

INTERRENT REIT

MANAGEMENT'S DISCUSSION & ANALYSIS

For the Year Ended December 31, 2025

March 2, 2026

MANAGEMENT'S DISCUSSION & ANALYSIS

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FORWARD-LOOKING STATEMENTS

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis ("MD&A") of InterRent Real Estate Investment Trust ("InterRent REIT", the "REIT" or the "Trust") contains "forward-looking statements" within the meaning of applicable securities legislation. This document should be read in conjunction with material contained in the Trust's audited consolidated financial statements for the year ended December 31, 2025, along with InterRent REIT's other publicly filed documents. Forward-looking statements appear in this MD&A under the heading "Outlook" and generally include, but are not limited to, statements with respect to management's beliefs, plans, estimates and intentions, and similar statements concerning anticipated future events, results circumstances, performance or expectations, including but not limited to financial performance and equity or debt offerings, new markets for growth, financial position, comparable multi-residential REITs and proposed acquisitions. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved".

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of InterRent REIT to be materially different from those expressed or implied by such forward-looking statements, including but not limited to: the risks related to the market for InterRent REIT's securities, the general risks associated with real property ownership and acquisition, that future accretive acquisition opportunities will be identified and/or completed by InterRent REIT, risk management, liquidity, debt financing, credit risk, competition, general uninsured losses, interest rate fluctuations, environmental matters, restrictions on redemptions of outstanding InterRent REIT securities, lack of availability of growth opportunities, diversification, potential unitholder liability, potential conflicts of interest, the availability of sufficient cash flow, fluctuations in cash distributions, the market price of InterRent REIT's trust units, the failure to obtain additional financing, dilution, reliance on key personnel, changes in legislation, failure to obtain or maintain mutual fund trust status and delays in obtaining governmental approvals or financing as well as those additional factors discussed in the section entitled "Risks and Uncertainties" and in other sections of this Management's Discussion and Analysis.

In addition, certain material assumptions are applied by the Trust in making forward looking statements including, without limitation, factors and assumptions regarding:

- Overall national economic activity
- Overall population growth
- Regional economic and demographic factors, such as employment rates and immigration trends
- Inflationary/deflationary factors
- Long-, medium-, and short-term interest rates
- Availability of financing
- Housing starts
- Housing affordability
- Provincial government housing policies
- Canadian Mortgage and Housing Corporation ("CMHC") policies

Although the forward-looking information contained herein is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. InterRent REIT has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, however there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements.

Accordingly, readers should not place undue reliance on forward-looking statements. InterRent REIT does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities laws.

Certain statements included herein may be considered “financial outlook” for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this MD&A.

INTERRENT REAL ESTATE INVESTMENT TRUST

InterRent Real Estate Investment Trust (“InterRent REIT”, the “REIT” or the “Trust”) is an unincorporated, open-ended real estate investment trust created pursuant to a Declaration of Trust, dated October 10, 2006, as most recently amended on May 21, 2019, under the laws of the Province of Ontario. InterRent REIT was created to invest in income producing multi-family residential properties within Canada initially through the acquisition of InterRent International Properties Inc. (the “Corporation”) and of the Silverstone Group by the way of a plan of arrangement (the “Arrangement”) under the Business Corporations Act (Ontario), which was completed on December 7, 2006.

InterRent REIT’s principal objectives are to provide its unitholders (“Unitholders”) with stable and growing monthly cash distributions, partially on a Canadian income tax-deferred basis, and to increase the value of its trust units (the “Units”) through the effective management of its residential multi-family revenue producing properties, the acquisition of additional, accretive properties, and delivering new supply through intensification and development.

DECLARATION OF TRUST

The investment policies of the Trust are outlined in the Trust’s Amended and Restated Declaration of Trust (the “DOT”) dated as of May 21, 2019, and a copy of this document is available on SEDAR (www.sedarplus.ca). Amendments to the Declaration of Trust were approved by Unitholders on August 25, 2025 but are not yet in force, as described in more detail in the REIT’s Management Information Circular dated July 24, 2025.

At December 31, 2025 the Trust was in material compliance with all investment guidelines and operating policies stipulated in the DOT.

ACCOUNTING POLICIES

InterRent REIT’s accounting policies are described in note 3 of the audited consolidated financial statements for the years ended December 31, 2025, and December 31, 2024.

In applying these policies, in certain cases it is necessary to use estimates, which management determines using information available to the Trust at the time. Management reviews key estimates on a quarterly basis to determine their appropriateness and any change to these estimates is applied prospectively in compliance with IFRS. Significant estimates are made with respect to the fair values of investment properties and the fair values of financial instruments.

NON-GAAP MEASURES

Proportionate results represent financial information adjusted to reflect the Trust’s equity accounted joint ventures on a proportionately consolidated basis at the Trust’s ownership percentage of the related investment. Under IFRS (GAAP), the Trust’s equity accounted joint ventures are presented on one line in the consolidated balance sheets and the consolidated statement of income (loss) in aggregate. In this MD&A the consolidated balance sheets and consolidated statement of income (loss) are presented as if the joint ventures were proportionately consolidated. The presentation of financial information at the Trust’s proportionate interest provide a more detailed view of performance and reflect how management operates the business. Reconciliations of the proportionate balance sheet and proportionate statement of income (loss) to those prepared on a GAAP basis are found in the non-IFRS reconciliations and performance measures section of this MD&A.

Gross Rental Revenue, Net Operating Income, Same Property results, Funds from Operations, Normalized Funds from Operations, Adjusted Funds from Operations, Normalized Adjusted Funds from Operations, Adjusted Cash Flows from Operations and EBITDA (or, in each case, substantially similar terms) are measures sometimes used by Canadian real estate investment trusts as indicators of financial performance, however they do not have standardized meanings prescribed by IFRS (GAAP). These measures may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to similarly termed measures reported by other such issuers.

Gross Rental Revenue is the total potential revenue from suite rentals before considering vacancy and rebates and excludes other revenue from ancillary sources.

Net Operating Income (“NOI”) is a key measure of operating performance used in the real estate industry and includes all rental revenues generated at the property level, less related direct costs such as utilities, realty taxes, insurance and on-site maintenance wages and salaries. As one of the factors that may be considered relevant by readers, management believes that NOI is a useful supplemental measure that may assist prospective investors in assessing the Trust.

Same property results are revenues, expenses and NOI from properties owned by the Trust throughout the comparative periods, which removes the impact of situations that result in the comparative period to be less meaningful. Some examples include: acquisitions, dispositions, assets held for sale, redevelopments or properties going through a lease-up period.

Repositioned properties are properties owned by the Trust prior to January 1, 2022.

Funds from Operations (“FFO”) and Adjusted Funds from Operations (“AFFO”) are financial measures commonly used by many Canadian real estate investment trusts which should not be considered as an alternative to net income, cash flow from operations, or any other operating or liquidity measure prescribed under GAAP. The Trust presents FFO and AFFO in accordance with the REALpac White Paper on Funds from Operations and Adjusted Funds from Operations for IFRS dated January 2022. Normalized FFO (“NFFO”) and Normalized AFFO (“NAFFO”) are defined as FFO and AFFO, respectively, net of adjustments for unique or non-recurring items that are not considered representative of ongoing operational activities of the REIT. Management considers FFO, NFFO, AFFO, and NAFFO useful measures of recurring economic earnings.

Adjusted Cash Flows from Operations (“ACFO”) is an additional financial measure of economic cash flow based on the operating cash flows of a business adjusted for specific items. The Trust presents ACFO in accordance with the REALpac White Paper dated February 2019. Management considers ACFO a useful measure of sustainable cash flow.

Earnings Before Interest, Taxes, Depreciation and Amortization (“EBITDA”) is calculated as earnings before interest, taxes, depreciation, amortization, and other adjustments including gain/loss on sale and fair value adjustments.

Readers are cautioned that Gross Rental Revenue, NOI, Same property, FFO, NFFO, AFFO, NAFFO, ACFO and EBITDA are not alternatives to measures under GAAP and should not, on their own, be construed as indicators of the Trust's performance or cash flows, measures of liquidity or as measures of actual return on Units of the Trust. These non-GAAP measures, as presented, should only be used in conjunction with the consolidated financial statements of the Trust.

As a result of the redeemable feature of the Trust Units, the Trust's Units are defined as a financial liability and not considered an equity instrument. Therefore, no denominator exists to calculate per unit calculations. Consequently, all per unit calculations are considered non-GAAP measures. Management feels that certain per unit calculations are an important method of measuring results from period to period and as such has determined basic and diluted weighted average number of units. Per unit calculations as computed by the Trust may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to other such issuers.

OVERVIEW

BUSINESS OVERVIEW AND STRATEGY

InterRent REIT is a growth-oriented real estate investment trust engaged in increasing Unitholder value and creating a growing and sustainable distribution through the acquisition, development, and ownership of multi-residential properties. The REIT generates revenues, cash flows and earnings from rental operations and continually assesses its assets for accretive capital recycling purposes. InterRent REIT's largest and most consistent source of income is its rental operations, which involves leasing individual suites to residents for lease terms generally ranging from month-to-month to twelve-months.

InterRent's strategy is to expand its portfolio primarily within markets that have exhibited stable market vacancies, sufficient suites available to attain the critical mass necessary to implement an efficient portfolio management structure and, offer opportunities for accretive acquisitions.

InterRent's primary objectives are to use the proven industry experience of the Trustees, Management and Operational Team to: (i) grow both net asset value per Unit and funds from operations per Unit through investments in a diversified portfolio of multi-residential properties; (ii) provide Unitholders with sustainable and growing cash distributions, payable monthly; and (iii) maintain a conservative payout ratio and balance sheet.

In 2025, the Trust purchased one single-suite property in Ottawa, Ontario for a purchase price of \$0.6m. The property is adjacent to an existing property owned by the Trust and the acquisition allows for expanded future development potential at the site. The Trust occupied its first 2 suites at the 360 Laurier development project. The Trust also sold one property comprising 28 suites in Ottawa, Ontario for a sale price of \$9.5 million, or \$339,300 per suite; one property comprising 104 suites in Montréal, Quebec for a sale price of \$26.5 million, or \$255,100 per suite; two properties comprising 118 suites in Hamilton, Ontario for a sale price of \$29.4 million, or \$249,400 per suite; and four properties comprising 245 suites in Stratford, Ontario for a sale price of \$53.3 million, or \$217,300 per suite. Altogether, the properties were sold for \$2.7 million above their carrying value and the Trust received net proceeds of \$113.7 million after closing costs but before the repayment of \$37.8 million in mortgages on the disposed properties.

As at December 31, 2025, the Trust has 100% ownership interest in 10,880 suites, a 50% financial interest in 1,462 suites, a 25% financial interest in 2 suites, and a 10% financial interest in 605 suites, representing 12,949 total suites, of which 12,474 are included in same property suites. On a proportionate basis, this amounts to 11,673 total suites and 11,323 on a same property basis (or 97.0% of the portfolio).

Historically, the Trust has reported results separately for repositioned and non-repositioned property suites. The Trust's repositioning program typically spans 3 to 4 years after the acquisition of a property, and therefore repositioned suites are defined as those owned by the Trust prior to January 1, 2022. As of December 31, 2025, 96% of the Trust's aggregate portfolio is considered repositioned. As a result of the majority of the portfolio meeting the definition of repositioned, repositioned results are no longer presented as the Trust does not believe that, going forward, such measures will provide investors with useful information to understand or evaluate the Trust's operations. If market conditions change and such disclosure becomes relevant, the Trust may reintroduce it in the future. In the calculation of AFFO the definition of repositioned suites remains in use for the calculation of actual maintenance capital investment on repositioned suites.

ARRANGEMENT AGREEMENT

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) in respect of their retained units 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.

The Transaction has received Investment Canada Act approval, clearance under the Competition Act (Canada), and the parties have received a final order from the Ontario Superior Court of Justice (Commercial List) approving the Transaction. The Transaction was approved by InterRent’s unitholders on August 25, 2025.

Completion of the Transaction requires 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. The parties anticipate that the Transaction will close in the first half of 2026.

Pursuant to the terms of the Arrangement Agreement, the Purchaser exercised their right to extend the outside date for closing of the arrangement to May 11, 2026.

The Transaction subjects InterRent to additional risks and uncertainties such as the risks of non-completion, including among others, the costs to the REIT incurred in pursuing the Arrangement, the consequences and opportunity costs of the suspension of strategic pursuits of the REIT in accordance with the terms of the Arrangement Agreement and the risks associated with the temporary diversion of management’s attention away from the conduct of the REIT’s business in the ordinary course. In addition, if the Arrangement is not completed for any reason, there are risks that the announcement of the Arrangement, the dedication of substantial resources of the REIT and its management to the completion thereof and the restrictions that were imposed on the REIT under the Arrangement Agreement could have a negative impact on the REIT’s current business relationships (including with future and prospective employees, customers, suppliers and partners) and could have a material adverse effect on the current and future operations, financial condition, results of operations, and prospects of the REIT. If the Arrangement is not completed and the Board decides to seek an alternative transaction, there can be no assurance that it will be able to find a party willing to pay consideration for the Units that is equivalent to, or more attractive than, the consideration to be received by the Unitholders (other than the Retained Interest Holders) pursuant to the Arrangement or willing to proceed at all with a similar or alternative transaction. In addition, since the completion of the Arrangement is subject to uncertainty, officers and employees of the REIT may experience uncertainty about their future roles with the REIT. This may adversely affect the REIT’s ability to attract or to retain key management and personnel in the period until the Arrangement is completed or terminated.

For additional details regarding the Transaction, including a more detailed discussion of the additional risks and uncertainties related to the Transaction and incorporated by reference herein, see the Management Information Circular available under InterRent’s profile on www.sedarplus.ca.

OPERATIONS UPDATE

- Total portfolio occupancy of 96.9% for December 2025 was up 10 basis points from 96.8% in September 2025 and down 10 basis points from 97.0% in December 2024.
- Delivered average monthly rent (“AMR”) growth of 2.8% for the total portfolio and 2.2% for the same property portfolio for December 2025, as compared to December 2024.

- The Trust signed 3,439 new leases during the year, as compared to 3,015 during 2024. New leases were signed at an average rent of 2.1% higher than outgoing rents. Outgoing residents who had been in their suites for less than two years comprise 2,025, or 59%, of new leases signed during the year. These new leases were signed at an average rent that was 3.8% lower than outgoing rents, whereas for lease tenures of two years or greater, there was an average gain on lease of 11.8%.
- Same-property proportionate NOI of \$158.1 million, an increase of \$3.2 million, or 2.1% compared to 2024. Same-property proportionate NOI margin was 66.2%, a decrease of 90 basis points from 2024. Vacancy and rebates were a significant contributor, increasing by \$166 per suite or 17.2% over 2024. Property operating costs were also up, with sales and marketing costs up \$95 per suite and waste removal expenses up \$20 due to the City of Ottawa increasing their Solid Waste Bin charges by 83.5%.
- The Trust continues to invest in its portfolio as a driver of future organic growth, spending \$83.7 million during the year on a proportionate basis, of which \$11.5 million was spent on properties under development and \$72.2 million on the operating portfolio (approximately \$6,000 per weighted average suite owned during the year). This investment in the portfolio and the programming offered at the properties allows the Trust to capture above average market rents within its various communities.

OUTLOOK

- a) The Arrangement Agreement represents an exciting opportunity for Unitholders and InterRent's other stakeholders. During the pendency of the Arrangement Agreement, management remains committed to growing the REIT in a strategic and structured manner, although timing is being impacted by the current economic environment, future growth is still anticipated to come from:
- continuously looking for new ways and opportunities to drive existing revenues, create new revenue streams and reduce operating costs within our portfolio;
 - re-deploying capital from areas where management believes that properties have reached their economic peak or that the area will not allow the REIT to reach the desired level of scale;
 - continuing to source properties in our core markets that allow us to build scale within these areas and apply our repositioning experience and expertise in a manner that continues to provide long term accretion for our Unitholders;
 - participating in joint ventures where the REIT can add value through its experience and expertise in owning and operating multi-family rentals; and
 - developing purpose-built rental on existing sites that have the ability to add more density.
- b) Development spend is expected to moderate following near-term completion of 360 Laurier. In order to retain optionality at the REIT's other ongoing development projects, a minimal amount of capital will be directed towards continuing development at those properties. The Trust will continue to monitor capital allocation priorities and market conditions.
- c) Liquidity Update:
- With a debt-to-GBV ratio of 41.7%, the REIT maintains significant financial flexibility and access to both CMHC-insured and conventional mortgage financing to fund future capital programs, development opportunities, and acquisitions.
 - The Trust's current credit facilities total \$225.0 million of available credit, with \$87.0 million drawn on these facilities as at December 31, 2025 and approximately \$20.0 million drawn as of March 2, 2026.
 - Throughout the quarter, the Trust's variable rate exposure, including credit facilities, increased to 14%. Subsequent financing activities completed after year-end have reduced this exposure to 8%.
 - As of the date of this report, the Trust had approximately \$124.9 million in unencumbered properties that do not have mortgages nor provide security for any credit facilities.
 - The Trust continues to evaluate opportunities to enhance liquidity, including top-ups or new insurance on maturing CMHC-insured mortgages, where appropriate, and refinancing conventional debt into CMHC-insured mortgages at favourable rates.

Q4 PERFORMANCE HIGHLIGHTS

The following table presents a summary of InterRent's proportionate operating performance for the three and twelve months ended December 31, 2025 compared to the same periods in 2024:

Selected Consolidated Information In \$000's, except per Unit amounts and other non-financial data	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024	Change	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024	Change
Total suites				11,673 ⁽¹⁾	12,160 ⁽¹⁾	-4.0%
Average rent per suite (December)				\$ 1,749	\$ 1,702	+2.8%
Occupancy rate (December)				96.9%	97.0%	-10 bps
Proportionate operating revenues	\$ 62,381	\$ 62,614	-0.4%	\$ 250,603	\$ 247,718	+1.2%
Proportionate net operating income (NOI)	\$ 41,493	\$ 42,021	-1.3%	\$ 165,845	\$ 165,880	no change
NOI %	66.5%	67.1%	-60 bps	66.2%	67.0%	-80 bps
Same Property average rent per suite (December)				\$ 1,752	\$ 1,714	+2.2%
Same Property occupancy rate (December)				96.9%	97.0%	-10 bps
Same Property proportionate operating revenues	\$ 60,098	\$ 58,850	+2.1%	\$ 238,771	\$ 231,012	+3.4%
Same Property proportionate NOI	\$ 39,891	\$ 39,504	+1.0%	\$ 158,136	\$ 154,913	+2.1%
Same Property NOI %	66.4%	67.1%	-70 bps	66.2%	67.1%	-90 bps
Net Income (Loss)	\$ 16,738	\$ (107,120)	NMF	\$ 18,495	\$ (155,646)	NMF
Funds from Operations (FFO)	\$ 19,556	\$ 23,104	-15.4%	\$ 72,339	\$ 90,738	-20.3%
FFO per weighted average unit - diluted	\$ 0.140	\$ 0.156	-10.3%	\$ 0.511	\$ 0.612	-16.5%
Normalized Funds from Operations (NFFO)	\$ 21,425	\$ 23,104	-7.3%	\$ 89,425	\$ 90,738	-1.4%
NFFO per weighted average unit - diluted	\$ 0.153	\$ 0.156	-1.9%	\$ 0.632	\$ 0.612	+3.3%
Adjusted Funds from Operations (AFFO)	\$ 16,302	\$ 20,645	-21.0%	\$ 59,174	\$ 80,494	-26.5%
AFFO per weighted average unit - diluted	\$ 0.117	\$ 0.139	-15.8%	\$ 0.418	\$ 0.543	-23.0%
Normalized Adjusted Funds from Operations (NAFFO)	\$ 18,171	\$ 20,645	-12.0%	\$ 76,260	\$ 80,494	-5.3%
NAFFO per weighted average unit - diluted	\$ 0.130	\$ 0.139	-6.5%	\$ 0.539	\$ 0.543	-0.7%
Distributions per unit	\$ 0.0992	\$ 0.0977	+1.5%	\$ 0.3969	\$ 0.3812	+4.1%
Adjusted Cash Flow from Operations (ACFO)	\$ 17,104	\$ 26,441	-35.3%	\$ 67,020	\$ 81,840	-18.1%
Debt-to-GBV				41.7%	40.3%	+140 bps
Interest coverage (rolling 12 months)				2.55x	2.58x	-0.03x
Debt service coverage (rolling 12 months)				1.65x	1.69x	-0.04x

⁽¹⁾ Represents 10,880 (2024 - 11,368) suites fully owned by the REIT, 1,462 (2024 - 1,462) suites owned 50% by the REIT, 2 suites (2024 - nil) owned 25% by the REIT, and 605 (2024 - 605) suites owned 10% by the REIT.

⁽²⁾ Normalized FFO and AFFO remove the transaction costs associated with the Arrangement Agreement of \$17.1 million (2024 - nil).

• Overall Portfolio:

- The comparability of FFO, AFFO, and Net Income (Loss) are materially impacted by transaction costs associated with the Arrangement Agreement. Transaction costs consist of professional, legal, Board Special Committee fees, change of control entitlements, and the write-off of deferred financing fees related to the Transaction. During 2025 the Trust incurred \$17.1 million of transaction costs, \$16.6 million of which are included in general and administrative expenses and \$0.5 million in financing costs on the statement of profit and loss.
- Proportionate operating revenues for the quarter fell by \$0.2 million to \$62.4 million, a decrease of 0.4% from Q4 2024. Proportionate operating revenues for the year increased by \$2.9 million to \$250.6 million, an increase of 1.2% over 2024.
- Average monthly rent per suite increased to \$1,749 (December 2025) from \$1,702 (December 2024), an increase of 2.8%, and from \$1,742 (September 2025) an increase of 0.4%.

- d) Occupancy for December 2025 was 96.9%, a decrease of 10 basis points when compared to December 2024.
- e) Proportionate NOI for the quarter was \$41.5 million, a decrease of 1.3%, from Q4 2024. NOI margin for the quarter was 66.5%, a decrease of 60 basis points from Q4 2024. Proportionate NOI for the year was \$165.8 million, which is a minimal change from \$165.9 million in 2024.
- Same Property Portfolio:
 - a) Same property proportionate operating revenues for the quarter increased by \$1.2 million to \$60.1 million, an increase of 2.1% from Q4 2024. Same property proportionate operating revenues for the year increased by \$7.8 million to \$238.8 million, an increase of 3.4% from 2024.
 - b) Average monthly rent per suite for the same property portfolio increased to \$1,752 (December 2025) from \$1,714 (December 2024), an increase of 2.2%, and from \$1,749 (September 2025) an increase of 0.2%.
 - c) Occupancy for December 2025 was 96.9%, a decrease of 10 basis points when compared to December 2024 and up 20 basis points from September 2025.
 - d) Same property proportionate NOI for the quarter was \$39.9 million, an increase of \$0.4 million, or 1.0% over Q4 2024. Same property NOI margin for the quarter was 66.4%, a decrease of 70 basis points from Q4 2024. Same property proportionate NOI for the year was \$158.1 million, an increase of \$3.2 million, or 2.1% over 2024. Same property NOI margin for the year was 66.2%, a decrease of 90 basis points from 2024.
- Net income for the year was \$18.5 million, an increase of \$174.1 million compared to a net loss of \$155.6 million in 2024. The improvement was primarily driven by the change in fair value adjustments on investment properties, which reflected a \$35.1 million loss in 2025 compared to a \$263.3 million loss in 2024, a change of \$228.2 million, the prior period having been impacted by cap rate adjustments. This positive movement was offset by unrealized gains and losses on the fair value of financial liabilities, with a \$16.4 million loss in 2025 compared to a \$18.8 million gain in 2024, driven by unit price changes; as well as the transaction costs associated with the Arrangement Agreement.
- FFO for the quarter was \$19.6 million, a decrease of \$3.5 million, or 15.4%, from Q4 2024 and, on a per unit basis, decreased by 10.3% from Q4 2024. FFO for the year was \$72.3 million, a decrease of \$18.4 million, or 20.3% from 2024 and, on a per unit basis, decreased by 16.5% from 2024.
- Normalized FFO for the quarter was \$21.4 million, a decrease of \$1.7 million, or 7.3%, from Q4 2024 and, on a per unit basis, decreased by 1.9% from Q4 2024. Normalized FFO for the year was \$89.4 million, a decrease of \$1.3 million, or 1.4%, from 2024 and, on a per unit basis, increased by 3.3% over 2024.
- AFFO for the quarter was \$16.3 million, a decrease of \$4.3 million, or 21.0%, over Q4 2024 and, on a per unit basis, decreased by 15.8% over Q4 2024. AFFO for the year was \$59.2 million, a decrease of \$21.3 million, or 26.5% from 2024 and, on a per unit basis, decreased by 23.0%.
- Normalized AFFO for the quarter was \$18.2 million, a decrease of \$2.5 million, or 12.0%, from Q4 2024 and, on a per unit basis, decreased by 6.5% from Q4 2024. Normalized AFFO for the year was \$76.3 million, a decrease of \$4.2 million, or 5.3%, from 2024 and, on a per unit basis, decreased by 0.7% from 2024. The decrease is due to higher maintenance capex from two large life-cycle projects, and the expansion of the repositioned portfolio, resulting in increased maintenance capital deductions.
- ACFO decreased by \$14.8 million, or 18.1%, to \$67.0 million compared to 2024.
- Debt-to-GBV at quarter end was 41.7%, an increase of 140 basis points compared to December 2024. This increase was a direct result of the fair value adjustments made to investment properties during 2024 and 2025, the disposition of investment properties during the year, our active NCIB program, and costs associated with the Arrangement Agreement.

PORTFOLIO SUMMARY

The Trust started the year with 12,160 suites. During the year ended December 31, 2025, the Trust:

- acquired a one-suite property in the National Capital Region;
- occupied two suites (owned 25% by the REIT) at the 360 Laurier development property in the National Capital Region;
- added one suite to an existing property in the Other Ontario region;
- added three suites to existing properties in the Greater Montréal Area;
- added two suites to existing properties in the Greater Toronto and Hamilton Area;
- disposed of one property comprising 28 suites in the National Capital Region;
- disposed of one property comprising 104 suites in the Greater Montréal Area;
- disposed of two properties comprising 118 suites in the Greater Toronto and Hamilton Area; and
- disposed of four properties comprising 245 suites in the Other Ontario region.

At December 31, 2025, the Trust owned 11,673 suites. Management continuously reviews the markets that the REIT operates in to maintain a suitable portfolio mix. Management believes that there are still strong organic growth opportunities within the portfolio, once the impacts of immigration and supply return to normalized levels, through continued robust rent growth, further operational streamlining, and reductions in operating costs. At December 31, 2025, 97.0% of the portfolio was included in same property suites.

▼ SUITES BY REGION AT DECEMBER 31, 2025

Region	Total Portfolio			Same Property		
	Suites – 100% basis	Suites – proportionate	% of Portfolio	Suites – 100% basis	Suites – proportionate	% of Portfolio
Greater Toronto & Hamilton Area	4,635	4,044	34.7%	4,635	4,044	35.7%
National Capital Region	2,514	2,513	21.5%	2,511	2,511	22.2%
Other Ontario	1,763	1,763	15.1%	1,763	1,763	15.6%
Greater Montreal Area	3,171	2,920	25.0%	2,699	2,572	22.7%
Greater Vancouver Area	866	433	3.7%	866	433	3.8%
Total	12,949	11,673	100.0%	12,474	11,323	100.0%

ACQUISITIONS

During 2025, the REIT completed the acquisition of a single-suite property in Ottawa, Ontario for a purchase price of \$0.6 million. The property is adjacent to an existing property owned by the Trust and the acquisition allows for expanded future development potential at the site.

PROPERTIES UNDER DEVELOPMENT

Development activity is another way in which the REIT generates long-term value through FFO and NAV accretion. Development opportunities are regularly reviewed by management and are selectively undertaken based on a rigorous analysis of projected returns relative to the REIT's cost of capital, market dynamics, and broader capital allocation decision making.

Project	City	Suite Count	Commercial Sq. Ft.	Ownership Interest	Target Completion Date
360 Laurier	Ottawa	139	1,736	25.0%	Q1 2026
Richmond & Churchill	Ottawa	177	11,591	100.0%	TBD
Burlington GO Lands	Burlington	1,526 (Phases 1-2) 989 (Phases 3-4)	20,081 (Phases 1-2) 19,779 (Phases 3-4)	25.0%	TBD
900 Albert Street	Ottawa	1,241	597,368	50.0%	TBD

360 LAURIER

360 Laurier Ave W is an office conversion project located in downtown Ottawa, with 139 residential suites and 1,736 sq ft of retail space across 11 storeys. Construction at the project is nearing completion, with full occupancy permitting expected in late Q1 2026. Financing was secured through the CMHC's Apartment Construction Loan Program (ACLP) during Q1 2025 and the project was fully capitalized, with excess equity being repatriated to the joint-venture partners upon closing of the financing. The building is partially complete and as of December 31, 2025 two suites have been occupied.

ANALYSIS OF PROPORTIONATE OPERATING RESULTS

The following operating results are presented on a proportionate basis, inclusive of the Trust's proportionate share of equity accounted joint ventures, for the periods indicated. For a reconciliation to the Trust's operating results as reported under GAAP, see the "Non-IFRS Reconciliations and Performance Measures" section of this MD&A.

In \$ 000's	3 Months Ended December 31, 2025		3 Months Ended December 31, 2024		12 Months Ended December 31, 2025		12 Months Ended December 31, 2024	
Gross rental revenue	\$	62,051	\$	62,002	\$	249,724	\$	245,393
Less: vacancy & rebates		(3,296)		(2,898)		(13,608)		(11,684)
Other revenue		3,626		3,510		14,487		14,009
Operating revenues	\$	62,381	\$	62,614	\$	250,603	\$	247,718
Expenses								
Property operating costs		9,876 15.9%		9,649 15.4%		40,643 16.2%		38,862 15.6%
Property taxes		6,378 10.2%		6,383 10.2%		26,289 10.5%		25,995 10.5%
Utilities		4,634 7.4%		4,561 7.3%		17,826 7.1%		16,981 6.9%
Operating expenses	\$	20,888 33.5%	\$	20,593 32.9%	\$	84,758 33.8%	\$	81,838 33.0%
Net operating income	\$	41,493	\$	42,021	\$	165,845	\$	165,880
Net operating margin		66.5%		67.1%		66.2%		67.0%

REVENUE

Management expects to continue to grow rent organically, as well as continuing to drive other ancillary revenue streams such as parking, commercial, laundry, cable and telecom revenue share agreements, and locker rentals.

Despite the impact of the dispositions, gross rental revenue on a total portfolio basis for the year ended December 31, 2025 increased 1.8% to \$249.7 million compared to \$245.4 million for the year ended December 31, 2024. Operating revenue for the year was up \$2.9 million to \$250.6 million, or 1.2% compared to 2024.

The Trust owned, on a weighted average basis, 11,952 suites for the year ended December 31, 2025 as compared to 12,052 for the year ended December 31, 2024, a decrease of 100 suites over the period. On a per weighted average suite basis, operating revenue for the year ended December 31, 2025 was an average of \$1,747 per month (\$1,713 in 2024) a 2.0% year-over-year increase.

Average monthly rent for December 2025 of \$1,749 per suite has increased compared to \$1,702 for December 2024, (2.8% increase), and \$1,742 for September 2025 (0.4% increase). On a same property basis, the average rent increased by \$38 per suite (or up 2.2%) over December 2024 and by \$3 per suite (or up 0.2%) over September 2025.

GAIN-ON-LEASE

Organic growth for the REIT occurs in large part from the movement of rental rates from older in-place rents to current market rates when new residents take occupancy. The REIT executed 3,439 new leases during 2025, as compared to 3,015 move-ins during 2024, an increase of 424 suites or 14.1%. New rents achieved in 2025 were 2.1%

higher than expiring rents for the year, resulting in a \$1.3 million annualized gain-on-lease. Outgoing residents who had been in their suites for less than two years comprise 2,025, or 59%, of new leases signed during the year. These new leases were signed at an average rent that was 3.8% lower than outgoing rents, whereas for lease tenures of two years or greater, there was an average gain on lease of 11.8%.

Seasonal variation in turnover is expected, with the first quarter being quite low, and the third quarter of the year generally the strongest quarter for move-ins. The following table presents the number of new leases signed, as well as the outgoing and newly signed rents on these suites and a calculation of the annualized gain-on-lease.

Quarter	New Leases ⁽¹⁾	Outgoing AMR ⁽¹⁾	New AMR ⁽¹⁾	Realized Gain-On-Lease ⁽¹⁾	Annualized Gain/(Loss)-On-Lease ⁽²⁾
Q4 2025	698	\$ 2,028	\$ 2,041	0.6%	\$ 65
Q3 2025	1,547	1,963	1,962	(0.1%)	(137)
Q2 2025	719	2,022	2,097	3.7%	528
Q1 2025	475	1,959	2,124	8.5%	796
Total/Average	3,439	\$ 1,991	\$ 2,032	2.1%	\$ 1,252

⁽¹⁾ Includes 100% of new leases from joint ventures

⁽²⁾ Calculated on a proportionate basis

On a same property basis, the REIT signed 3,180 new leases during the year, or 28.1% of the same property portfolio, as compared to 2,753 for 2024, or 24.3% of the same property portfolio, an increase of 427 leases or 15.5%.

The REIT estimates the average market rental gap for the total portfolio decreased to approximately 18% as of December 31, 2025, compared to 26% at December 31, 2024. Suite turnover for the trailing 12 months increased to 27.2%, compared to 24.0% for 2024.

▼ AVERAGE RENT BY REGION⁽¹⁾

Region	Total Portfolio			Same Property		
	December 2025	December 2024	Change	December 2025	December 2024	Change
Greater Toronto & Hamilton Area	\$1,822	\$1,775	+2.6%	\$1,822	\$1,785	+2.1%
National Capital Region ⁽¹⁾	\$1,856	\$1,817	+2.1%	\$1,856	\$1,816	+2.2%
Other Ontario	\$1,687	\$1,644	+2.6%	\$1,687	\$1,657	+1.8%
Greater Montreal Area	\$1,549	\$1,502	+3.1%	\$1,536	\$1,494	+2.8%
Greater Vancouver Area	\$2,058	\$2,023	+1.7%	\$2,058	\$2,023	+1.7%
Total	\$1,749	\$1,702	+2.8%	\$1,752	\$1,714	+2.2%

⁽¹⁾ Excludes extended stay suites.

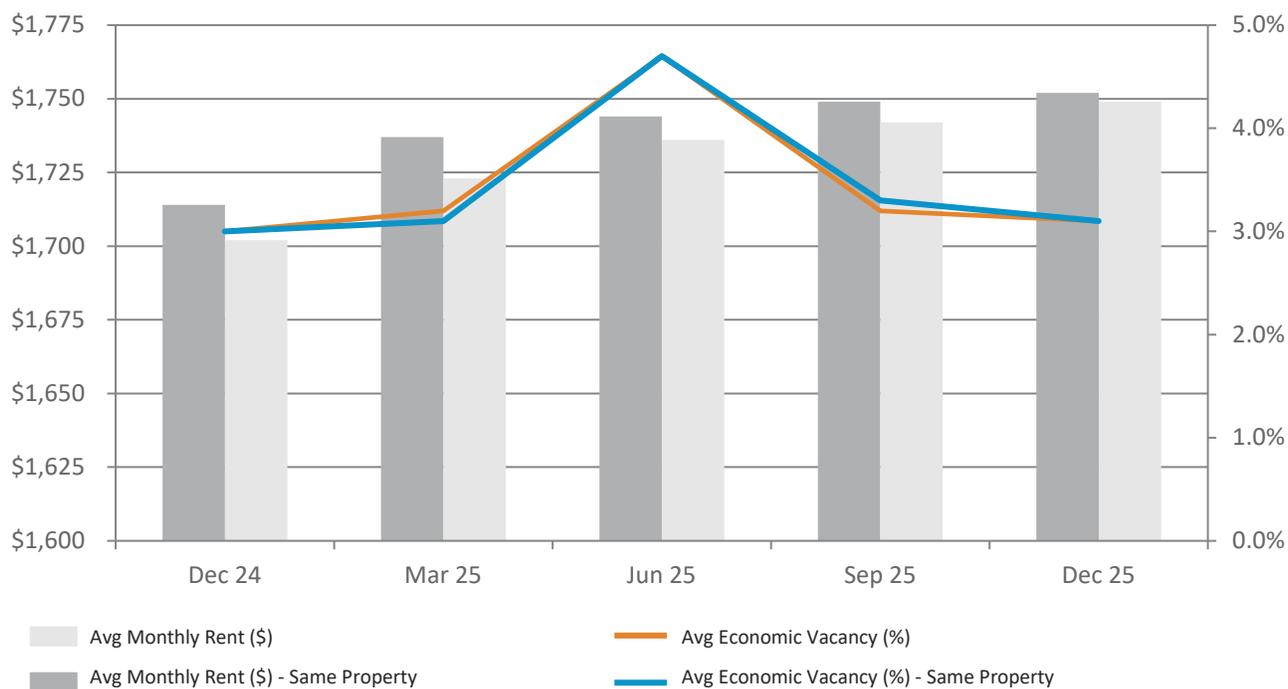
PORTFOLIO OCCUPANCY

As part of the ongoing effort to balance organic revenue growth and occupancy levels, the vacancy rate on an annual basis is expected to be in the 3%-4% range once a property is repositioned. Going forward, management believes that minor variations in economic vacancy will continue to occur from one quarter to another given the seasonal nature of rental activity. The rental growth objectives are being achieved as a direct result of:

1. ensuring that properties are safe, secure and well maintained;
2. ensuring suites are properly repaired and maintained before being rented to new residents;
3. tailoring marketing to the specific features, location and demographics of each individual community; and,
4. ensuring that operations are running as efficiently and cost effectively as possible to ensure the well-being of residents and resident enjoyment of their homes.

This is part of the Trust’s repositioning strategy to maximize rental revenues, lower operating costs and create safe, quality communities for its residents, extending the useful life of its buildings, and thereby creating value for all stakeholders. Management intends to continue to pursue this strategy both within the existing portfolio and as it looks to add new properties within targeted regions.

The following chart represents both the average monthly rents and the economic vacancy for the entire portfolio for the months listed. Economic vacancy is calculated by taking financial vacancy loss and dividing it by gross rental revenue.



	December 2024	March 2025	June 2025	September 2025	December 2025
Average monthly rents same property	\$1,714	\$1,737	\$1,744	\$1,749	\$1,752
Average monthly rents all properties	\$1,702	\$1,723	\$1,736	\$1,742	\$1,749

The overall economic vacancy for December 2025 across the entire portfolio was 3.1%, an increase of 10 basis points from 3.0% in December 2024 and a decrease of 10 basis points from September 2025.

The economic vacancy for December 2025 on a same property portfolio basis was 3.1%, an increase of 10 basis points as compared to the 3.0% vacancy in December 2024, and a decrease of 20 basis points from 3.3% in September 2025.

▼ VACANCY BY REGION

Region	Total Portfolio			Same Property		
	December 2025	December 2024	Change	December 2025	December 2024	Change
Greater Toronto & Hamilton Area	2.4%	2.8%	-40 bps	2.4%	2.9%	-50 bps
National Capital Region	3.4%	3.4%	no change	3.4%	3.4%	no change
Other Ontario	2.9%	2.4%	+50 bps	2.9%	2.7%	+20 bps
Greater Montreal Area	3.4%	3.0%	+40 bps	3.5%	2.3%	+120 bps
Greater Vancouver Area	6.9%	5.1%	+180 bps	6.9%	5.1%	+180 bps
Total	3.1%	3.0%	+10 bps	3.1%	3.0%	+10 bps

OTHER REVENUE

Other revenue for the year ended December 31, 2025 increased to \$14.5 million compared to \$14.0 million for December 31, 2024, despite the dispositions in the portfolio. Increased revenues from commercial space as well as ancillary sources such as parking, laundry, locker rentals, and cable and telecom continues to be a focus as a source of organic revenue growth.

PROPERTY OPERATING COSTS

Property operating costs for the investment properties include repairs and maintenance, insurance, caretaking, wages and benefits, property management salaries and benefits, uncollectible accounts, marketing, advertising, and leasing costs.

Property operating costs for the year ended December 31, 2025 amounted to \$40.6 million or 16.2% of revenue compared to \$38.9 million or 15.6% of revenue for the year ended December 31, 2024. As a percentage of revenue, operating costs increased by 60 basis points as compared to 2024.

On a per weighted average suite basis, property operating costs for the year ended December 31, 2025 were \$3,401, a 5.5% increase over \$3,225 for the year ended December 31, 2024. The increase reflects a \$95 increase in sales and marketing costs associated with the increased turnover during the year, as well as a \$20 per suite increase in waste removal expenses due to the City of Ottawa increasing their Solid Waste Bin Charges by 83.5%.

PROPERTY TAXES

Property taxes for the year ended December 31, 2025 amounted to \$26.3 million or 10.5% of revenue compared to \$26.0 million or 10.5% of revenue for December 31, 2024.

On a per weighted average suite basis, property taxes for the year ended December 31, 2025 were \$2,200, a 2.0% increase over \$2,157 for the year ended December 31, 2024.

The Trust is constantly reviewing property tax assessments for its properties and this active approach shall continue to help drive down costs. Where appropriate, the Trust will appeal individual property assessments.

UTILITY COSTS

Utility costs for the year ended December 31, 2025 amounted to \$17.8 million or 7.1% of revenue, an increase of \$0.8 million from \$17.0 million or 6.9% of revenue for the year ended December 31, 2024. On a per weighted average suite basis, utility costs have increased 5.8% compared to 2024, to \$1,491 per suite. Electricity expenses increased by \$18 per suite, with a 6% increase in usage offset by a 3% reduction in overall average rates. Water expenses increased \$31 per suite driven by higher rates. Gas costs were up \$33 per suite, with a 15% increase in usage, driven by a 19% increase in heating degree days, offset by lower rates due to the elimination of the Consumer Carbon Pricing in April 2025 for Ontario and BC.

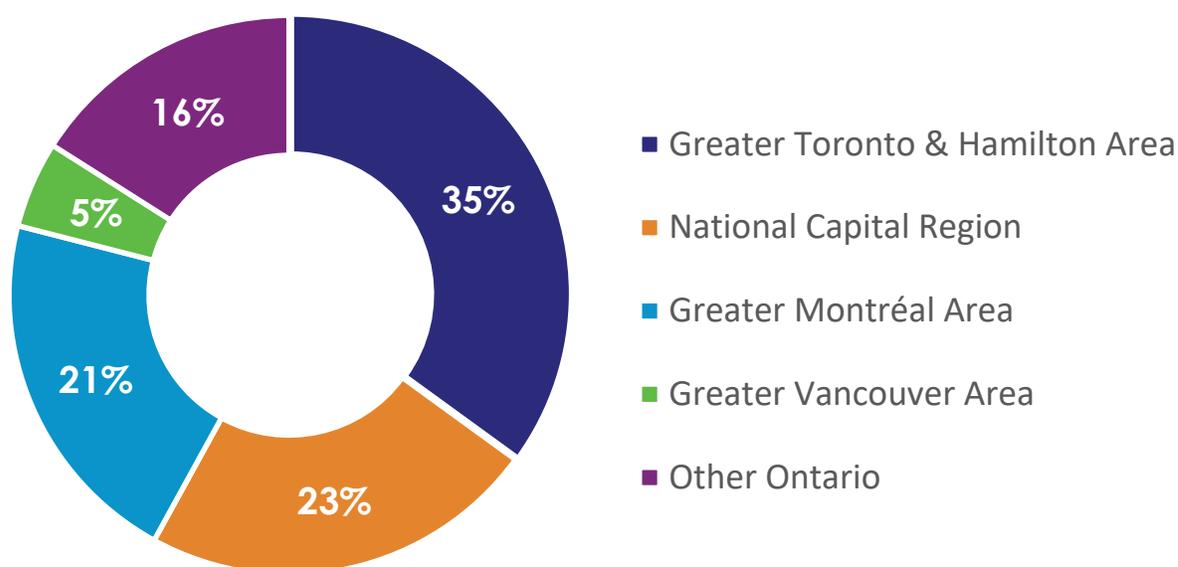
The Trust continues to manage its electricity costs through its hydro sub-metering initiative, which reduced electricity costs by 28.8%, or \$2.3 million for the year (2024 - \$2.3 million), representing a contribution of 0.9% to

NOI margin (2024 - 1.0%). At December 31, 2025 approximately 82% of the REIT's portfolio had the capability to sub-meter hydro, allowing the REIT to recover electricity costs. Of these, approximately 85% were on hydro extra leases whereby the resident either pays the local utility provider directly or the REIT recovers the cost from the resident. This represents approximately 71% of the total portfolio. Having residents responsible for utility costs encourages more conscientious behaviour and lowers consumption.

PROPORTIONATE NET OPERATING INCOME (NOI)

Proportionate NOI for the year ended December 31, 2025 amounted to \$165.8 million or 66.2% of operating revenues compared to \$165.9 million or 67.0% of operating revenue for the year ended December 31, 2024. The decrease in margin was due to higher year-over-year vacancy and incentives, and increased property operating costs and utilities.

▼ NOI BY REGION – YEAR ENDED DECEMBER 31, 2025



SAME PROPERTY PROPORTIONATE PORTFOLIO PERFORMANCE

Same property results for the three months December 31, 2025 are defined as all properties owned and operated by the Trust throughout the comparative periods being reported, and therefore do not take into account the impact on performance of acquisitions, dispositions, assets held for sale, or properties going through a lease-up during the period from January 1, 2024 to December 31, 2025. As at December 31, 2025, the Trust has 11,323 suites in the same property portfolio. The same property portfolio represents 97.0% of the overall portfolio.

The following same property operating results are presented on a proportionate basis, inclusive of the Trust's proportionate share of equity accounted joint ventures, for the periods ended:

In \$ 000's	3 Months Ended		3 Months Ended		12 Months Ended		12 Months Ended	
	December 31, 2025		December 31, 2024		December 31, 2025		December 31, 2024	
Gross rental revenue	\$	59,723	\$	58,219	\$	237,670	\$	228,749
Less: vacancy & rebates		(3,119)		(2,717)		(12,789)		(10,909)
Other revenue		3,494		3,348		13,890		13,172
Operating revenues	\$	60,098	\$	58,850	\$	238,771	\$	231,012
Expenses								
Property operating costs		9,503 15.8%		9,062 15.4%		38,621 16.2%		36,011 15.5%
Property taxes		6,274 10.4%		5,982 10.2%		25,041 10.5%		24,223 10.5%
Utilities		4,430 7.4%		4,302 7.3%		16,973 7.1%		15,865 6.9%
Operating expenses	\$	20,207 33.6%	\$	19,346 32.9%	\$	80,635 33.8%	\$	76,099 32.9%
Net operating income	\$	39,891	\$	39,504	\$	158,136	\$	154,913
Net operating margin		66.4%		67.1%		66.2%		67.1%

For the year ended December 31, 2025, operating revenues were \$238.8 million, up 3.4% from \$231.0 million compared to the year ended December 31, 2024. Property operating costs were 16.2% of revenues, up 70 basis points, from 15.5%. Property taxes were 10.5%, consistent with 2024, and utilities were up 20 basis points. This resulted in an overall increase in operating expenses, as a percentage of operating revenues, of 90 basis points as compared to the same period last year.

The 3.4% increase in operating revenue and the 6.0% increase in operating expenses resulted in a net increase in same property proportionate NOI of \$3.2 million, or 2.1%, as compared to the same period last year. NOI margin for 2025 was 66.2% as compared to 67.1% for 2024, a 90 basis point decrease. Vacancy and rebates were a significant contributor, increasing by \$166 per suite or 17.2% over 2024. Property operating costs were also up, with sales and marketing costs up \$95 per suite and waste removal expenses up \$20 due to the City of Ottawa increasing their Solid Waste Bin charges by 83.5%. Management continues to focus on top line revenue growth through selective acquisitions, suite additions, organic revenue growth and ancillary revenue as well as operating cost reductions (such as efficiencies of scale, investment in energy saving initiatives, and investments in infrastructure and technology).

The average monthly rent for December 2025 for the same property portfolio increased to \$1,752 per suite from \$1,714 (December 2024), an increase of 2.2%. Economic vacancy for December 2025 for same property was 3.1%, compared to 3.0% for December 2024, and 3.3% for September 2025.

	December 2024	March 2025	June 2025	September 2025	December 2025
Average monthly rent same property	\$1,714	\$1,737	\$1,744	\$1,749	\$1,752
Average monthly vacancy same property	3.0%	3.1%	4.7%	3.3%	3.1%

PROPORTIONATE FINANCING AND ADMINISTRATIVE COSTS

Financing and administrative costs below are presented on a proportionate basis, inclusive of the Trust's proportionate share of equity accounted joint ventures, for the periods indicated. For a reconciliation to the Trust's financing and administrative costs as reported under GAAP, see the "Non-IFRS Reconciliations and Performance Measures" section of this MD&A.

In \$ 000's	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024
Net operating income	\$ 41,493	\$ 42,021	\$ 165,845	\$ 165,880
Expenses				
Financing costs	16,389	14,359	60,896	57,659
Administrative costs	5,704	4,524	32,983	17,474
Income before other income and expenses	\$ 19,400	\$ 23,138	\$ 71,966	\$ 90,747

FINANCING COSTS

Total proportionate financing costs amounted to \$16.4 million or 26.3% of operating revenue for the three months ended December 31, 2025 compared to \$14.4 million or 22.9% of operating revenue for the three months ended December 31, 2024. The Trust incurred \$0.5 million of write offs of deferred financing fees related to the Transaction included in financing costs (2024 - nil).

In \$ 000's	3 Months Ended December 31, 2025			3 Months Ended December 31, 2024		
	GAAP Basis	Proportionate Basis		GAAP Basis	Proportionate Basis	
	Amount	Amount	% of Revenue	Amount	Amount	% of Revenue
Cash based:						
Mortgage interest	\$ 13,916	\$ 14,531	23.4%	\$ 14,122	\$ 14,530	23.2%
Credit facilities	1,504	1,504	2.4%	696	696	1.1%
Interest capitalized	(342)	(536)	(0.9%)	(966)	(1,320)	(2.1%)
Interest income	(288)	(288)	(0.5%)	(187)	(187)	(0.3%)
Non-Cash based:						
Amortization of deferred finance cost and premiums on assumed debt	1,140	1,178	1.9%	602	640	1.0%
Total	\$ 15,930	\$ 16,389	26.3%	\$ 14,267	\$ 14,359	22.9%

Financing costs amounted to \$60.9 million or 24.3% of operating revenue for the year ended December 31, 2025 compared to \$57.7 million or 23.3% of operating revenue for the year ended December 31, 2024. The Trust incurred \$0.5 million of write offs of deferred financing fees related to the Transaction included in financing costs (2024 - nil).

In \$ 000's	12 Months Ended December 31, 2025			12 Months Ended December 31, 2024		
	GAAP Basis	Proportionate Basis		GAAP Basis	Proportionate Basis	
	Amount	Amount	% of Revenue	Amount	Amount	% of Revenue
Cash based:						
Mortgage interest	\$ 55,936	\$ 57,787	23.1%	\$ 57,597	\$ 59,285	24.0%
Credit facilities	4,791	4,791	1.9%	1,926	1,926	0.8%
Interest capitalized	(2,341)	(3,606)	(1.4%)	(3,433)	(4,903)	(2.0%)
Interest income	(1,189)	(1,189)	(0.5%)	(1,250)	(1,250)	(0.5%)
Non-Cash based:						
Amortization of deferred finance cost and premiums on assumed debt	2,962	3,113	1.2%	2,450	2,601	1.0%
Total	\$ 60,159	\$ 60,896	24.3%	\$ 57,290	\$ 57,659	23.3%

During Q4 2025, the Bank of Canada reduced its policy interest rate 25 bps to 2.25%, bringing the cumulative reduction for the year to 100 bps from 3.25% at the beginning of 2025. Despite the cut to the policy interest rate in the quarter, CMHC-insured mortgage rates increased during the three months, with five-year rates increasing approximately 30 bps and ten-year rates increasing approximately 5 bps, ending the year at approximately 3.65-3.75% and 4.05-4.15%, respectively. On a full-year basis, five-year rates declined approximately 10 bps and ten-year rates declined approximately 5 bps. The REIT continues to actively manage its mortgage ladder, closely monitor debt markets, and will use early rate locks or hedges to strategically mitigate interest rate risk and preserve balance sheet flexibility.

On a proportionate basis, mortgage interest costs for the quarter were consistent and for the year decreased by \$1.5 million compared to the same periods in 2024. The annual decrease was primarily driven by mortgage discharges associated with dispositions in 2024 and 2025, along with several successful upfinancings and refinancings of mortgages over that period. The weighted average interest rate on the outstanding mortgages at the end of the period was 3.43%.

For the quarter ended December 31, 2025, the REIT carried higher balances on its credit facilities compared to the prior year, supporting general operations and capital investment activities. The increase primarily reflected timing differences between capital recycling, upfinancing transactions, and the NCIB during the year, as well as funding requirements associated with the Arrangement Agreement. While benchmark interest rates declined throughout 2024 and 2025, higher average credit facility balances offset the benefit of lower rates. As a result, credit facility interest expense increased by \$0.8 million for the quarter and by \$2.9 million for the year compared to the same periods in 2024.

As at December 31, 2025, the REIT's total variable rate exposure increased to 14%, primarily reflecting higher balances drawn on its credit facilities and the use of short-term floating rate extensions on certain mortgages pending the placement of new CMHC-insured financing. These extensions were undertaken in connection with the revised debt strategy contemplated as part of the Arrangement Agreement.

On a proportionate basis, the REIT capitalized \$0.8 million less interest in Q4 and \$1.3 million less for the year compared to the same periods in 2024. The lower interest capitalization reflects a shift in development activity across the portfolio. The REIT capitalizes the amount of interest that could have been avoided during the development period if expenditures for the assets had not been made. In assessing avoidable interest, the REIT first

applies interest from any liabilities secured by the properties under development whose funds are used specifically for that property. To the extent that expenditures exceed those liabilities, the REIT then uses the prevailing rate on its drawn credit facilities. To the extent the expenditures exceed the drawn amounts on its credit facilities, the REIT then uses the prevailing CMHC insured mortgage rate to calculate the remaining interest.

Interest income increased by \$0.1 million for the three months ended December 31, 2025 and decreased by \$0.1 million for the twelve months ended December 31, 2025, compared to the same periods in the prior year.

ADMINISTRATIVE COSTS

Administrative costs include such items as: director pay; salaries and incentive payments; employee benefits; investor relations; sustainability initiatives; transfer agent listing and filing fees; legal, tax, audit, other professional fees; and amortization on corporate assets.

Administrative costs during 2025 include transaction costs associated with the Arrangement Agreement. Transaction costs included in administrative costs consist of professional and legal fees and change of control entitlements related to the Transaction. During the year ended December 31, 2025 the Trust incurred \$16.6 million of transaction costs included in administrative costs (2024 - nil).

Administrative costs for year ended December 31, 2025 amounted to \$33.0 million, or 13.2% of proportionate operating revenue. After removing the \$16.6 million of transaction costs included in administrative costs during 2025, administrative costs for the year were \$16.4 million, or 6.5% of operating revenue, down from \$17.5 million for the same period in 2024, being 7.1% of proportionate operating revenue.

The Trust incurs property management costs representing salaries, employee benefits, travel, and other expenses incurred in order to earn fees for the property and project management services for 2,069 residential suites within its joint operations and joint ventures. Property management fees are presented in other income and fees and were consistent year-over-year.

PROPORTIONATE OTHER INCOME AND EXPENSES

The following table of other income and expenses is presented on a proportionate basis, inclusive of the Trust's proportionate share of equity accounted joint ventures, for the periods indicated. For a reconciliation to the Trust's other income and expenses as reported under GAAP, see the "Non-IFRS Reconciliations and Performance Measures" section of this MD&A.

In \$ 000's	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024
Income before other income and expenses	\$ 19,400	\$ 23,138	\$ 71,966	\$ 90,747
Other income and expenses				
Fair value adjustments of investment properties	(3,394)	(143,613)	(35,093)	(263,331)
Other income and fees	701	496	2,645	2,035
Gain/(loss) on sale of investment properties	78	174	(2,341)	(1,485)
Unrealized gain/(loss) on financial liabilities	498	13,215	(16,445)	18,761
Distributions expense on units classified as financial liabilities	(545)	(530)	(2,237)	(2,373)
Net income (loss)	\$ 16,738	\$ (107,120)	\$ 18,495	\$ (155,646)

OTHER INCOME AND FEES

The Trust has contractual arrangements and receives compensation to perform the property and project management services for 2,069 residential suites within its joint operations and joint ventures. Other income also includes fees earned by the Trust for providing loan guarantees on behalf of a development partner.

SALE OF ASSETS

During the year, the Trust completed the sale of one property comprising 28 suites in Ottawa, Ontario for a sale price of \$9.5 million, or \$339,300 per suite, against a carrying value of \$9.1 million. The property was sold for \$0.4 million above its fair market value, however selling costs of \$0.4 million (which includes commission and legal expenses) were incurred as part of the transaction, resulting in a gain on disposition.

The Trust completed the sale of one property comprising 104 suites in Montréal, Quebec for a sale price of \$26.5 million, or \$255,100 per suite, against a carrying value of \$26.3 million. The property was sold for \$0.2 million above its fair market value, however selling costs of \$1.5 million (which includes commission, legal expense, the unamortized portion of the CMHC insurance premium and mortgage discharge penalties) were incurred as part of the transaction, resulting in a loss on disposition.

The Trust completed the sale of two properties comprising 118 suites in Hamilton, Ontario for a sale price of \$29.4 million, or \$249,400 per suite, against a carrying value of \$28.8 million. The properties were sold for \$0.6 million above their fair market value, however selling costs of \$1.8 million (which includes commission, legal expense, the unamortized portion of the CMHC insurance premium and mortgage discharge penalties) were incurred as part of the transaction, resulting in a loss on disposition.

The Trust completed the sale of four properties comprising 245 suites in Stratford, Ontario for a sale price of \$53.3 million, or \$217,300 per suite, against a carrying value of \$51.8 million. The property was sold for \$1.5 million above its fair market value, however selling costs of \$1.4 million (which includes commission, legal expense, the unamortized portion of the CMHC insurance premium and mortgage discharge penalties) were incurred as part of the transaction, resulting in a gain on disposition.

FAIR VALUE ADJUSTMENTS OF INVESTMENT PROPERTIES

The fair value of the portfolio at December 31, 2025 and 2024 was determined internally by the Trust. 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, 2025 and 2024. For the year ended December 31, 2025, a proportionate fair value loss of \$35.1 million was recorded as a result of changes in the fair value of investment properties (2024 - \$263.3 million). The weighted average capitalization rate used across the portfolio at December 31, 2025 was 4.47%, consistent with September 30, 2025, and down 2 basis points from the 4.49% for December 31, 2024. This 2 basis point decrease is the result of the properties disposed during the year.

UNREALIZED FAIR VALUE GAIN/LOSS ON FINANCIAL LIABILITIES

The Trust used a price of \$13.19 (December 31, 2024 - \$10.15) based on the closing price of the TSX listed InterRent REIT Trust Units to determine the fair value of the deferred unit compensation liability.

The total fair value of the deferred units recorded on the consolidated balance sheet at December 31, 2025 was \$58.7 million and a corresponding fair value loss of \$14.1 million was recorded on the consolidated statement of income for the year ended December 31, 2025.

The total fair value of the performance and restricted units recorded on the consolidated balance sheet at December 31, 2025 was \$6.2 million with a \$2.2 million fair value loss recorded on the consolidated statement of income for the year ended December 31, 2025.

The Trust determined the fair value of the option plan (unit-based compensation liability) at December 31, 2025 was \$0.2 million with a \$0.1 million fair value loss recorded on the consolidated statement of income for the year ended December 31, 2025.

The total fair value of the Class B LP Unit Liability recorded on the consolidated balance sheet at December 31, 2025 was nil as all remaining units were exchanged during the previous year.

The Trust uses rate swaps and forward rate locks in order to reduce its exposure to movements in interest rates. As a result of the market interest rates at the end of the quarter and settlements during the quarter, the REIT recognized a minimal unrealized gain on interest rate swaps for the year ended December 31, 2025.

In \$ 000's	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024
Fair value gain/(loss) on financial liabilities:				
Deferred unit compensation plan	\$ 738	\$ 11,897	\$ (14,099)	\$ 13,847
Performance and restricted unit compensation plan	(265)	1,440	(2,195)	2,795
Option plan	5	152	(121)	158
Class B LP unit liability	-	-	-	3,150
Rate swaps	20	(274)	(30)	(1,612)
Forward rate locks	-	-	-	423
Fair value gain/(loss) on financial liabilities	\$ 498	\$ 13,215	\$ (16,445)	\$ 18,761

DISTRIBUTION EXPENSE

Distribution expense for 2025 is comprised of distributions earned on the deferred, performance, and restricted unit plans, as all are classified as a liability. In 2024, this also included distributions to holders of the Class B LP units, which were fully redeemed during 2024.

INVESTMENT PROPERTIES

The following chart shows the changes in investment properties from December 31, 2024 to December 31, 2025:

In \$ 000's	December 31, 2025	
	GAAP Basis	Proportionate Basis
Balance, December 31, 2024	\$ 4,078,627	\$ 4,163,551
Acquisition	637	637
Dispositions	(116,007)	(116,007)
Changes in assets held for sale	(56,707)	(56,707)
Property capital investments	74,601	83,748
Fair value losses	(35,120)	(35,093)
Total investment properties	\$ 3,946,031	\$ 4,040,129

The Trust continues to invest in its portfolio as a driver of future organic growth, spending \$83.7 million on property capital investments during the year ended December 31, 2025 on a proportionate basis, of which \$11.5 million was spent on properties under development and \$72.2 million on the operating portfolio (approximately \$6,000 per weighted average suite owned during the year). This investment in the portfolio and the programming offered at the properties allows the Trust to capture above average market rents within its various communities.

UNITHOLDERS' EQUITY

The following chart shows the changes in reported Unitholders' equity from December 31, 2024 to December 31, 2025.

Summary of Unitholders' Capital Contributions	Trust Units	Amount (in \$ 000's)
December 31, 2024	147,503,404	\$1,121,494
Units purchased under NCIB and cancelled ⁽¹⁾	(7,849,836)	(83,857)
Units issued under the deferred unit plan	109,405	1,435
Units issued under performance and restricted unit plan	68,109	889
Units issued from options exercised	25,000	284
December 31, 2025	139,856,082	\$1,040,245

⁽¹⁾ Includes \$1,641 for the 2% tax on Trust Unit repurchases, which became effective on January 1, 2024

As at December 31, 2025 there were 139,856,082 Trust Units issued and outstanding. During the year ended December 31, 2025 the Trust cancelled 90,000 units purchased for \$0.9 million at the end of 2024, purchased and cancelled 7,759,836 units for \$83.0 million (December 31, 2024 - 1,210,300 units for \$13.2 million). Average price per Unit for purchases during 2025 was \$10.48 (2024 - \$10.88), excluding the 2% tax on Trust Unit repurchases which became effective January 1, 2024.

DISTRIBUTIONS

The distributions per Unit were \$0.3969 and \$0.3812 for the year ended December 31, 2025 and 2024, respectively. The Trust is currently making monthly distributions of \$0.033075 per Unit, which equates to \$0.3969 per Unit on an annualized basis. For the year ended December 31, 2025, the Trust's FFO and AFFO were \$0.511 and \$0.418 per unit (diluted) respectively, compared to \$0.612 and \$0.543 for the year ended December 31, 2024.

Distributions to Unitholders are as follows:

In \$ 000's	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024
Distributions declared to Unitholders	\$ 55,932	\$ 55,913
Distributions reinvested through DRIP ⁽¹⁾	-	(19,388)
Distributions declared to Unitholders, net of DRIP	\$ 55,932	\$ 36,525
DRIP participation rate ⁽¹⁾	n/a	34.7%

⁽¹⁾ On December 16, 2024 the Trust announced a suspension of the Dividend Reinvestment Plan until further notice.

InterRent's Declaration of Trust provides the Trustees with the discretion to determine the payout of distributions that would be in the best interest of the Trust. In establishing the level of distributions to Unitholders, consideration is given to future cash requirements of the Trust as well as forward-looking cash flow information.

WEIGHTED AVERAGE NUMBER OF UNITS

The following table sets forth the weighted average number of Units outstanding:

	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024
Trust units	139,803,875	147,974,797	141,459,358	147,575,731
LP Class B units	-	-	-	600,154
Weighted average units outstanding - Basic	139,803,875	147,974,797	141,459,358	148,175,885
Unexercised dilutive options ⁽¹⁾	12,555	21,783	12,555	21,783
Weighted average units outstanding - Diluted	139,816,430	147,996,580	141,471,913	148,197,668

⁽¹⁾ Calculated using the treasury method.

NON-IFRS RECONCILIATIONS AND PERFORMANCE MEASURES

Management believes that Funds from Operations (FFO), Normalized Funds from Operations (NFFO), Adjusted Funds from Operations (AFFO), and Normalized Adjusted Funds from Operations (NAFFO) are key measures for real estate investment trusts, however they do not have standardized meanings prescribed by IFRS (GAAP). These measures may differ from similar computations as reported by other real estate investment trusts and, accordingly, may not be comparable to similarly termed measures reported by other such issuers.

As these measures exclude the fair value adjustments on investment properties and gains and losses from property dispositions, they provide operating performance measures that, when compared period over period, reflect the impact on operations of trends in occupancy levels, rental rates, operating costs and realty taxes, acquisition activities and interest costs, and provide a perspective of the financial performance that is not immediately apparent from net income determined in accordance with GAAP. As these measures are based on historical performance, they do not fully reflect current operating performance.

FFO Reconciliation In \$000's, except per Unit amounts and Units outstanding	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024
Net income (loss)	\$ 16,738	\$ (107,120)	\$ 18,495	\$ (155,646)
Add (deduct):				
Fair value adjustments on investment property	3,485	143,709	35,120	262,791
(Gain)/Loss on sale of investment properties	(78)	(174)	2,341	1,485
Adjustment for equity accounted joint ventures	(91)	(96)	(62)	540
Unrealized (gain) loss on financial instruments	(498)	(13,215)	16,445	(18,761)
Interest expense on puttable units classified as liabilities	-	-	-	329
Funds from Operations (FFO)	\$ 19,556	\$ 23,104	\$ 72,339	\$ 90,738
FFO per weighted average unit - basic	\$ 0.140	\$ 0.156	\$ 0.511	\$ 0.612
FFO per weighted average unit - diluted	\$ 0.140	\$ 0.156	\$ 0.511	\$ 0.612

NFFO Reconciliation In \$000's, except per Unit amounts and Units outstanding	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024
Funds from Operations	\$ 19,556	\$ 23,104	\$ 72,339	\$ 90,738
Add (deduct):				
Transaction costs related to the Arrangement Agreement	1,869	-	17,086	-
Normalized Funds from Operations (FFO)	\$ 21,425	\$ 23,104	\$ 89,425	\$ 90,738
NFFO per weighted average unit - basic	\$ 0.153	\$ 0.156	\$ 0.632	\$ 0.612
NFFO per weighted average unit - diluted	\$ 0.153	\$ 0.156	\$ 0.632	\$ 0.612

AFFO Reconciliation In \$000's, except per Unit amounts and Units outstanding	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024
Funds from Operations	\$ 19,556	\$ 23,104	\$ 72,339	\$ 90,738
Add (deduct):				
Actual maintenance capital investment	(3,254) ⁽¹⁾	(2,459) ⁽¹⁾	(13,165) ⁽¹⁾	(10,244) ⁽¹⁾
Adjusted Funds from Operations (AFFO)	\$ 16,302	\$ 20,645	\$ 59,174	\$ 80,494
AFFO per weighted average unit - basic	\$ 0.117	\$ 0.140	\$ 0.418	\$ 0.543
AFFO per weighted average unit - diluted	\$ 0.117	\$ 0.139	\$ 0.418	\$ 0.543

⁽¹⁾ Maintenance capital investment total is for the 11,174 (2024 - 10,281) repositioned suites

NAFFO Reconciliation In \$000's, except per Unit amounts and Units outstanding	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024
Adjusted Funds from Operations	\$ 16,302	\$ 20,645	\$ 59,174	\$ 80,494
Add (deduct):				
Transaction costs related to the Arrangement Agreement	1,869	-	17,086	-
Normalized Adjusted Funds from Operations (NAFFO)	\$ 18,171	\$ 20,645	\$ 76,260	\$ 80,494
NAFFO per weighted average unit - basic	\$ 0.130	\$ 0.140	\$ 0.539	\$ 0.543
NAFFO per weighted average unit - diluted	\$ 0.130	\$ 0.139	\$ 0.539	\$ 0.543

Adjusted Cash Flow from Operations (ACFO) was introduced in February 2017, and updated February 2019, in REALpac's "White Paper on Adjusted Cashflow from Operations (ACFO) for IFRS" as a sustainable, economic cash flow metric. Management believes ACFO can be a useful measure to evaluate the Trust's ability to fund distributions to unitholders. ACFO should not be construed as an alternative to cash flows provided by or used in operating activities determined in accordance with IFRS. ACFO is calculated in accordance with the REALpac definition but may differ from other REIT's methods and accordingly, may not be comparable to ACFO reported by other issuers.

ACFO Reconciliation In \$000's, except per Unit amounts and Units outstanding	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024
Cash generated from operating activities	\$ 21,578	\$ 32,228	\$ 83,462	\$ 67,481
Add (deduct):				
Changes in non-cash working capital not indicative of sustainable cash flows	-	(2,650)	-	27,350
Amortization of finance costs	(1,140)	(602)	(2,962)	(2,450)
Principal portion of lease payments	(80)	(76)	(315)	(297)
Actual maintenance capital investment	(3,254)	(2,459)	(13,165)	(10,244)
ACFO	\$ 17,104	\$ 26,441	\$ 67,020	\$ 81,840
Distributions declared ⁽¹⁾	\$ 13,869	\$ 14,420	\$ 55,932	\$ 56,242
Excess of ACFO over distributions declared	\$ 3,235	\$ 12,021	\$ 11,088	\$ 25,598
ACFO payout ratio	81.1%	54.5%	83.5%	68.7%

⁽¹⁾ Includes distributions on LP Class B units

For the year ended December 31, 2025, ACFO exceeded distributions declared by \$11.1 million. Amounts retained in excess of the declared distributions are used to fund acquisitions and capital expenditure requirements.

CASH FROM OPERATING ACTIVITIES AND CASH DISTRIBUTIONS

The following table outlines the differences between cash flows from operating activities and net income and cash distributions in accordance with National Policy 41-201, "Income Trusts and Other Indirect Offerings":

In \$ 000's	3 Months Ended December 31, 2025	3 Months Ended December 31, 2024	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024
Net income (loss)	\$ 16,738	\$ (107,120)	\$ 18,495	\$ (155,646)
Cash flows from operating activities	21,578	32,228	83,462	67,481
Distributions paid ⁽¹⁾	13,869	8,979	56,190	36,536
Distributions declared ⁽¹⁾	13,869	14,420	55,932	56,242
Excess (deficit) of net income/loss compared to distributions paid	2,869	(116,099)	(37,695)	(192,182)
Deficit of net income/loss compared to distributions declared	2,869	(121,540)	(37,437)	(211,888)
Excess (deficit) of cash flows from operations over distributions paid	7,709	23,249	27,272	30,945
Excess (deficit) of cash flows from operations over distributions declared	7,709	17,808	27,530	11,239

⁽¹⁾ Includes distributions on LP Class B units

For the year ended December 31, 2025, cash flows from operating activities exceeded distributions paid by \$27.3 million. Net income (loss) is not used as a proxy for distributions as it includes fair value changes on investment properties and fair value change on financial instruments, which are not reflective of the Trust's ability to make distributions. Amounts retained in excess of the declared distributions are used to fund acquisitions and capital expenditure requirements.

QUARTERLY PERFORMANCE HIGHLIGHTS

Selected Consolidated Information In \$000's, except per Unit amounts and other non-financial data	2025				2024			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Total suites	11,673	11,915	11,913	12,133	12,160	12,031	12,024	12,544
Average rent per suite ⁽¹⁾	\$ 1,749	\$ 1,742	\$ 1,736	\$ 1,723	\$ 1,702	\$ 1,687	\$ 1,660	\$ 1,622
Occupancy rate ⁽¹⁾	96.9%	96.8%	95.3%	96.8%	97.0%	96.4%	96.2%	96.8%
Proportionate operating revenues	\$ 62,381	\$ 62,765	\$ 62,327	\$ 63,130	\$ 62,614	\$ 61,213	\$ 61,787	\$ 62,104
Proportionate net operating income (NOI)	\$ 41,493	\$ 42,390	\$ 41,497	\$ 40,465	\$ 42,021	\$ 41,730	\$ 41,733	\$ 40,396
NOI %	66.5%	67.5%	66.6%	64.1%	67.1%	68.2%	67.5%	65.0%
Same Property average rent per suite ⁽¹⁾	\$ 1,752	\$ 1,749	\$ 1,744	\$ 1,737	\$ 1,714	\$ 1,705	\$ 1,677	\$ 1,654
Same Property occupancy rate ⁽¹⁾	96.9%	96.7%	95.3%	96.9%	97.0%	96.4%	96.2%	96.8%
Same Property proportionate operating revenues	\$ 60,098	\$ 59,941	\$ 59,424	\$ 59,308	\$ 58,850	\$ 58,195	\$ 57,305	\$ 56,664
Same Property proportionate NOI	\$ 39,891	\$ 40,480	\$ 39,724	\$ 38,043	\$ 39,504	\$ 39,712	\$ 38,771	\$ 36,927
Same Property NOI %	66.4%	67.5%	66.8%	64.1%	67.1%	68.2%	67.7%	65.2%
Net Income (loss)	\$ 16,738	\$ 3,516	\$ (11,573)	\$ 9,814	\$ (107,120)	\$ (74,153)	\$ (1,072)	\$ 26,699
FFO	\$ 19,556	\$ 14,136	\$ 16,829	\$ 21,819	\$ 23,104	\$ 23,410	\$ 23,096	\$ 21,128
FFO per weighted average unit - diluted	\$ 0.140	\$ 0.162	\$ 0.120	\$ 0.150	\$ 0.156	\$ 0.159	\$ 0.157	\$ 0.144
NFFO	\$ 21,425	\$ 22,595	\$ 23,337	\$ 21,819	\$ 23,104	\$ 23,410	\$ 23,096	\$ 21,128
NFFO per weighted average unit - diluted	\$ 0.153	\$ 0.162	\$ 0.166	\$ 0.150	\$ 0.156	\$ 0.159	\$ 0.157	\$ 0.144
AFFO	\$ 16,302	\$ 10,774	\$ 13,587	\$ 18,512	\$ 20,645	\$ 20,910	\$ 20,405	\$ 18,534
AFFO per weighted average unit - diluted	\$ 0.117	\$ 0.077	\$ 0.096	\$ 0.127	\$ 0.139	\$ 0.142	\$ 0.138	\$ 0.126
NAFFO	\$ 18,171	\$ 19,233	\$ 20,095	\$ 18,512	\$ 20,645	\$ 20,910	\$ 20,405	\$ 18,534
NAFFO per weighted average unit - diluted	\$ 0.130	\$ 0.138	\$ 0.143	\$ 0.127	\$ 0.139	\$ 0.142	\$ 0.138	\$ 0.126
Distributions per unit	\$ 0.0992	\$ 0.0992	\$ 0.0992	\$ 0.0992	\$ 0.0977	\$ 0.0945	\$ 0.0945	\$ 0.0945
ACFO	\$ 17,104	\$ 14,704	\$ 15,866	\$ 19,346	\$ 26,441	\$ 22,394	\$ 17,804	\$ 15,202
Debt-to-GBV	41.7%	42.0%	41.7%	40.9%	40.3%	38.5%	37.8%	37.5%
Interest coverage (rolling 12 months)	2.55x	2.57x	2.61x	2.59x	2.58x	2.65x	2.43x	2.35x
Debt service coverage (rolling 12 months)	1.65x	1.67x	1.70x	1.69x	1.69x	1.66x	1.62x	1.58x

⁽¹⁾ Last month of the quarter

RECONCILIATION OF Q4 PROPORTIONATE INCOME STATEMENT

The following table reconciles the Trust's consolidated statement of income (loss) on a GAAP basis to a proportionate basis for the periods ended:

In \$ 000's	3 Months Ended December 31, 2025			3 Months Ended December 31, 2024		
	GAAP Basis	Adjustments for Proportionate Interest	Proportionate Share Basis	GAAP Basis	Adjustments for Proportionate Interest	Proportionate Share Basis
Operating revenues						
Revenue from Investment properties	\$ 62,011	\$ 370	\$ 62,381	\$ 62,249	\$ 365	\$ 62,614
Operating expenses						
Property operating costs	9,819	57	9,876	9,591	58	9,649
Property taxes	6,334	44	6,378	6,343	40	6,383
Utilities	4,608	26	4,634	4,531	30	4,561
Total operating expenses	20,761	127	20,888	20,465	128	20,593
Net operating income	41,250	243	41,493	41,784	237	42,021
Financing costs	15,930	459	16,389	14,267	92	14,359
Administrative costs	5,704	-	5,704	4,525	(1)	4,524
Income before other income and expenses	19,616	(216)	19,400	22,992	146	23,138
Other income and expenses						
Fair value adjustments on investment properties	(3,485)	91	(3,394)	(143,709)	96	(143,613)
Other income and fees	701	-	701	496	-	496
Income from investment in joint ventures	(125)	125	-	242	(242)	-
Gain on sale of investment properties	78	-	78	174	-	174
Other fair value gains/losses	498	-	498	13,215	-	13,215
Interest on units classified as financial liabilities	(545)	-	(545)	(530)	-	(530)
Net income (loss) for the period	\$ 16,738	\$ -	\$ 16,738	\$ (107,120)	\$ -	\$ (107,120)

RECONCILIATION OF FULL YEAR PROPORTIONATE INCOME STATEMENT

The following table reconciles the Trust's consolidated statement of income (loss) on a GAAP basis to a proportionate basis for the periods ended:

In \$ 000's	12 Months Ended December 31, 2025			12 Months Ended December 31, 2024		
	GAAP Basis	Adjustments for Proportionate Interest	Proportionate Share Basis	GAAP Basis	Adjustments for Proportionate Interest	Proportionate Share Basis
Operating revenues						
Revenue from Investment properties	\$ 249,110	\$ 1,493	\$ 250,603	\$ 246,254	\$ 1,464	\$ 247,718
Operating expenses						
Property operating costs	40,383	260	40,643	38,627	235	38,862
Property taxes	26,111	178	26,289	25,832	163	25,995
Utilities	17,721	105	17,826	16,859	122	16,981
Total operating expenses	84,215	543	84,758	81,318	520	81,838
Net operating income	164,895	950	165,845	164,936	944	165,880
Financing costs	60,159	737	60,896	57,290	369	57,659
Administrative costs	32,977	6	32,983	17,471	3	17,474
Income before other income and expenses	71,759	207	71,966	90,175	572	90,747
Other income and expenses						
Fair value adjustments on investment properties	(35,120)	27	(35,093)	(262,791)	(540)	(263,331)
Other income and fees	2,645	-	2,645	2,035	-	2,035
Income from investment in joint ventures	234	(234)	-	32	(32)	-
Loss on sale of investment properties	(2,341)	-	(2,341)	(1,485)	-	(1,485)
Other fair value gains/losses	(16,445)	-	(16,445)	18,761	-	18,761
Interest on units classified as financial liabilities	(2,237)	-	(2,237)	(2,373)	-	(2,373)
Net income (loss) for the period	\$ 18,495	\$ -	\$ 18,495	\$ (155,646)	\$ -	\$ (155,646)

RECONCILIATION OF PROPORTIONATE BALANCE SHEET

The following table reconciles the Trust's consolidated balance sheet on a GAAP basis to a proportionate basis as at:

In \$ 000's	December 31, 2025			December 31, 2024		
	GAAP Basis	Adjustments for Proportionate Interest	Proportionate Share Basis	GAAP Basis	Adjustments for Proportionate Interest	Proportionate Share Basis
Assets						
Investment properties	\$ 3,946,031	\$ 94,098	\$ 4,040,129 ⁽¹⁾	\$ 4,078,627	\$ 84,924	\$ 4,163,551 ⁽¹⁾
Investment in joint ventures	52,230	(52,230)	-	53,194	(53,194)	-
Prepays and deposits	41,237	27	41,264	35,972	145	36,117
Assets held for sale	56,881	-	56,881	-	-	-
Receivables and other assets	21,224	48	21,272	22,996	198	23,194
Cash	3,679	1,455	5,134	4,524	1,630	6,154
Total Assets	\$ 4,121,282	\$ 43,398	\$ 4,164,680	\$ 4,195,313	\$ 33,703	\$ 4,229,016
Liabilities						
Mortgages payable	\$ 1,599,833	\$ 42,076	\$ 1,641,909	\$ 1,646,942	\$ 32,720	\$ 1,679,662
Credit facilities	87,000	-	87,000	42,000	-	42,000
Unit-based compensation liabilities	65,079	-	65,079	47,976	-	47,976
Lease liabilities	1,047	-	1,047	1,372	-	1,372
Tenant rental deposits	22,679	154	22,833	21,728	130	21,858
Liabilities associated with assets held for sale	31,754	-	31,754	-	-	-
Accounts payable and accrued liabilities	37,939	1,168	39,107	40,658	853	41,511
Total liabilities	1,845,331	43,398	1,888,729	1,800,676	33,703	1,834,379
Unitholders' equity						
Unit capital	1,040,245	-	1,040,245	1,121,494	-	1,121,494
Retained earnings	1,235,706	-	1,235,706	1,273,143	-	1,273,143
Total unitholders' equity	2,275,951	-	2,275,951	2,394,637	-	2,394,637
Total liabilities and unitholders' equity	\$ 4,121,282	\$ 43,398	\$ 4,164,680	\$ 4,195,313	\$ 33,703	\$ 4,229,016

⁽¹⁾ Proportionate investment properties consist of \$3,917,798 of income producing properties (December 2024 - \$4,052,608) and \$122,331 of properties under development (December 2024 - \$108,808).

LIQUIDITY AND CAPITAL RESOURCES

InterRent REIT's overall debt level was at 41.7% of Gross Book Value ("GBV") at December 31, 2025. GBV is a non-GAAP term that is defined in the DOT and includes all operations. The following chart sets out the Trust's computed Debt-to-GBV (GAAP basis):

In \$ 000's	December 31, 2025	December 31, 2024
Total assets per balance sheet	\$ 4,121,282	\$ 4,195,313
Mortgages payable	1,599,833	1,646,942
Mortgages payable included in liabilities associated with assets held for sale	30,365	-
Credit facilities	87,000	42,000
Total debt	\$ 1,717,198	\$ 1,688,942
Debt-to-GBV	41.7%	40.3%

With a DOT limit of 75% of Debt-to-Gross Book Value, InterRent REIT has the ability to further leverage the existing portfolio to assist with future investments in new assets. The Trust is conscious of the current credit environment and how this affects the ability of the Trust to grow. Management continues to evaluate on-going repositioning efforts, potential new acquisition opportunities as well as potential dispositions in order to continue to grow the Trust in a fiscally prudent manner.

INTEREST AND DEBT SERVICE COVERAGE

The following schedule summarizes the interest and debt service coverage ratios for InterRent for the comparable rolling 12-month periods ending December 31, 2025 (GAAP basis):

In \$000's	12 Months Ended December 31, 2025	12 Months Ended December 31, 2024
NOI	\$ 164,895	\$ 164,936
Add: Management fees ⁽¹⁾	2,317	1,891
Add: Amortization	979	775
Less: Administrative costs	(32,977)	(17,471)
Add: Transaction costs ⁽²⁾	16,565	-
EBITDA	\$ 151,779	\$ 150,131
Interest expense ⁽³⁾	\$ 59,538	\$ 58,273
Interest coverage ratio	2.55x	2.58x
Contractual principal repayments	\$ 32,608	\$ 30,811
Total debt service payments	\$ 92,146	\$ 89,084
Debt service coverage ratio	1.65x	1.69x

⁽¹⁾ Compensation for property and project management services.

⁽²⁾ Transaction costs associated with the Arrangement Agreement included in administrative costs.

⁽³⁾ Interest expense includes interest on mortgages and credit facilities, including interest capitalized to properties under development and interest income, and excludes interest (distributions) on units classified as financial liabilities.

MORTGAGE AND DEBT SCHEDULE

The following schedule summarizes the aggregate future minimum principal payments and debt maturities for the mortgages of InterRent REIT, excluding mortgages associated with assets held for sale (GAAP basis):

Year Maturing	Mortgage Balances At December 31, 2025 (in \$ 000's)	Weighted Average by Maturity	Weighted Average Interest Rate
2026	\$ 291,792	17.7%	3.79%
2027	\$ 171,632	10.4%	3.71%
2028	\$ 278,592	16.9%	3.13%
2029	\$ 152,515	9.3%	4.29%
2030	\$ 274,892	16.7%	2.91%
Thereafter	\$ 474,600	29.0%	3.35%
Total	\$ 1,644,023	100.0%	3.43%

At December 31, 2025, the average term to maturity of the mortgage debt was approximately 3.8 years and the weighted average cost of mortgage debt was 3.43%. At December 31, 2025, approximately 94% of InterRent REIT's mortgage debt was backed by CMHC insurance.

As at December 31, 2025, the Trust had the following credit facilities:

- A \$5.0 million demand credit facility with a Canadian chartered bank secured by a general security agreement. Interest is charged at prime plus a pre-defined spread. As at December 31, 2025, the Trust had no amounts drawn on this facility.
- A \$105.0 million term credit facility, maturing in 2027, with a Canadian chartered bank secured by a general security agreement and second collateral mortgages on nine of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread. As at December 31, 2025, the Trust had no amounts drawn on this facility.
- A \$100.0 million term credit facility, maturing in 2026, with a Canadian chartered bank secured by a general security agreement, first mortgages on two of the Trust's properties and second collateral mortgages on two of the Trust's properties. Interest is charged at a floating rate plus a pre-defined spread. As at December 31, 2025, the Trust had \$87.0 million drawn on this facility.
- A \$15.0 million term credit facility, maturing in 2026, with a Canadian chartered bank secured by a general security agreement, a first mortgage on one of the Trust's properties and second collateral mortgages on one of the Trust's properties. Interest is charged at prime plus a pre-defined spread. As at December 31, 2025, the Trust had no amounts drawn on this facility.

ACCOUNTING

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.

IFRS 9, Financial Instruments and IFRS 7, Financial Instruments: Disclosures

In May 2024, amendments to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" were issued. The amendments clarify the timing of recognition and derecognition for a financial asset or financial liability, including clarifying that a financial liability is derecognized on the settlement date. Further, the amendments introduce an accounting policy choice to derecognize financial liabilities settled using an electronic payment system before the settlement date, if specific conditions are met. In addition, the amendments clarify the classification of financial assets with features linked to environmental, social and corporate governance. The amendments also require additional disclosures for financial instruments with contingent features and investments in equity instruments classified at fair value through other comprehensive income. These amendments are effective for annual reporting periods beginning on or after January 1, 2026. Early adoption is permitted, with an option to early adopt only the amendments related to the classification of financial assets. The adoption is not expected to have a material impact on the Trust's consolidated financial statements.

RISKS AND UNCERTAINTIES

The Trust, its business and the transactions contemplated in this MD&A are subject to material risks, both known and unknown, including, but not limited to the following:

The Trust is exposed to a variety of risks, general and specific. General risks are the risks associated with general conditions in the real estate sector, and consist largely of commonly exposed risks affecting the real estate industry as a whole. Specific risks are the risks specific to the Trust and its operations, such as credit, market, liquidity and operational risks.

CURRENT ECONOMIC RISKS

InterRent REIT must raise mortgage funds for mortgages as they mature and for acquisitions. Given the interconnectivity of the global economy and the current global economic environment, there is no guarantee that the Trust will be able to secure such funds on a commercially beneficial basis, or at all, and the failure to raise sufficient funds could have a material adverse effect on the business of the Trust and the market value of its securities.

TARIFFS AND INTERNATIONAL TRADE RISKS

InterRent's business and financial results may be adversely affected by tariffs, trade barriers, trade disputes, and other protectionist measures imposed by Canada, the United States, or other countries. Trade disputes, including the imposition of tariffs on goods imported into Canada, may result in increased costs for construction materials, building supplies, and other goods required for the operation, development, and renovation of the Trust's properties. Such measures may also lead to broader economic disruptions, including inflationary pressures, reduced consumer confidence, supply chain disruptions, higher interest rates, and recessionary conditions, any of which could negatively impact rental demand, tenant affordability, and the overall performance of the Trust's portfolio.

The extent and duration of tariffs and retaliatory trade measures remain uncertain and are subject to change based on political developments and ongoing negotiations. InterRent REIT cannot predict the ultimate outcome of trade disputes or the impact such measures may have on its business, financial condition, results of operations, or cash flows.

REAL ESTATE INDUSTRY RISK

Real estate investments are generally subject to varying degrees of risk depending on the nature of the property. These risks include changes in general economic conditions (such as the availability and cost of mortgage funds), local conditions (such as an oversupply of space or a reduction in demand for real estate in the area), government regulations (such as new or revised residential resident legislation), the attractiveness of the properties to residents, competition from others with available space and the ability of the owner to provide adequate maintenance at an economic cost. The performance of the economy in each of the areas in which the Trust's properties are located, including the financial results and labour decisions of major local employers, can have an impact on revenues from the properties and their underlying values.

Additional factors which may further adversely affect revenues from the Trust's properties and their underlying values include the general economic climate, local conditions in the areas in which properties are located, such as an abundance of supply or a reduction in demand, the attractiveness of the properties, competition from other properties, the Trust's ability to provide adequate facilities maintenance, services and amenities, the ability of residents to pay rent and the ability of the Trust to rent vacant units on favourable terms.

Certain significant expenditures, including property taxes, maintenance costs, mortgage payments, insurance costs and related charges, must be made regardless of whether or not a property is producing sufficient income to service these expenses. The Trust's properties are subject to mortgages, which require significant debt service payments. If the Trust were unable or unwilling to meet mortgage payments on any property, losses could be sustained as a result of the mortgagee's exercise of its rights of foreclosure or of sale. Real estate is relatively illiquid. Such illiquidity will tend to limit the Trust's ability to vary its portfolio promptly in response to changing economic or investment conditions. In addition, financial difficulties of other property owners resulting in distress sales may depress real estate values in the markets in which the Trust operates. The majority of the Trust's properties were constructed in the 1960's and 1970's and require ongoing capital expenditures, the amount and timing of which is difficult to

predict. These expenditures could exceed the Trust's existing reserve estimates which could have a material adverse effect upon Distributable Income.

The nature of the Trust's business is such that refurbishment and structural repairs are required periodically, in addition to regular on-going maintenance.

MULTI-UNIT RESIDENTIAL SECTOR RISK

Income producing properties generate income through rent payments made by residents of the properties. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the resident replaced. The terms of any subsequent lease may be less favourable to the Trust than the existing lease. In addition, historical occupancy rates and rents are not necessarily an accurate prediction of future occupancy rates. The Trust is dependent on leasing markets to ensure vacant residential space is leased, expiring leases are renewed and new residents are found to fill vacancies. A disruption in the economy could have a significant impact on how much space residents will lease and the rental rates paid by residents. This would adversely affect the income produced by the Trust's properties as a result of downward pressure on rents. The Trust's cash flows and financial position would be adversely affected if its tenants were to become unable to meet their obligations under their leases or if a significant amount of available space in the properties was not able to be leased on economically favourable lease terms. In the event of default by a tenant, Trust may experience delays or limitations in enforcing its rights as lessor and incur substantial costs in protecting its investment.

PROPERTY VALUATION RISK

The Trust conducts a valuation assessment on its properties on a quarterly basis. Property values fluctuate over time in response to market factors and the underlying inputs used in the valuation model, and therefore the fair value of the Trust's portfolio could change materially. The Trust is responsible for the reasonableness of the assumptions and for the accuracy of the inputs into the valuation model. In order to substantiate the management's valuation, the Trust engages a leading independent real estate appraisal firm to provide appraisals for substantially all of the portfolio on an annual basis. Errors in the inputs or assumptions may result in an inaccurate valuation of the properties. Any changes to the value of the Trust's properties may impact Unitholder value.

INFLATION RISKS

The rate of inflation impacts the economic and business environments in which the Trust operates. Recent inflationary pressures experienced domestically and globally, external supply constraints, tight labour markets and strong demand for goods and resources, together with the imposition by governments of higher interest rates or wage and price controls as a means of curbing inflationary increases, will put pressure on the Trust's development, financing, operation and labour costs and could negatively impact levels of demand for real property.

Further increases to inflation or prolonged inflation above central banks' targets could lead to further increases to interest rates by central banks, which could have a more pronounced negative impact on any variable rate debt the Trust is subject to or incurs in the future and on its results of operations. Similarly, during periods of high inflation, annual rent increases may be less than the rate of inflation on a continual basis. Substantial inflationary pressures, high interest rates, and other increased costs may have an adverse impact on the Trust's tenants if increases in their living expenses exceed any increase in their incomes. This may adversely affect the tenants' ability to pay rent, which could negatively affect the Trust's financial condition.

ENVIRONMENTAL AND CLIMATE CHANGE RISKS

As an owner and manager of real property, the Trust is subject to various Canadian federal, provincial, and municipal laws relating to environmental matters. These laws could encumber the Trust with liability for the costs of removal and remediation of certain hazardous substances or wastes released or deposited on or in its properties or disposed of at other locations. The failure to remove or remediate such substances, if any, could adversely affect the Trust's ability to sell its real estate, or to borrow using real estate as collateral, and could potentially also result in claims or other proceedings against the Trust. Although the Trust is not aware of any material non-compliance with environmental laws at any of its properties nor is it aware of any pending or threatened investigations or actions by

environmental regulatory authorities in connection with any of its properties or any material pending or threatened claims relating to environmental conditions at its properties, no assurance can be given that environmental laws will not result in significant liability to the Trust in the future or otherwise adversely affect the Trust's business, financial condition or results of operations. The Trust has formal policies and procedures to review and monitor environmental exposure. The Trust has made, and will continue to make, the necessary capital expenditures for compliance with environmental laws and regulations. Environmental laws and regulations can change rapidly and the Trust may become subject to more stringent environmental laws and regulations in the future. Compliance with more stringent environmental laws and regulations could have a material adverse effect on the Trust's business, financial condition or results of operation.

The Trust's investment properties are exposed to physical climate change risks, including natural disasters, and severe weather, such as heavy rain and flooding, high winds, wildfires, blizzards, ice storms and thunderstorms that may cause damage. As weather becomes more erratic, damage to investment properties may result in increased restoration costs, loss of revenue in the event of business disruption, potential decrease in property values and increased costs to insure properties against climate-related risks. Physical and transitional climate-related risks are considered by the Trust as part of its ongoing risk management processes. The materiality of such risks varies among the business operations of the Trust and the jurisdictions in which such operations are conducted. Furthermore, as a real property owner, the Trust faces the risk that its properties will be subject to government initiatives and reforms aimed at countering climate change, such as transitioning to a low carbon economy and may entail extensive changes to policies regulations and technologies to address mitigation and adaptation efforts. The Trust may incur financial costs to comply with various reforms. Any failure to adhere and adapt to climate change could result in fines or adversely affect the Trust's reputation, operations, or financial performance.

ESG TARGETS AND COMMITMENTS RISK

InterRent has announced certain targets and ambitions relating to ESG. To achieve these goals and to respond to changing market demand, InterRent may incur additional costs and invest in new technologies. It is possible that the return on these investments may be less than InterRent expects, which may have an adverse effect on its business, financial condition and reputation.

PANDEMICS AND OTHER PUBLIC HEALTH CRISES RISK

Pandemics and other public health crises can result in significant economic disruptions, slowdowns and increased volatility in financial markets, which could have adverse consequences on InterRent including, but not limited to, business continuity interruptions, disruptions and costs of development activities, unfavorable market conditions, and threats to the health and safety of employees. Such occurrences could also potentially affect the market price for the equity securities of InterRent, its current credit rating, total return and distributions. InterRent's residents may also face economic challenges as a result of a pandemic or other public health crisis that may adversely affect their ability to pay rent in full, on a timely basis or at all. Such events could materially adversely affect InterRent's operations, reputation and financial condition, including the fair value of InterRent's properties.

JOINT VENTURE AND CO-OWNERSHIP RISK

InterRent participates in joint ventures, partnerships, and other similar arrangements with third parties, which may give rise to risks including, but not limited to, the possibility of the Trust's dependency on partners or co-ventures that are not under the control of the Trust and that might compete with InterRent for opportunities, become bankrupt or expose the Trust to liability or reputational damage that could have an adverse impact on the Trust. Moreover, the partners may have interests or goals that are different or inconsistent with the Trust, which may result in the Trust taking actions that are in the interest of the partners collectively, but not in the Trust's sole interest. Additionally, the Trust may become engaged in a dispute with the partners which may affect its ability to operate.

COMPETITION RISK

Each segment of the real estate business is competitive. Numerous other residential developers and apartment owners compete in seeking residents. Although the Trust's strategy is to own multi-residential properties in desirable locations in each market in which it operates, some of the properties of the Trust's competitors may be newer, better located or better capitalized. The existence of alternative housing could have a material adverse effect on the Trust's ability to lease space in its properties and on the rents charged or concessions granted, and could adversely affect the Trust's revenues and its ability to meet its obligations.

GENERAL UNINSURED LOSSES

The Trust carries comprehensive general liability, fire, flood, extended coverage and rental loss insurance with policy specifications, limits and deductibles customarily carried for similar properties. There are, however, certain types of risks (generally of a catastrophic nature such as war or environmental contamination), which are either uninsurable or not economically insurable. The Trust will continue to procure insurance for such risks, subject to certain standard policy limits and deductibles and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, the Trust could lose its investment in, and anticipated profits and cash flows from, one or more of its properties, and would continue to be obligated to repay any recourse mortgage indebtedness on such properties. There is a risk that any significant increase in insurance costs will impact negatively upon the profitability of the Trust.

CREDIT RISK - LEASES

The key credit risk to the Trust is the possibility that its residents will be unable or unwilling to fulfill their lease term commitments. Key drivers of demand include employment levels, population growth, demographic trends and consumer confidence. The failure by residents to fulfill their lease commitments could have a material adverse effect upon Distributable Income.

LOCAL REAL ESTATE MARKET RISK AND ASSET CONCENTRATION

There is a risk that the Trust would be negatively affected by the new supply of, and demand for, multi-unit residential suites in its local market areas. Any significant amount of new construction will typically result in an imbalance in supply and cause downward price pressure on rents.

RENT CONTROL LEGISLATION RISK

Rent control legislation risk is the risk of the implementation or amendment of new or existing legislative rent controls in the markets where the Trust operates, which may have an adverse impact on the Trust's operations.

Certain provinces of Canada have enacted residential tenancy legislation which imposes, among other things, rent control guidelines that limit the Trust's ability to raise rental rates at its properties. Limits on the Trust's ability to raise rental rates at its properties may adversely affect the Trust's ability to increase income from its properties. In addition to limiting the Trust's ability to raise rental rates, residential tenancy legislation in such provinces provide certain rights to residents, while imposing obligations upon the housing provider. Residential tenancy legislation in the Provinces of Ontario, British Columbia, and Québec prescribe certain procedures which must be followed by a housing provider in order to terminate a residential tenancy. As certain proceedings may need to be brought before the respective administrative body governing residential tenancies as appointed under a province's residential tenancy legislation, it may take several months to terminate a residential lease, even where the resident's rent is in arrears.

Further, residential tenancy legislation in certain provinces provide the resident with the right to bring certain claims to the respective administrative body seeking an order to, among other things, compel the housing provider to comply with health, safety, housing and maintenance standards. As a result, the Trust may, in the future, incur capital expenditures which may not be fully recoverable from residents. The inability to fully recover substantial capital expenditures from residents may have an adverse impact on the Trust's financial conditions and results of operations and decrease the amount of cash available for distributions.

Residential tenancy legislation may be subject to further regulations or may be amended, repealed or enforced, or new legislation may be enacted, in a manner which will materially adversely affect the ability of the Trust to maintain the historical level of earnings of its properties.

UTILITY AND PROPERTY TAX RISK

Utility and property tax risk relates to the potential loss the Trust may experience as a result of higher resource prices as well as its exposure to significant increases in property taxes. Over the past few years, property taxes have increased as a result of re-valuations of municipal properties and their adherent tax rates. For the Trust, these re-valuations have resulted in significant increases in some property assessments due to enhancements. Utility expenses, mainly consisting of natural gas and electricity service charges, have been subject to considerable price fluctuations over the past several years. Any significant increase in these resource costs that the Trust cannot pass on to the resident may have a negative material impact on the Trust.

OPERATIONAL RISK

Operational risk is the risk that a direct or indirect loss may result from an inadequate or failed technology, from a human process or from external events. The impact of this loss may be financial loss, loss of reputation or legal and regulatory proceedings.

RENOVATION RISKS

The Trust is subject to the financial risk of having unoccupied units during extended periods of renovations. During renovations, these properties are unavailable for occupancy and do not generate income. Certain significant expenditures, including property taxes, maintenance costs, interest payments, insurance costs and related charges must be made throughout the period of ownership of real property regardless of whether the property is producing revenue. Delays in the renovation of a building or individual apartment could delay the renting of such building or units resulting in an increased period of time where the building is not producing revenue, or produces less revenue than a fully occupied building. The Trust intends to address these risks by acquiring financing to fund renovations, staggering renovations and by carrying out a detailed capital expenditures budget to monitor its cash position on a monthly basis.

DEVELOPMENT RISK

Development projects are subject to risks associated with (i) a failure to receive, or a delay in receiving, zoning, occupancy and other required permits and authorizations; (ii) construction delays, cost overruns, or other unanticipated increases to project costs; (iii) the availability of project financing; (iv) the ability to achieve timely occupancy upon completion; (v) the potential that the Trust will incur costs on projects which are not completed; and (vi) contractor and subcontractor disputes, strikes, labour disputes, or supply disruptions. The above risks could result in additional delays or expenses and could impact the Trust's operations and financial results.

SUPPLY CHAIN RISK

On January 1, 2024, an Act to enact the Fight Against Forced Labour and Child Labour in Supply Chains Act and to amend the Customs Tariff ("Supply Chains Act") came into force. Starting in May 2024, the Supply Chains Act introduced a public reporting requirement that will apply to many governmental institutions and private sector businesses, including InterRent. While there are no identified instances of InterRent using forced labour or child labour in its supply chain, there is a risk that InterRent's supply chain may have actual or alleged forced or child labour. Should such an instance arise, InterRent would be required to take measures to address such a claim or risk of a claim, including disrupting its supply chain operations in pursuit of such a remedy, which could result in operational, financial, business or reputational harm.

FLUCTUATIONS AND AVAILABILITY OF CASH DISTRIBUTIONS

Although the Trust intends to continue distributing its Distributable Income, the actual amount of Distributable Income distributed in respect of the Units will depend upon numerous factors, some of which may be beyond the control of the Trust. The distribution policy of the Trust is established by the Trustees and is subject to change at the discretion of the Trustees. The recourse of Unitholders who disagree with any change in policy is limited and could

require such Unitholders to seek to replace the Trustees. Distributable Income may exceed actual cash available to the Trust from time to time because of items such as principal repayments, resident allowances, leasing commissions and capital expenditures and redemption of Units, if any. The Trust may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items.

ADVERSE GLOBAL MARKET, ECONOMIC AND POLITICAL CONDITIONS

Adverse Canadian, European, U.S. and global market, economic and political conditions, including dislocations and volatility in the credit markets and general global economic uncertainty, unexpected or ongoing geopolitical events, including disputes between nations, war, terrorism or other acts of violence, and international sanctions, could have a material adverse effect on our business, results of operations and financial condition with the potential to impact, among others: (i) the value of our properties; (ii) the availability or the terms of financing that we have or may anticipate utilizing; (iii) our ability to make principal and interest payments on, or refinance, any outstanding debt when due; (iv) the occupancy rates in our properties; and (v) the ability of our tenants to enter into new leasing transactions or to satisfy rental payments under existing leases. The imposition of duties, tariffs and other trade restrictions (including any retaliation to such measures) could result in increased costs of supplies, slow economic growth and could materially impact the business of our tenants and their ability to make lease payments and renew leases. These risks could have a material adverse effect on our business, results of operations and financial condition.

CYBER SECURITY RISK

A cyber incident is any adverse event that threatens the confidentiality, integrity or availability of the Trust's information technology resources. More specifically, a cyber incident is an intentional attack or an unintentional event that can include gaining unauthorized access to information systems to disrupt operations, corrupt data or steal confidential information. The Trust's primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to its reputation, damage to relationships with its vendors and residents and disclosure of confidential vendor or resident information. The Trust has implemented processes, procedures and controls to mitigate these risks, but these measures, as well as its increased awareness of a risk of a cyber incident, do not guarantee that its financial results will not be negatively impacted by such an incident.

The frequency, intensity and sophistication of cyber incidents has increased in recent years, in part due to the use of artificial intelligence ("AI") by threat actors. AI technologies may be used by malicious actors to conduct more sophisticated cyberattacks, including advanced phishing schemes, deepfakes, voice cloning, social engineering and automated intrusion attempts. These AI-enhanced threats may be more difficult to detect and defend against using traditional cybersecurity measures.

InterRent REIT may also utilize AI technologies to enhance operational efficiency, tenant services and decision-making processes. While AI presents opportunities for innovation, it also introduces certain risks. AI systems may produce inaccurate, biased or misleading outputs, which could result in flawed business decisions, reputational harm or legal liability. The regulatory landscape governing AI is rapidly evolving, and new laws, regulations or industry standards may impose additional compliance obligations, restrict certain uses of AI or increase operational costs. Failure to comply with applicable AI-related regulations could result in regulatory penalties, litigation or reputational damage. Additionally, if the Trust's competitors adopt AI technologies more effectively, the Trust may face competitive disadvantages, including reduced operational efficiency or diminished tenant satisfaction.

MARKET PRICE OF UNITS

One of the factors that may influence the market price of the Units is the annual yield thereon. Accordingly, an increase in market interest rates may lead purchasers of Units to expect a higher annual yield which could adversely affect the market price of the Units. In addition, the market price for the Units may fluctuate significantly and may be affected by changes in general market conditions, fluctuations in the markets for equity securities, short-term supply and demand factors for real estate investment trusts and numerous other factors beyond the control of the Trust. The Trust has no obligation to distribute to Unitholders any fixed amount, and reductions in, or suspensions of, cash distributions may occur that would reduce yield. There is no assurance that there will exist a liquid market

for trading in the Units which may have an adverse effect on the market price of the Units. Trading prices of the Units may not correspond to the underlying value of the Trust's assets.

DILUTION RISK

InterRent may, in its sole discretion, issue additional Units, or securities convertible or exchangeable into Units, from time to time, and the voting power and/or economic interest of Unitholders may be diluted thereby. InterRent cannot predict the size or nature of future sales or issuances of securities, or the effect, if any, that such future sales and issuances will have on the market price of the Units.

LEGAL RIGHTS NORMALLY ASSOCIATED WITH THE OWNERSHIP OF SHARES OF A CORPORATION

As holders of Units, Unitholders do not have all of the statutory rights normally associated with ownership of shares of a company including, for example, the right to bring "oppression" or "derivative" actions against the Trust. The Units are not "deposits" within the meaning of the *Canada Deposit Insurance Corporation Act* (Canada) and are not insured under the provisions of that Act or any other legislation. Furthermore, the Trust is not a trust company and, accordingly, is not registered under any trust and loan company legislation as it does not carry on or intend to carry on the business of a trust company.

ABILITY OF UNITHOLDERS TO REDEEM UNITS

It is anticipated that the redemption right attached to the Units will not be the primary mechanism by which holders of such Units liquidate their investments. The entitlement of holders of Units to receive cash upon the redemption of their Units is subject to the limitations that: (i) the total amount payable by the Trust in respect of such Units and all other Units tendered for redemption in the same calendar month shall not exceed \$50,000 (provided that such limitation may be waived at the discretion of the Trustees); (ii) at the time such Units are tendered for redemption, the outstanding Units shall be listed for trading on a stock exchange or traded or quoted on another market which the Trustees consider, in their sole discretion provides representative fair market value prices for such Units; and (iii) the normal trading of the Units is not suspended or halted on any stock exchange on which the Units are listed for trading or, if not so listed, on any market on which the Units are quoted for trading, on the redemption date or for more than five trading days during the ten trading day period ending on the redemption date.

UNITHOLDER ACTIVISM RISK

Responding to activist campaigns that contest or conflict with InterRent's governance and strategic direction can be costly and time-consuming, disrupting business operations and diverting the attention and resources of the Board of Trustees, management, and employees. Unitholder activism may result in uncertainty relating to the leadership, governance and strategic direction of InterRent, which could adversely affect or undermine InterRent's ability to execute on its strategy, harm InterRent's business and create adverse volatility in the market price and trading volume of Trust Units. Events such as these could adversely affect InterRent's operating and financial results.

REGULATORY APPROVALS RISK

Upon a redemption of Units or termination of the Trust, the Trustees may distribute securities directly to the Unitholders, subject to obtaining any required regulatory approvals. No established market may exist for the securities so distributed at the time of the distribution and no market may ever develop. In addition, the securities so distributed may not be qualified investments for Mutual Fund Plans (Plans), depending upon the circumstances at the time.

CHANGES IN LEGISLATION

There can be no assurance that the Canadian federal income tax laws (or the judicial interpretation thereof), the administrative and/or assessing practices of the Canadian Revenue Agency (CRA) and/or the treatment of mutual fund trusts (including real estate investment trusts) and/or SIFT trusts (as defined below) will not be changed in a manner which adversely affects the Trust or Unitholders.

SIFT RULES

Certain rules in the Tax Act (the “**SIFT Rules**”) affect the tax treatment of “specified investment flow-through trusts (“**SIFT trusts**”), and their unitholders. Subject to the SIFT Rules a SIFT trust is itself liable to pay income tax on certain income at a rate that is substantially equivalent to the combined federal and provincial general tax rate applicable to taxable Canadian corporations. Such non-deductible distributions paid to a holder of units of the SIFT trust are generally deemed to be taxable dividends received by the holder of such units from a taxable Canadian corporation. However, a trust will not be considered to be a SIFT trust for a taxation year if it qualifies as a “real estate investment trust” (as defined in the Tax Act) for that year (the “**REIT Exception**”).

THE REIT EXCEPTION

Based on a review of the Trust’s assets and revenues, management believes that the Trust satisfied the tests to qualify for the REIT Exception throughout 2024 and therefore the SIFT Rules will have no application and the Trust and its Unitholders will not, directly or indirectly, be subject to tax imposed by the SIFT Rules. However, as the REIT exemption includes complex revenue and asset tests no assurances can be provided that the Trust will continue to qualify for any subsequent year.

In the unlikely event that the Trust does not qualify for the REIT Exception, distributions of income may be treated by the Trust as distributions of capital which are not taxed and instead reduce the adjusted cost base of the Unitholder’s Units.

The REIT Exception is applied on an annual basis. Accordingly, if the Trust did not qualify for the REIT Exception in a particular Taxation Year, it may be possible to restructure the Trust such that it may qualify in a subsequent Taxation Year. There can be no assurances, however, that the Trust will be able to restructure such that it will not be subject to the tax imposed by the SIFT Rules, or that any such restructuring, if implemented, would not result in material costs or other adverse consequences to the Trust and Unitholders. The Trust intends to take such steps as are necessary to ensure that, to the extent possible, it qualifies for the REIT Exception and any negative effects of the SIFT Rules on the Trust and Unitholders are minimized.

EXCESSIVE INTEREST AND FINANCING EXPENSE LIMITATION (“EIFEL”)

The Income Tax Act (Canada) includes rules to limit the deductibility of interest and other financing-related expenses of the Trust to the extent that such expenses, net of interest and other financing-related income, exceed a fixed ratio of the entity’s tax EBITDA. If these rules apply to restrict deductions otherwise available to the Trust (or any of its subsidiary’s) in its computation of income or loss for the purposes of the Tax Act, the taxable component of distributions paid by the Trust to Unitholders may be increased, which could reduce the after-tax return associated with an investment in Units.

OTHER CANADIAN TAX MATTERS

Although the Trust is of the view that all expenses to be claimed by the Trust and/or its subsidiary entities will be reasonable and deductible and that the cost amount and capital cost allowance claims of such entities will have been correctly determined, there can be no assurance that the Tax Act or the interpretation of the Tax Act will not change, or that the CRA will agree. If the CRA successfully challenges the deductibility of such expenses, the taxable income of the Trust and/or its subsidiary entities and indirectly the Unitholders may increase or change. The extent to which distributions will be non-taxable in the future will depend in part on the extent to which the Trust and/or its subsidiary entities is able to deduct capital cost allowance relating to its Properties.

In structuring its affairs, the Trust consults with its tax and legal advisors and receives advice as to the optimal method in which to complete its business objectives while at the same time minimizing or deferring taxes, where possible. There is no guarantee that the relevant taxing authorities will not take a different view as to the ability of the Trust to utilize these strategies. It is possible that one or more taxing authorities may review these strategies and determine that tax should have been paid, in which case the Trust may be liable for such taxes. Such increased tax liability could have a material adverse effect upon the Trust’s ability to make distributions to Unitholders.

INVESTMENT ELIGIBILITY

There can be no assurance that income tax laws and the treatment of mutual fund trusts will not be changed in a manner which adversely affects holders of Units. If the Trust ceases to qualify as a “mutual fund trust” under the Tax Act and the Units thereof cease to be listed on a designated stock exchange (which currently includes the TSX), Units will cease to be qualified investments for registered retirement savings plans, deferred profit sharing plans, registered retirement income funds, registered education savings plans, registered disability savings plans and tax-free savings accounts. The Tax Act imposes penalties for the acquisition or holding of non-qualified investments.

RISKS ASSOCIATED WITH DISCLOSURE CONTROLS AND PROCEDURES ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Trust could be adversely affected if there are deficiencies in disclosure controls and procedures or internal control over financial reporting.

The design and effectiveness of disclosure controls and procedures and internal control over financial reporting may not prevent all errors, misstatements or misrepresentations. Deficiencies, including material weaknesses, in internal control over financial reporting which may occur could result in misstatements of the Trust’s results of operations, restatements of financial statements, a decline in the Unit price, or otherwise materially adversely affect the Trust’s business, reputation, results of operations, financial condition or liquidity.

UNITHOLDERS LIMITED LIABILITY

Recourse for any liability of the Trust is intended to be limited to the assets of the Trust. The Amended and Restated Declaration of Trust provides that no Unitholder or annuitant under a plan of which a Unitholder acts as trustee or carrier (an “**annuitant**”) will be held to have any personal liability as such, and that no resort shall be had to the private property of any Unitholder or annuitant for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of the Trust or of the Trustees. Because of uncertainties in the law relating to investment trusts, there is a risk (which is considered by counsel to be remote in the circumstances) that a Unitholder or annuitant could be held personally liable for obligations of the Trust (to the extent that claims are not satisfied by the Trust) in respect of contracts which the Trust enters into and for certain liabilities arising other than out of contract including claims in tort, claims for taxes and possibly certain other statutory liabilities. The Trust will seek to limit recourse under all of its material contracts to the assets of the Trust. However, in conducting its affairs, the Trust will be indirectly acquiring real property investments, subject to existing contractual obligations, including obligations under mortgages and leases. Trustees will use all reasonable efforts to have any such obligations under mortgages on such properties and material contracts, other than leases, modified so as not to have such obligations binding upon any of the Unitholders or annuitants personally. However, the Trust may not be able to obtain such modification in all cases. To the extent that claims are not satisfied by the Trust, there is a risk that a Unitholder or annuitant will be held personally liable for obligations of the Trust where the liability is not disavowed as described above. Ontario has enacted legislation intended to remove uncertainty about the liability of Unitholders of publicly traded trusts. *The Trust Beneficiaries’ Liability Act, 2004*, implemented on January 1, 2005, is a clear legislative statement that the Unitholders of a trust that is a reporting issuer and governed by the laws of Ontario will not be personally liable for the obligations and liabilities of the trust or any of its trustees that arise after *The Trust Beneficiaries’ Liability Act, 2004*, came into force, which *The Trust Beneficiaries’ Liability Act, 2004*, states was December 16, 2004.

STRUCTURAL SUBORDINATION OF DEBT

Liabilities of a parent entity with assets held by various subsidiaries may result in the structural subordination of the lenders to the parent entity. The parent entity is entitled only to the residual equity of its subsidiaries after all debt obligations of its subsidiaries are discharged. In the event of a bankruptcy, liquidation or reorganization of the Trust, holders of indebtedness of the Trust (including holders of Notes) may become subordinate to lenders to the subsidiaries of the Trust.

STATUTORY REMEDIES

The Trust is not a legally recognized entity within the relevant definitions of the *Bankruptcy and Insolvency Act*, the *Companies' Creditors Arrangement Act* and in some cases, the *Winding Up and Restructuring Act*. As a result, in the event a restructuring of the Trust were necessary, the Trust would not be able to access the remedies available thereunder. In the event of a restructuring, a holder of debentures may be in a different position than a holder of secured indebtedness of a corporation.

OUTSTANDING INDEBTEDNESS

The ability of the Trust to make cash distributions to Unitholders or to make other payments are subject to applicable law and contractual restrictions contained in instruments governing the Trust's indebtedness. Although the Trust is currently not in default under any existing loan agreements or guarantee agreements, any future default could have significant consequences for Unitholders. Further, the amount of the Trust's indebtedness could have significant consequences to holders of Units, including the ability of the Trust to obtain additional financing for working capital, capital expenditures or future acquisitions may be limited; and that a significant portion of the Trust's cash flow from operations may be dedicated to the payment of principal and interest on its indebtedness thereby reducing funds available for future operations and distributions. Additionally, some of The Trust's debt may be at variable rates of interest or may be renewed at higher rates of interest, which may affect cash flow from operations available for distributions. Also, in the event of a significant economic downturn, there can be no assurance that the Trust will generate sufficient cash flow from operations to meet required interest and principal payments. The Trust is subject to the risk that it may not be able to refinance existing indebtedness upon maturity or that the terms of such refinancing may be onerous. These factors may adversely affect the Trust's cash distributions.

DEPENDENCE ON KEY PERSONNEL

The management of the Trust depends on the services of certain key personnel. The termination of employment by any of these key personnel could have a material adverse effect on the Trust.

WORKFORCE AVAILABILITY AND TALENT MANAGEMENT RISK

InterRent's ability to provide services to its residents is dependent on the availability of well-trained employees and contractors to service our residents as well as complete required maintenance and capital upgrades on our buildings. InterRent must balance the requirement to maintain adequate staffing levels while balancing the overall cost to the Trust. The inability to attract and retain an adequate workforce could have a material impact on the Trust's ability to maintain its buildings and service its residents.

RISK OF ACCIDENTAL DEATH OR SEVERE INJURIES AT OUR PROPERTIES

While we will maintain and promote safety at our properties, the accidental death or severe injuries of persons living in or working on our properties due to fire, natural disasters, criminal activity or other hazards could have a material adverse effect on our business and results of operations. Our insurance coverage may not cover all losses associated with such events, and we may experience difficulty marketing communities where any such events have occurred, which could have a material adverse effect on our business and results of operations.

POTENTIAL CONFLICTS OF INTEREST

The Trust may be subject to various conflicts of interest because of the fact that Trustees and officers of the Trust, including the Executive Chairperson who is a principal of a related party real estate company, are engaged in other real estate-related business activities. The Trust may become involved in transactions which conflict with the interests of the foregoing. Trustees may from time-to-time deal with persons, firms, institutions or corporations with which the Trust may be dealing, or which may be seeking investments similar to those desired by the Trust. The interests of these persons could conflict with those of the Trust. In addition, from time to time, these persons may be competing with the Trust for available investment opportunities. The Amended and Restated Declaration of Trust contains "conflicts of interest" provisions requiring Trustees to disclose material interests in material contracts and transactions and to refrain from voting thereon.

SOCIAL MEDIA

Social media activity poses potential risks to the Trust, including brand damage and information leaks. Negative posts or comments about the Trust or its properties on social networking platforms could harm its reputation. Additionally, employees or other individuals may inadvertently disclose non-public, sensitive business information through external media channels. As media continues to evolve, the Trust will face ongoing challenges and risks in managing its public image and information security.

DILUTION

The number of Units the Trust is authorized to issue is unlimited. The Trustees have the discretion to issue additional Units in other circumstances, including pursuant to the Unit Option Plan, the Deferred Unit Plan and the Long Term Incentive Plan and upon conversion or exercise of other convertible securities. Any issuance of additional Units may have a dilutive effect on the existing holders of the Units. Future acquisitions and combinations with other entities could result in significant dilution.

RESTRICTIONS ON POTENTIAL GROWTH AND RELIANCE ON CREDIT FACILITIES

The payout by the Trust of a substantial part of its operating cash flow could adversely affect the Trust's ability to grow unless it can obtain additional financing. Such financing may not be available, or renewable, on attractive terms or at all. In addition, if current credit facilities were to be cancelled or could not be renewed at maturity on similar terms, the Trust could be materially and adversely affected.

ACCESS TO CAPITAL

The Trust will require access to capital to support its growth strategy and periodic capital expenditures. However, there is no guarantee that the Trust will be able to secure sufficient capital or obtain financing on favorable terms for future property acquisitions, refinancing, operational expenses, or other needs. Market conditions, along with unexpected volatility or liquidity in financial markets, may limit the Trust's ability to access financing in the Canadian equity capital markets. As a result, the necessary funding for growth, expansion, refinancing of properties, or debt maturities may not be available or may come with unfavourable terms. A failure to obtain required capital could have a material adverse impact on the Trust business, cash flow, financial condition, overall performance, and ability to distribute returns to Unitholders.

PROPOSED PROPERTY ACQUISITIONS

There can be no assurance that the Trust will complete any proposed acquisitions described herein on the basis described or on expected closing dates, if at all. In the event the Trust does not complete proposed acquisitions, the Trust's financial performance may be negatively impacted until suitable acquisitions with appropriate investment returns can be made. There is no assurance that such suitable investments will be available to the Trust in the near future or at all.

PROPERTY ACQUISITION RISKS

InterRent's acquisition and investment strategy and market selection process may not ultimately be successful and may not provide positive returns on investment. The acquisition of properties or portfolios of properties entails risks that include the following, any of which could adversely affect InterRent's financial position and results of operations and its ability to meet its obligations: (i) InterRent may not be able to identify suitable properties to acquire or may be unable to complete the acquisition of the properties identified; (ii) properties acquired may fail to achieve the occupancy or rental rates projected at the time of the acquisition decision, which may result in the properties' failure to achieve the returns projected; (iii) InterRent's pre-acquisition evaluation of the physical condition of each new investment may not detect certain defects or identify necessary repairs, which could significantly increase InterRent's total acquisition costs; (iv) InterRent's investigation of a property or building prior to acquisition, may fail to reveal various liabilities, which could reduce the cash flow from the property or increase its acquisition cost; and (v) representations and warranties obtained from third party vendors may not adequately protect against unknown, unexpected or undisclosed liabilities and any recourse against such vendors may be limited by the financial capacity of such vendors.

An important factor in the success of the Trust is the ability of the management of the combined entities to coexist and, if appropriate, integrate all or part of the holdings, systems and personnel of such entities. The integration of businesses can result in unanticipated operational problems and interruptions, expenses and liabilities, the diversion of management attention and the loss of key employees, residents or suppliers. There can be no assurance that the business integration will be successful or that future acquisitions will not adversely affect the business, financial condition or operating results of the combined entities. There can be no assurance that the combined entities will not incur additional material charges in subsequent quarters to reflect additional costs associated with the Trust or that the benefits expected from the Trust will be realized. The Trust's planned growth will require increasingly sophisticated financial and operational controls to be implemented. In the event that financial and operational controls do not keep pace with the Trust's expansion, the potential for unintended accounting and operational errors may increase.

INTEREST RISK

Interest risk is the combined risk that the Trust would experience a loss as a result of its exposure to a higher interest rate environment (interest rate risk) and the possibility that at the term end of a mortgage the Trust would be unable to renew the maturing debt either with the existing or an additional lender (renewal risk). The Trust attempts to manage its interest rate risk by maintaining a balanced, maturing portfolio with mortgage debt being financed for varying lengths of time through the implementation of a structured mortgage debt ladder. There can, however, be no assurance that the renewal of debt will be on as favourable of terms as the Trust's existing debt.

APPRAISALS OF PROPERTIES

An appraisal is an estimate of market value and caution should be used in evaluating data with respect to appraisals. It is a measure of value based on information gathered in the investigation, appraisal techniques employed and reasoning both quantitative and qualitative, leading to an opinion of value. The analysis, opinions, and conclusions in an appraisal are typically developed based on, and in conformity with, or interpretation of the guidelines and recommendations set forth in the Canadian Uniform Standards of Appraisal Practice. Appraisals are based on various assumptions of future expectations of property performance and while the appraiser's internal forecast of net income for the properties appraised are considered to be reasonable at that time, some of the assumptions may not materialize or may differ materially from actual experience in the future.

JOINT ARRANGEMENTS

The Trust has two development projects that are subject to joint control and are joint arrangements (joint ventures and joint operations). Risks associated with joint arrangements include the risk of non-payment for operating and capital costs from the partner, risk of inability to finance a property associated with a joint venture or limited partnership and the risk of a partner selling their interest in the properties.

ZONING AND APPROVAL

Future acquisitions and development projects may require zoning and other approvals from local government agencies. The process of obtaining such approvals may take months or years, and there can be no assurance that the necessary approvals for any particular project will be obtained. Holding costs accrue while regulatory approvals are being sought, and delays could render future acquisitions and developments uneconomical.

DEBT AND DISTRIBUTABLE INCOME

Distributable Income available for distribution to Unitholders is based, directly and indirectly, on the ability of the Trust to pay distributions on its Units, such ability, in each case, is dependent upon the performance of the business of the Trust and its ability to maintain certain debt levels. The Trust will be required to refinance certain debt as it expires. The Trust may be unable to refinance such debt on terms as favourable as existing debt, or at all. In addition, the Trust's ability to borrow is subject to certain restrictive covenants contained in the Amended and Restated Declaration of Trust and certain credit agreements. The Trust's ability to make distributions may be materially affected should any of the foregoing conditions arise.

LEGAL PROCEEDINGS

In the normal course of operations, the Trust may be involved in, named as a party to, or become subject to a variety of legal proceedings, including tax matters and other legal actions. Potential legal proceedings may arise related to property damage, personal injury or death, property taxes, employment matters, and lease or contract disputes. The outcome of any existing, pending, or future legal proceedings is uncertain and could be unfavourable to the Trust, potentially having a material adverse effect on its business, financial condition, operating results, and ability to make distributions. Management and legal counsel evaluate all claims on their apparent merits, and accrue management's best estimate of the estimated costs to satisfy such claims.

FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

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 and loan receivable long-term incentive plan.

Credit risk arises from the possibility that: (i) residents 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.

The Trust has established various internal controls designed to mitigate credit risk such as credit checks and, where permitted, adequate security to assist in potential recoveries. While the Trust's credit controls and processes have been effective in mitigating credit risk, these controls cannot eliminate credit risk and there can be no assurance that these controls will continue to be effective or that the Trust's current credit loss experience will improve. The Trust monitors its collection process on a regular basis and all receivables from past residents and resident receivables over 30 days are provided for in allowances for doubtful accounts. The Trust believes that the concentration of credit risk of accounts receivable is limited due to its broad resident base, dispersed across varying geographic locations.

Credit risk relating to other receivables 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.

The amounts disclosed as rents and other receivables and loan receivable long-term incentive plan in the consolidated balance sheet are net of allowances for doubtful accounts. At December 31, 2025, the Trust had past due rents and other receivables of \$10.4 million net of an allowance for doubtful accounts of \$3.3 million 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 27(c) in the December 31, 2025 consolidated 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 when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Trust's reputation.

As at December 31, 2025, the Trust had credit facilities as described in note 13 in the December 31, 2025 consolidated financial statements.

Note 12 in the December 31, 2025 consolidated financial statements reflects the contractual maturities for mortgage payable of the Trust at December 31, 2025, excluding interest payments. 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.

d) Fair Value

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 is approximately \$1,721 million as at December 31, 2025 excluding any deferred financing costs.

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.

e) 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 December 31, 2025, approximately 9% (December 31, 2024 - 2%) of the Trust's mortgage debt was at variable interest rates. The Trust's credit facilities bear interest at variable rates. If there was a 100 basis point change in the interest rate, cash flows would have changed by approximately \$1.1 million for the year ended December 31, 2025.

OFF-BALANCE SHEET ARRANGEMENTS

As of December 31, 2025 the Trust did not have any off-balance sheet arrangements in place.

RELATED PARTY TRANSACTIONS

The Audit Committee and Nominations and Governance Committee have reviewed and recommended approval to the Board, and the Board has subsequently approved, the entering into of a services agreement with CLV Group Developments to carry out certain entitlement, development, and construction services on behalf of the REIT in relation to the REITs developments. CLV Group Developments is a private company controlled by an officer and Trustee of the REIT with a long track record of developing and constructing multifamily properties in Ontario. In order to mitigate the potential conflict of interest, both firms retained separate and independent legal representation for this matter. In addition, an independent external consultant reviewed the services to be supplied and provided a report in regards to the typical range of fees that would be charged for such services. The fees included in the agreement are either at or below the bottom end of the range provided by the consultant. During the year ended December 31, 2025, the Trust incurred \$0.2 million (2024 - \$0.8 million) in entitlement, development, and construction management services related to the agreement which have been capitalized to the investment properties.

OUTSTANDING SECURITIES DATA

As of March 2, 2026, the Trust had issued and outstanding: (i) 139,856,082 units; (ii) options exercisable to acquire 30,000 units of the Trust; and (iii) deferred units that are redeemable for 4,800,008 units of the Trust. Additionally, the Trust has 379,808 Restricted Units and 302,799 Performance Units outstanding under the Trust's Performance and Restricted Unit Plan.

COMMITMENTS AND CONTINGENCIES

Certain employment agreements of the REIT contain change of control provisions that provide employees with the right to receive specified payments upon the occurrence of a change of control. Unitholders approved the Arrangement Agreement on August 25, 2025, which constituted a change of control under the terms of these agreements. During the year ended December 31, 2025, certain employees exercised their entitlements under these provisions and the related amounts were recognized in the consolidated financial statements. If the remaining eligible employees were to exercise their entitlements, the aggregate additional amount payable would be approximately \$42.0 million. This amount includes entitlements associated with unit-based compensation awards that are accounted for as cash-settled awards and recognized as financial liabilities in the consolidated balance sheets. Any incremental amounts payable would be recognized in the period in which the relevant elections are made.

SUBSEQUENT EVENTS

Subsequent to the end of the year, the Trust has sold two properties consisting of 224 suites in Montréal, Quebec which closed in February of 2026 for a sale price of \$55.0 million or \$245,500 per suite. These assets are included in assets held for sale in the Trust's 2025 financial statements.

COMPARATIVE INFORMATION

Certain comparative figures have been reclassified to conform to the current year's presentation. An adjustment to assets held within our joint ventures from other assets to investment properties was made to the non-GAAP proportionate balance sheet. The calculation of EBITDA in the interest and debt service coverage section has been adjusted to include the compensation the REIT receives to perform the property and project management services for 2,069 residential suites within its joint operations and joint ventures as well as non-cash amortization expense.

ADDITIONAL INFORMATION

Additional information concerning InterRent REIT, including InterRent REIT's annual information form, is available on SEDAR at www.sedarplus.com.