

# **InterRent Real Estate Investment Trust**

**Condensed Consolidated Interim Financial Statements**

**June 30, 2025**  
**(unaudited)**

# InterRent Real Estate Investment Trust

## Condensed Consolidated Interim Balance Sheets

Unaudited (Cdn \$ Thousands)

	Note	June 30, 2025	December 31, 2024
<b>Assets</b>			
Investment properties	3	\$ 4,028,100	\$ 4,078,627
Investment in joint ventures	5	51,935	53,194
Prepays and deposits	7	42,718	35,972
Receivables and other assets	8	23,066	22,996
Cash		3,452	4,524
<b>Total assets</b>		<b>\$ 4,149,271</b>	<b>\$ 4,195,313</b>
<b>Liabilities</b>			
Mortgages payable	9	\$ 1,655,209	\$ 1,646,942
Credit facilities	10	75,270	42,000
Unit-based compensation liabilities	12	68,240	47,976
Lease liabilities	14	1,212	1,372
Tenant rental deposits	15	22,459	21,728
Accounts payable and accrued liabilities	11	45,529	40,658
<b>Total liabilities</b>		<b>1,867,919</b>	<b>1,800,676</b>
<b>Unitholders' equity</b>			
Unit capital	16	1,038,167	1,121,494
Retained earnings		1,243,185	1,273,143
<b>Total unitholders' equity</b>		<b>2,281,352</b>	<b>2,394,637</b>
<b>Total liabilities and unitholders' equity</b>		<b>\$ 4,149,271</b>	<b>\$ 4,195,313</b>

Commitments and contingencies (note 26)

Subsequent events (note 27)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

On behalf of the Trust

Ronald Leslie  
Trustee

Brad Cutsey  
Trustee

# InterRent Real Estate Investment Trust

## Condensed Consolidated Interim Statements of Income (Loss)

For the three and six months ended June 30

Unaudited (Cdn \$ Thousands)

		Three months ended June 30		Six months ended June 30	
	Note	2025	2024	2025	2024
<b>Operating revenues</b>					
Revenue from investment properties	17	\$ 61,960	\$ 61,435	\$ 124,710	\$ 123,189
<b>Operating expenses</b>					
Property operating costs		10,341	9,818	19,865	19,136
Property taxes		6,748	6,411	13,463	13,124
Utilities		3,611	3,696	9,894	9,242
Total operating expenses		20,700	19,925	43,222	41,502
<b>Net operating income</b>		<b>41,260</b>	<b>41,510</b>	<b>81,488</b>	<b>81,687</b>
Financing costs	18	14,470	14,133	29,013	29,249
Administrative costs		10,219	4,391	14,202	8,479
<b>Income before other income and expenses</b>		<b>16,571</b>	<b>22,986</b>	<b>38,273</b>	<b>43,959</b>
<b>Other income and expenses</b>					
Fair value adjustments on investment properties	3	(14,119)	(34,699)	(20,621)	(26,463)
Other income and fees		682	482	1,246	1,010
Income from investment in joint ventures	5	94	267	404	508
Loss on sale of investment properties	4	(2,443)	(780)	(2,419)	(1,730)
Other fair value gains/(losses)	19	(11,791)	11,305	(17,520)	9,673
Interest on units classified as financial liabilities	20	(567)	(633)	(1,122)	(1,330)
<b>Net income (loss) for the period</b>		<b>\$ (11,573)</b>	<b>\$ (1,072)</b>	<b>\$ (1,759)</b>	<b>\$ 25,627</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# InterRent Real Estate Investment Trust

## Condensed Consolidated Interim Statements of Changes in Unitholders' Equity

For the six months ended June 30

Unaudited (Cdn \$ Thousands)

	Trust units	Cumulative profit	Cumulative distributions to Unitholders	Retained earnings	Total Unitholders' equity
Balance, January 1, 2024	\$ 1,088,679	\$ 1,816,960	\$ (332,258)	\$ 1,484,702	\$ 2,573,381
Units issued	35,564	-	-	-	35,564
Net income for the period	-	25,627	-	25,627	25,627
Distributions declared to Unitholders (note 21b)	-	-	(27,543)	(27,543)	(27,543)
<b>Balance, June 30, 2024</b>	<b>\$ 1,124,243</b>	<b>\$ 1,842,587</b>	<b>\$ (359,801)</b>	<b>\$ 1,482,786</b>	<b>\$ 2,607,029</b>
Balance, January 1, 2025	\$ 1,121,494	\$ 1,661,314	\$ (388,171)	\$ 1,273,143	\$ 2,394,637
Units purchased under NCIB and cancelled (note 16)	(83,857)	-	-	-	(83,857)
Units issued (note 16)	530	-	-	-	530
Net loss for the period	-	(1,759)	-	(1,759)	(1,759)
Distributions declared to Unitholders (note 21b)	-	-	(28,199)	(28,199)	(28,199)
<b>Balance, June 30, 2025</b>	<b>\$ 1,038,167</b>	<b>\$ 1,659,555</b>	<b>\$ (416,370)</b>	<b>\$ 1,243,185</b>	<b>\$ 2,281,352</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# InterRent Real Estate Investment Trust

## Condensed Consolidated Interim Statements of Cash Flows

For the three and six months ended June 30

Unaudited (Cdn \$ Thousands)

		Three months ended June 30		Six months ended June 30	
	Note	2025	2024	2025	2024
<b>Cash flows from (used in) operating activities</b>					
Net income (loss) for the period		\$ (11,573)	\$ (1,072)	\$ (1,759)	\$ 25,627
Add items not affecting cash					
Income from investment in joint ventures	5	(94)	(267)	(404)	(508)
Amortization		247	96	523	324
Loss on sale of investment properties	4	2,443	780	2,419	1,730
Fair value adjustments on investment properties	3	14,119	34,699	20,621	26,463
Other fair value losses/(gains)	19	11,791	(11,305)	17,520	(9,673)
Unit-based compensation expense	12	1,395	1,465	3,350	3,497
Financing costs	18	14,470	14,133	29,013	29,249
Interest expense	18	(13,864)	(13,506)	(27,808)	(27,997)
Tenant inducements		1,017	812	2,032	1,497
		19,951	25,835	45,507	50,209
Net income items related to financing activities	20	-	130	-	329
Changes in non-cash operating assets and liabilities	21	(159)	(19,770)	(2,386)	(25,850)
<b>Cash from operating activities</b>		<b>19,792</b>	<b>6,195</b>	<b>43,121</b>	<b>24,688</b>
<b>Cash flows from (used in) investing activities</b>					
Investment in joint ventures	5	(374)	(1,229)	(887)	(2,398)
Distributions received from joint ventures	5	500	120	2,550	120
Proceeds from sale of investment properties	4	52,692	95,289	61,838	133,565
Additions to investment properties	3	(18,939)	(19,916)	(37,507)	(34,436)
<b>Cash from investing activities</b>		<b>33,879</b>	<b>74,264</b>	<b>25,994</b>	<b>96,851</b>
<b>Cash flows from (used in) financing activities</b>					
Mortgage and loan repayments	21	(28,271)	(31,436)	(89,108)	(206,635)
Mortgage advances	21	-	-	98,085	193,793
Financing fees		472	225	(1,902)	(4,531)
Credit facility advances/(repayments)	21	25,250	-	33,270	(40,847)
Principal repayments on lease liabilities		(78)	(73)	(155)	(145)
Trust units issued, net of issue costs	12, 16	153	155	153	193
Trust units purchased under NCIB and cancelled	16	(41,236)	-	(82,216)	-
Deferred units purchased and cancelled	12, 16	(127)	(234)	(175)	(563)
Interest paid on Class B LP unit liability	20	-	(130)	-	(329)
Distributions paid	21	(13,998)	(9,113)	(28,139)	(17,993)
<b>Cash used in financing activities</b>		<b>(57,835)</b>	<b>(40,606)</b>	<b>(70,187)</b>	<b>(77,057)</b>
Increase (decrease) in cash during the period		(4,164)	39,853	(1,072)	44,482
Cash at the beginning of period		7,616	7,176	4,524	2,547
<b>Cash at end of period</b>		<b>\$ 3,452</b>	<b>\$ 47,029</b>	<b>\$ 3,452</b>	<b>\$ 47,029</b>

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024 and as at December 31, 2024

Unaudited (Cdn \$ Thousands except unit amounts)

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### 1. ORGANIZATIONAL INFORMATION

InterRent Real Estate Investment Trust (the "Trust" or the "REIT") is an unincorporated, open-ended real estate investment trust created pursuant to a Declaration of Trust, dated October 10, 2006, and most recently amended and restated on May 21, 2019, under the laws of the Province of Ontario.

The Trust was created to invest in income producing residential properties within Canada. InterRent REIT Trust Units are listed on the Toronto Stock Exchange under the symbol IIP.UN. The registered office of the Trust and its head office operations are located at 485 Bank Street, Suite 207, Ottawa, Ontario, K2P 1Z2.

These condensed consolidated interim financial statements for the period ended June 30, 2025 were authorized for issuance by the Trustees of the Trust on August 6, 2025.

On May 27, 2025, the Trust entered into an arrangement agreement (the "Arrangement Agreement") with Carriage Hill Properties Acquisition Corp. (the "Purchaser"), a newly formed entity owned by CLV Group and GIC, pursuant to which the Purchaser will acquire InterRent in an all-cash transaction valued at approximately \$4 billion, including the assumption of net debt (the "Transaction").

Under the terms of the Arrangement Agreement, InterRent unitholders (other than Retained Interest Holders, as such term is defined in the Arrangement Agreement and which, as of the date of the Arrangement Agreement included CLV Group and its affiliated entities) will receive \$13.55 per unit in cash.

Pursuant to the Arrangement Agreement, the Trust had an initial 40-day go-shop period, beginning on May 28, 2025 and ending on July 6, 2025 (the "Go-Shop Period"), during which the Trust, with the assistance of its advisors, could actively solicit and consider superior proposals from third parties that express an interest in acquiring the Trust. On July 7, 2025 the Trust announced the expiration of the Go-Shop Period and advised that it did not receive an Acquisition Proposal (as such term is defined in the Arrangement Agreement) during the Go-Shop Period.

Completion of the Transaction requires approval of at least 66 2/3% of the votes cast by unitholders, as well as the approval by a simple majority of votes cast by unitholders, excluding CLV Group, its affiliates and any other unitholders required to be excluded under Multilateral Instrument 61-101 – Protection of Minority Security Holders in Special Transactions ("MI 61-101"). The Transaction is also subject to court approval, regulatory approvals, consents and approvals from Canada Mortgage and Housing Corporation ("CMHC") and certain other Required Lenders (as defined in the Arrangement Agreement, and including in respect of the Purchaser's debt financing in connection with the Transaction and the security granted thereunder) and satisfaction of other customary closing conditions.

For additional details regarding the Transaction, including a more detailed discussion of the additional risks and uncertainties related to the Transaction, see the Management Information Circular available under InterRent's profile on [www.sedarplus.ca](http://www.sedarplus.ca).

# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024 and as at December 31, 2024

Unaudited (Cdn \$ Thousands except unit amounts)

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## 2. BASIS OF PRESENTATION

### Statement of compliance

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

The financial statements have been presented in Canadian dollars, which is the Trust's functional currency, rounded to the nearest thousand unless otherwise indicated.

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

### Basis of presentation

The Trust presents its consolidated balance sheets based on the liquidity method, whereby all assets and liabilities are presented in increasing order of liquidity.

These condensed consolidated interim financial statements have been prepared on a historical cost basis except for:

- i) Investment properties, which are measured at fair value (except for investment properties under development where fair value is not reliably determinable);
- ii) Financial assets and financial liabilities classified as "fair value through profit and loss", which are measured at fair value; and
- iii) Unit-based compensation liabilities which are measured at fair value.

The Trust has not presented a statement of comprehensive income as there is no other comprehensive income.

### Functional currency

The Trust and its subsidiaries' functional currency is Canadian dollars and all figures are rounded to the nearest thousand except when otherwise noted.

### Material accounting policies

The condensed consolidated interim financial statements have been prepared using the same accounting policies and methods as those used in the consolidated financial statements for the year ended December 31, 2024.

### Basis of consolidation

The condensed consolidated interim financial statements include the accounts of the Trust and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. Subsidiaries are entities over which the Trust has control and are consolidated from the date control commences until control ceases. Control is achieved when the Trust has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.

# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024 and as at December 31, 2024

Unaudited (Cdn \$ Thousands except unit amounts)

### 2. BASIS OF PRESENTATION (Continued)

#### Critical accounting estimates and judgments in applying accounting policies

The preparation of financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment when applying the Trust's accounting policies. The critical accounting estimates and judgments have been set out in notes 2 and 3 to the Trust's consolidated financial statements for the year ended December 31, 2024.

#### Future accounting changes

##### *IFRS 18, Presentation and Disclosure in Financial Statements*

In April 2024, IFRS 18, "Presentation and Disclosure in Financial Statements" was issued to achieve comparability of the financial performance of similar entities. The standard, which replaces IAS 1, "Presentation of Financial Statements", impacts the presentation of primary financial statements and notes, including the statement of earnings where companies will be required to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category. The standard will also require management-defined performance measures to be explained and included in a separate note within the consolidated financial statements. The standard is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and requires retrospective application. The REIT is currently assessing the impact of the new standard.

### 3. INVESTMENT PROPERTIES

Investment properties include income properties, properties under development and land held for development.

	June 30, 2025	December 31, 2024
Income properties	\$ 3,978,020	\$ 4,030,624
Properties under development	50,080	48,003
	<b>\$ 4,028,100</b>	<b>\$ 4,078,627</b>

#### Income properties:

	June 30, 2025	December 31, 2024
Balance, beginning of year	\$ 4,030,624	\$ 4,321,663
Acquisitions	-	55,768
Dispositions (note 4)	(64,257)	(141,050)
Property capital investments	32,274	57,034
Fair value adjustments	(20,621)	(262,791)
	<b>\$ 3,978,020</b>	<b>\$ 4,030,624</b>

#### Properties under development:

Properties that are undergoing a significant amount of development work to prepare the property for use as income properties.

	June 30, 2025	December 31, 2024
Balance, beginning of year	\$ 48,003	\$ 39,447
Property capital investments	2,077	8,556
	<b>\$ 50,080</b>	<b>\$ 48,003</b>

The fair value of the income properties is determined internally by the Trust. The fair value methodology of the Trust's income properties is considered a level 3 valuation as significant unobservable inputs are required to determine fair value.



# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024 and as at December 31, 2024

Unaudited (Cdn \$ Thousands except unit amounts)

### 3. INVESTMENT PROPERTIES (Continued)

The Trust determined the fair value of each income property internally based upon the direct capitalization income approach method of valuation. The fair value was determined by applying a capitalization rate ("Cap Rate") to forecasted stabilized net operating income ("SNOI"), which incorporates turnover estimates, market rent adjustments, allowances for vacancy, management fees, labour and repairs and maintenance for the property. In order to substantiate management's valuation, the Trust engaged a leading independent national real estate appraisal firm to provide appraisals for substantially all of the portfolio at December 31, 2024. The Trust engaged the firm once again to review and advise of any significant changes in any of the key input assumptions in the model (such as Cap Rate, turnover estimate and market rent adjustments) as at June 30, 2025, in order for the Trust to complete its internal valuations.

The capitalization rate assumptions for the income properties are included in the following table:

	June 30, 2025		December 31, 2024	
	Range	Weighted average	Range	Weighted average
Capitalization rate	3.25% - 6.25%	4.49%	3.25% - 6.25%	4.49%

The direct capitalization income approach method of valuation requires that SNOI be divided by a Cap Rate to determine a fair value. As such, changes in both SNOI and Cap Rate could significantly alter the fair value of the investment properties. The tables below summarize the impact of changes in both SNOI and Cap Rate on the Trust's fair value of the income properties:

#### As at June 30, 2025

Forecasted stabilized net operating income		-3%	-1%	As estimated	+1%	+3%
		\$ 173,255	\$ 176,827	\$ 178,613	\$ 180,399	\$ 183,971
Capitalization rate						
-0.25%	4.24%	\$ 4,086,194	\$ 4,170,445	\$ 4,212,571	\$ 4,254,696	\$ 4,338,948
Cap rate used	4.49%	\$ 3,858,677	\$ 3,938,238	\$ 3,978,020	\$ 4,017,798	\$ 4,097,358
+0.25%	4.74%	\$ 3,655,161	\$ 3,730,525	\$ 3,768,207	\$ 3,805,889	\$ 3,881,253

#### As at December 31, 2024

Forecasted stabilized net operating income		-3%	-1%	As estimated	+1%	+3%
		\$ 175,546	\$ 179,165	\$ 180,975	\$ 182,785	\$ 186,404
Capitalization rate						
-0.25%	4.24%	\$ 4,140,230	\$ 4,225,596	\$ 4,268,278	\$ 4,310,961	\$ 4,396,327
Cap rate used	4.49%	\$ 3,909,705	\$ 3,990,317	\$ 4,030,624	\$ 4,070,930	\$ 4,151,542
+0.25%	4.74%	\$ 3,703,497	\$ 3,779,858	\$ 3,818,038	\$ 3,856,218	\$ 3,932,579

The two (2024 - two) properties under development are valued at acquisition cost plus development costs. The direct capitalization income approach method of valuation is not a reliable measure as the properties are undergoing a significant amount of work which will affect multiple components of the estimated net operating income as well as the Cap Rate. The Trust expects the fair value of the properties to be reliably determinable when development is substantially complete, and will measure both investment properties under development at cost until either its fair value becomes reliably determinable or development is completed (whichever is earlier).

# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024 and as at December 31, 2024

Unaudited (Cdn \$ Thousands except unit amounts)

### 3. INVESTMENT PROPERTIES (Continued)

Cash outflow used for additions to investment properties for the three and six months ended:

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Property capital investments	\$ (18,360)	\$ (17,663)	\$ (34,351)	\$ (33,352)
Changes in non-cash investing accounts payable and accrued liabilities	(579)	(2,253)	(3,156)	(1,084)
	\$ (18,939)	\$ (19,916)	\$ (37,507)	\$ (34,436)

### 4. INVESTMENT PROPERTY DISPOSITIONS

During the six months ended June 30, 2025, the Trust completed the following investment property dispositions. These dispositions do not meet the definition of discontinued operations under IFRS:

Disposition Date	Suite Count	Ownership Interest	Sale Price	Closing Costs	Net Proceeds	Mortgage Discharged
February 18, 2025	28	100%	\$ 9,500	\$ 354	\$ 9,146	\$ 2,943
April 10, 2025	104	100%	\$ 26,527	\$ 1,469	\$ 25,058	\$ 13,883
April 25, 2025	118	100%	\$ 29,432	\$ 1,798	\$ 27,634	\$ 6,393

During the six months ended June 30, 2024 the trust completed the following investment property dispositions. These dispositions do not meet the definition of discontinued operations under IFRS:

Disposition Date	Suite Count	Ownership Interest	Sale Price	Closing Costs	Net Proceeds	Mortgage Discharged
February 15, 2024	224	100%	\$ 46,000	\$ 1,771	\$ 44,229	\$ 22,762
June 5, 2024	497	100%	\$ 92,000	\$ 1,967	\$ 90,033	\$ 23,540
June 20, 2024	27	100%	\$ 5,525	\$ 222	\$ 5,303	-

A loss of \$2,419 was recognized for the six months ended June 30, 2025 in connection with these dispositions (2024 - \$1,730). The loss represents the difference between the net proceeds (sale price less closing costs) and the carrying value of the properties at the date of disposition. Closing costs consist of commissions, legal fees, mortgage discharge penalties, and the write-off of deferred financing fees related to the discharged mortgage.

Calculation of loss on sale of investment properties for the three and six months ended:

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Sale price	\$ 55,959	\$ 97,525	\$ 65,459	\$ 143,525
Less: Book value of investment properties (note 3)	(55,135)	(96,069)	(64,257)	(141,295)
Excess of sale price over book value	824	1,456	1,202	2,230
Less: Closing costs	(3,267)	(2,236)	(3,621)	(3,960)
Loss on sale of investment properties	\$ (2,443)	\$ (780)	\$ (2,419)	\$ (1,730)

# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024 and as at December 31, 2024

Unaudited (Cdn \$ Thousands except unit amounts)

### 4. INVESTMENT PROPERTY DISPOSITIONS (Continued)

Cash inflow received from the sale of investment properties for the three and six months ended:

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Net proceeds	\$ 52,692	\$ 95,289	\$ 61,838	\$ 139,565
Vendor take-back mortgage issued (note 8)	-	-	-	(6,000)
	\$ 52,692	\$ 95,289	\$ 61,838	\$ 133,565

### 5. INVESTMENT IN JOINT VENTURES

The Trust accounts for its joint venture interests using the equity method. The following table details the Trust's ownership interest in its equity accounted investments:

Equity Investee	Location	Principal Activity	June 30, 2025	December 31, 2024
TIP Albert Limited Partnership	Ottawa	Develop, own and operate investment property	40.0% <sup>(1)</sup>	40.0% <sup>(1)</sup>
Fairview Limited Partnership	Burlington	Develop, own and operate investment property	25.0%	25.0%
2-4 Hanover Limited Partnership	Brampton	Own and operate investment property	10.0%	10.0%
OTT A360 Laurier Limited Partnership	Ottawa	Develop, own and operate investment property	25.0%	25.0%

<sup>(1)</sup> TIP Albert Limited Partnership has ownership interest of 83.33% in 801 Albert Street Inc. The Trust has an ownership interest of 33.33% in 801 Albert Street Inc. through its 40% ownership in TIP Albert Limited Partnership. The Trust holds the remaining ownership of 16.67% interest directly in 801 Albert Street Inc. This 16.67% interest is reported under Property under Development (note 3) as a joint operation (note 6). In total, the Trust holds a 50% interest in the development property.

The Trust is contingently liable for certain obligations of the joint ventures. All of the net assets of the joint ventures are available for the purpose of satisfying such obligations and guarantees.

The Trust is responsible to fund its total investment in the joint ventures for the operation and development of the investment properties. The following table shows the changes in the carrying value of the investment in joint ventures:

	June 30, 2025	December 31, 2024
Balance, beginning of year	\$ 53,194	\$ 47,454
Additions	887	5,828
Distributions	(2,550)	(120)
Share of net income	404	32
	\$ 51,935	\$ 53,194

The following tables shows the summarized financial information of the Trust's joint ventures:

	June 30, 2025	December 31, 2024
Current assets	\$ 8,883	\$ 9,048
Non-current assets	450,431	427,221
Current liabilities	(7,103)	(5,436)
Non-current liabilities	(199,279)	(174,586)
Net assets	\$ 252,932	\$ 256,247
Trust's share	\$ 51,935	\$ 53,194

# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024 and as at December 31, 2024

Unaudited (Cdn \$ Thousands except unit amounts)

### 5. INVESTMENT IN JOINT VENTURES (Continued)

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Revenue	\$ 3,646	\$ 3,497	\$ 7,023	\$ 6,971
Expenses	(2,219)	(2,176)	(4,548)	(4,421)
Fair value adjustments on investment properties	(491)	1,364	1,540	2,520
Net income (loss)	\$ 936	\$ 2,685	\$ 4,015	\$ 5,070
Trust's share	\$ 94	\$ 267	\$ 404	\$ 508

### 6. JOINT OPERATIONS

The Trust has interest in twenty-four investment properties (December 31, 2024 - twenty-four) and one property under development (December 31, 2024 - one) that are subject to joint control and have been determined to be joint operations. The Trust records only its proportionate share of the assets, liabilities and the results of operations of the joint operations. The assets, liabilities and results of joint operations are included within the respective line items of the consolidated balance sheets and consolidated statements of income. The Trust's ownership in the joint operations are as follows:

Joint Operation	Region	Type	Ownership Interest (June 30, 2025)	Ownership Interest (December 31, 2024)
Vancouver No. 1 Apartments Partnership	Greater Vancouver Area	Investment properties	50.00%	50.00%
Ontario No. 1 Apartments Partnership	Greater Toronto and Hamilton Area	Investment properties	50.00%	50.00%
Quebec No. 1 Apartments Partnership	Greater Montréal Area	Investment properties	50.00%	50.00%
801 Albert Street Inc.	National Capital Region	Properties under development	16.67%	16.67%

### 7. PREPAIDS AND DEPOSITS

	June 30, 2025	December 31, 2024
Current	\$ 9,908	\$ 4,351
Non-current	32,810	31,621
	\$ 42,718	\$ 35,972

# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024 and as at December 31, 2024

Unaudited (Cdn \$ Thousands except unit amounts)

### 8. RECEIVABLES AND OTHER ASSETS

	June 30, 2025	December 31, 2024
Rents and other receivables, net of allowance for uncollectable amounts (note 24(b))	\$ 8,555	\$ 7,241
Lease incentives <sup>(1)</sup>	2,199	2,119
Automobiles, software, equipment and furniture and fixtures, net of accumulated amortization of \$6,269 (2024 - \$5,812)	\$ 2,776	\$ 3,094
Deferred finance fees on credit facilities, net of accumulated amortization of \$2,870 (2024 - \$2,804)	279	346
Loan receivable long-term incentive plan (note 13)	6,344	7,217
Right-of-use asset, net of accumulated amortization of \$454 (2024 - \$388)	413	479
Other investments	500	500
Mortgage receivable <sup>(2)</sup>	1,500	1,500
Promissory note receivable <sup>(3)</sup>	500	500
	\$ 23,066	\$ 22,996

<sup>(1)</sup> Comprised of straight-line rent. This amount is excluded from the determination of the fair value of the investment properties.

<sup>(2)</sup> At June 30, 2025 and December 31, 2024 the balance is comprised of one mortgage with a maturity date of July 2027, at an interest rate of 3.5% for the first two years, and 4.5% for the remaining two years. The mortgage is secured by the related properties and a personal guarantee from the buyer of the property.

<sup>(3)</sup> At June 30, 2025 and December 31, 2024 the balance is comprised of one promissory note with a maturity date of July 2027, at an interest rate of 3.5% for the first two years, and 4.5% for the remaining two years.

	June 30, 2025	December 31, 2024
Current	\$ 10,881	\$ 10,159
Non-current	12,185	12,837
	\$ 23,066	\$ 22,996

### 9. MORTGAGES PAYABLE

Mortgages are secured by the investment properties and bear interest at a weighted average interest rate of 3.33% (December 31, 2024 - 3.37%).

The mortgages mature at various dates between the years 2025 and 2034.

The aggregate future minimum principal payments, including maturities, are as follows:

2025	\$ 212,267
2026	174,387
2027	184,586
2028	278,067
2029	151,956
Thereafter	698,048
	1,699,311
Less: Deferred finance costs and mortgage premiums	(44,102)
	\$ 1,655,209

	June 30, 2025	December 31, 2024
Current	\$ 284,437	\$ 294,977
Non-current	1,370,772	1,351,965
	\$ 1,655,209	\$ 1,646,942

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### 10. CREDIT FACILITIES

	June 30, 2025	December 31, 2024
Demand credit facility <sup>(i)</sup>	\$ -	\$ -
Term credit facility <sup>(ii)</sup>	-	-
Term credit facility <sup>(iii)</sup>	71,000	30,000
Term credit facility <sup>(iv)</sup>	4,270	12,000
	<b>\$ 75,270</b>	<b>\$ 42,000</b>

(i) The Trust has a \$5,000 (2024 - \$5,000) demand credit facility with a Canadian chartered bank secured by a general security agreement. The weighted average interest rate on amounts drawn during the six months ended June 30, 2025 was 5.60%.

(ii) The Trust has a \$105,000 (2024 - \$105,000) term credit facility, maturing in 2027, with a Canadian chartered bank secured by a general security agreement and second collateral mortgages on nine (2024 - nine) of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread. There were no amounts drawn on the facility during the six months ended June 30, 2025.

(iii) The Trust has a \$100,000 (2024 - \$100,000) term credit facility, maturing in 2026, with a Canadian chartered bank secured by a general security agreement, first mortgages on two (2024 - two) of the Trust's properties and second collateral mortgages on two (2024 - four) of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread for prime advances and banker's acceptances. The weighted average interest rate on amounts drawn during the six months ended June 30, 2025 was 5.08%. As the amount is maturing in the first half of 2026, it is classified as a current liability.

(iv) The Trust has a \$15,000 (2024 - \$15,000) term credit facility, maturing in 2025, with a Canadian chartered bank secured by a general security agreement, first mortgage on one (2024 - one) of the Trust's properties and second collateral mortgages on one (2024 - one) of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread. The weighted average interest rate on amounts drawn during the six months ended June 30, 2025 was 5.75%. As the amount is maturing in 2025, it is classified as a current liability.

### 11. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30, 2025	December 31, 2024
Accounts payable	\$ 4,697	\$ 3,704
Accrued liabilities	31,943	28,303
Accrued distributions	4,621	4,879
Mortgage interest payable	4,268	3,772
	<b>\$ 45,529</b>	<b>\$ 40,658</b>

All accounts payable and accrued liabilities are classified as current liabilities.

### 12. UNIT-BASED COMPENSATION LIABILITIES

Unit-based compensation liabilities are comprised of awards issued under the deferred unit plan ("DUP"), the performance and restricted unit plan ("PRU") and the unit option plan as follows:

	June 30, 2025	December 31, 2024
Unit-based liabilities, beginning of year	\$ 47,976	\$ 59,721
Compensation expense - deferred unit plan	964	2,814
Compensation expense - performance and restricted unit plan	1,264	2,565
DRIP <sup>(1)</sup> expense - deferred unit plan	968	1,817
DRIP <sup>(1)</sup> expense - performance and restricted unit plan	154	227
DUP units converted, cancelled and forfeited	(423)	(2,158)
PRU units converted, cancelled and forfeited	(65)	-
Unit options exercised and expired	(65)	(210)
(Gain)/loss on fair value of liability (note 19)	17,467	(16,800)
Unit-based liabilities, end of period	<b>\$ 68,240</b>	<b>\$ 47,976</b>

# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

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Unaudited (Cdn \$ Thousands except unit amounts)

### 12. UNIT-BASED COMPENSATION LIABILITIES (Continued)

	June 30, 2025	December 31, 2024
Current <sup>(1)</sup>	\$ 62,587	\$ 47,357
Non-current	5,653	619
	<b>\$ 68,240</b>	<b>\$ 47,976</b>

<sup>(1)</sup> Deferred units and unit options are redeemable on demand by the holder and are therefore classified as current liabilities

Unit options, deferred, performance, and restricted units are settled with the issuance of Trust Units. However, due to the fact that Trust Units are redeemable, awards of unit options, deferred, performance, and restricted units are considered to be cash-settled. As such, the fair value of unit options, deferred, performance, and restricted units are recognized as a financial liability and re-measured at each reporting date, with changes recognized in the statement of income.

The maximum number of Trust Units issuable under the Trust's equity incentive compensation plans, which includes the DUP, the PRU, and unit options, as well as the long-term incentive plan (note 13) is 6% of the issued and outstanding Trust Units.

#### (i) DEFERRED UNIT PLAN

The deferred unit plan entitles Trustees, officers and employees, at the participant's option, to elect to receive deferred units (elected portion) in consideration for trustee fees or bonus compensation under the employee incentive plan, as the case may be. The Trust matches the elected portion of the deferred units received for officers and employees. The matched portion of the deferred units vest 50% on the third anniversary and 25% on each of the fourth and fifth anniversaries, subject to provisions for earlier vesting in certain events. The deferred units earn additional deferred units for the distributions that would otherwise have been paid on the deferred units (i.e. had they instead been issued as Trust Units on the date of grant).

A summary of Deferred Unit activity is presented below:

Number of Units	Non-Management Trustees	Other Participants	Total
<b>Balance - December 31, 2023</b>	<b>360,889</b>	<b>4,309,584</b>	<b>4,670,473</b>
Units issued under deferred unit plan	76,693	90,950	167,643
Reinvested distributions on deferred units	12,174	142,003	154,177
Deferred units exercised into Trust Units (note 16)	(12,500)	(75,366)	(87,866)
Deferred units purchased and cancelled	(12,500)	(32,103)	(44,603)
Deferred units cancelled	-	(57,582)	(57,582)
<b>Balance - December 31, 2024</b>	<b>424,756</b>	<b>4,377,486</b>	<b>4,802,242</b>
Units issued under deferred unit plan	-	118,906	118,906
Reinvested distributions on deferred units	7,218	83,280	90,498
Deferred units exercised into Trust Units (note 16)	-	(19,411)	(19,411)
Deferred units purchased and cancelled	-	-	-
Deferred units cancelled	-	(21,984)	(21,984)
<b>Balance - June 30, 2025</b>	<b>431,974</b>	<b>4,538,277</b>	<b>4,970,251</b>

The fair value of each unit granted is determined based on the weighted average observable closing market price of the REIT's Trust Units for the ten trading days preceding the date of grant.

# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024 and as at December 31, 2024

Unaudited (Cdn \$ Thousands except unit amounts)

### 12. UNIT-BASED COMPENSATION LIABILITIES (Continued)

The aggregate fair value of vested deferred units was \$62,393 at June 30, 2025 (December 31, 2024 - \$45,242). The fair value of the vested deferred units represents the closing price of the Trust Units on the TSX on the reporting date, or the first trading date after the reporting date, representing the fair value of the redemption price.

#### (ii) UNIT OPTIONS

The Trust had a unit option plan that provided for options to be granted to the benefit of employees, Trustees and certain other third parties. The Board has terminated the unit option plan, the termination of this plan will not impact any currently outstanding options, but the plan is now closed to new issuances. The exercise price of options granted under the unit option plan was determined by the Trustees, but was at least equal to the volume weighted average trading price of the Trust Units for the five trading days immediately prior to the date the option was granted. The term of any option granted did not exceed 10 years or such other maximum permitted time period under applicable regulations. At the time of granting options, the Board of Trustees determined the time, or times, when an option or part of an option was exercisable. The Trust did not provide financial assistance to any optionee in connection with the exercise of options.

Options granted, exercised and expired during the six months ended June 30 are as follows:

	2025		2024	
	Number of units	Weighted average exercise price	Number of units	Weighted average exercise price
Balance, beginning of year	55,000	\$ 7.67	89,840	\$ 7.35
Exercised	(20,000)	\$ -	(27,340)	\$ 7.13
<b>Balance, end of period</b>	<b>35,000</b>	<b>\$ 7.67</b>	<b>62,500</b>	<b>\$ 7.45</b>

Options outstanding at June 30, 2025:

Exercise price	Number of units	Remaining life in years	Number of units exercisable
\$ 7.67	35,000	2.07	35,000

The weighted average market price of options exercised in the six months ended June 30, 2025 was \$13.59 (2024 - \$10.61).

The unit options represented an aggregate fair value of \$194 at June 30, 2025 (December 31, 2024 - \$133). The fair value of unit options is re-valued at each reporting period based on an estimate of the fair value using the Black-Scholes option pricing model using the following weighted average valuation assumptions:

	June 30, 2025	December 31, 2024
Market price of Unit	\$ 13.52	\$ 10.15
Expected option life	0.5 years	1.1 years
Risk-free interest rate	2.70%	2.93%
Expected volatility (based on historical)	24%	21%
Expected distribution yield	5.0%	5.0%



# InterRent Real Estate Investment Trust

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### 12. UNIT-BASED COMPENSATION LIABILITIES (Continued)

#### (iii) PERFORMANCE AND RESTRICTED UNIT PLAN

The performance and restricted unit plan enables the Trustees to grant performance units and restricted units to employees and officers of the REIT. Performance units vest on the vesting date set out in the grant agreement according to the performance payout criteria, based on the REIT's relative performance against peers and achievement against sustainability goals. Restricted units vest 100% on the vesting date set out in the grant agreement. The performance and restricted units earn additional units for the distributions that would otherwise have been paid on the units (i.e. had they instead been issued as Trust Units on the date of grant).

A summary of performance and restricted unit activity is presented below:

<b>Number of Units</b>	
<b>Balance - December 31, 2023</b>	<b>398,242</b>
Units issued under performance and restricted unit plan	193,236
Reinvested distributions on performance and restricted units	19,027
Removed by performance factor on vested performance units	(84,876)
<b>Balance - December 31, 2024</b>	<b>525,629</b>
Units issued under performance and restricted unit plan	257,521
Reinvested distributions on performance and restricted units	14,847
Performance and restricted units exercised into Trust Units (note 16)	(6,442)
<b>Balance - June 30, 2025</b>	<b>791,555</b>

The initial fair value of each unit granted is determined based on the weighted average observable closing market price of the REIT's Trust Units for the five trading days preceding the date of grant. The fair value of the performance units is estimated at each reporting period using a Monte Carlo pricing model. Changes in fair value are recognized in the consolidated statement of income.

The liability for performance and restricted units is recognized on a pro-rated basis over the vesting period. The aggregate fair value of the performance and restricted units at June 30, 2025 was \$5,653 (December 31, 2024 - \$2,601).

Vested performance and restricted units, or those within 1 year of their vesting date are classified as current liabilities, the remainder are classified as non-current.

### 13. LONG-TERM INCENTIVE PLAN

In the past, the Board awarded long-term incentive plan ("LTIP") units to certain officers and key employees, collectively the "Participants". The Board terminated the LTIP in 2022, the termination of this plan did not impact any currently outstanding awards, but the plan was closed to new issuances. The Participants could subscribe for Trust Units at a purchase price equal to the weighted average trading price of the Trust Units for the five trading days prior to issuance. The purchase price is payable in instalments, with an initial instalment of 5% paid when the Trust Units are issued. The balance represented by a loan receivable (note 8) is due over a term not exceeding ten years. Participants are required to pay interest at a ten-year fixed rate based on the Trust's fixed borrowing rate for long-term mortgage financing and are required to apply cash distributions received on these units toward the payment of interest and the remaining instalments. Participants may pre-pay any remaining instalments at their discretion. The Trust has recourse on the loans receivable and has reasonable assurance that the Trust will collect the full amount of the loan receivable. The loans receivable are secured by the units as well as the distributions on the units. If a Participant fails to pay interest and/or principal, the Trust can enforce repayment which may include the election to reacquire or sell the units in satisfaction of the outstanding amounts.

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### 13. LONG-TERM INCENTIVE PLAN (CONTINUED)

Date of award	Number of units	Interest rate	Loan receivable
June 30, 2016	275,000	2.82%	1,760
July 28, 2017	320,000	3.09%	2,055
March 5, 2018	285,000	3.30%	2,529
	880,000		\$ 6,344
Current			\$ 127
Non-Current			6,217
			\$ 6,344

### 14. LEASE LIABILITIES

The aggregate future lease principal payments are as follows:

2025	\$ 181
2026	335
2027	351
2028	286
2029	59
	\$ 1,212

### 15. TENANT RENTAL DEPOSITS

Tenant rental deposits are classified as current liabilities.

### 16. TRUST UNITS

As a result of the redeemable feature of the Trust Units, the Trust Units are defined as a financial liability; however, for the purposes of financial statement classification and presentation, the Trust Units are presented as equity instruments in accordance with IAS 32, Financial Instruments.

	Trust Units	Amount
<b>Balance - December 31, 2023</b>	<b>144,783,151</b>	<b>\$ 1,088,679</b>
Units purchased under NCIB and cancelled	(1,210,300)	(13,483)
Units issued from exchange of Class B Units	2,160,766	25,437
Units Issued under the deferred unit plan	87,866	1,026
Units Issued under distribution reinvestment plan	1,647,081	19,388
Units Issued from options exercised	34,840	447
<b>Balance - December 31, 2024</b>	<b>147,503,404</b>	<b>\$ 1,121,494</b>
Units purchased under NCIB and cancelled <sup>(1)</sup>	(7,849,836)	(83,857)
Units issued from exchange of Class B Units	-	-
Units issued under the deferred unit plan	19,411	248
Units issued under performance and restricted unit plan	6,442	64
Units issued under distribution reinvestment plan	-	-
Units issued from options exercised	20,000	218
<b>Balance - June 30, 2025</b>	<b>139,699,421</b>	<b>\$ 1,038,167</b>

<sup>(1)</sup> Includes \$1,641 (2024 - \$257) for the 2% tax on Trust Unit repurchases, which became effective on January 1, 2024

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### 16. TRUST UNITS (Continued)

On May 21, 2025, the TSX approved the Trust's normal course issuer bid ("Bid") for a portion of its Trust Units. Under the Bid, the Trust may acquire up to a maximum of 13,083,051 of its Trust Units, or approximately 10% of its public float of 130,830,514 Trust Units as of May 12, 2025, for cancellation over the next 12 months commencing on May 23, 2025 until the earlier of May 22, 2026 or the date on which the Trust has purchased the maximum number of Trust Units permitted under the Bid. The number of Trust Units that can be purchased pursuant to the Bid is subject to a current daily maximum of 116,219 Trust Units (being 25% of the average daily trading volume), except where purchases are made in accordance with "block purchases" exemptions under applicable TSX policies. Purchases will be made at market prices through the facilities of the TSX, other designated exchanges, and/or Canadian alternative trading systems.

On May 21, 2024, the TSX approved the Trust's normal course issuer bid ("Bid") for a portion of its Trust Units. Under the Bid, the Trust may acquire up to a maximum of 13,736,806 of its Trust Units, or approximately 10% of its public float of 137,368,069 Trust Units as of May 10, 2024, for cancellation over the next 12 months commencing on May 23, 2024 until the earlier of May 22, 2025 or the date on which the Trust has purchased the maximum number of Trust Units permitted under the Bid. The number of Trust Units that can be purchased pursuant to the Bid is subject to a current daily maximum of 90,157 Trust Units (being 25% of the average daily trading volume), except where purchases are made in accordance with "block purchases" exemptions under applicable TSX policies. Purchases will be made at market prices through the facilities of the TSX, other designated exchanges, and/or Canadian alternative trading systems.

For the six months ended June 30, 2025, the Trust purchased and cancelled 7,849,835 Trust Units for a total of \$82,216 (2024 - nil). All purchases occurred at market prices, and the amounts in this paragraph exclude the 2% tax on Trust Unit repurchases which became effective January 1, 2024.

Cash outflow during the six months ended June 30, 2025 for the unit repurchases was \$82,216 (2024 - nil).

On December 16, 2024 the Trust announced a suspension of the Dividend Reinvestment Plan until further notice. As a result, Unitholders will receive distributions in cash following the December 16, 2024 distribution.

During the six months ended June 30, 2024, 2,160,766 Class B LP Units were exchanged for 2,160,766 Trust Units. 1,974,516 of these units were exchanged by a company controlled by an officer and Trustee of the Trust (note 22). No exchanges occurred during the six months ended June 30, 2025 as all remaining units were exchanged during 2024.

#### Declaration of Trust

The Declaration of Trust authorizes the Trust to issue an unlimited number of units for consideration and on terms and conditions established by the Trustees without the approval of any unitholders. The interests in the Trust are represented by two classes of units: a class described and designated as "Trust Units" and a class described and designated as "Special Voting Units". The beneficial interests of the two classes of units are as follows:

# InterRent Real Estate Investment Trust

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### 16. TRUST UNITS (Continued)

#### (a) Trust Units

Trust Units represent an undivided beneficial interest in the Trust and in distributions made by the Trust. The Trust Units are freely transferable, subject to applicable securities regulatory requirements. Each Trust Unit entitles the holder to one vote at all meetings of unitholders. Except as set out under the redemption rights below, the Trust Units have no conversion, retraction, redemption or pre-emptive rights.

Trust Units are redeemable at any time, in whole or in part, on demand by the holders. Upon receipt by the Trust of a written redemption notice and other documents that may be required, all rights to and under the Trust Units tendered for redemption shall be surrendered and the holder shall be entitled to receive a price per Trust Unit equal to the lesser of:

- i) 90% of the "market price" of the Trust Units on the principal market on which the Trust Units are quoted for trading during the twenty-day period ending on the trading day prior to the day on which the Trust Units were surrendered to Trust for redemption; and
- ii) 100% of the "closing market price" of the Trust Units on the principal market on which the Trust Units are quoted for trading on the redemption notice date.

#### (b) Special Voting Units

The Declaration of Trust provides for the issuance of an unlimited number of Special Voting Units that will be used to provide voting rights to holders of Class B LP units or other securities that are, directly or indirectly, exchangeable for Trust Units.

Each Special Voting Unit entitles the holder to the number of votes at any meeting of unitholders, which is equal to the number of Trust Units that may be obtained upon surrender of the Class B LP unit to which the Special Voting Unit relates. The Special Voting Units do not entitle or give any rights to the holders to receive distributions or any amount upon liquidation, dissolution or winding-up of Trust. There is no value assigned to the Special Voting Units.

As of June 30, 2025 there were no Special Voting Units, including Class B LP units, outstanding (December 31, 2024 - nil).

### 17. REVENUE FROM INVESTMENT PROPERTIES

The components of revenue from investments properties are as follows:

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Lease revenue <sup>(1)</sup>	\$ 60,876	\$ 60,395	\$ 122,600	\$ 121,014
Non-lease revenue <sup>(2)</sup>	1,084	1,040	2,110	2,175
	\$ 61,960	\$ 61,435	\$ 124,710	\$ 123,189

<sup>(1)</sup> Consists of lease revenue from residential, parking and commercial tenants

<sup>(2)</sup> Consists of revenue from non-lease items such as laundry, commercial common area maintenance and ancillary services

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### 18. FINANCING COSTS

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Mortgages payable	\$ 13,912	\$ 14,406	\$ 28,021	\$ 29,303
Credit facilities	1,025	356	2,022	939
Interest income	(508)	(378)	(614)	(558)
Interest capitalized to development	(565)	(878)	(1,621)	(1,687)
Interest expense	13,864	13,506	27,808	27,997
Amortization of deferred finance costs on mortgages	585	573	1,155	1,176
Amortization of deferred finance costs on credit facilities	29	56	66	122
Amortization of fair value on assumed debt	(8)	(2)	(16)	(46)
	\$ 14,470	\$ 14,133	\$ 29,013	\$ 29,249

### 19. OTHER FAIR VALUE GAINS/(LOSSES)

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Class B LP unit liability	\$ -	\$ 3,863	\$ -	\$ 3,150
Unit-based compensation liability (deferred unit plan)	(10,559)	7,069	(15,637)	5,848
Unit-based compensation liability (performance and restricted unit plan)	(1,196)	830	(1,699)	662
Unit-based compensation liability (option plan)	(83)	33	(131)	61
Rate swaps (mortgage payable)	47	(490)	(53)	(471)
Forward rate locks (mortgage payable)	-	-	-	423
	\$ (11,791)	\$ 11,305	\$ (17,520)	\$ 9,673

### 20. INTEREST ON UNITS CLASSIFIED AS FINANCIAL LIABILITIES

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Class B LP unit liability	\$ -	\$ 130	\$ -	\$ 329
Unit-based compensation (deferred unit plan)	491	447	968	889
Unit-based compensation (performance and restricted unit plan)	76	56	154	112
	\$ 567	\$ 633	\$ 1,122	\$ 1,330

### 21. SUPPLEMENTAL CASH FLOW INFORMATION

#### (a) Net change in non-cash operating assets and liabilities

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Receivables and other assets	\$ (2,142)	\$ (2,216)	\$ (2,697)	\$ (1,257)
Prepaid and deposits	(1,008)	(14,647)	(6,746)	(21,414)
Accounts payable and accrued liabilities	3,140	(3,509)	6,326	(3,751)
Tenant rental deposits	(149)	602	731	572
	\$ (159)	\$ (19,770)	\$ (2,386)	\$ (25,850)

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### 21. SUPPLEMENTAL CASH FLOW INFORMATION (Continued)

#### (b) Net cash distributions to unitholders

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Distributions declared to unitholders	\$ 13,900	\$ 13,834	\$ 28,199	\$ 27,543
Add: Distributions payable at beginning of period	4,719	4,573	4,561	4,561
Less: Distributions payable at end of period	(4,621)	(4,654)	(4,621)	(4,654)
Less: Distributions to participants in the DRIP	-	(4,640)	-	(9,457)
	\$ 13,998	\$ 9,113	\$ 28,139	\$ 17,993

#### (c) Interest paid

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
Interest expense	\$ 13,864	\$ 13,506	\$ 27,808	\$ 27,997
Add: Mortgage interest payable at beginning of period	3,901	3,819	3,579	3,579
Less: Mortgage interest payable at end of period	(4,268)	(3,793)	(4,268)	(3,793)
Add: Interest capitalized	565	878	1,621	1,687
Add: Interest income received	508	378	614	558
	\$ 14,570	\$ 14,788	\$ 29,354	\$ 30,028

#### (d) Reconciliation of liabilities arising from financing activities

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
<b>Mortgages payable</b>				
Balance, beginning of period	\$ 1,713,687	\$ 1,708,966	\$ 1,690,334	\$ 1,691,307
Mortgage advances	-	-	98,085	193,793
Repayment of mortgages	(28,271)	(31,436)	(89,108)	(206,635)
Changes in liabilities associated with assets held for sale	13,895	23,742	-	22,807
Balance, end of period	\$ 1,699,311	\$ 1,701,272	\$ 1,699,311	\$ 1,701,272

	Three months ended June 30		Six months ended June 30	
	2025	2024	2025	2024
<b>Credit facilities</b>				
Balance, beginning of period	\$ 50,020	\$ -	\$ 42,000	\$ 40,847
Advances of credit facilities	25,250	-	33,270	-
Repayment of credit facilities	-	-	-	(40,847)
Balance, end of period	\$ 75,270	\$ -	\$ 75,270	\$ -

# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024 and as at December 31, 2024

Unaudited (Cdn \$ Thousands except unit amounts)

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### 22. RELATED PARTY TRANSACTIONS

The transactions with related parties are incurred in the normal course of business. Related party transactions have been listed below.

#### (i) Accounts Payable (net of amounts receivable)

As at June 30, 2025 and December 31, 2024 there were no amounts included in accounts payable and accrued liabilities which are due to companies that are controlled by an officer and Trustee of the Trust.

#### (ii) Services

During the six months ended June 30, 2025, the Trust incurred \$143 (June 30, 2024 - \$437) in entitlement, development, and construction management services related to development projects from companies controlled by an officer and Trustee of the Trust. The services received have been capitalized to the investment properties.

#### (iii) Exchange of Class B LP Units

During the six months ended June 30, 2024, a company controlled by an officer and Trustee of the Trust exchanged 1,974,516 Class B LP Units for 1,974,516 Trust Units. All Class B LP Units were exchangeable at the option of the holder and the exchange occurred at market prices (note 16). No exchanges occurred during the six months ended June 30, 2025 as all remaining Class B LP units were exchanged during 2024.

### 23. CAPITAL RISK MANAGEMENT

The Trust's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth combined with strategic acquisitions and to provide returns to its unitholders. The Trust defines capital that it manages as the aggregate of its unitholders' equity, which is comprised of issued capital and retained earnings, Class B LP units, deferred unit capital, performance and restricted unit capital, and options recorded as unit-based compensation liabilities.

The Trust manages its capital structure and makes adjustments to it in light of general economic conditions, the risk characteristics of the underlying assets and the Trust's working capital requirements. In order to maintain or adjust its capital structure, the Trust, upon approval from its Board of Trustees, may issue or repay long-term debt, issue units, repurchase units through a normal course issuer bid, pay distributions or undertake other activities as deemed appropriate under the specific circumstances. The Board of Trustees reviews and approves any material transactions out of the ordinary course of business, including approval of all acquisitions of investment properties, as well as capital and operating budgets. There have been no changes to the Trust's capital risk management policies for the six months ended June 30, 2025 from the year ended December 31, 2024.

The Trust monitors capital using a debt to gross book value ratio, as defined in the Declaration of Trust which requires the Trust to maintain a debt to gross book value ratio below 75%. As at June 30, 2025, the debt to gross book value ratio is 41.7% (December 31, 2024 - 40.3%).

In addition, the Trust is subject to financial covenants in its mortgages payable and credit facilities such as minimum tangible net worth, interest coverage, debt service coverage and leverage ratio (similar to debt to gross book value as calculated in the Declaration of Trust). The Trust was in compliance with all financial covenants throughout the six month period ended June 30, 2025 and the year ended December 31, 2024.

# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

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### 24. FINANCIAL RISK MANAGEMENT

#### a) Overview

The Trust is exposed to credit risk, liquidity risk and market risk. The Trust's primary risk management objective is to protect earnings and cash flow and, ultimately, unitholders value. Risk management strategies, as discussed below, are designed and implemented to ensure the Trust's risks and the related exposures are consistent with its business objectives and risk tolerance.

#### b) Credit Risk

The Trust's credit risk is attributable to its rents and other receivables, mortgages receivable, promissory note receivable and loan receivable long-term incentive plan.

Credit risk arises from the possibility that: (i) tenants may experience financial difficulty and be unable to fulfil their lease commitments; and (ii) a party defaults on the repayment of their debt causing a financial loss to the Trust.

For its rents receivable, the Trust conducts credit assessments for all prospective tenants and, where permitted, obtains adequate security to assist in potential recoveries. The Trust monitors its collection process on a regular basis and all receivables from past tenants and tenant receivables over 30 days are provided for in allowances for doubtful accounts.

Credit risk relating to other receivables, mortgages receivable, promissory note receivable and loan receivable long-term incentive plan is mitigated through recourse against such parties and/or the underlying security. These receivables are considered to have low credit risk.

At June 30, 2025, the Trust had past due rents and other receivables of \$11,935 (December 31, 2024 - \$10,536), net of an allowance for doubtful accounts of \$3,380 (December 31, 2024 - \$3,295) which adequately reflects the Trust's credit risk.

#### c) Liquidity Risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they fall due. The Trust manages liquidity risk through the management of its capital structure and financial leverage, as outlined in note 23 to the condensed consolidated interim financial statements. It also manages liquidity risk by continuously monitoring actual and projected cash flows to ensure that it will always have sufficient liquidity to meet its liabilities (excluding derivative and other financial instruments reported as liabilities at fair value) when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation. In addition, liquidity and capital availability risks are mitigated by diversifying the Trust's sources of funding, maintaining a staggered debt maturity profile and actively monitoring market conditions.

As at June 30, 2025, the Trust had credit facilities as described in note 10.

The Trust continues to refinance the outstanding debts as they mature. Given the Trust's available credit and its available liquid resources from both financial assets and on-going operations, management assesses the Trust's liquidity risk to be low.



# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

For the six months ended June 30, 2025 and 2024 and as at December 31, 2024

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### 24. FINANCIAL RISK MANAGEMENT (Continued)

The undiscounted contractual maturities and repayment obligations of the Trust's financial liabilities, excluding mortgages on assets held for sale, as well as unit-based compensation liabilities as their redemption time is uncertain, as at June 30, 2025 are as follows:

Year	Mortgages payable	Mortgage interest <sup>(1)</sup>	Credit facilities	Lease liabilities principal outstanding	Accounts payable and accrued liabilities	Total
2025	\$ 212,267	\$ 26,476	\$ 75,270	\$ 181	\$ 45,529	\$ 359,723
2026	174,387	45,777	-	335	-	220,499
2027	184,586	41,840	-	351	-	226,777
2028	278,067	32,393	-	286	-	310,746
2029	151,956	24,374	-	59	-	176,389
Thereafter	698,048	47,186	-	-	-	745,234
	<b>\$1,699,311</b>	<b>\$ 218,046</b>	<b>\$ 75,270</b>	<b>\$ 1,212</b>	<b>\$ 45,529</b>	<b>\$2,039,368</b>

<sup>(1)</sup> Based on current in-place interest rates for the remaining term to maturity.

#### d) Market Risk

Market risk includes the risk that changes in interest rates will affect the Trust's cash flows or the fair value of its financial instruments.

At June 30, 2025, 2% (December 31, 2024 - 2%) of the Trust's mortgage debt is at variable interest rates and the Trust's credit facilities also bear interest at variable rates. If there was a 100 basis point change in the interest rate, cash flows would have changed by approximately \$367 for the six months ended June 30, 2025 (2024 - \$156).

### 25. FAIR VALUE MEASUREMENT

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect estimates.

Financial instruments are defined as a contractual right to receive or deliver cash or another financial asset. The fair values of the Trust's financial instruments, except for mortgages payable, approximate their recorded values due to their short-term nature and/or the credit terms of those instruments.

The fair value of the mortgages payable has been determined by discounting the cash flows using current market rates of similar instruments. These estimates are subjective in nature and therefore cannot be determined with precision. The fair value of mortgages payable, and credit facilities, which are measured at a fair value level 2, is approximately \$1,768,064 (December 31, 2024 - \$1,722,237) excluding any deferred financing costs.

# InterRent Real Estate Investment Trust

## Notes to Condensed Consolidated Interim Financial Statements

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### 25. FAIR VALUE MEASUREMENT (Continued)

The following table presents the fair values by category of the Trust's assets and liabilities:

June 30, 2025	Level 1	Level 2	Level 3
<b>Assets</b>			
Investment properties	-	-	4,028,100
<b>Liabilities</b>			
Interest rate swap liability <sup>(1)</sup>	-	(36)	-
Unit-based compensation liability	-	68,240	-
December 31, 2024	Level 1	Level 2	Level 3
<b>Assets</b>			
Investment properties	-	-	4,078,627
Interest rate swap asset <sup>(1)</sup>	-	17	-
<b>Liabilities</b>			
Unit-based compensation liability	-	47,976	-

<sup>(1)</sup> Interest rate swap asset and interest rate swap liability are presented on the consolidated balance sheets in mortgages payable

### 26. COMMITMENTS AND CONTINGENCIES

In the ordinary course of business activities, the Trust may be contingently liable for litigation and claims with tenants, suppliers and former employees. Management believes that adequate provisions have been recorded in the accounts where required.

### 27. SUBSEQUENT EVENTS

Subsequent to the end of the quarter, the Trust has committed to purchase a single-suite property, in Ottawa, Ontario which is scheduled to close in September 2025 for a purchase price of \$625. The property is adjacent to an existing property owned by the Trust and the acquisition allows for expanded future development potential at the site.