



Condensed Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and 2024

Unaudited



minto
Apartment REIT

Minto Apartment Real Estate Investment Trust

Condensed Consolidated Interim Balance Sheets

Unaudited

(in thousands of Canadian dollars, except Unit and per Unit amounts)

| | Note | March 31, 2025 | December 31, 2024 |
|--|------|----------------|-------------------|
| Assets | | | |
| Investment properties | 3 | \$ 2,441,698 | \$ 2,414,224 |
| Investment in joint venture | 6 | 2,512 | — |
| Assets held for sale | 4 | — | 69,000 |
| Loans receivable from related parties | 13 | 111,726 | 128,911 |
| Prepaid expenses and other assets | 7 | 23,806 | 23,747 |
| Resident and other receivables | 8 | 3,686 | 3,655 |
| Cash | | 4,923 | 5,878 |
| | | \$ 2,588,351 | \$ 2,645,415 |
| Liabilities and Unitholders' Equity | | | |
| Liabilities | | | |
| Class B LP Units | 9 | \$ 348,465 | \$ 343,572 |
| Class C LP Units | 10 | 178,493 | 214,290 |
| Mortgages and loan | 11 | 886,307 | 886,482 |
| Credit facility | 12 | 9,205 | 24,500 |
| Tenant rental deposits | | 11,012 | 10,970 |
| Due to related parties | 13 | 1,877 | 7,745 |
| Accounts payable and accrued liabilities | 14 | 41,999 | 42,109 |
| | | 1,477,358 | 1,529,668 |
| Unitholders' equity | | | |
| Contingencies and commitments | 19 | 1,110,993 | 1,115,747 |
| Subsequent events | 24 | | |
| | | \$ 2,588,351 | \$ 2,645,415 |

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Minto Apartment Real Estate Investment Trust

Condensed Consolidated Interim Statements of Net Income (Loss) and Comprehensive Income (Loss)

For the three months ended March 31, 2025 and 2024

Unaudited

(in thousands of Canadian dollars, except Unit and per Unit amounts)

| | Note | March 31, 2025 | March 31, 2024 |
|--|-------|----------------|----------------|
| Revenue from investment properties | 17 | \$ 38,010 | \$ 38,943 |
| Property operating expenses | | | |
| Property operating costs | | 7,023 | 6,987 |
| Property taxes | | 3,906 | 4,008 |
| Utilities | | 3,757 | 3,504 |
| | | 14,686 | 14,499 |
| Property operating income | | 23,324 | 24,444 |
| Other expenses (income) | | | |
| General and administrative | | 2,443 | 2,585 |
| Finance costs - operations | 18 | 12,404 | 12,746 |
| Finance income | | (1,823) | (1,911) |
| Fair value loss (gain) on: | | | |
| Investment properties | 3 | (8,877) | 38,605 |
| Class B LP Units | 9, 18 | 4,893 | (8,499) |
| Interest rate swap | 7, 18 | 276 | (58) |
| Unit-based compensation | 23 | 19 | (81) |
| Income from investment in joint venture | 6 | (1,571) | — |
| Loss on disposition | | 604 | 615 |
| Fees and other income | | (711) | (764) |
| | | 7,657 | 43,238 |
| Net income (loss) and comprehensive income (loss) | | \$ 15,667 | \$ (18,794) |

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Minto Apartment Real Estate Investment Trust

Condensed Consolidated Interim Statements of Changes in Unitholders' Equity

For the three months ended March 31, 2025 and 2024

Unaudited

(in thousands of Canadian dollars, except Unit and per Unit amounts)

| | Note | Units | Distributions | Retained earnings | Total |
|--|------|-------------------|---------------------|-------------------|---------------------|
| Balance, December 31, 2023 | | \$ 711,021 | \$ (86,020) | \$ 452,380 | \$ 1,077,381 |
| Net loss and comprehensive loss | | — | — | (18,794) | (18,794) |
| Distributions | 15 | — | (5,038) | — | (5,038) |
| Units issued, net of issue costs | 15 | 107 | — | — | 107 |
| Balance, March 31, 2024 | | \$ 711,128 | \$ (91,058) | \$ 433,586 | \$ 1,053,656 |
| Balance, December 31, 2024 | | 735,311 | (136,333) | 516,769 | 1,115,747 |
| Net income and comprehensive income | | — | — | 15,667 | 15,667 |
| Cancellation of Units under normal course issuer bid | 15 | (20,275) | — | 4,899 | (15,376) |
| Distributions | 15 | — | (5,045) | — | (5,045) |
| Balance, March 31, 2025 | | \$ 715,036 | \$ (141,378) | \$ 537,335 | \$ 1,110,993 |

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Minto Apartment Real Estate Investment Trust

Condensed Consolidated Interim Statements of Cash Flows

For the three months ended March 31, 2025 and 2024

Unaudited

(in thousands of Canadian dollars, except Unit and per Unit amounts)

| | Note | March 31, 2025 | March 31, 2024 |
|--|-------|----------------|----------------|
| Cash provided by (used in): | | | |
| Operating activities | | | |
| Net income (loss) | | \$ 15,667 | \$ (18,794) |
| Adjustments for: | | | |
| Finance costs - operations | 18 | 12,404 | 12,746 |
| Finance income | | (1,823) | (1,911) |
| Fair value loss (gain) on: | | | |
| Investment properties | 3 | (8,877) | 38,605 |
| Class B LP Units | 9, 18 | 4,893 | (8,499) |
| Interest rate swap | 7, 18 | 276 | (58) |
| Unit-based compensation | 23 | 19 | (81) |
| Income from investment in joint venture | 6 | (1,571) | — |
| Loss on disposition | | 604 | 615 |
| Straight-line rent | | (14) | — |
| Change in non-cash working capital | 22 | (1,917) | (1,442) |
| Cash provided by operating activities | | 19,661 | 21,181 |
| Financing activities | | | |
| Principal repayments on mortgages | 11 | (3,912) | (3,579) |
| Mortgage principal repayments on disposition | 11 | — | (9,659) |
| Proceeds from construction loan | 11 | 3,478 | 3,717 |
| Distributions on Class C LP Units, used to repay principal | 10 | (1,203) | (8,931) |
| Redemption of Class C LP Units | 10 | (34,547) | — |
| Proceeds from forgivable loan | 14 | 2,250 | — |
| Financing costs | | — | (35) |
| Net repayments on credit facility | 12 | (15,295) | (72,243) |
| Interest paid | | (9,413) | (10,452) |
| Distributions on Units | | (5,094) | (5,038) |
| Class B LP Unit distributions paid | | (8,167) | (3,251) |
| Purchase and cancellation of Units | | (15,081) | — |
| Cash used in financing activities | | (86,984) | (109,471) |
| Investing activities | | | |
| Capital additions to investment properties | | (8,625) | (8,808) |
| Development of investment properties | | (10,889) | (6,779) |
| Net proceeds on disposition of investment properties | | 67,815 | 84,352 |
| Contributions to joint venture | 6 | (941) | — |
| Loan advances to related parties | | — | (7,078) |
| Loan repayments from Class B LP Unitholders | 9 | 4,819 | — |
| Loan repayments from related parties | | 11,915 | 30,056 |
| Interest received | | 2,274 | 496 |
| Cash provided by investing activities | | 66,368 | 92,239 |
| Change in cash during the period | | (955) | 3,949 |
| Cash, beginning of the period | | 5,878 | 3,740 |
| Cash, end of the period | | \$ 4,923 | \$ 7,689 |

See accompanying notes to the unaudited condensed consolidated interim financial statements.

Minto Apartment Real Estate Investment Trust

Notes to the Condensed Consolidated Interim Financial Statements

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(in thousands of Canadian dollars, except Unit and per Unit amounts)

1. Description of the entity

Minto Apartment Real Estate Investment Trust (the "REIT") is an unincorporated, open-ended real estate investment trust established pursuant to a Declaration of Trust dated April 24, 2018, which was amended and restated on June 27, 2018, and has been further amended from time to time. The REIT owns, develops and operates a portfolio of income-producing multi-residential rental properties located in Canada.

The REIT was established under the laws of the Province of Ontario. The principal and registered office of the REIT is 200-180 Kent Street, Ottawa, Ontario.

At March 31, 2025, the REIT's portfolio consists of ownership interests in 28 (December 31, 2024 - 28) multi-residential rental properties, including five mixed-use residential apartment and commercial buildings, directly and indirectly held by Minto Apartment Limited Partnership (the "Partnership"), which is consolidated by the REIT.

2. Material accounting policies

(a) Statement of compliance

These unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB").

The unaudited condensed consolidated interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the REIT's audited consolidated financial statements for the years ended December 31, 2024 and 2023 (the "Annual 2024 Financial Statements"), which were prepared in accordance with IFRS Accounting Standards ("IFRS") as issued by the IASB.

These unaudited condensed consolidated interim financial statements were approved by the Board of Trustees of the REIT and authorized for issuance on May 6, 2025.

(b) Basis of presentation and measurement

These unaudited condensed consolidated interim financial statements have been prepared on a historical cost basis, except for investment properties, Class B units of the Partnership ("Class B LP Units"), Unit-based compensation and interest rate swap, which have been measured at fair value. The unaudited condensed consolidated interim financial statements have been presented in Canadian dollars, which is the REIT's functional currency.

The REIT's business faces risk from prominent economic factors, including economic growth, trade disputes, the interest rate environment, and inflation, among other factors. The REIT has used all information available as at March 31, 2025 that it considers relevant in determining the potential impact of these economic factors on the carrying amounts of assets and liabilities, earnings for the period and risks disclosed in the unaudited condensed consolidated interim financial statements for the three months ended March 31, 2025. The estimates and judgements that could be most significantly impacted by economic factors include those underlying the valuation of investment properties. Actual results could differ from those estimates. Investment properties (Note 3) and risk management (Note 20) include disclosures of the potential impacts of economic factors on the fair value of investment properties and liquidity risk. The REIT continues to monitor and assess the impact that economic factors will have on its business activities and financial results.

The operating results for the three months ended March 31, 2025 are not necessarily indicative of results that may be expected for the year ending December 31, 2025 due to seasonal variations in property expenses and other factors.

The REIT's material accounting policies were presented in Note 2 of the Annual 2024 Financial Statements and have been consistently applied in the preparation of these unaudited condensed consolidated interim financial statements, except as noted below.

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Joint arrangements

The REIT has joint arrangements in and therefore joint control of certain investment properties which it manages. The REIT has assessed the nature of its joint arrangements and determined them to be either joint ventures or joint operations depending on the REIT's rights and obligations in the arrangement.

Investment in joint venture

The REIT uses the equity method to account for its interest in joint ventures. Under the equity method, the investment in joint venture is initially recognized at cost, which includes the costs directly attributable to the acquisition, and adjusted thereafter to recognize the REIT's share of net income and comprehensive income of the joint venture since the acquisition date. Distributions received from the joint venture reduce the carrying amount of the investment. The condensed consolidated interim statements of net income (loss) and comprehensive income (loss) reflects the REIT's share of the results of operations of the joint venture

(c) Adoption of new standards, amendments and interpretations

The REIT adopted the amended accounting standard IAS 21, *Lack of Exchangeability* when it became effective on January 1, 2025. The adoption of this amendment did not have a material impact on the REIT's unaudited condensed consolidated interim financial statements.

3. Investment properties

The following table presents the change in investment properties by type:

| | | Residential properties | | Commercial properties | | Development properties | | Total |
|----------------------------|----|---------------------------|----|--------------------------|----|---------------------------|----|-----------|
| Balance, December 31, 2023 | \$ | 2,339,678 | \$ | 26,972 | \$ | 87,883 | \$ | 2,454,533 |
| Additions | | | | | | | | |
| Capital expenditures | | 6,569 | | 190 | | — | | 6,759 |
| Development expenditures | | — | | — | | 8,331 | | 8,331 |
| Other | | 42 | | — | | — | | 42 |
| Fair value loss | | (32,164) | | (2,132) | | (4,309) | | (38,605) |
| Balance, March 31, 2024 | \$ | 2,314,125 | \$ | 25,030 | \$ | 91,905 | \$ | 2,431,060 |
| Balance, December 31, 2024 | | | | | | | | |
| | | 2,265,929 | | 24,976 | | 123,319 | | 2,414,224 |
| Additions | | | | | | | | |
| Capital expenditures | | 5,824 | | 8 | | — | | 5,832 |
| Development expenditures | | — | | — | | 12,635 | | 12,635 |
| Other | | 122 | | 8 | | — | | 130 |
| Fair value gain (loss) | | 10,649 | | (1,462) | | (310) | | 8,877 |
| Balance, March 31, 2025 | \$ | 2,282,524 | \$ | 23,530 | \$ | 135,644 | \$ | 2,441,698 |

For the three months ended March 31, 2025, the REIT capitalized \$588 (March 31, 2024 - \$1,040) in interest costs associated with the REIT's general borrowings and the construction loan to the respective developments. The REIT's weighted average borrowing rate on general borrowings was 5.39% (March 31, 2024 - 7.16%). Interest costs associated with the construction loan were capitalized to the related development using the actual borrowing rate of 2.39%.

The fair value methodology for the REIT's investment properties is considered level 3, as significant unobservable inputs are required to determine fair value. The fair value of investment properties is based on internal valuations and as at March 31, 2025, the entire portfolio was internally valued. The REIT's internal valuation team consists of qualified individuals who hold recognized relevant professional qualifications and have experience in the location and category of the respective properties.

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The REIT conducts external appraisals of a third of its portfolio annually to ensure that every property is externally appraised at least once every three years. These external appraisals are used by Management to assist in the validation of the market assumptions and data used as part of the internal valuation model.

The REIT continues to review market capitalization, discount and terminal capitalization rates, as well as its future cash flow projections and their impact on the valuation of its properties in light of economic factors (Note 2). The carrying value of the REIT's investment properties reflects Management's best estimate of fair value in terms of the assessed highest and best use as at March 31, 2025. It is not possible to forecast with certainty the duration or full scope of the financial impact that economic factors will have on the REIT's business and operations, both in the short and long term. Any long-term effects on market rents, occupancy, turnover, future demand, and interest rates could impact the underlying valuation of investment properties and such impact may be material.

Fair value for residential properties is predominantly determined using the direct capitalization approach and includes a deduction for estimated aggregate future capital expenditures. For the three months ended March 31, 2025, the aggregate five-year estimated future capital expenditures deducted was \$65,697 (December 31, 2024 - \$76,203) in determining the fair value of residential properties.

The following table summarizes the significant unobservable inputs in determining fair value of residential properties:

| Significant unobservable inputs | Inter-relationship between significant unobservable inputs and fair value measurement |
|---|---|
| Capitalization rates | There is an inverse relationship between the capitalization rates and the fair value; in other words, the higher the capitalization rates, the lower the estimated fair value. |
| Estimated 12 month stabilized forecasted net operating income ("NOI") | There is a direct relationship between the estimated 12-month stabilized forecasted NOI and the fair value; in other words, the higher the estimated 12-month stabilized forecasted NOI, the higher the estimated fair value. |

The following table summarizes the capitalization rates used in determining the fair value of the REIT's residential properties:

| | March 31, 2025 | | | December 31, 2024 | | |
|---------------------|----------------|-------|------------------|-------------------|-------|------------------|
| | Min | Max | Weighted average | Min | Max | Weighted average |
| Capitalization rate | 3.75% | 5.13% | 4.31% | 3.75% | 5.13% | 4.32% |

The following table summarizes the sensitivity of the fair value of residential properties to changes in capitalization rates and estimated 12 month stabilized forecasted NOI as at March 31, 2025:

| March 31, 2025 | -3% | -1% | NOI | +1% | +3% |
|----------------------------|--------------|--------------|--------------|--------------|--------------|
| Capitalization rate | | | | | |
| -50 basis points | \$ 2,510,808 | \$ 2,563,931 | \$ 2,590,493 | \$ 2,617,055 | \$ 2,670,179 |
| -25 basis points | 2,352,251 | 2,402,105 | 2,427,032 | 2,451,960 | 2,501,814 |
| Base rate | 2,212,077 | 2,259,042 | 2,282,524 | 2,306,006 | 2,352,971 |
| +25 basis points | 2,087,266 | 2,131,657 | 2,153,852 | 2,176,048 | 2,220,439 |
| +50 basis points | 1,975,422 | 2,017,507 | 2,038,549 | 2,059,592 | 2,101,677 |

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The following table summarizes the sensitivity of the fair value of residential properties to changes in capitalization rates and estimated 12 month stabilized forecasted NOI as at December 31, 2024:

| December 31, 2024 | -3% | -1% | NOI | +1% | +3% |
|----------------------------|--------------|--------------|--------------|--------------|-----------|
| Capitalization rate | | | | | |
| -50 basis points | \$ 2,492,714 | \$ 2,545,455 | \$ 2,571,825 | \$ 2,598,195 | 2,650,936 |
| -25 basis points | 2,335,220 | 2,384,713 | 2,409,460 | 2,434,206 | 2,483,700 |
| Base rate | 2,195,995 | 2,242,617 | 2,265,929 | 2,289,240 | 2,335,863 |
| +25 basis points | 2,072,034 | 2,116,101 | 2,138,135 | 2,160,168 | 2,204,235 |
| +50 basis points | 1,960,959 | 2,002,736 | 2,023,624 | 2,044,512 | 2,086,289 |

4. Disposition of investment properties

During the three months ended March 31, 2025, the REIT completed the disposition of the following investment property which was classified as held for sale at December 31, 2024:

| Date | Region | Suites | Sale price | Redemption of Class C LP Units (Note 10) | Net cash proceeds ¹ |
|------------------|------------|--------|------------|--|--------------------------------|
| January 22, 2025 | Ottawa, ON | 241 | \$ 69,000 | \$ 34,547 | \$ 33,849 |

During the three months ended March 31, 2024, the REIT completed the disposition of the following investment properties:

| Date | Region | Suites | Sale price | Debt principal repaid on disposition | Net cash proceeds ¹ |
|-------------------|------------|--------|------------|--------------------------------------|--------------------------------|
| February 15, 2024 | Ottawa, ON | 122 | \$ 32,200 | \$ 9,659 | \$ 22,251 |
| | | 189 | 53,800 | 7,591 | 45,705 |
| | | 311 | \$ 86,000 | \$ 17,250 | \$ 67,956 |

¹ Net cash proceeds after transaction costs.

5. Joint operations

The REIT's ownership interests in the joint operations are as follows:

| Property | Date of acquisition | Location | Ownership interest |
|-------------------|---------------------|--------------|--------------------|
| Leslie York Mills | May 1, 2019 | Toronto, ON | 50% |
| Rockhill | May 7, 2019 | Montreal, QC | 50% |
| High Park Village | August 1, 2019 | Toronto, ON | 40% |
| Niagara West | April 22, 2022 | Toronto, ON | 28.35% |

6. Investment in joint venture

On January 15, 2025, Lonsdale Square Limited Partnership ("LSLP"), a joint venture accounted for using the equity method in which the REIT holds a 50% ownership interest, acquired a 113-suite mixed-use property located at 126 E 21st Street, North Vancouver, British Columbia ("Lonsdale Square") from a limited partnership jointly owned by Minto Properties Inc. ("MPI"). The REIT's \$52,963 share of the purchase price was satisfied by the assumption of the full \$52,904 mortgage associated with the property, and cash of \$59. The REIT has agreed to be solely and entirely responsible for the assumed mortgage and to fully indemnify all other loan parties in connection with such mortgage.

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(in thousands of Canadian dollars, except Unit and per Unit amounts)

The REIT's ownership interest in the joint venture is as follows:

| Joint venture | Principal activity | Location | Ownership Interest |
|---------------|--|---------------------|--------------------|
| LSLP | Own and operate an investment property | North Vancouver, BC | 50% |

The following table reconciles the carrying value of the investment in joint venture:

| | March 31, 2025 |
|---------------------|----------------|
| Opening balance | \$ — |
| Contributions | 941 |
| Share of net income | 1,571 |
| Closing balance | \$ 2,512 |

The following table summarizes the financial information of the joint venture:

| | March 31, 2025 |
|--|-----------------------|
| Current assets | \$ 1,016 |
| Non-current assets | 111,500 |
| Current liabilities ¹ | 1,989 |
| Non-current liabilities ¹ | 52,486 |
| Net assets | 58,041 |
| REIT's share | \$ 2,512 |
| Three months ended | March 31, 2025 |
| Revenue | \$ 1,096 |
| Expenses ¹ | 781 |
| Fair value gain on investment property | (1,607) |
| Net income | 1,922 |
| REIT's share | \$ 1,571 |

¹ The REIT's share of LSLP includes its 50% share of the property and the full mortgage held by LSLP, which the REIT is contractually obligated to service. As at March 31, 2025, the mortgage outstanding was \$52,846 which bears a contractual interest rate of 3.89% and matures in 2034.

7. Prepaid expenses and other assets

| | March 31, 2025 | December 31, 2024 |
|--------------------------------|----------------|-------------------|
| Prepaid expenses | \$ 2,247 | \$ 1,676 |
| Prepaid CMHC premiums | 19,129 | 19,129 |
| Restricted cash | 1,800 | 1,739 |
| Deposits and other prepayments | 205 | 502 |
| Interest rate swap | 425 | 701 |
| | \$ 23,806 | \$ 23,747 |
| Current | 2,452 | 2,178 |
| Non-current | 21,354 | 21,569 |
| | \$ 23,806 | \$ 23,747 |

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The following table is a summary of the REIT's interest rate swap and the respective fair value of the asset:

| Instrument | Maturity | Fixed rate | Original notional amount | Notional amount | Fair value as at | |
|---------------------------------|------------|------------|--------------------------|-----------------|------------------|-------------------|
| | | | | | March 31, 2025 | December 31, 2024 |
| Interest rate swap ¹ | April 2026 | 3.38% | \$42,360 | \$33,868 | \$ 425 | \$ 701 |

¹ The REIT has a 40% ownership interest in this contract through the ownership of a joint operation.

The following table summarizes the beginning and ending fair value of the swap:

| Three months ended | March 31, 2025 | March 31, 2024 |
|--------------------------|----------------|----------------|
| Opening balance | \$ 701 | \$ 1,947 |
| <i>Non-cash movement</i> | | |
| Fair value (loss) gain | (276) | 58 |
| Closing balance | \$ 425 | \$ 2,005 |

8. Resident and other receivables

| | March 31, 2025 | December 31, 2024 |
|-----------------------------------|----------------|-------------------|
| Current | | |
| Resident receivables | \$ 1,098 | \$ 1,063 |
| Other receivables | 3,064 | 3,110 |
| Less: Allowance for credit losses | (476) | (518) |
| | \$ 3,686 | \$ 3,655 |

There is no significant concentration of credit risk with respect to resident receivables as the REIT has a high volume of tenants with individually small monthly rent amounts.

9. Class B LP Units

The following table reconciles the changes in cash flows and outstanding units for the Class B LP Units of the Partnership:

| | Class B LP Units | \$ |
|----------------------------|------------------|------------|
| Balance, December 31, 2023 | 25,755,029 | \$ 416,716 |
| <i>Non-cash movement</i> | | |
| Fair value gain | — | (8,499) |
| Balance, March 31, 2024 | 25,755,029 | \$ 408,217 |
| Balance, December 31, 2024 | 25,755,029 | 343,572 |
| <i>Non-cash movement</i> | | |
| Fair value loss | — | 4,893 |
| Balance, March 31, 2025 | 25,755,029 | \$ 348,465 |

For the three months ended March 31, 2025, distributions of \$3,348 (March 31, 2024 - \$3,251) to Class B LP Unitholders were declared and accounted for as finance costs. Class B LP Units are exchangeable for Units at the holder's option and are therefore classified as current liabilities.

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Holders of the Class B LP Units may elect to be loaned amounts equal to the amounts which would otherwise have been distributed to them, and have the aggregate amount of those distributions made to them, on the maturity date of the loan, which is on the first business day following the end of the year during which the loan was made. On January 2, 2025, a holder of the Class B LP Units fully repaid a non-interest bearing loan equal to the distributions they would otherwise have received of \$4,819, and a distribution equal to the loaned amount was paid to the holder.

The fair value methodology for the Class B LP Units is considered level 2 within the fair value hierarchy.

10. Class C LP Units

| | March 31, 2025 | December 31, 2024 |
|--|----------------|-------------------|
| Class C LP Units | \$ 178,419 | \$ 214,169 |
| Unamortized mark-to-market adjustments | 506 | 565 |
| Unamortized deferred borrowing costs | (432) | (444) |
| | \$ 178,493 | \$ 214,290 |
| Current | 63,668 | 98,949 |
| Non-current | 114,825 | 115,341 |
| | \$ 178,493 | \$ 214,290 |

For the three months ended March 31, 2025, the REIT made distributions of \$1,841 (March 31, 2024 - \$2,020), to the holder of the Class C LP Units that were accounted for as finance costs.

The mortgages of investment properties to which the distributions on the Class C LP Units relate, have a weighted average effective interest rate of 3.77% (December 31, 2024 - 4.20%) and mature at various dates between 2025 and 2033 (December 31, 2024 - 2025 and 2033).

On January 22, 2025, in connection with the sale of a property in Ottawa (Note 4), the REIT redeemed for cancellation 4,130,092 Class C LP Units from the holder of the Class C LP Units in connection with the repayment of the mortgage secured by the property to which the Class C LP Units relate, for a total cost of \$34,547.

Distributions on Class C LP Units, excluding unamortized mark-to-market adjustments and deferred financing costs, are due as follows:

| | | |
|---------------------|----|---------|
| 2025 | \$ | 63,059 |
| 2026 | | 2,000 |
| 2027 | | 23,504 |
| 2028 | | 1,391 |
| 2029 | | 10,991 |
| 2030 and thereafter | | 77,474 |
| | \$ | 178,419 |

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The following table reconciles the changes in cash flows and outstanding units for the Class C LP Units:

| | Class C LP Units | \$ |
|--|------------------|------------|
| Balance, December 31, 2023 | 25,556,082 | \$ 227,411 |
| <i>Cash flows</i> | | |
| Distributions used to repay principal | — | (8,931) |
| | — | (8,931) |
| <i>Non-cash movement</i> | | |
| Amortization of mark-to-market adjustments | — | (59) |
| Write-off of mark-to-market adjustments on disposition | — | (168) |
| Deferred financing amortization | — | 11 |
| | — | (216) |
| Balance, March 31, 2024 | 25,556,082 | \$ 218,264 |
| Balance, December 31, 2024 | 25,556,082 | 214,290 |
| <i>Cash flows</i> | | |
| Redeemed and cancelled | (4,130,092) | (34,547) |
| Distributions used to repay principal | — | (1,203) |
| | (4,130,092) | (35,750) |
| <i>Non-cash movement</i> | | |
| Amortization of mark-to-market adjustments | — | (59) |
| Deferred financing amortization | — | 12 |
| | — | (47) |
| Balance, March 31, 2025 | 21,425,990 | \$ 178,493 |

Fair value for the Class C LP Units is calculated based on current market rates plus risk-adjusted spreads on discounted cash flows. As at March 31, 2025, the current market rates plus risk-adjusted spreads ranged from 3.23% to 4.05% (December 31, 2024 - 3.65% to 4.59%) and the fair value of the Class C LP Units was \$181,781 (December 31, 2024 - \$215,369) and is considered level 2 within the fair value hierarchy.

11. Mortgages and loan

| | March 31, 2025 | December 31, 2024 |
|--|----------------|-------------------|
| Mortgages - fixed rate | \$ 847,910 | \$ 851,822 |
| Construction loan - fixed rate | 43,881 | 40,403 |
| | 891,791 | 892,225 |
| Unamortized mark-to-market adjustments | 619 | 632 |
| Unamortized deferred financing costs | (6,103) | (6,375) |
| | \$ 886,307 | \$ 886,482 |
| Current | 54,311 | 54,624 |
| Non-current | 831,996 | 831,858 |
| | \$ 886,307 | \$ 886,482 |

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Mortgages

The mortgages are secured by investment properties and mature at various dates between 2025 and 2034 (December 31, 2024 - 2025 and 2033). The fixed rate mortgages include a \$33,868 (December 31, 2024 - \$34,142) variable interest mortgage fixed through an interest rate swap. The mortgages secured by investment properties have a weighted average effective interest rate of 3.46% (December 31, 2024 - 3.46%).

Construction loan

The REIT has a fixed rate non-revolving construction loan commitment of \$93,745 and as at March 31, 2025, \$43,881 (December 31, 2024 - \$40,403) was drawn. The construction loan is used to finance the construction of a new 225-suite residential rental property on surplus land at the REIT's Richgrove property in Toronto, Ontario and is secured by a first priority mortgage on the project. The loan bears fixed interest at 2.39% and matures on March 1, 2032. Payments are made monthly on an interest-only basis.

The mortgages and construction loan, excluding unamortized mark-to-market adjustments and deferred financing costs, are due as follows:

| | | |
|---------------------|----|---------|
| 2025 | \$ | 51,676 |
| 2026 | | 85,833 |
| 2027 | | 13,063 |
| 2028 | | 104,591 |
| 2029 | | 189,260 |
| 2030 and thereafter | | 447,368 |
| | \$ | 891,791 |

The following reconciles the changes in cash flows for the mortgages and construction loan payable:

| | Fixed rate mortgages | Construction loan | Total |
|---|----------------------|-------------------|------------|
| Balance, December 31, 2023 | \$ 774,662 | \$ 15,155 | \$ 789,817 |
| <i>Cash flows</i> | | | |
| Issued | — | 3,717 | 3,717 |
| Deferred financing costs incurred | (19) | — | (19) |
| Principal payments on refinancing | (9,659) | — | (9,659) |
| Principal repayments | (3,579) | — | (3,579) |
| | (13,257) | 3,717 | (9,540) |
| <i>Non-cash movement</i> | | | |
| Amortization of mark-to-market adjustment | (14) | — | (14) |
| Deferred financing amortization | 222 | — | 222 |
| | 208 | — | 208 |
| Balance, March 31, 2024 | \$ 761,613 | \$ 18,872 | \$ 780,485 |

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| | Fixed rate mortgages | | Construction loan | | Total |
|---|----------------------|---------|-------------------|--------|------------|
| Balance, December 31, 2024 | \$ | 846,079 | \$ | 40,403 | \$ 886,482 |
| <i>Cash flows</i> | | | | | |
| Issued | | — | | 3,478 | 3,478 |
| Principal repayments | | (3,912) | | — | (3,912) |
| | | (3,912) | | 3,478 | (434) |
| <i>Non-cash movement</i> | | | | | |
| Amortization of mark-to-market adjustment | | (13) | | — | (13) |
| Deferred financing amortization | | 272 | | — | 272 |
| | | 259 | | — | 259 |
| Balance, March 31, 2025 | \$ | 842,426 | \$ | 43,881 | \$ 886,307 |

The REIT is subject to financial covenants associated with its fixed rate mortgages and the construction loan which require the REIT to maintain certain liquidity and leverage ratios. As at March 31, 2025 and December 31, 2024, the REIT was in compliance with these financial covenants.

Fair value of fixed rate mortgages and the construction loan is calculated based on current market rates plus risk-adjusted spreads on discounted cash flows. As at March 31, 2025, the current market rates plus risk-adjusted spreads ranged from 3.24% to 4.57% (December 31, 2024 - 3.63% to 4.98%) and the fair value of fixed rate mortgages and construction loan was \$884,919 (December 31, 2024 - \$871,644) and is considered level 2 within the fair value hierarchy.

12. Credit facility

| | | March 31, 2025 | December 31, 2024 |
|--------------------------|----|----------------|-------------------|
| Committed | \$ | 200,000 | \$ 300,000 |
| Available | | 200,000 | 208,344 |
| <i>Utilized</i> | | | |
| Amounts drawn | | 9,205 | 24,500 |
| Letter of credit | | 2,022 | 2,022 |
| | | 11,227 | 26,522 |
| Undrawn amount available | \$ | 188,773 | \$ 181,822 |

The REIT has a revolving credit facility that is secured by several investment properties, matures on July 3, 2025 and is used to fund working capital requirements, acquisitions, letters of credit and for general corporate purposes. On March 4, 2025, the REIT amended the terms of its credit facility to reduce the commitment from \$300,000 to \$200,000. The credit facility bears interest at the one-month Adjusted Canadian Overnight Repo Rate Average plus 175 bps or prime plus 75 bps. As at March 31, 2025, the weighted average variable interest rate was 5.70% (December 31, 2024 - 5.42%). Given the variable nature of the credit facility, its carrying value approximates its fair value.

The following table reconciles the changes in cash flows for the credit facility:

| Three months ended | | March 31, 2025 | March 31, 2024 |
|--------------------|----|----------------|----------------|
| Opening balance | \$ | 24,500 | \$ 140,236 |
| <i>Cash flows</i> | | | |
| Issued | | 9,205 | 24,757 |
| Repayments | | (24,500) | (97,000) |
| | | (15,295) | (72,243) |
| Closing balance | \$ | 9,205 | \$ 67,993 |

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The revolving credit facility has financial covenants which require the REIT to maintain certain liquidity and leverage ratios. As at March 31, 2025 and December 31, 2024, the REIT was in compliance with these financial covenants.

13. Related-party transactions

In the normal course of operations, the REIT enters into various transactions with related parties which are recorded at exchange value. In addition to the related party transactions disclosed elsewhere in these unaudited condensed consolidated interim financial statements, related party transactions include:

(a) Administrative Support Agreement

For the three months ended March 31, 2025, the REIT incurred \$593 (March 31, 2024 - \$565) for services rendered by MPI and its affiliates under the ASA.

(b) Loans receivable from related parties

| Project | Related Parties | Commitment | Interest Rate and Maturity | March 31, 2025 | December 31, 2024 |
|---|--|------------|---|----------------|-------------------|
| Lonsdale Avenue, North Vancouver, BC ("Lonsdale Square") | Limited partnership jointly owned by MPI and a subsidiary of Darwin Properties | 14,000 | 7% per annum February 28, 2025 | \$ — | \$ 14,000 |
| Beechwood Avenue, Ottawa, ON ("88 Beechwood") | Affiliate of MPI | 51,400 | 6% per annum December 31, 2025 | 46,906 | 46,219 |
| 810 Kingsway, Vancouver, BC ("The Hyland") | MPI | 19,650 | Variable per annum ¹ April 30, 2025 | 19,331 | 19,073 |
| 3958 Shelbourne Street, Victoria, BC ("University Heights") | MPI | 51,700 | 7% per annum December 31, 2026 | 44,861 | 44,179 |
| | | 136,750 | | 111,098 | 123,471 |
| Loan receivable | Management | 700 | Variable per annum ² April 27, 2032 | 628 | 621 |
| Loan receivable (Note 9) | Limited partnership wholly-owned by MPI | — | Non-interest bearing January 2, 2025 | — | 4,819 |
| | | \$ 137,450 | | \$ 111,726 | \$ 128,911 |
| Current | | | | 66,337 | 84,215 |
| Non-current | | | | 45,389 | 44,696 |
| | | | | \$ 111,726 | \$ 128,911 |

¹ Effective June 1, 2024, the interest rate is equal to the all-in interest rate the REIT pays on the credit facility on a monthly basis, subject to a maximum interest rate of 7.25% per annum and minimum interest rate of 5.25% per annum. Prior to the effective date of this amendment, the interest rate on the loan was 6% per annum.

² The interest rate per annum is set quarterly at the greater of prime and the prescribed interest rate as determined by the Regulations of the Income Tax Act (Canada) to a maximum of 5%. Interest is payable annually in arrears.

All commitments pertaining to projects include a reserve to fund interest costs. If the interest reserve is fully utilized, the interest is paid to the REIT on a monthly basis. In connection with these financings, the REIT has the exclusive option to purchase the property at 88 Beechwood and MPI's 45% indirect ownership interest in University Heights, upon project stabilization at 95% of then-appraised fair market value as determined by independent and qualified third-party appraisers. The exclusive purchase option for The Hyland expired on February 28, 2025.

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As at March 31, 2025, the expected credit loss ("ECL") based on 12 month expected losses for the loans receivable is \$nil (December 31, 2024 - \$nil).

On January 31, 2024, the REIT received repayment of the balance owing for the loan associated with the Fifth and Bank project.

On January 2, 2025, the REIT received repayment of \$4,819 for the balance owing for a non-interest bearing loan from a holder of the Class B LP Units (Note 9).

On January 15, 2025, LSLP, in which the REIT holds a 50% ownership interest, acquired Lonsdale Square (Note 5) from a limited partnership jointly owned by MPI. The convertible development loan of \$14,000 associated with the property was fully repaid concurrently with the closing of the purchase.

On April 30, 2025, the REIT received repayment of \$19,419 for the balance owing on the loan associated with The Hyland project.

The following table shows the movement of loans receivable from related parties:

| Three months ended | | March 31, 2025 | March 31, 2024 |
|--------------------------|----|----------------|----------------|
| Opening balance | \$ | 128,911 | \$ 133,286 |
| <i>Cash flows</i> | | | |
| Advances | | — | 7,078 |
| Repayments | | (16,734) | (30,056) |
| Interest received | | (2,125) | (449) |
| | | (18,859) | (23,427) |
| <i>Non-cash movement</i> | | | |
| Interest earned | | 1,674 | 1,864 |
| | | (17,185) | (21,563) |
| Closing balance | \$ | 111,726 | \$ 111,723 |

Fair value of loans receivable relating to projects is calculated based on current market rates plus risk-adjusted spreads on discounted cash flows. As at March 31, 2025, the current market rates plus risk-adjusted spreads was 6.75% (December 31, 2024 - 7.25% to 8.25%) and the fair value of the loans receivable relating to projects was \$111,036 (December 31, 2024 - \$122,453) and is considered level 2 within the fair value hierarchy.

(c) Due to related parties

| Item | Related Parties | March 31, 2025 | December 31, 2024 |
|---------------------------------------|---|----------------|-------------------|
| Current | | | |
| Class B LP Units distributions | MPI affiliates | \$ 1,116 | \$ 5,935 |
| Class C LP Units distributions | Limited partnership wholly-owned by MPI | 567 | 803 |
| Property operating costs payable | MPI and its affiliates | 43 | 157 |
| Development costs and fees | Affiliate of MPI | 338 | 933 |
| Unit distribution | MPI | 39 | 39 |
| | | 2,103 | 7,867 |
| Rental and service revenue receivable | MPI and its affiliates | (127) | (122) |
| Management fee income receivable | LSLP | (99) | — |
| | | \$ 1,877 | \$ 7,745 |

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(d) Revenue, expenses, capital expenditures and distributions

| Three months ended | March 31, 2025 | March 31, 2024 |
|---|----------------|----------------|
| Revenue from LSLP, and MPI, its affiliates and jointly-owned limited partnerships | | |
| Revenue and management fee income | \$ 165 | \$ 123 |
| Interest income on loans advanced | 1,674 | 1,864 |
| Expenses and distributions to MPI, its affiliates, its wholly-owned and jointly-owned limited partnerships | | |
| Property operating expenses | 209 | 472 |
| Development costs and fees | 1,125 | 987 |
| Distributions on Class B LP Units (finance costs) | 3,348 | 3,251 |
| Distributions on Class C LP Units (finance costs) | 1,841 | 2,020 |
| Distributions on Class C LP Units (principal) | 1,203 | 8,931 |
| Distributions on Units | 117 | 113 |
| Compensation of key management personnel | | |
| Paid to executives | 1,184 | 969 |
| Unit-based compensation | | |
| Executives | 385 | 381 |
| Trustees in lieu of annual retainer and meeting fees | 176 | 148 |

Additional compensation to key management personnel for services provided to the REIT was paid by MPI and its affiliate.

14. Accounts payable and accrued liabilities

| | March 31, 2025 | December 31, 2024 |
|-------------------------|----------------|-------------------|
| Accounts payable | \$ 11,815 | \$ 11,600 |
| Accrued liabilities | 13,099 | 16,205 |
| Distributions payable | 1,627 | 1,676 |
| Unit-based compensation | 7,549 | 6,969 |
| Forgivable loan | 7,909 | 5,659 |
| | \$ 41,999 | \$ 42,109 |
| Current | 33,729 | 35,521 |
| Non-current | 8,270 | 6,588 |
| | \$ 41,999 | \$ 42,109 |

For the three months ended March 31, 2025, \$2,250 (March 31, 2024 - \$nil) was received from the City of Toronto in connection with the terms of the contribution agreement for the Richgrove development and has been recorded as a forgivable loan payable.

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15. Units

| | Units | \$ |
|--|-------------|------------|
| Authorized | Unlimited | |
| Units issued and outstanding: | | |
| Balance, December 31, 2023 | 39,898,612 | \$ 711,021 |
| Units issued for vested Deferred Units, net of issue costs | 7,250 | 107 |
| Balance, March 31, 2024 | 39,905,862 | \$ 711,128 |
| Balance, December 31, 2024 | 39,578,819 | 735,311 |
| Cancellation of Units under normal course issuer bid | (1,137,821) | (20,275) |
| Balance, March 31, 2025 | 38,440,998 | \$ 715,036 |

For the three months ended March 31, 2025, distributions to Unitholders of \$5,045 (March 31, 2024 - \$5,038), were declared, representing monthly distributions of \$0.04333 (2024 - \$0.04208) per Unit for the months of January to March.

Normal Course Issuer Bid

On September 25, 2024, the TSX accepted the REIT's notice to initiate a Normal Course Issuer Bid ("NCIB") for a portion of its Units. The NCIB is authorized from September 27, 2024 through to September 26, 2025 and permits the REIT to acquire up to 3,283,584 Units, including up to 22,703 Units on any given trading day. The REIT's previous NCIB expired on September 19, 2024. For the three months ended March 31, 2025, the REIT purchased and cancelled 1,137,821 Units under the NCIB, at a weighted average purchase price of \$13.24 per Unit, for a total cost including transaction costs of \$15,376. The difference between the purchase price and the weighted average historical unit issuance price was recorded as an increase to retained earnings. Refer to Note 24 for Units purchased and cancelled subsequent to March 31, 2025.

16. Segment reporting

The REIT directly and indirectly owns, manages and operates 28 (December 31, 2024 - 28) multi-residential rental properties located in Canada, including five mixed-use residential apartment and commercial buildings. Management, when measuring the REIT's performance, does not distinguish or group its operations on a geographical or any other basis. Accordingly, the REIT has a single reportable segment for disclosure purposes in accordance with IFRS.

17. Revenue from investment properties

| Three months ended | March 31, 2025 | March 31, 2024 |
|-----------------------|----------------|----------------|
| Rental revenue | \$ 29,990 | \$ 31,869 |
| Revenue from services | 8,020 | 7,074 |
| | \$ 38,010 | \$ 38,943 |

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18. Finance costs

| Three months ended | | March 31, 2025 | | March 31, 2024 |
|--|----|----------------|----|----------------|
| Interest expense on mortgages and loan | \$ | 7,209 | \$ | 6,326 |
| Interest expense and standby fees on credit facility | | 322 | | 1,930 |
| Financing amortization and other charges | | 344 | | 332 |
| Amortization of mark-to-market adjustments | | (72) | | (73) |
| Capitalized interest | | (588) | | (1,040) |
| Interest expense and other financing charges | | 7,215 | | 7,475 |
| Distributions on Class B LP Units (Note 9) | | 3,348 | | 3,251 |
| Distributions on Class C LP Units (Note 10) | | 1,841 | | 2,020 |
| Finance costs - operations | \$ | 12,404 | \$ | 12,746 |
| Fair value loss (gain) on: | | | | |
| Class B LP Units (Note 9) | | 4,893 | | (8,499) |
| Interest rate swap (Note 7) | | 276 | | (58) |
| Finance costs | \$ | 17,573 | \$ | 4,189 |

19. Contingencies and commitments

The REIT is subject to claims and legal actions that arise in the ordinary course of business. It is the opinion of Management that any ultimate liability that may arise from such matters would not have a significant adverse effect on the consolidated financial statements of the REIT.

The REIT has an off-balance sheet arrangement at one of its properties in the Toronto area which was acquired in 2018 pursuant to which the City of Toronto provided a forgivable loan to support affordable housing at this property. Provided that certain conditions are met, the REIT will not need to make repayments under this arrangement. As of March 31, 2025, the remaining unforgiven balance of the loan is \$11,016 (December 31, 2024 - \$11,016). To date, the REIT has met all conditions related to this forgivable loan and Management has assessed that throughout the remaining term of the loan the REIT is likely to continue to meet the conditions for forgiveness and that the outflow of economic resources to settle the loan is not probable. As such, no liability has been recorded by the REIT.

The REIT has an off-balance sheet arrangement at one of its properties in the Calgary area which was acquired in 2018 pursuant to which the Province of Alberta provided a forgivable loan to support affordable housing at this property. Provided that certain conditions are met, the REIT will not need to make repayments under the arrangement. As of March 31, 2025, the remaining unforgiven balance of the loan is \$2,352 (December 31, 2024 - \$2,688). To date, the REIT has met all conditions related to this forgivable loan and Management has assessed that throughout the remaining term of the loan the REIT is likely to continue to meet the conditions for forgiveness and that the outflow of economic resources to settle the loan is not probable. As such, no liability has been recorded by the REIT.

As at March 31, 2025, the REIT has committed to advance to related parties an additional \$3,994 in order to support two development projects (December 31, 2024 - \$3,994) and an additional \$7,658 (December 31, 2024 - \$9,285) to fund interest costs to support three development projects.

The REIT is a guarantor on two mortgages held through its joint arrangements. As at March 31, 2025, the maximum potential obligation resulting from these guarantees is \$64,699 (December 31, 2024 - \$11,950).

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20. Risk management

The REIT's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk consists of interest rate risk, currency risk and other price risk.

(a) Interest rate risk

As the REIT's interest-bearing assets mainly comprise fixed rate instruments, changes in market interest rates do not have any significant direct effect on the REIT's income.

The REIT's financial liabilities comprise both fixed rate and variable-rate instruments.

The REIT faces interest rate risk on its fixed rate debt due to the expected requirement to refinance such debt in the year of maturity or shortly thereafter. The REIT manages interest rate risk by structuring its financings to stagger the maturities of its debt, thereby mitigating its exposure to interest rate and other credit market fluctuations.

For the portion of the REIT's financial liabilities that comprise variable-rate instruments, from time to time the REIT may enter into interest rate swap contracts or other financial instruments to modify the interest rate profile of its outstanding debt without an exchange of the underlying principal amount.

As at March 31, 2025, the REIT has a committed variable-rate credit facility of \$200,000 (December 31, 2024 - \$300,000) with an availability of \$200,000 (December 31, 2024 - \$208,344) and amounts drawn of \$9,205 (December 31, 2024 - \$24,500). A 1% change in prevailing interest rates would change annualized interest charges incurred by \$92 (December 31, 2024 - \$245).

(b) Currency risk

The REIT's financial statement presentation currency is Canadian dollars. Operations are located in Canada and the REIT has limited operational transactions in foreign-denominated currencies. As such, the REIT has no significant exposure to currency risk.

(c) Other price risk

Other price risk is the risk of variability in fair value due to movements in equity prices or other market prices such as commodity prices and credit spreads.

The REIT is exposed to other price risk on its Class B LP Units. A 1% change in the prevailing market price of the Units as at March 31, 2025 would have a \$3,485 (December 31, 2024 - \$3,436) change in the fair value of the Class B LP Units.

Credit Risk

Credit risk is the risk that tenants and/or debtors may experience financial difficulty and be unable to fulfill their lease commitments or loan repayments. An allowance is recorded for the ECL.

The REIT's risk of credit loss from tenants experiencing financial difficulties is mitigated through diversification. The REIT's residential rental business is carried on in the Toronto, Montreal, Ottawa, Calgary and Vancouver regions. The nature of this business involves a high volume of tenants with individually small monthly rent amounts. The REIT monitors the collection of residential rent receivables on a regular basis with strictly followed procedures designed to minimize credit loss in cases of non-payment.

The REIT is also exposed to the concentration of credit risk in relation to the loans advanced, in the event that the borrowers default on the contractual terms of repayment of amounts owing to the REIT. The REIT provides financing to MPI and affiliates of MPI for strategic developments and, in turn, receives an option to acquire an ownership interest in those developments. Management mitigates this risk by ensuring there is sufficient security provided by the development assets in addition to guarantees provided by MPI for loans advanced to affiliates of MPI.

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Liquidity risk

Liquidity risk is the risk that the REIT will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The REIT's liquidity is subject to macroeconomic, financial, competitive and other factors that are beyond the REIT's control.

Liquidity risk is managed through cash flow forecasting. Management monitors forecasts of the REIT's liquidity requirements to ensure it has sufficient cash to meet operational needs through maintaining sufficient cash and/or availability on the undrawn credit facility and ensuring that it meets its financial covenants related to debt agreements. Such forecasting takes into consideration the current and projected macroeconomic conditions, the REIT's cash collection efforts, debt financing plans and covenant compliance required under the terms of debt agreements. There is a risk that such liquidity forecasts may not be achieved and that currently available debt financing may no longer be available to the REIT at terms and conditions that are favourable to the REIT, or at all.

The REIT mitigates liquidity risk by staggering the maturity dates of its borrowing, maintaining borrowing relationships with various lenders, proactively renegotiating expiring credit agreements well in advance of the maturity date and by maintaining sufficient availability on its credit facility.

As of March 31, 2025, current liabilities, excluding Class B LP Units which are exchangeable for Units, of \$173,792 (December 31, 2024 - \$232,299) exceeded current assets of \$77,398 (December 31, 2024 - \$95,926), resulting in a net working capital deficit of \$96,394 (December 31, 2024 - \$136,373). Current liabilities as of March 31, 2025 include \$110,694 (December 31, 2024 - \$125,990) of debt financing which the REIT is actively in the process of refinancing. The REIT's immediate liquidity needs are met through cash on hand, cash flow from operations, refinancing of maturing mortgages and availability on its credit facility. As of March 31, 2025, liquidity was \$193,696 (December 31, 2024 - \$187,700) consisting of cash of \$4,923 (December 31, 2024 - \$5,878) and \$188,773 (December 31, 2024 - \$181,822) of available borrowing capacity under the credit facility. Management believes that there is sufficient liquidity to meet the REIT's financial obligations.

An analysis of the contractual cash flows associated with the REIT's financial liabilities is set out below:

| | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 and thereafter | Total |
|--|------------|------------|-----------|------------|------------|---------------------|--------------|
| Mortgages | \$ 51,676 | \$ 85,833 | \$ 13,063 | \$ 104,591 | \$ 189,260 | \$ 403,487 | \$ 847,910 |
| Construction loan | — | — | — | — | — | 43,881 | 43,881 |
| Credit facility | 9,205 | — | — | — | — | — | 9,205 |
| Class C LP Units | 63,059 | 2,000 | 23,504 | 1,391 | 10,991 | 77,474 | 178,419 |
| Interest obligation ¹ | 24,577 | 30,761 | 29,461 | 26,100 | 22,693 | 46,470 | 180,062 |
| Tenant rental deposits | 11,002 | — | 10 | — | — | — | 11,012 |
| Due to related parties | 1,877 | — | — | — | — | — | 1,877 |
| Accounts payable and accrued liabilities | 32,935 | 821 | 254 | 77 | 3 | 7,909 | 41,999 |
| | \$ 194,331 | \$ 119,415 | \$ 66,292 | \$ 132,159 | \$ 222,947 | \$ 579,221 | \$ 1,314,365 |

¹ Interest obligation on mortgages, construction loan, credit facility and Class C LP Units.

The contractual cash flows do not include any unamortized mark-to-market adjustments or unamortized deferred financing costs.

21. Capital risk management

The REIT's capital consists of Class B LP Units, Class C LP Units, mortgages, a construction loan, a credit facility and Unitholders' equity. The REIT invests its capital to achieve its business objectives and to generate an acceptable long-term return to the REIT's Unitholders. Primary uses of capital include property acquisitions, development activities, capital improvements, debt principal repayments and convertible development loans.

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The REIT's principal objective with respect to debt financing is to minimize its overall borrowing costs while maintaining balance in its maturity schedule, diversity in its lender base and having sufficient liquidity and flexibility to meet current obligations and to pursue new projects.

The actual level and type of future financings to fund the REIT's capital obligations will be determined based on prevailing interest rates, various costs of debt and/or equity capital, capital market conditions and Management's general view of the appropriate leverage in the business.

The REIT closely monitors its capital position. The REIT is also subject to certain financial covenants and is in compliance with these covenants. Management has performed stress testing on the REIT's covenants to ensure that the REIT continues to meet its covenant obligations in the long term.

The components of the REIT's capital are set out in the table below:

| | March 31, 2025 | December 31, 2024 |
|--|----------------|-------------------|
| Liabilities (principal amounts outstanding): | | |
| Class B LP Units | \$ 348,465 | \$ 343,572 |
| Class C LP Units | 178,419 | 214,169 |
| Mortgages | 847,910 | 851,822 |
| Construction loan | 43,881 | 40,403 |
| Credit facility | 9,205 | 24,500 |
| | 1,427,880 | 1,474,466 |
| Unitholders' equity | 1,110,993 | 1,115,747 |
| | \$ 2,538,873 | \$ 2,590,213 |

22. Supplemental cash flow disclosures

Change in non-cash working capital comprises the following:

| Three months ended | March 31, 2025 | March 31, 2024 |
|--|----------------|----------------|
| Prepaid expenses and other assets | \$ (387) | \$ (1,526) |
| Resident and other receivables | (31) | 613 |
| Tenant rental deposits | 457 | 242 |
| Due to related parties | (169) | 262 |
| Accounts payable and accrued liabilities | (1,787) | (1,033) |
| | \$ (1,917) | \$ (1,442) |

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(in thousands of Canadian dollars, except Unit and per Unit amounts)

23. Unit-based compensation

Executives

Deferred Units

The details of movement in Deferred Units for the executives are as follows:

| Three months ended | March 31, 2025 | March 31, 2024 |
|--------------------------|----------------|----------------|
| Opening balance | 355,607 | 308,997 |
| Granted | 47,291 | 30,755 |
| Distribution equivalents | 3,545 | 2,368 |
| Closing balance | 406,443 | 342,120 |

The Deferred Unit plan activity and the value of Unit-based compensation expense for the executives are as follows:

| Three months ended | March 31, 2025 | March 31, 2024 |
|---------------------------------|----------------|----------------|
| Opening balance | \$ 4,170 | \$ 4,179 |
| Unit-based compensation expense | 249 | 296 |
| Fair value loss (gain) | 3 | (134) |
| Closing balance | \$ 4,422 | \$ 4,341 |

Performance Units

The details of movement in Performance Units for the executives are as follows:

| Three months ended | March 31, 2025 | March 31, 2024 |
|--------------------------|----------------|----------------|
| Opening balance | 111,172 | 60,585 |
| Distribution equivalents | 1,108 | 464 |
| Closing balance | 112,280 | 61,049 |

The Performance Unit plan activity and the value of Unit-based compensation expense for the executives are as follows:

| Three months ended | March 31, 2025 | March 31, 2024 |
|---------------------------------|----------------|----------------|
| Opening balance | \$ 482 | \$ 273 |
| Unit-based compensation expense | 136 | 85 |
| Fair value (gain) loss | (19) | 68 |
| Closing balance | \$ 599 | \$ 426 |

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Trustees

The Deferred Units granted and the value of Unit-based compensation expense recorded for the Trustees are as follows:

| | Deferred Units | \$ |
|----------------------------|----------------|----------|
| Balance, December 31, 2023 | 161,217 | \$ 2,609 |
| Granted and vested | 9,642 | 128 |
| Distribution equivalents | 1,199 | 20 |
| Redeemed | (22,345) | (369) |
| Fair value gain | — | (15) |
| Balance, March 31, 2024 | 149,713 | \$ 2,373 |
| Balance, December 31, 2024 | 173,712 | 2,317 |
| Granted and vested | 11,328 | 153 |
| Distribution equivalents | 1,731 | 23 |
| Fair value loss | — | 35 |
| Balance, March 31, 2025 | 186,771 | \$ 2,528 |

24. Subsequent events

On April 30, 2025, the REIT received \$19,419 for the repayment of the loan associated with The Hyland project.

Subsequent to March 31, 2025, the REIT purchased 647,172 Units under the NCIB, at a cost of \$8,386 and a weighted average purchase price of \$12.96 per Unit.