16	—	—	(20,700)	—	(20,700)
Unitholders' equity, March 31, 2025		160,250,997	\$ 4,222,494	\$ 4,728,270	\$ 38,631	\$ 8,989,395

	Note	Number of Trust Units	Unit Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total
Unitholders' equity, January 1, 2024		167,614,292	\$ 4,227,156	\$ 5,063,981	\$ (12,542)	\$ 9,278,595
Unit capital						
Distribution Reinvestment Plan		21,931	1,058	—	—	1,058
Restricted Unit Rights	10	16,983	822	—	—	822
Employee Unit Purchase Plan		17,424	838	—	—	838
Cancellation of Trust Units under NCIB and other	15	(562,017)	(15,240)	(12,442)	—	(27,682)
Net income and other comprehensive loss						
Net income		—	—	182,113	—	182,113
Other comprehensive loss		—	—	—	(570)	(570)
Distributions on Trust Units						
Distributions declared and paid		—	—	(40,507)	—	(40,507)
Distributions payable		—	—	(20,192)	—	(20,192)
Unitholders' equity, March 31, 2024		167,108,613	\$ 4,214,634	\$ 5,172,953	\$ (13,112)	\$ 9,374,475

See accompanying notes to the condensed consolidated interim financial statements.

CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(In thousands of Canadian dollars)

For the Three Months Ended March 31,	Note	2025	2024
Cash provided by (used in):			
Operating activities			
Net income		\$ 7,985	\$ 182,113
Items related to operating activities not affecting cash:			
Fair value adjustments of investment properties	3, 6	24,787	(71,319)
Fair value adjustments of financial instruments	21	13,006	573
Mark-to-market loss (gain) on ERES units held by non-controlling unitholders	12	17,248	(13,212)
Total unit-based compensation amortization expense (recovery), net		3,309	(370)
Other adjustments	23	16,535	9,586
Changes in non-cash operating assets and liabilities	23	(9,794)	(15,697)
Items related to investing activities		(4,272)	(2,990)
Items related to financing activities	23	53,650	56,304
Cash provided by operating activities		122,454	144,988
Investing activities			
Capital investments	23	(50,518)	(53,222)
Acquisitions, deposits and transaction costs of investment properties	4	(97,641)	(53,555)
Acquisition of investments		(845)	(1,369)
Disposition of investment properties (net of assumed mortgages and transaction costs)	5	361,389	65,091
Disposition of investments		1,103	47,454
Investment and interest income received		1,609	457
Change in restricted funds		691	(183)
Cash provided by investing activities		215,788	4,673
Financing activities			
Borrowings	9	54,660	98,989
Principal repayments	6, 9	(36,917)	(38,769)
Lump-sum repayments	6, 9	(238,484)	(38,109)
Financing costs and CMHC premiums paid	9	(615)	(1,851)
Refunds (deposits) related to financing activities		230	(1,140)
Interest paid on mortgages and credit facilities		(43,201)	(48,642)
Debt settlement costs paid		(1,855)	—
Purchase and cancellation of Trust Units	15	(25,555)	(27,125)
Distributions paid to Unitholders	23	(59,519)	(59,702)
Net proceeds on issuance of Trust Units	23	541	701
Interest paid to ERES non-controlling unitholders		(2,388)	(2,907)
Interest paid to Exchangeable LP unitholders		(573)	(603)
Lease payments		(1,578)	(1,572)
Cash used in financing activities		(355,254)	(120,730)
Changes in cash and cash equivalents during the period		(17,012)	28,931
Gain (loss) on foreign currency translation		(242)	36
Cash and cash equivalents, beginning of the period		136,243	29,528
Cash and cash equivalents, end of the period		\$ 118,989	\$ 58,495

See accompanying notes to the condensed consolidated interim financial statements.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

1. Organization of the Trust

As at March 31, 2025, Canadian Apartment Properties Real Estate Investment Trust ("CAPREIT") owns and manages interests in multi-unit residential rental properties, including mainly apartments and townhomes, 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 March 31, 2025, CAPREIT directly and indirectly holds a 65% (December 31, 2024 – 65%) ownership of publicly-traded European Residential Real Estate Investment Trust ("ERES"), which operates primarily in the Netherlands, with the remaining 35% (December 31, 2024 – 35%) held by non-controlling unitholders. CAPREIT owns publicly-traded units of ERES ("ERES Units") and Class B Limited Partnership units ("ERES Class B LP Units") of ERES Limited Partnership ("ERES LP").

2. Summary of Material Accounting Policies

Basis of Presentation

These condensed consolidated interim financial statements, which have been approved by CAPREIT's Board of Trustees on May 8, 2025, have been prepared in accordance with IAS 34, *Interim Financial Reporting* ("IAS 34"), as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information and note disclosures normally included in the consolidated annual financial statements for the year ended December 31, 2024, prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the IASB, have been omitted or condensed.

These condensed consolidated interim financial statements have been prepared on a going concern basis and are presented in Canadian dollars, which is also CAPREIT's functional currency. CAPREIT's results for the three months ended March 31, 2025 are not necessarily indicative of the results that may be expected for the full year due to seasonal variations in utility costs and other factors. CAPREIT has historically experienced higher utility expenses in the first and last quarters as a result of the winter months, which create variations in the quarterly results.

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

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

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

3. Investment Properties

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

Continuity of Investment Properties

For the Period Ended	Note	March 31, 2025	December 31, 2024
Balance of investment properties, beginning of the period		\$ 14,868,362	\$ 16,532,096
Additions (deductions):			
Acquisitions	4	98,968	665,019
Property capital investments		43,208	236,267
Capitalized direct leasing costs		355	802
Transfers from other assets		—	932
Dispositions ⁽¹⁾	5	(91,486)	(281,747)
Transfers to assets held for sale ⁽²⁾	6	—	(2,408,511)
Fair value adjustments		(24,590)	66,216
Foreign currency translation adjustments		46,695	57,288
Balance of investment properties, end of the period		\$ 14,941,512	\$ 14,868,362

⁽¹⁾ Excludes the disposition of investment properties that were previously classified as assets held for sale. Refer to notes 5 and 6 for further information.

⁽²⁾ For the year ended December 31, 2024, transfers included \$1,033,400 of investment properties from Canada and \$1,375,111 of investment properties from Europe. Refer to note 6 for further information.

Valuation Basis

Approximately one third of the Canadian portfolio is externally appraised throughout the year with quarterly updates provided on capitalization rates. For the remainder of the portfolio, capitalization rates are determined by the internal valuation team based on recent market transactions. For quarterly interim reporting purposes, CAPREIT updates its rental revenue and operating costs forecast based on market assumptions. CAPREIT's European residential portfolio was valued using the same methods and key assumptions as described in Note 4 of CAPREIT's audited consolidated annual financial statements for the year ended December 31, 2024.

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

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

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

As at March 31, 2025					
Type of Interest	Fair Value	Rate Type	Min.	Max.	Weighted Average
Apartments and townhomes – Canada ⁽¹⁾	\$ 13,455,409	Capitalization rate	3.50 %	6.60 %	4.45 %
Apartments – Europe ⁽²⁾	1,132,504	Discount rate	7.15 %	9.15 %	8.38 %
		Terminal capitalization rate	4.65 %	8.56 %	5.46 %

⁽¹⁾ Includes Canadian commercial operations and excludes investment properties acquired during the three months ended March 31, 2025, operating leasehold interests and land leasehold interests.

⁽²⁾ Rates include European commercial operations except one commercial property owned in Belgium, valued by a third-party appraiser using the DC method.

As at December 31, 2024

Type of Interest	Fair Value	Rate Type	Min.	Max.	Weighted Average
Apartments and townhomes – Canada ⁽¹⁾	\$ 13,357,991	Capitalization rate	3.52 %	6.60 %	4.45 %
Apartments and townhomes – Europe ⁽²⁾	1,155,489	Discount rate	6.95 %	8.95 %	8.20 %
		Terminal capitalization rate	4.75 %	8.80 %	5.63 %

⁽¹⁾ Includes Canadian commercial operations and excludes investment properties acquired during the three months ended December 31, 2024, operating leasehold interests and land leasehold interests.

⁽²⁾ Rates include European commercial operations except one commercial property owned in Belgium, valued by a third-party appraiser using the DC method.

As at March 31, 2025, the fair value of operating leasehold interests was \$93,700 (December 31, 2024 - \$96,440), the fair value of land leasehold interests was \$215,910 (December 31, 2024 - \$214,280) and the fair value of right-of-use assets included in investment properties was \$43,989 (December 31, 2024 - \$44,162).

The table below summarizes the impact of changes in the capitalization rate on the fair value of CAPREIT's investment properties as at March 31, 2025:

As at March 31, 2025	Change in Fair Value of Investment Properties
Change in Capitalization Rate ⁽¹⁾	
(0.50)%	\$ 1,888,520
(0.25)%	887,526
+0.25%	(792,460)
+0.50%	(1,504,374)

⁽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 \$148,956. A 1% decrease in normalized NOI would result in a decrease in fair value of investment properties of \$148,994.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

4. Acquisitions of Investment Properties

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

Three Months Ended March 31, 2025

Acquisition Date	Suite Count	Region	Fair Value of Investment Property	Gross Purchase Price ⁽¹⁾
January 28, 2025	41	Vancouver, BC	\$ 18,107	\$ 18,226
February 4, 2025	240	Edmonton, AB	79,400	79,400
Total	281		\$ 97,507	\$ 97,626
Transaction costs			\$ 1,461	
Total acquisition costs			\$ 98,968	

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

Acquisitions of Investment Properties Completed During the Three Months Ended March 31, 2024

For the three months ended March 31, 2024, CAPREIT acquired 291 suites for a total acquisition cost of \$129,301.

Net Disbursements on Acquisitions of Investment Properties

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

For the Three Months Ended March 31,	2025	2024
Acquired properties	\$ (98,968)	\$ (129,301)
Fair value of mortgages payable assumed	5,405	77,069
Change in deposit on acquisitions	(872)	(1,539)
Change in investment properties included in accounts payable and accrued liabilities	(3,206)	216
Net disbursements	\$ (97,641)	\$ (53,555)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

5. Dispositions of Investment Properties

The table below summarizes the dispositions of investment properties (including investment properties previously classified as assets held for sale) completed during the three months ended March 31, 2025.

Three Months Ended March 31, 2025

Disposition Date	Suite or Site Count	Region	Fair Value of Investment Properties	Gross Sale Price ⁽¹⁾
January 20, 2025	138	Charlottetown, PEI	\$ 21,765	\$ 23,000
January 22, 2025 ⁽²⁾	242	Brampton, ON	73,120	73,811
January 27, 2025 ⁽²⁾	20	The Netherlands	7,764	7,764
January 31, 2025 ⁽³⁾	176	Medicine Hat, AB	12,500	12,500
February 10, 2025 ⁽²⁾	717	Montréal, QC	103,750	103,750
February 12, 2025 ⁽²⁾⁽⁴⁾	259	The Netherlands	75,487	75,487
February 19, 2025	93	Orangeville, ON	30,500	30,500
February 25, 2025 ⁽²⁾⁽⁵⁾	—	Montréal, QC	9,000	9,000
March 4, 2025 ⁽²⁾	32	The Netherlands	12,953	12,953
March 31, 2025	104	The Netherlands	39,221	39,221
Total	1,781		\$ 386,060	\$ 387,986

⁽¹⁾ The gross sale price is the amount stated in the purchase and sale agreement and comprises the fair value of investment properties being disposed of and, as applicable, the fair value adjustment of mortgages payable assumed by the purchaser and vendor takeback ("VTB") mortgages receivable issued by CAPREIT to the purchaser. The gross sale price excludes transaction costs and other adjustments.

⁽²⁾ Previously included in assets held for sale.

⁽³⁾ Relates to one of the two remaining MHC properties that were classified as assets held for sale as at December 31, 2024.

⁽⁴⁾ Represents disposition of seven residential properties.

⁽⁵⁾ Represents disposition of an office property.

Dispositions of Investment Properties Completed During the Three Months Ended March 31, 2024

For the three months ended March 31, 2024, CAPREIT disposed of 404 suites for a total fair value of \$91,604.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

Net Proceeds on Dispositions of Investment Properties

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

For the Three Months Ended March 31,	2025	2024
Fair value of disposed investment properties	\$ 91,486	\$ 46,109
Fair value of disposed assets held for sale	294,574	45,495
Fair value of VTB mortgages receivable	(3,831)	—
Fair value of mortgages payable assumed by purchasers on dispositions ⁽¹⁾	—	(18,349)
Closing costs and other adjustments	(8,946)	(3,073)
Proceeds receivable ⁽²⁾	(10,472)	—
Working capital adjustments	(1,422)	(5,091)
Net proceeds	\$ 361,389	\$ 65,091

⁽¹⁾ Includes mortgages payable previously classified as liabilities related to assets held for sale, as applicable. Refer to note 6 for further information.

⁽²⁾ Included in amounts receivable within the consolidated interim balance sheets and relates to the Netherlands disposition on March 31, 2025. The net proceeds were received on April 3, 2025.

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

As at March 31, 2025, CAPREIT classified a property in Canada as an asset held for sale for \$12,500. Management had committed to a plan to sell the property, and the sale was considered to be highly probable as at March 31, 2025. This property was disposed of subsequent to March 31, 2025. Refer to note 28 for further information. There were no mortgages or other liabilities related to assets held for sale as at March 31, 2025.

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

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

Assets Held for Sale

For the Period Ended	Note	March 31, 2025	December 31, 2024
Balance, beginning of the period		\$ 307,460	\$ 45,850
Additions (deductions):			
Transfers from investment properties ⁽¹⁾	3	—	2,408,511
Property capital investments		197	5,609
Dispositions of investment properties		(294,574)	(2,136,667)
Fair value adjustments		(197)	(7,730)
Foreign currency translation adjustments		(386)	(8,113)
Balance, end of the period ⁽²⁾		\$ 12,500	\$ 307,460

⁽¹⁾ For the year ended ended December 31, 2024, transfers included \$1,033,400 of investment properties from Canada and \$1,375,111 of investment properties from Europe.

⁽²⁾ As at March 31, 2025, consists of \$12,500 from Canada and \$nil from Europe (December 31, 2024 - \$210,871 from Canada and \$96,589 from Europe).

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**March 31, 2025 (Unaudited)**

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

Liabilities Related to Assets Held for Sale

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

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

7. Derivative Financial Instruments

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

As at March 31, 2025							
Type of Instrument		Notional Amount	Year of Maturity	Weighted Average Receiving Leg Rate	Weighted Average Paying Leg Rate	Derivative Asset	Derivative Liability
Non-current							
ERES IR swaps	€	78,721	2027	EURIBOR	(0.11)%	\$ 7,500	\$ —
Total						\$ 7,500	\$ —
Current							
CCIR swaps ⁽¹⁾	\$	359,068	2025	2.16 %	1.38 %	\$ 450	\$ (3,639)
Total						\$ 450	\$ (3,639)

⁽¹⁾ Euro equivalent of €234,000.

As at December 31, 2024

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

⁽¹⁾ Euro equivalent of €278,818.

⁽²⁾ One-month CCIR swap with Canadian dollar equivalent of \$95,000.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

8. Other Assets

As at	March 31, 2025	December 31, 2024
Other non-current assets		
Property, plant and equipment ("PP&E") ⁽¹⁾	\$ 52,146	\$ 51,595
Accumulated amortization of PP&E	(44,712)	(43,164)
PP&E, net of accumulated amortization	7,434	8,431
Right-of-use asset, net of accumulated amortization and other ⁽²⁾	3,407	3,655
Investments	17,812	17,388
Total	\$ 28,653	\$ 29,474
Other current assets		
Prepaid expenses and other	\$ 26,075	\$ 33,986
Restricted funds	10,582	11,273
Investments	10,012	10,517
VTB mortgage interest receivable	1,685	364
Total	\$ 48,354	\$ 56,140

⁽¹⁾ Consists of head office and regional offices' leasehold improvements, corporate assets and information technology systems.

⁽²⁾ Right-of-use asset, net of accumulated amortization of \$3,653 (December 31, 2024 – \$3,500).

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**March 31, 2025 (Unaudited)**

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

9. Debt**Continuity of Total Debt**

	For the Three Months Ended March 31, 2025		
	Mortgages Payable	Credit Facilities Payable	Total Debt
Balance, beginning of the period	\$ 5,987,869	\$ 4,145	\$ 5,992,014
Add:			
Borrowings ⁽¹⁾	18,188	36,472	54,660
Less:			
Principal repayments	(36,917)	—	(36,917)
Lump-sum repayments ⁽¹⁾⁽²⁾	(222,473)	(16,011)	(238,484)
Financing costs and CMHC premiums paid	(269)	(346)	(615)
Non-cash adjustments:			
Fair value of mortgage assumed upon property acquisition	5,405	—	5,405
Amortization and write-off of deferred financing costs, prepaid CMHC premiums and fair value adjustments	5,722	136	5,858
Foreign currency translation adjustments	16,634	1,073	17,707
Balance, end of the period	\$ 5,774,159	\$ 25,469	\$ 5,799,628
Less: Current portion	530,187	—	530,187
Total non-current portion	\$ 5,243,972	\$ 25,469	\$ 5,269,441

⁽¹⁾ Excludes non-cash mortgage renewals of \$50,482.⁽²⁾ Includes \$161,895 of mortgages discharged due to property dispositions.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

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

⁽¹⁾ Excludes non-cash mortgage renewals of \$107,983.

⁽²⁾ Includes \$752,552 of mortgages discharged due to property dispositions.

⁽³⁾ Excludes mortgages that were previously classified as liabilities related to assets held for sale. Refer to note 6 for further information.

Mortgages Payable

As at ⁽¹⁾	March 31, 2025	December 31, 2024
Weighted average effective interest rate	3.16 %	3.11 %
Maturity date	2025 - 2036	2025 - 2036
Investment properties pledged as security on mortgages	\$ 13,489,554	\$ 13,623,232
Investment properties not pledged as security on mortgages	\$ 1,451,958	\$ 1,245,130

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

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

Future principal repayments as at March 31, 2025 for the years indicated are as follows:

As at March 31, 2025	Principal Amount	% of Total Principal
Remainder of 2025	\$ 494,265	8.3
2026	736,806	12.4
2027	891,292	15.1
2028	898,979	15.2
2029	587,545	9.9
2030 – 2036	2,313,129	39.1
Total principal	\$ 5,922,016	100.0
Less: Prepaid CMHC premiums	(107,392)	
Less: Deferred financing costs	(21,805)	
Less: Fair value adjustments	(18,660)	
Total mortgages payable	\$ 5,774,159	

Credit Facilities Payable

As at March 31, 2025, CAPREIT's credit facilities consist of the \$200,000 acquisition and operating facility ("Acquisition and Operating Facility"), which can be borrowed in Canadian dollars, US dollars ("USD") or euros; the \$70,000 greenhouse gas ("GHG") reduction facility ("GHG Reduction Facility"); as well as the €125,000 ERES revolving credit facility ("ERES Credit Facility", collectively, the "Credit Facilities").

Certain Canadian investment properties are secured against the Acquisition and Operating Facility, with a carrying value totalling \$571,074 (December 31, 2024 – \$601,334).

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

As at	March 31, 2025	December 31, 2024
Maximum borrowing capacity	\$ 200,000	\$ 600,000
Accordion option ⁽¹⁾	\$ 400,000	\$ 200,000
Interest rate:		
Canadian dollar borrowings ⁽²⁾	CORRA + 1.65%	CORRA + 1.65%
USD borrowings ⁽³⁾	SOFR + 1.45%	SOFR + 1.45%
Euro borrowings ⁽⁴⁾	EURIBOR + 1.35%	EURIBOR + 1.35%
Maturity date	February 28, 2028	December 19, 2025

⁽¹⁾ An accordion option is available to increase the credit facility limit upon satisfaction of conditions set out in the agreement and the consent of applicable lenders.

⁽²⁾ CORRA stands for Canadian Overnight Repo Rate Average.

⁽³⁾ SOFR stands for Secured Overnight Financing Rate.

⁽⁴⁾ EURIBOR stands for Euro Interbank Offered Rate.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

The tables below summarize the amounts available and drawn under the respective Credit Facilities as at March 31, 2025 and December 31, 2024:

As at March 31, 2025	Acquisition and Operating Facility	GHG Reduction Facility	ERES Credit Facility	Total
Maximum borrowing capacity	\$ 200,000	\$ 70,000	\$ 194,161	\$ 464,161
Canadian dollar borrowings	\$ —	\$ (8,784)	\$ —	\$ (8,784)
USD borrowings	—	N/A	—	—
Euro borrowings	—	N/A	(17,785) ⁽¹⁾	(17,785)
Less: Total borrowings	\$ —	\$ (8,784)	\$ (17,785)	\$ (26,569)
Less: Letters of credit	(4,428)	N/A	—	(4,428)
Available borrowing capacity	\$ 195,572	\$ 61,216	\$ 176,376	\$ 433,164
Weighted average interest rate including interest rate swaps	N/A	3.00 %	3.73 %	3.49 %

⁽¹⁾ As at March 31, 2025, ERES has euro borrowings totalling €11,450 that bear interest at EURIBOR plus a margin of 1.35% per annum.

As at December 31, 2024	Acquisition and Operating Facility	GHG Reduction Facility	ERES Credit Facility	Total
Maximum borrowing capacity	\$ 600,000	\$ 70,000	\$ 186,610	\$ 856,610
Canadian dollar borrowings	\$ —	\$ (5,019)	\$ —	\$ (5,019)
USD borrowings	(95,280) ⁽¹⁾	N/A	—	(95,280)
Euro borrowings	—	N/A	—	—
Less: Total borrowings	\$ (95,280)	\$ (5,019)	\$ —	\$ (100,299)
Less: Letters of credit	(4,428)	N/A	—	(4,428)
Available borrowing capacity	\$ 500,292	\$ 64,981	\$ 186,610	\$ 751,883
Weighted average interest rate including interest rate swaps	4.58 % ⁽²⁾	3.00 %	N/A	4.50 %

⁽¹⁾ As at December 31, 2024, CAPREIT has USD borrowings totalling US\$66,294 that bear interest at the Term SOFR plus a margin of 1.45% per annum, excluding the impact of CCIR swaps. Pursuant to the terms of the Acquisition and Operating Facility, the USD borrowings were netted against cash and cash equivalents on the consolidated balance sheets.

⁽²⁾ As at December 31, 2024, excluding the impact of CCIR swaps, the weighted average interest rate on the Acquisition and Operating Facility is 4.94% per annum. For details on the swaps, refer to note 7.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

10. Unit-based Compensation Financial Liabilities

Units of CAPREIT ("Trust Units") are issuable pursuant to CAPREIT's unit-based compensation plans, namely the Employee Unit Purchase Plan ("EUPP"), the Deferred Unit Plan ("DUP") and the Restricted Unit Rights Plan ("RUR Plan"). The DUP provides for the issuance of deferred units ("DUs"). The RUR Plan provides for the issuance of restricted unit rights ("RURs") and performance unit rights ("PURs"). As at March 31, 2025, the maximum number of Trust Units issuable under CAPREIT's unit-based compensation plans (excluding ERES) is 11,500,000 (December 31, 2024 – 11,500,000). The maximum number of Trust Units available for future issuance under these unit-based compensation plan agreements as at March 31, 2025 is 1,430,575 (December 31, 2024 – 1,626,592).

ERES units are issuable pursuant to ERES's Unit Options Plan ("ERES UOP") and ERES's Restricted Unit Rights Plan ("ERES RUR Plan"). The maximum number of ERES unit options and ERES restricted unit rights ("ERES RURs") that may be reserved under ERES's unit-based compensation plans is 10% of the outstanding ERES units (including ERES Class B LP Units). As at March 31, 2025, the maximum number of ERES unit options and ERES RURs allowable for future issuance under ERES's unit-based compensation plans is 21,236,145 (December 31, 2024 – 21,236,942).

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

CAPREIT's unit-based compensation plans (excluding EUPP)

Three Months Ended March 31, 2025				Total CAPREIT ⁽¹⁾
(Number of units)	DUs	RURs	PURs	
Unit rights outstanding as at January 1, 2025	154,409	550,422	29,729	734,560
Activity during the period				
Granted	7,994	122,790	42,156	172,940
Settled in Trust Units	—	(48,611)	—	(48,611)
Cancelled or forfeited	—	(5)	—	(5)
Distributions reinvested	1,420	5,376	405	7,201
Unit rights outstanding as at March 31, 2025	163,823	629,972	72,290	866,085

⁽¹⁾ Excludes units from the EUPP, ERES UOP and ERES RUR Plan.

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

⁽¹⁾ Excludes units from the EUPP, ERES UOP and ERES RUR Plan.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

ERES's unit-based compensation plans

Three Months Ended March 31, 2025 (Number of units)	ERES unit options	ERES RURs	Total ERES
Unit options and unit rights outstanding as at January 1, 2025	1,765,734	402,460	2,168,194
Activity during the period			
Distributions reinvested	—	4,978	4,978
Unit options and unit rights outstanding as at March 31, 2025 ⁽¹⁾	1,765,734	407,438	2,173,172

⁽¹⁾ The ERES Board approved the outstanding RURs to vest immediately on January 7, 2025.

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

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

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

For the Period Ended	March 31, 2025	December 31, 2024
Total unit-based compensation financial liabilities, beginning of the period	\$ 24,631	\$ 23,423
Unit-based compensation amortization expense, excluding ERES UOP forfeitures upon senior management termination ⁽¹⁾	3,309	8,590
Unit-based compensation amortization recovery (expense) relating to ERES UOP forfeitures upon senior management termination ⁽²⁾	—	(2,284)
Unit-based compensation remeasurement gain	(548)	(1,238)
Settlement of unit-based compensation awards for Trust Units	(2,074)	(4,497)
Foreign currency translation adjustments and other	—	637
Total unit-based compensation financial liabilities, end of the period	\$ 25,318	\$ 24,631

⁽¹⁾ For the three months ended March 31, 2025, includes \$157 of accelerated vesting of previously granted CAPREIT unit-based compensation (for the year ended December 31, 2024 – \$309) and \$603 of accelerated vesting of ERES RURs that vested on January 7, 2025 (for the year ended December 31, 2024 – \$nil).

⁽²⁾ Relates to the forfeiture of previously granted ERES unit options upon senior management termination during the year ended December 31, 2024.

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March 31, 2025 (Unaudited)

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

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

As at	March 31, 2025	December 31, 2024
Non-current		
RURs	\$ 9,811	\$ 11,890
PURs	329	112
ERES RURs	—	303
	\$ 10,140	\$ 12,305
Current		
DUs	\$ 7,067	\$ 6,583
RURs	6,860	5,116
ERES RURs	1,027	—
ERES unit options	224	627
	\$ 15,178	\$ 12,326
Total unit-based compensation financial liabilities	\$ 25,318	\$ 24,631

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

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

11. Other Liabilities

As at	March 31, 2025	December 31, 2024
Other non-current liabilities		
Non-current lease liabilities	\$ 44,443	\$ 44,803
Other	659	659
Total	\$ 45,102	\$ 45,462
Other current liabilities		
Security deposits	\$ 45,819	\$ 46,206
Deferred revenue and other	20,285	18,749
Mortgage interest payable	14,209	15,107
Distributions payable to Unitholders	20,700	20,068
Interest payable to ERES non-controlling unitholders	473	1,045
Current tax liability	15,579	7,741
Total	\$ 117,065	\$ 108,916

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

12. ERES Units Held by Non-Controlling Unitholders

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

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

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

For the Period Ended	March 31, 2025	December 31, 2024
Balance of ERES units held by non-controlling unitholders, beginning of the period	\$ 170,018	\$ 186,522
Mark-to-market loss (gain) on ERES units ⁽¹⁾	17,248	(18,634)
Interest expense to ERES non-controlling unitholders	1,873	14,543
Special interest expense to ERES non-controlling unitholders	—	122,617
Loss on non-controlling interest	\$ 19,121	\$ 118,526
Less: Interest paid to ERES non-controlling unitholders	(1,777)	(12,413)
Less: Special interest paid to ERES non-controlling unitholders	—	(122,617)
Balance of ERES units held by non-controlling unitholders, end of the period	\$ 187,362	\$ 170,018

⁽¹⁾ The mark-to-market gain for the year ended December 31, 2024 includes the impact of the ERES Special Distribution paid on December 31, 2024.

13. Accounts Payable and Accrued Liabilities

As at	March 31, 2025	December 31, 2024
Accounts payable	\$ 34,651	\$ 44,073
Accrued liabilities	34,026	57,687
Total	\$ 68,677	\$ 101,760

14. Exchangeable LP Units

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

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

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

For the Period Ended	March 31, 2025	December 31, 2024
Balance of Exchangeable LP Units, beginning of the period	\$ 70,220	\$ 80,383
Fair value adjustments of Exchangeable LP Units	645	(10,163)
Exchangeable LP Units exchanged for Trust Units	(8,536)	—
Balance of Exchangeable LP Units, end of the period	\$ 62,329	\$ 70,220

15. Unitholders' Equity

a) Normal Course Issuer Bid ("NCIB")

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

The table below summarizes the NCIB activity for the three months ended March 31, 2025 and March 31, 2024. The excess of the purchase price over the weighted average historical Trust Unit issuance price was recorded as a reduction to retained earnings.

For the Three Months Ended March 31,	2025	2024
Total cost of Trust Units purchased and cancelled under the NCIB ⁽¹⁾	\$ 25,504	\$ 27,081
Number of Trust Units purchased and cancelled under the NCIB	595,990	562,017
Weighted average purchase price per Trust Unit ⁽¹⁾	\$ 42.79	\$ 48.19

⁽¹⁾ For the three months ended March 31, 2025, the total cost presented and the weighted average purchase price per Trust Unit include commissions, but exclude a net aggregate amount of \$480 relating to the federal 2% tax on repurchases of Trust Units as well as other NCIB transaction costs (for the three months ended March 31, 2024 - \$601).

Refer to note 28 for details on Trust Units repurchased subsequent to March 31, 2025.

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

On February 22, 2024, CAPREIT filed a prospectus supplement to establish an ATM Program that allows CAPREIT, at its sole discretion, to issue Trust Units up to an aggregate sale price of \$400,000 from treasury to the public from time to time, directly on the TSX or on other marketplaces on which the Trust Units are listed or quoted in Canada or where the Trust Units are traded in Canada, at prevailing market prices.

In connection with the establishment of the ATM Program, CAPREIT has entered into an equity distribution agreement dated February 22, 2024 (the "Equity Distribution Agreement") with a major financial institution (the "Agent"). Any Trust Units sold in the ATM Program will be distributed through the TSX or any other permitted marketplace at the market prices prevailing at the time of sale. The volume and timing of distributions under the ATM Program, if any, will be determined at CAPREIT's sole discretion. There is no certainty that any Trust Units will be offered or sold under the ATM Program. The ATM Program will be effective until June 9, 2025, unless terminated prior to such date by CAPREIT or otherwise in accordance with the terms of the Equity Distribution Agreement.

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March 31, 2025 (Unaudited)

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

During the three months ended March 31, 2025, no Trust Units were issued under the ATM Program (three months ended March 31, 2024 – nil).

16. Distributions on Trust Units

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

17. Revenue from Contracts with Customers

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

For the three months ended March 31, 2025, the non-lease component earned from tenants was \$51,664 (for the three months ended March 31, 2024 – \$53,279). For the three months ended March 31, 2025, the miscellaneous revenues were \$6,202 (for the three months ended March 31, 2024 – \$6,183).

18. Other Income

For the Three Months Ended March 31,	2025	2024
Interest income from VTB mortgages receivable	\$ 2,662	\$ 464
Interest income	1,340	246
Investment income ⁽¹⁾	269	2,761
Profit from sale of MHC home inventory	—	164
Total	\$ 4,271	\$ 3,635

⁽¹⁾ For the three months ended March 31, 2024, investment income includes \$2,533 of semi-annual dividends from Irish Residential Properties REIT plc ("IRES").

19. Trust Expenses

For the Three Months Ended March 31,	2025	2024
Trust Expenses (excluding reorganization costs)	\$ (12,491)	\$ (13,734)
Reorganization costs	(4,087)	—
Total Trust Expenses	\$ (16,578)	\$ (13,734)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

20. Interest Expense on Debt and Other Financing Costs

For the Three Months Ended March 31,	2025	2024
Contractual interest on mortgages payable ⁽¹⁾⁽²⁾	\$ (41,536)	\$ (41,138)
Amortization of deferred financing costs and fair value adjustments on mortgages payable ⁽¹⁾	(2,450)	(1,271)
Amortization of CMHC premiums and fees on mortgages payable ⁽¹⁾	(1,539)	(3,399)
Contractual interest on credit facilities payable, net ⁽²⁾	(766)	(7,113)
Amortization of deferred financing costs on credit facilities payable	(136)	(226)
Interest on land and air rights lease liability	(1,243)	(1,261)
Total	\$ (47,670)	\$ (54,408)

⁽¹⁾ Includes mortgages payable related to assets held for sale, as applicable.

⁽²⁾ Includes net CCIR and IR swap interest, offsetting contractual interest.

21. Fair Value Adjustments of Financial Instruments

For the Three Months Ended March 31,	2025	2024
Fair value adjustments of Exchangeable LP Units	\$ (645)	\$ 3,805
Fair value adjustments of investments	40	(11,953)
Fair value adjustments of derivative financial instruments	(12,949)	8,164
Unit-based compensation remeasurement gain (loss)	548	(589)
Fair value adjustments of financial instruments	\$ (13,006)	\$ (573)

22. Transactions Costs and Other Activities

For the Three Months Ended March 31,	2025	2024
Transaction costs and other adjustments on dispositions, net	\$ (8,946)	\$ (3,073)
Amortization of PP&E and right-of-use asset	(1,547)	(1,528)
Enterprise resource planning implementation costs ⁽¹⁾	(1,411)	—
Fair value gain (loss) on transfer of other assets to investment properties	—	(80)
Total	\$ (11,904)	\$ (4,681)

⁽¹⁾ Includes licensing and consulting costs, and salaries and benefits.

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

23. Supplemental Cash Flow Information

a) Other Adjustments

For the Three Months Ended March 31,	2025	2024
Closing costs and other adjustments	\$ 8,946	\$ 3,073
Amortization of PP&E and right-of-use asset	1,547	1,528
Straight-line rent adjustment	95	—
Deferred income tax expense (recovery)	3,781	(664)
Unrealized foreign currency loss	2,166	5,569
Fair value loss on transfer of other assets to investment properties	—	80
Other adjustments	\$ 16,535	\$ 9,586

b) Changes in Non-cash Operating Assets and Liabilities

For the Three Months Ended March 31,	2025	2024
Prepaid expenses	\$ 9,297	\$ (10,123)
Tenant inducements, direct leasing costs and other adjustments	(1,285)	(160)
Amounts receivable	(2,311)	(2,850)
Deposits	606	(357)
MHC home inventory	—	371
Accounts payable, accrued liabilities and other	(21,319)	(10,113)
Derivative financial instruments	(1,633)	4,250
Security deposits	(698)	1,126
Current tax liability	7,549	2,159
Changes in non-cash operating assets and liabilities	\$ (9,794)	\$ (15,697)

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

c) Items Related to Financing Activities

For the Three Months Ended March 31,	2025	2024
Interest expense on debt and other financing costs	\$ 47,670	\$ 54,408
Interest expense on Exchangeable LP Units	554	603
Interest expense to ERES non-controlling unitholders	1,873	3,572
Net loss (gain) on derecognition of debt	3,553	(2,279)
Items related to financing activities	\$ 53,650	\$ 56,304

d) Capital Investments

For the Three Months Ended March 31,	2025	2024
Property capital investments (investment properties and assets held for sale)	\$ (43,405)	\$ (42,201)
PP&E investments	(361)	(893)
Change in capital investments included in accounts payable and accrued liabilities	(6,752)	(10,128)
Net disbursements	\$ (50,518)	\$ (53,222)

e) Distributions Paid to Unitholders

For the Three Months Ended March 31,	2025	2024
Distributions declared to Unitholders	\$ (61,565)	\$ (60,699)
Add: Distributions payable to Unitholders at beginning of the period	(20,068)	(20,253)
Less: Distributions payable to Unitholders at end of the period	20,700	20,192
Less: Distributions to participants in the CAPREIT DRIP	1,414	1,058
Cash disbursements to Unitholders	\$ (59,519)	\$ (59,702)

f) Issuance of Trust Units

For the Three Months Ended March 31,	2025	2024
Issuance of Trust Units	\$ 11,151	\$ 1,660
Settlement of unit-based compensation awards for Trust Units	(2,074)	(959)
Conversion of Exchangeable LP Units to Trust Units and other	(8,536)	—
Net proceeds	\$ 541	\$ 701

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

24. Related Party Transactions

Transactions with Key Management Personnel

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

For the Three Months Ended March 31,	2025	2024
Cash compensation and short-term benefits	\$ (1,321)	\$ (1,272)
Unit-based compensation – amortization	(1,533)	(1,044)
	(2,854)	(2,316)
Unit-based compensation – fair value remeasurement	67	748
Total compensation expense	\$ (2,787)	\$ (1,568)

25. Segmented Information

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

For the Three Months Ended March 31, 2025				
Selected consolidated interim statements of net income and comprehensive income items	Canada	Europe	Unallocated Items	Consolidated Financial Statements
Revenue from investment properties	\$ 235,497	\$ 17,814	\$ —	\$ 253,311
Operating expenses	(90,774)	(4,518)	—	(95,292)
Net operating income	\$ 144,723	\$ 13,296	\$ —	\$ 158,019
Fair value adjustments of investment properties	\$ 6,234	\$ (31,021)	\$ —	\$ (24,787)
Effective interest on mortgages payable ⁽¹⁾	(42,770)	(2,755)	—	(45,525)
Other ⁽²⁾	—	—	(79,722)	(79,722)
Net income (loss)	\$ 108,187	\$ (20,480)	\$ (79,722)	\$ 7,985

⁽¹⁾ Includes net CCIR and IR swap interest, offsetting contractual interest.

⁽²⁾ Consists primarily of gain (loss) on non-controlling interest, trust expenses, loss on foreign currency translation, transaction costs and other activities, fair value adjustments of financial instruments, current income tax expense and deferred income tax recovery (expense).

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

For the Three Months Ended March 31, 2024

Selected consolidated interim statements of net income and comprehensive income items	Canada	Europe	Unallocated Items	Consolidated Financial Statements
Revenue from investment properties	\$ 240,047	\$ 35,769	\$ —	\$ 275,816
Operating expenses	(90,972)	(7,795)	—	(98,767)
Net operating income	\$ 149,075	\$ 27,974	\$ —	\$ 177,049
Fair value adjustments of investment properties	\$ 74,737	\$ (3,418)	\$ —	\$ 71,319
Effective interest on mortgages payable ⁽¹⁾⁽²⁾	(38,816)	(6,992)	—	(45,808)
Other ⁽³⁾	—	—	(20,447)	(20,447)
Net income (loss)	\$ 184,996	\$ 17,564	\$ (20,447)	\$ 182,113

⁽¹⁾ Includes mortgages payable related to assets held for sale, as applicable.

⁽²⁾ Includes net CCIR and IR swap interest, offsetting contractual interest.

⁽³⁾ Consists primarily of gain (loss) on non-controlling interest, trust expenses, loss on foreign currency translation, transaction costs and other activities, fair value adjustments of financial instruments, current income tax expense and deferred income tax recovery (expense).

As at March 31, 2025

Selected consolidated interim balance sheet items	Canada	Europe	Unallocated Items	Consolidated Financial Statements
Investment properties	\$ 13,809,008	\$ 1,132,504	\$ —	\$ 14,941,512
Assets held for sale	12,500	—	—	12,500
Other ⁽¹⁾	—	—	369,484	369,484
Total assets	\$ 13,821,508	\$ 1,132,504	\$ 369,484	\$ 15,323,496
Mortgages payable	\$ 5,379,255	\$ 394,904	\$ —	\$ 5,774,159
Other ⁽²⁾	—	—	559,942	559,942
Total liabilities	\$ 5,379,255	\$ 394,904	\$ 559,942	\$ 6,334,101

⁽¹⁾ Consists primarily of VTB receivable, cash and cash equivalents and other assets.

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

As at December 31, 2024

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

⁽¹⁾ Consists primarily of VTB receivable, cash and cash equivalents and other assets.

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

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

26. Commitments and Contingencies

Property-Related Commitments

Commitments primarily related to improvements and other expenditures in investment properties of \$30,340 are outstanding as at March 31, 2025 (December 31, 2024 – \$32,691).

Contingencies

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

In addition, ERES and its subsidiaries may, from time to time, have prior taxation years audited by tax authorities, and may be reassessed additional tax as a result. As at March 31, 2025, ERES has recorded a total provision of \$7,436 for the estimated impact related to reassessments by the Dutch tax authority in respect of certain subsidiaries, of which \$4,229 was included in current income tax expense for the three months ended March 31, 2025 and the remainder was recorded in the prior year. The reassessed ERES subsidiaries have objected to the reassessments. These reassessments are subject to ongoing discussions with the Dutch tax authority and actual amounts reassessed may differ as no final decision has yet been received.

27. Fair Value of Financial Instruments and Investment Properties

As at March 31, 2025, the fair value of CAPREIT's mortgages payable, excluding liabilities related to assets held for sale, as applicable, is estimated to be \$5,716,932 (December 31, 2024 – \$5,855,497). The difference between the carrying amount and the fair value of mortgages payable is due to changes in interest rates and foreign exchange rates since the dates the individual mortgages payable were financed, and the impact of the passage of time on the primarily fixed rate nature of CAPREIT's mortgages payable. The fair value of the mortgages payable is based on discounted future cash flows using rates that reflect current rates for similar financial instruments with similar durations, terms and conditions. As at March 31, 2025, the principal outstanding on CAPREIT's mortgages payable is \$5,922,016 (December 31, 2024 – \$6,141,060) as shown in note 9. As at March 31, 2025, the fair value of CAPREIT's credit facilities payable is estimated to approximate its total net borrowings of \$26,569 (December 31, 2024 – \$5,019).

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

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

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

As at March 31, 2025	Level 1	Level 2	Level 3
	Quoted Prices in Active Markets for Identical Assets and Liabilities	Significant Other Observable Inputs	Significant Unobservable Inputs
Recurring measurements			
Assets			
Investment properties	\$ —	\$ —	\$ 14,941,512
Assets held for sale	—	—	12,500
Investments held at fair value through profit or loss	2,353	—	—
Investments held at fair value through other comprehensive income	—	15,591	—
Derivative financial assets	—	7,950	—
Liabilities			
Derivative financial liabilities	—	(3,639)	—
ERES units held by non-controlling unitholders	—	(187,362)	—
Unit-based compensation financial liabilities	—	(25,318)	—
Exchangeable LP Units	—	(62,329)	—

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

Although CAPREIT has determined that the majority of the inputs used to value its derivatives falls within Level 2 of the fair value hierarchy, the credit valuation adjustments associated with its derivatives utilize Level 3 inputs, such as estimates of current credit spreads, to evaluate the likelihood of default by CAPREIT. As at March 31, 2025 and December 31, 2024, CAPREIT has assessed the significance of the impact of the credit valuation adjustments on the overall valuation of its derivative positions and has determined that the credit valuation adjustment is not significant to the overall valuation of the derivative. As a result, CAPREIT has determined that the derivative valuations in their entirety should be classified as Level 2 of the fair value hierarchy. For assets and

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

March 31, 2025 (Unaudited)

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

liabilities measured at fair value as at March 31, 2025 and December 31, 2024, there were no transfers between Level 1, Level 2 and Level 3 during the periods.

28. Subsequent Events

The table below summarizes the acquisition of an investment property completed subsequent to March 31, 2025:

Acquisition Date	Suite Count	Region	Gross Purchase Price ⁽¹⁾	
April 11, 2025	102	Montréal, QC	\$	39,725
Total	102		\$	39,725

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

The table below summarizes the disposition of an investment property completed subsequent to March 31, 2025:

Disposition Date	Site Count	Region	Gross Sale Price ⁽¹⁾	
April 15, 2025 ⁽²⁾	357	Moncton, NB	\$	12,500
Total	357		\$	12,500

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

⁽²⁾ Relates to the remaining MHC property that was classified as assets held for sale as at March 31, 2025.

On April 2, 2025, CAPREIT announced that a subsidiary of ERES has entered into an agreement to sell entities owning 1,446 residential suites in the Netherlands for gross proceeds, net of estimated adjustments, of approximately \$522,000. The proceeds will be paid in cash, with a portion to be used to repay associated mortgage principal outstanding and amounts outstanding on the ERES Credit Facility. Remaining net proceeds will be used for the payment of a special cash distribution of an estimated €0.80 per ERES Unit and ERES Class B LP Unit (including to CAPREIT, whereby intercompany transactions will be eliminated upon consolidation). Subject to the receipt of any regulatory approvals and satisfaction of closing conditions, the announced disposition is anticipated to close between early August and mid-September 2025.

Subsequent to March 31, 2025, up to and including May 8, 2025, CAPREIT purchased and cancelled 1,499,457 Trust Units under the 2025-2026 NCIB, at a weighted average purchase price of \$41.35 per Trust Unit, for a total cost of \$62,007 (excluding the federal 2% tax on repurchases of Trust Units). These purchases were funded by cash on hand as at March 31, 2025.

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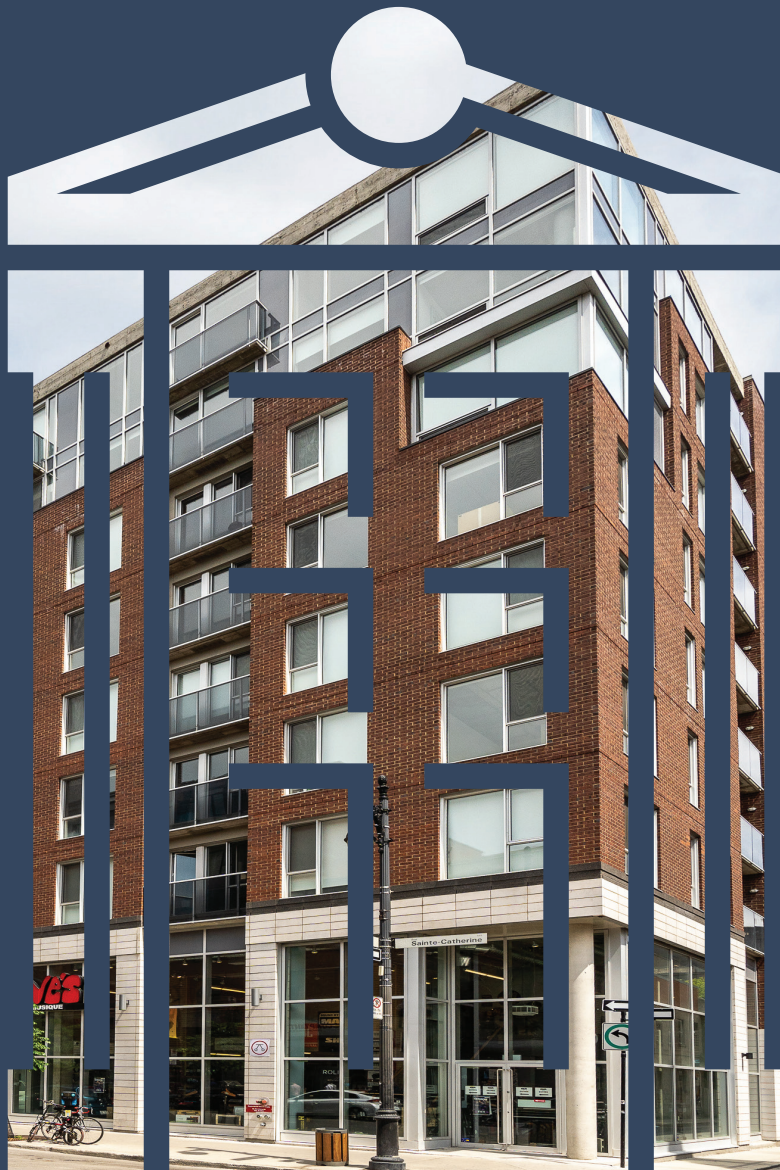
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STOCK EXCHANGE LISTING

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



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