boardwalk

2024 ANNUAL REPORT

PERFORMANCE WITH PURPOSE:

Building Communities with Love Always

Redwood Court, Edmonton. Thoughtfully renovated, the lobby balances contemporary aesthetics with its original architectural character.

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Above:
Leewood Village, Edmonton.
The new bold community room.

On the cover:
Whitehall Square, Edmonton.
The newly transformed entrance to the community centre welcomes you in style.

Transforming intentions into impact: The intersections of what we love

PERFORMANCE WITH PURPOSE:

Building Communities with Love Always

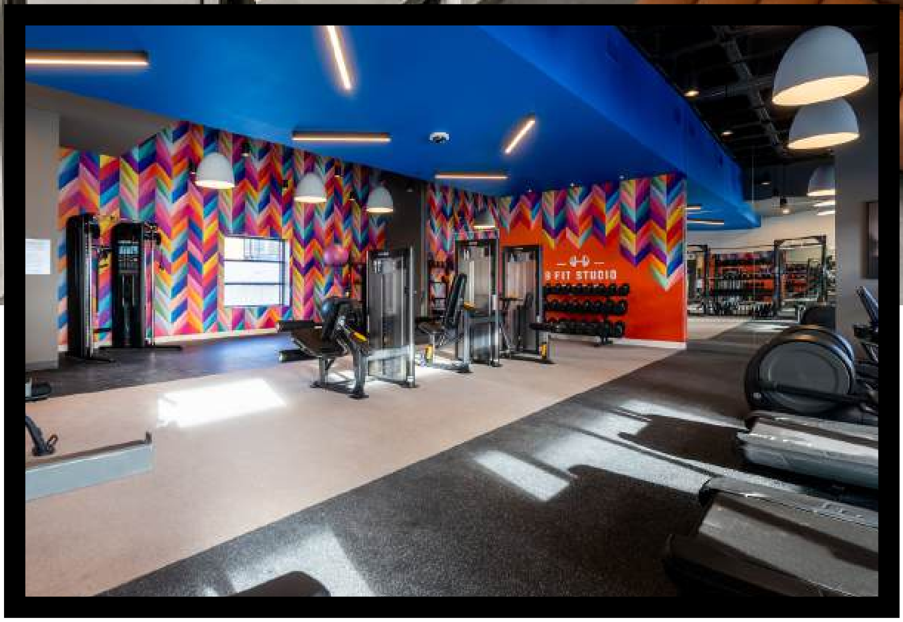
Performance with Purpose—it's more than just a philosophy—it's the driving force behind everything we do. At the heart of our purpose is the Boardwalk Family Forever. It comes to life through our Communities in Motion mark. Each roof represents more than just a home; it is the connection, belonging, and shared purpose that defines our Communities

Thriving Through Adversity:
Connection, Community, and Consistency.

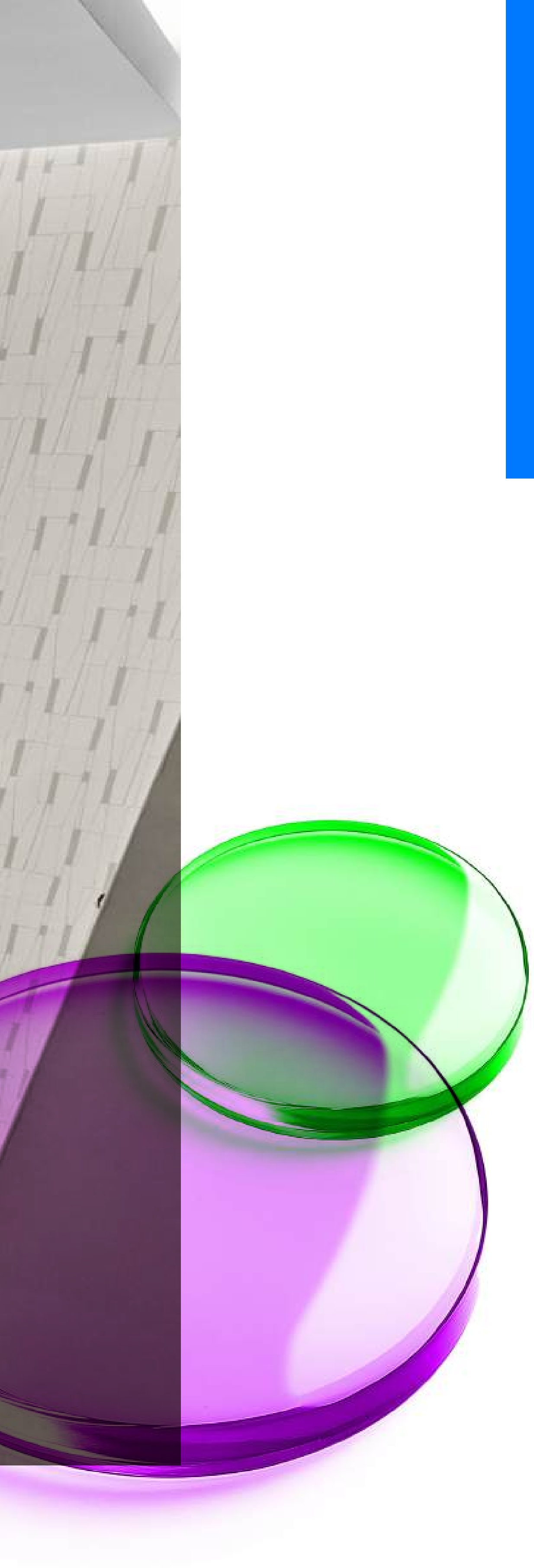
By focusing on the intersection of what we love, our communities, our strengths, and the values that sustain us, we transform intention into meaningful impact. This unwavering commitment forms our resilient foundation—one that continues to support our collective strengths, progressive growth, and thriving future.
In a time of rapid change, Boardwalk remains disciplined, navigating uncertainty with confidence and aligning our efforts with the needs of our communities. We've embraced change and transformed challenges into opportunities.
Momentum drives this annual report. Fueled by performance, persistence, and progress—we continue to create meaningful impact, championing our unwavering commitment to our *Boardwalk Family Forever*.

Communities in Motion Mark

Redwood Court, Edmonton. A bold new look with colourful artwork that makes a statement.



Whitehall Square, Edmonton. A fitness centre addition designed to wow even the most discerning fitness enthusiast.



CORPORATE PROFILE

Boardwalk REIT ("Boardwalk", the "Trust") aims to be Canada's friendliest community provider and the first choice in multi-family communities to work, invest, and call home with our Boardwalk Family Forever.

Providing homes in more than 200 communities, with approximately 34,000 residential suites totaling over 29 million net rentable square feet, Boardwalk has a proven long-term track record of building better communities, Where Love Always Lives™. Our three-tiered and distinct brands: Boardwalk Living, Boardwalk Communities, and Boardwalk Lifestyle, cater to a large diverse demographic and has evolved to capture the life cycle of all Resident Members.

Boardwalk's disciplined approach to capital allocation, acquisition, development, purposeful re-positioning, and management of apartment communities allows the Trust to provide its brand of community across Canada creating exceptional Resident Member experiences. Differentiated by its peak performance culture, Boardwalk is committed to delivering exceptional service, product quality and experience to our Resident Members who reward us with high retention and market leading operating results, which in turn, lead to higher free cash flow and investment returns, stable monthly distributions, and value creation for all our stakeholders.

Boardwalk REIT's Trust Units are listed on the Toronto Stock Exchange, trading under the symbol BEI.UN.
Additional information about Boardwalk REIT can be found on the Trust's website at bwalk.com/investors.

Leewood Village, Edmonton. The newly created community room was styled with a bold and vibrant look.

2024 HIGHLIGHTS

$4.18[1]
FFO per Unit

$588.2 million
Profit

+16.1%
Growth in FFO per Unit

33.3%
FFO Payout Ratio

$4.8 billion
Unitholders' Equity

$93.68[1]
Net Asset Value per Unit

10.1x[1]
Trailing 12 Months Debt to EBITDA

40.6%[1]
Debt to Total Assets

$368.2 million
Total Available Liquidity at the end of 2024

$133.4 million
Investment in Capital Assets

$109.0 million
Building Acquisitions

$1,524
Occupied Rent (December 2024)

>24.0%
Management Ownership

(1) Please refer to the section titled "Presentation of Non-GAAP Measures" in the MD&A for more information.

Whitehall Square, Edmonton.
A family-friendly community made even better with a new dedicated Kids Zone.

Whitehall Square, Edmonton.
Bold, vibrant branding brings new energy to our community centre!

LETTER *to* UNITHOLDERS

Dear Boardwalk Family Forever,

Boardwalk performs with purpose, and delivered exceptional results for Resident Members and Unitholders in 2024 by focusing on our commitment to building communities with Love Always. Our resident-focused approach, vertically-integrated operating platform and investment in our communities provides a strong starting point for 2025.

Demand for affordable housing remains high across Canada. As the overall market adjusts to immigration levels that are more balanced from a historical perspective, our significant presence in some of the most affordable self-regulated markets in Canada and unique value proposition positions the Trust for resilient performance heading into 2025.

Our Unique Value Proposition

Resident Members are at the core of the Trust's success and building communities with love always is critical to achieving sustainable outcomes for Resident Members and Unitholders. In 2024, our Resident Members emphasized their positive experience with us. Our NPS score of 83 is a reflection of our team's commitment to excellence. Throughout 2024, the Trust prioritized high retention rates in its non-price controlled markets through self-moderation of positive adjustments on its lease renewals.

> ***Resident Members are at the core of the Trust's success and building communities with love always is critical to achieving sustainable outcomes for Resident Members and Unitholders.***
>
> sam kolias
> Chairman and Chief Executive Officer

This positions the Trust favorably for resilient operational and financial performance, as overall supply and demand fundamentals return to more sustainable levels, and creates a win-win outcome for Resident Members and Unitholders.

Key financial highlights for 2024 include:

>> Rental Revenue of $603.3 million, +10.6 % from 2023

>> Net Operating Income of $382.3 million, +14.8% from 2023

>> Profit of $588.2 million

>> Operating Margin of 63.4%, compared to 61.0% in 2023

>> Same Property Rental Revenue of $591.5 million, +9.2 % from 2023

>> Same Property Net Operating Income of $380.4 million, +13.0% from 2023

>> Same Property Operating Margin of 64.3%, compared to 62.1% in 2023

>> Funds from Operations ("FFO") per Unit of $4.18, +16.1% from 2023

>> Net Asset Value per Unit of $93.68, +11.0% from 2023

>> Unitholders' Equity of $4.8 billion

>> Debt to EBITDA of 10.1x, down from 11.0x in 2023

>> Debt to Total Assets of 40.6%, compared to 43.2% in 2023

The Trust has demonstrated over the last number of years that the best and most cost-effective source of capital for re-investment in its communities is the cash flow generated by its operations. The Trust employs a maximum cash flow retention policy, through our minimum distribution, in order to further improve our communities for Resident Members and compound returns for Unitholders. As the Trust has grown its cash flows over time, it has increased the capital available for re-investment in its communities to the benefit of Resident Members, while consistently growing distributions to Unitholders. This remains a focus for the Trust moving into 2025.

Capital Allocation

The Trust continues to utilize its cheapest source of capital, internally generated cash flow, to further compound returns for Unitholders while improving its communities for Resident Members through re-investment into its value-add capital program. In 2024, the Trust's FFO of $225.8 million grew significantly year-over-year and more than covered its investment in capital assets (value-add and maintenance capital) of $133.4 million and distributions of $75.1 million (includes B units), which is a key differentiator for the Trust within the Canadian multi-family REIT environment. As re-iterated below with the introduction of 2025 financial guidance, the

Trust is confident that it will continue to grow its cash flows in 2025.

Boardwalk remained prudent in its capital deployment initiatives in 2024. Early in the year, the Trust repaid its portion of the construction line for 45 Railroad which had an interest rate of approximately 6.6% at the time. From an external growth perspective, the Trust is capitalizing on its relationships and disciplined approach to source opportunistic acquisitions that are accretive to FFO per unit and Net Asset Value per unit over the short to medium term. During 2024, the Trust completed the acquisition of the newly-built The Circle community in Calgary, Alberta, Dawson Landing in Chestermere, Alberta and also removed conditions on the acquisition of the Elbow 5 Eight community in Calgary, Alberta, which is expected to close in Q1 2025. The acquisitions strategically increase the scale of the Trust's portfolio in rapidly growing regions where it has an existing presence, improve the overall quality of its portfolio while providing accretion to Unitholders. The Trust also re-implemented its capital recycling program to source additional capital through the disposition of non-core communities. Subsequently to the end of 2024, the Trust closed on the disposition of three communities in Edmonton, Alberta totaling 390 units for net proceeds of approximately $58.3 million.

In November 2024, the Trust renewed its Normal Course Issuer Bid ("NCIB") to enable it to tactically capitalize on significant disconnects between its unit price and the value of its own high-quality portfolio. In December 2024 and January 2025, the Trust re-deployed $28.0 million into its NCIB at an average weighted price of $64.02. Management viewed this as an attractive entry point, repurchasing units at an implied going-in cap rate in excess of 6% for its own high-quality portfolio, which compares very favorably to opportunities available in the private market. In allocating capital to unit repurchases, management takes into account a number of considerations including implied returns of repurchasing its own units, long-term strategic vision, its current cash position, impact on leverage, opportunity set available for external re-deployment, and overall trading liquidity implications.

As part of its long-term growth strategy, the Trust maintains a selective development pipeline in order to incrementally improve the quality and breadth of its product offering over time and scale up in supply-constrained markets that are difficult to access. During 2024, the Trust progressed on the construction of its Aspire development in View Royal, British Columbia which is anticipated to deliver in 2025. The Trust also made progress in re-plenishing its future development pipeline in irreplaceable locations through the acquisitions of its Marda Loop site, The Brenda and two additional properties in Calgary, Alberta for a total consideration of approximately $17.0 million.

Balance Sheet Strength

The Trust continues to take significant strides in improving the strength of its balance sheet. In 2024, the Trust lowered its overall leverage significantly. Debt to Total Assets was reduced to 40.6% from 43.2% the prior year, while the Debt to EBITDA improved to 10.1x from 11.0x

PURPOSE	2024 PERFORMANCE
Organic Growth	>> Rental revenue growth of 10.6% >> Achieved same property NOI growth of 13.0% >> Expansion of Operating Margin to 63.4%, compared to 61.0% in the prior year >> Leading performance culture, aNPS of 74 compared to target of 72 >> Resident satisfaction and retention, NPS of 83 compared to target of 82 , maintained occupancy above 97.0%
Accretive Capital Recycling	>> Re-invested $99.9 million of value-add capital into our communities >> Repaid the Trust's portion of construction facility for 45 Railroad that was paying interest of 6.6% >> Acquired 313 suites in Calgary, AB, and 63 suites in Chestermere, AB, removed conditions on additional 255 suites in Calgary >> Re-initiated capital recycling program; completed sale of 390 suites subsequent to year-end >> Invested $10 million into Normal Course Issuer Bid in December
Solid Financial Foundation	>> 96% of mortgages are CMHC insured >> Total Available Liquidity of $368.2 million as at December 2024 >> Reduced Debt to EBITDA[1] from 11.0x to 10.1x; reduced Debt to Total Assets[1] from 43.2% to 40.6%
Compelling Value	>> Cumulatively repositioned/renovated common areas representing 70% of our portfolio since 2017 >> Net Asset Value per Unit[1] growth of 11.0% >> Average Occupied Rent of $1,524 as of December 2024
Creating Stakeholder Value	FFO[1] of $225.8 million; AFFO[1] of $192.3 million FFO per Unit[1] of $4.18 (Initial 2024 Guidance range of $3.93 to $4.18) AFFO per Unit[1] of $3.56 (Initial 2024 Guidance range of $3.30 to $3.55) Profit of $588.2 million

(1) Please refer to the section titled "Presentation of Non-GAAP Measures" in the MD&A for more information.

Elbow 5 Eight, Calgary. A stylish and inviting community space in our newest addition

Executive Group

on a trailing 12-month basis as a result of the Trust's growing cash flows.

The Trust's strategy of maintaining a well-laddered maturity curve on its mortgages has proven effective in minimizing mortgage renewal risk in any individual year. The Trust's presence in primarily non-price controlled markets has also increased its ability to offset higher interest costs over time. As of the end of 2024, approximately 96% of the Trust's outstanding mortgage principal balance is CMHC insured which provides the Trust with low-cost financing and lowers the renewal risk of its mortgage portfolio.

Overall improvement in our balance sheet over the last number of years combined with our maximum cash flow retention policy from a distribution standpoint positions us well to capitalize on opportunities to supplement the Trust's organic growth in both stable periods and in periods of increased volatility in the overall market.

2025 Outlook

As 2025 begins, our foundation for resilient performance is strong. Demand for affordable housing is omnipresent across our markets and our growing cash flow provides a means to further compound growth through re-investment in our communities. We are pairing this additional cash flow with our capital recycling initiatives, through the disposition of select non-core communities, to expand the reach of our love always into new communities that will further enhance value for Resident Members and Unitholders.

Boardwalk's position in our largest market of Alberta remains a differentiator for the Trust. Alberta continues to attract migration from more expensive areas of Canada and overseas while punching above its weight for employment growth, creating approximately 22% of all Canadian jobs in 2024. The Alberta government's fiscal surplus uniquely positions the province to invest in infrastructure and invest to attract new areas of employment.

Our approach to sustainable self-moderation of rent adjustments in our non-price controlled markets has strengthened our reputation as a community provider of choice, and helps to provide stability across various market conditions for all our stakeholders. We have re-invested into the majority of our communities since 2017, positioning the

Trust to hold occupancy above the level of the overall market, while providing an affordable and attractive alternative to newer supply and across various market conditions.

Organic growth remains a primary driver in 2025. While anticipated performance by market varies, we are well-positioned to deliver strong relative performance. Renewal spreads in the Trust's non-price controlled and Quebec markets are expected to be primary drivers for FFO per unit growth in 2025. The Trust will look to supplement this organic growth with accretive capital deployment of excess cash flow and proceeds from select non-core dispositions.

As a result of this favorable outlook, the Trust is introducing its 2025 financial guidance as follows: As a result of improving cash flow and higher taxable income, the Trust is increasing its regular monthly distribution by 12.5% to $0.1350 per Unit or $1.62 per Unit on an annualized basis for the months of March, April and May 2025.

At $64, Boardwalk's Trust Units are currently trading at an equivalent value of $189 thousand per suite, and at an approximate 5.9% cap rate on our most recent fiscal year NOI. This compares to our estimated NAV of approximately $237 thousand per suite which represents a 4.7% cap rate on our last twelve months of NOI. Our conviction is unwavering that this represents exceptional value in the multi-family space given the quality of the Trust's asset base, growth profile, and transactions in the private market.

Thank you to you, our Unitholders, for your ongoing support and trust, as we pursue strong and sustainable financial performance together.

Thank you to our lenders, CMHC, and our various levels of government who are invaluable partners in achieving our common goal of providing affordable housing options and best product quality, service and experience to our Resident Members.

Thank you to our amazing Boardwalk team who relentlessly drive our performance with purpose: building communities with love always.

And lastly, thank you to our Family Resident Members, who are the heart of our communities and make Boardwalk the place to call home.

With love always,

sam kolias

ESG UPDATE

DRIVING CHANGE *with* HEART AND PURPOSE

Boardwalk is committed to integrating environmental, social and governance practices throughout our business, to positively impact our Associates, Resident Members and Stakeholders.

Management works closely with the Board of Trustees to ensure that we are taking a comprehensive ESG governance approach that aligns with our overall business strategy. Management evaluates, prioritizes and manages ESG risks, while considering their economic, environmental and social impacts. Collaborative, cross-functional teams support the various aspects of our ESG program.

In 2024 we published our fifth annual ESG Report, highlighting our 2023 initiatives and achievements, and setting out our 2024 objectives aimed at sustainable operations and minimizing resource consumption, a happy and healthy culture, building communities, and a strong governance framework.

Whitehall Square, Edmonton. The new community room is the perfect setting for hosting, connecting, and celebrating.

Key 2024 accomplishments include:

Environmental

- >> **Created a water subcommittee** to work towards our water use intensity reduction target of 15% by 2030.
- >> **Over $23 million of investments in energy** efficiency upgrades, such as window and building envelope, building HVAC, LED lighting.
- >> **Completed energy audits** at 6 of our AB communities to assist with developing future decarbonization plans.
- >> **Expanded our submetering program** by adding 331 suites for electricity, 946 suites for water and 776 suites for thermal.
- >> **Four building certifications** applications in progress.

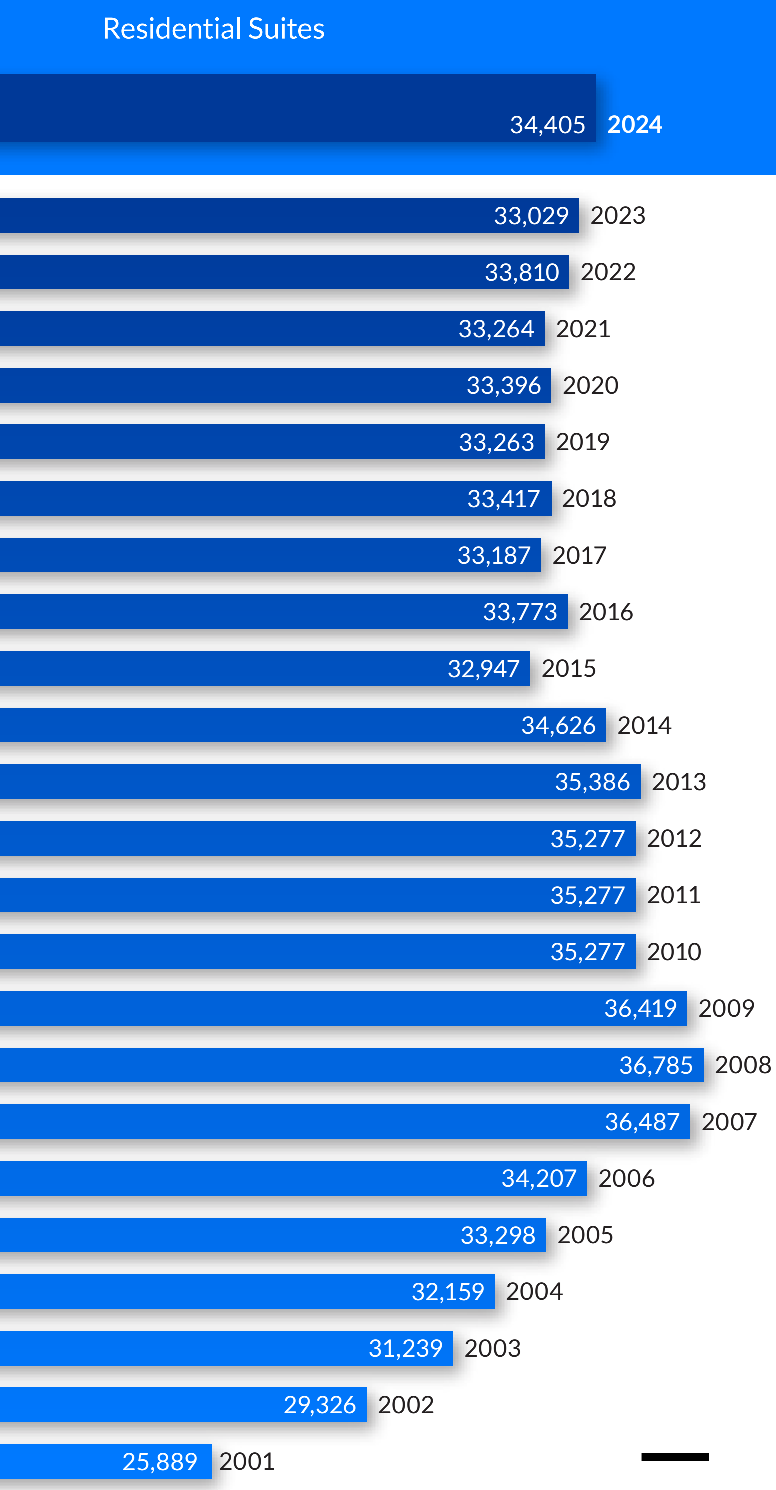
Social

- >> **Enhanced Resident Member engagement** through partnerships with Urban Microhabitat and Telus Environmental Solutions.
- >> Launched **mental health training and ambassador** program to offer support and resources to our Associates, in conjunction with the Canadian Mental Health Association.
- >> Achieved a **Net Promoter Score** of 83 and **Associate Net Promoter Score** of 74, reflecting an improvement in Resident Member satisfaction and associate engagement.

Governance

- >> Recognized as one of **Canada's Most Responsible Companies 2025** by Newsweek, which is based on a comprehensive review of all ESG pillars.
- >> Continued to **strengthen our privacy and information security** programs, maintaining an overall A rating on our Security Scorecard.
- >> **Launched a supplier ESG survey** and received responses from approximately 50% of our suppliers, providing additional insight into diversity and sustainability practices within our supply chain.

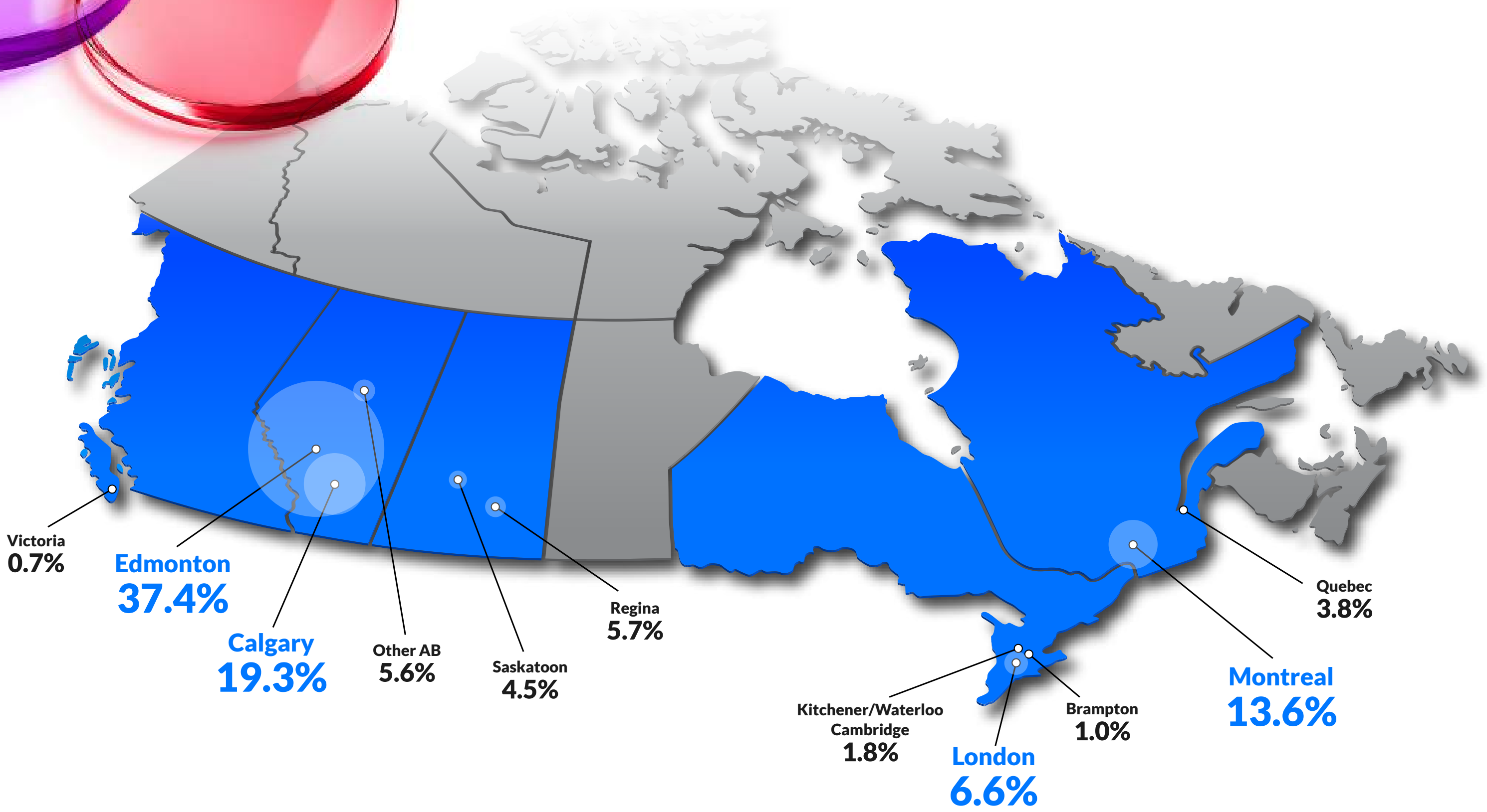
We are thankful for our Associates, Resident Members and Stakeholders for supporting our ESG program and enabling the progress we have seen so far. We will continue to review and refine our ESG strategy to drive meaningful improvements in our business and our communities. For additional information, refer to Boardwalk's 2023 ESG report at bwalk.com/en-ca/investors/esg. Our 2024 ESG report will be published in May 2025.



OUR PORTFOLIO

Comprised of approximately 34,000 apartment suites across Canada, with three distinct brands, Boardwalk aims to serve all rental demographics Where Love Always Lives™.

Elbow 5 Eight, Calgary. The experience centre comes to life with Boardwalk's signature art and professional design.



THE BOARDWALK PORTFOLIO

Edmonton/St. Albert/Spruce Grove	12,882	37.4%
Calgary/Airdrie/Canmore/Banff/Chestermere	6,642	19.3%
Montreal	4,681	13.6%
London	2,256	6.6%
Regina	1,974	5.7%
Red Deer/Fort McMurray/Grande Prairie	1,936	5.6%
Saskatoon	1,531	4.5%
Quebec City	1,319	3.8%
Kitchener/Waterloo/Cambridge	611	1.8%
Brampton	335	1.0%
Victoria	238	0.7%
Under Development; Victoria – 234 units		

MULTI-FAMILY PROPERTY PORTFOLIO

Property [1]	Brand	Year of Renovation [2]	Building Type [3]	# Suites	Net Rentable Sq. Ft.	Average Suite Size
Victoria, BC						
Aurora	Lifestyle		Walk-Up	114	95,756	840
The Vue	Lifestyle		Highrise	124	122,815	990
Subtotal:				**238**	**218,571**	**918**
Edmonton, Spruce Grove, St. Albert, AB						
West Edmonton Village	Living	2021	HR, WU & TH	1,176	1,138,368	968
Whitehall Square	Living	2019 & 2024	HR & WU	598	545,934	913
Boardwalk Centre	Living	2022 & 2023	Highrise	597	471,871	790
Fairmont Village	Living	2022 & 2024	Walk-Up	424	362,184	854
Meadowview Manor	Living	2023	Walk-Up	348	284,490	818
Sturgeon Point Villas	Living	2022	Walk-up	280	284,953	1,018
Boardwalk Villages	Living		Townhouse	255	258,150	1,012
Riverview Plaza	Living	2020	Walk-Up	252	203,740	808
Morningside Estates	Living	2015	Walk-Up	223	167,064	749
Sir William Place	Living	2022 & 2023	HR & WU	220	126,940	577
Pembroke Estates	Living	2015	Walk-Up	198	198,360	1,002
Greentree Village	Living	2021	Walk-Up	192	156,000	813
Maple Gardens	Living	2020	Walk-Up	181	163,840	905
Northridge Estates	Living	2020	Walk-Up	180	103,270	574
Briarwynd Court	Living		TH & WU	172	144,896	842
Westbrook Estates	Living	2022 & 2024	Walk-Up	172	148,616	864
Springwood Place Apartments	Living	2019	Lowrise	160	122,640	767
Lord Byron Towers	Living	2022 & 2023	Highrise	158	133,994	848
Corian Apartments	Living	2020	Garden	153	167,400	1,094
Primrose Lane Apartments	Living	2020	Walk-Up	153	151,310	989
Habitat Village	Living	2024	Townhouse	151	129,256	856
Meadowside Estates	Living	2016	Walk-Up	148	104,036	703

[1] Ordered by brand, followed by descending number of suites
[2] Year of renovation is provided for those properties participating in the Trust's brand diversification initiative
[3] HR - Highrise; MR - Midrise; TH - Townhouse; WU - Walk-Up

Property [1]	Brand	Year of Renovation [2]	Building Type [3]	# Suites	Net Rentable Sq. Ft.	Average Suite Size
Edmonton, Spruce Grove, St. Albert, AB (continued from previous page)						
Lord Byron Townhouses	Living		Townhouse	147	172,369	1,173
Cedarville Apartments	Living	2020	Walk-Up	144	122,120	848
Leewood Village	Living	2024	Walk-Up	142	129,375	911
Pinetree Village	Living	2015 & 2020	Walk-Up	142	106,740	752
Imperial Tower	Living	2016	Highrise	138	112,050	812
The Westmount	Living	2022 & 2023	Highrise	133	124,825	939
Tamarack East & West	Living		Garden	132	212,486	1,610
Brookside Terrace	Living		TH & WU	131	196,779	1,502
Carmen	Living	2022	Walk-Up	128	109,250	854
Redwood Court	Living	2024	Lowrise	116	107,680	928
Terrace Garden Estates	Living	2015	Walk-Up	114	101,980	895
Castleridge Estates	Living	2015	Townhouse	108	124,524	1,153
Kew Place	Living		Walk-Up	108	105,776	979
Cambrian Place	Living	2020	Walk-Up	105	105,008	1,000
Monterey Pointe	Living		Walk-Up	104	83,548	803
Parkview Estates	Living		Townhouse	104	88,432	850
Victorian Arms	Living		Walk-Up	96	91,524	953
The Palisades	Living	2020	Highrise	94	77,200	821
Westridge Estates B	Living	2024	Lowrise	91	56,950	626
Westridge Estates C	Living	2024	Lowrise	90	56,950	633
Castle Court	Living		Walk-Up	89	93,950	1,056
West Edmonton Court	Living		Walk-Up	82	73,209	893
Sandstone Pointe	Living		Walk-Up	81	83,800	1,035
Aspen Court	Living		Walk-Up	80	68,680	859
Lorelei House	Living	2020	Walk-Up	78	65,870	844
Kingsway Tower	Living	2022	Highrise	74	41,550	561
Point West Townhouses	Living		Townhouse	69	72,810	1,055
Village Plaza	Living	2020	Townhouse	68	65,280	960
Breton Manor	Living	2024	Walk-Up	66	57,760	875
Westridge Manor	Living		Garden	64	69,038	1,079
Fontana Place	Living		Lowrise	62	40,820	658
Suncourt Place	Living		Walk-Up	62	55,144	889
Warwick Apartments	Living		Walk-Up	60	49,092	818
Westborough Court	Living		Walk-Up	60	50,250	838
Garden Oaks	Living		Garden	56	47,250	844
Marlborough Manor	Living	2020 & 2023	Walk-Up	56	49,582	885
Westmoreland Apartments	Living		Lowrise	56	45,865	819
Valley Ridge Tower	Living	2024	Highrise	49	30,546	623
Granville Square	Living		Townhouse	48	53,376	1,112
Westwinds of Summerlea	Living		Garden	48	53,872	1,122
Christopher Arms	Living		Lowrise	45	29,900	664
Summerlea Place	Living		Garden	39	43,297	1,110

[1] Ordered by brand, followed by descending number of suites
[2] Year of renovation is provided for those properties participating in the Trust's brand diversification initiative
[3] HR - Highrise; MR - Midrise; TH - Townhouse; WU - Walk-Up

Property [1]	Brand	Year of Renovation [2]	Building Type [3]	# Suites	Net Rentable Sq. Ft.	Average Suite Size
Edmonton, Spruce Grove, St. Albert, AB (continued from previous page)						
Viking Arms	Communities	2018	Highrise	240	257,410	1,073
Ermineskin Place	Communities	2020	Highrise	226	181,788	804
Southgate Tower	Communities	2020	Highrise	170	153,385	902
Wimbledon	Communities	2019	Highrise	165	117,216	710
Capital View Tower	Communities	2019	Highrise	115	71,281	620
Tower On The Hill	Communities	2019	Highrise	100	85,008	850
Fort Garry House	Communities	2019	Highrise	93	70,950	763
Maureen Manor	Communities		Highrise	91	64,918	713
Prominence Place	Communities	2018	Highrise	91	73,310	806
Solano House	Communities	2018 & 2024	Highrise	91	79,325	872
Terrace Tower	Communities	2020	Highrise	84	66,000	786
Tower Hill	Communities	2020	Highrise	82	46,360	565
Riverview Manor	Communities	2020	Highrise	81	62,092	767
Deville Apartments	Communities	2020	Highrise	66	47,700	723
The Edge	Lifestyle	2020	Lowrise	182	163,103	896
Park Place Tower	Lifestyle	2019	Highrise	179	162,049	905
Vita Estates	Lifestyle	2020	Lowrise	162	135,454	836
Insignia Tower	Lifestyle		Highrise	124	112,864	910
Dispositions Subsequent to Year End						
Axxess			Lowrise	165	149,565	906
Galbraith House			Highrise	163	110,400	677
Lansdowne Park			Midrise	62	48,473	782
Subtotal - December 31, 2024:				**12,882**	**11,352,470**	**881**
Subtotal - Excluding Dispositions Closed Subsequently to Year End				**12,492**	**11,044,032**	**884**
Calgary, Airdrie, Chestermere, Banff & Canmore, AB						
Russet Court	Living	2018	Garden	206	213,264	1,035
Radisson Village I	Living	2019	TH & WU	124	108,269	873
Radisson Village II	Living	2019	TH & WU	124	108,015	871
Radisson Village III	Living	2019	Townhouse	118	124,379	1,054
Vista Gardens	Living	2020	Townhouse	100	121,040	1,210
Travois Apartments	Living	2021	Walk-Up	89	61,350	689
Hillside Estates	Living	2020	Walk-Up	76	58,900	775
Pineridge Apartments	Living	2019	Lowrise	76	52,275	688
Flintridge Place	Living	2018	Midrise	68	55,023	809
Willow Park Gardens	Living	2022	Walk-Up	66	44,563	675
McKinnon Manor Apartments	Living		Walk-Up	60	43,740	729
McKinnon Court Apartments	Living	2021	Walk-Up	48	36,540	761
Patrician Village	Communities	2018 & 2024	Walk-Up	392	295,600	754
Richmond Towers	Communities	2020	HR & MR	376	301,720	802
The Circle	Communities	2024	Walk-up/Elevatored	295	212,570	721
Spruce Ridge Estates	Communities	2020	Walk-Up	284	196,464	692

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[3] HR - Highrise; MR - Midrise; TH - Townhouse; WU - Walk-Up

Property [1]	Brand	Year of Renovation [2]	Building Type [3]	# Suites	Net Rentable Sq. Ft.	Average Suite Size
Calgary, Airdrie, Chestermere, Banff & Canmore, AB (continued from previous page)						
Oak Hill Estates	Communities	2020	Townhouse	240	236,040	984
Boardwalk Heights	Communities	2018 & 2024	Highrise	202	160,894	797
O'Neil Tower	Communities	2019	Highrise	187	131,281	702
Westwinds Village	Communities	2019	Walk-Up	180	137,815	766
Tower Lane Terrace Apts	Communities	2018	Walk-Up	163	130,920	803
Ridgeview Gardens	Communities	2020	Townhouse	160	151,080	944
The Level	Communities	2023	Walk-up/Elevatored	158	114,550	725
Northwest Pointe	Communities	2018 & 2024	Walk-Up	150	102,750	685
Skygate Tower	Communities	2018 & 2023	Highrise	142	113,350	798
Boardwalk Retirement Community	Communities	2019	Highrise	124	43,760	353
Lakeview Apartments	Communities	2021	Walkup	120	107,680	897
Brentview Tower	Communities	2018	Highrise	115	69,310	603
Dorsett Square	Communities	2021	Highrise	109	98,948	908
Spruce Ridge Gardens	Communities		Walk-Up	109	86,351	792
Lakeside Estates	Communities		Walk-Up	89	77,732	873
Glamorgan Manor	Communities	2022	Walk-Up	86	63,510	738
Royal Park Plaza	Communities	2018	Highrise	86	66,137	769
Mountainview Estates	Communities		TH & WU	81	75,624	934
Elk Valley Estates	Communities		Walk-Up	76	53,340	702
Prominence Place Apartments	Communities	2021	Walk-Up	75	55,920	746
Randal House	Communities	2019	Highrise	70	56,600	809
Varsity Place Apartments	Communities	2018	Walk-up	70	47,090	673
Beddington Court	Communities	2020	Walk-Up	66	50,919	772
Dawson Landing	Communities		Townhouse	63	84,730	1,345
Village Vale	Communities		Townhouse	54	66,366	1,229
The Brenda Apartments	Communities		Lowrise	6	5,250	875
The Samantha	Communities		Lowrise	6	5,750	958
The Vanessa	Communities		Lowrise	6	5,150	858
Varsity Square Apartments	Lifestyle	2018	MR & LR	297	241,128	812
Auburn Landing	Lifestyle	2023	Lowrise	238	209,976	882
Peak Estates	Lifestyle		Walk-up/Elevatored	148	149,689	1,011
Chateau Apartments	Lifestyle	2017	Highrise	145	110,545	762
Centre Pointe West	Lifestyle	2017	Midrise	123	110,611	899
Broadway Centre	Lifestyle	2018	Highrise	115	80,424	699
BRIO	Lifestyle		Highrise	81	71,500	883
Subtotal:				**6,642**	**5,406,432**	**814**
Red Deer, Fort McMurray & Grande Prairie, AB						
Boardwalk Park Estates I	Living		TH & WU	369	306,850	832
Prairie Sunrise	Living	2022	HR & WU	244	201,992	828
Canyon Pointe Apartments	Living	2018	Walk-Up	163	114,039	700

[1] Ordered by brand, followed by descending number of suites
[2] Year of renovation is provided for those properties participating in the Trust's brand diversification initiative
[3] HR - Highrise; MR - Midrise; TH - Townhouse; WU - Walk-Up

Property [1]	Brand	Year of Renovation [2]	Building Type [3]	# Suites	Net Rentable Sq. Ft.	Average Suite Size
Red Deer, Fort McMurray & Grande Prairie, AB (continued from previous page)						
Riverbend Village Apartments	Living		Walk-Up	150	114,750	765
Taylor Heights Apartments	Living	2019	Walk-Up	140	103,512	739
Chanteclair Apartments	Living	2024	Walk-Up	79	68,138	863
Inglewood Terrace Apartments	Living		Lowrise	68	42,407	624
McMurray Manor	Living		Lowrise	44	30,350	690
The Granada	Living		Walk-Up	44	35,775	813
The Valencia	Living		Walk-Up	40	33,850	846
Mallard Arms	Living		Walk-Up	36	30,497	847
Edelweiss Terrace	Living		Walk-Up	32	27,226	851
Boardwalk Park Estates II	Living		Townhouse	32	30,210	944
Hillside Manor	Living		Walk-Up	30	21,248	708
Birchwood Manor	Living		Walk-Up	24	18,120	755
Heatherton Apartments	Living		Walk-Up	23	16,750	728
Cloverhill Terrace	Communities	2018	Midrise	120	102,225	852
Westridge Estates	Communities		Townhouse	112	113,664	1,015
Parke Avenue Square	Communities	2021	Walk-up	88	87,268	992
Watson Tower	Communities	2017	Midrise	50	43,988	880
Saratoga Tower	Communities	2019	Midrise	48	53,762	1,120
Subtotal:				**1,936**	**1,596,621**	**825**
Regina, SK						
Wascana Park Estates	Living		Townhouse	316	303,360	960
Qu'appelle Village III	Living		Walk-Up	180	144,160	801
Centennial South	Living		Garden	170	129,080	759
Qu'appelle Village I & II	Living		TH & WU	154	133,200	865
Eastside Estates	Living		Townhouse	150	167,550	1,117
Evergreen Estates	Living		Walk-Up	150	125,660	838
Pines of Normanview	Living	2021	Garden	133	115,973	872
Lockwood Arms Apartments	Living		Walk-Up	96	69,000	719
Grace Manors	Living		Townhouse	72	69,120	960
Greenbriar Apartments	Living	2020	Walk-Up	72	57,600	800
Centennial West	Living		Garden	60	46,032	767
The Meadows	Living		Townhouse	52	57,824	1,112
Southpointe Plaza	Communities	2021	Midrise	140	117,560	840
Pines Edge	Communities		Garden	79	67,298	852
Pines Edge II	Lifestyle		Garden	79	67,298	852
Pines Edge III	Lifestyle		Garden	71	62,818	885
Subtotal:				**1,974**	**1,733,533**	**878**
Saskatoon, SK						
Palace Gates	Living		Walk-Up	206	142,525	692
Meadow Park Estates	Living	2023	Townhouse	200	192,000	960
Stonebridge Apartments	Living		Walk-Up	162	131,864	814

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Property [1]	Brand	Year of Renovation [2]	Building Type [3]	# Suites	Net Rentable Sq. Ft.	Average Suite Size
Saskatoon, SK (continued from previous page)						
St. Charles Place	Living		Walk-Up	156	123,000	788
Heritage Townhomes	Living		Townhouse	104	99,840	960
Stonebridge Townhomes	Living		Townhouse	100	135,486	1,355
Lawson Village	Living		Walk-Up	96	75,441	786
Wildwood Ways B	Living		Walk-Up	54	43,961	814
Regal Towers	Communities	2020	Highrise	161	122,384	760
Carlton Tower	Communities	2019	Highrise	158	155,138	982
Penthouse Apartments	Communities	2021	Lowrise	82	61,550	751
Dorchester Tower	Communities	2020	Highrise	52	48,608	935
Subtotal:				**1,531**	**1,331,797**	**870**
London, ON						
Noel Meadows	Living		Walk-Up	105	72,600	691
Heritage Square	Communities	2019	MR & WU	359	270,828	754
Forest City Estates	Communities	2019	Highrise	272	221,000	813
Maple Ridge On The Parc	Communities	2019	Highrise	257	247,166	962
Landmark Towers	Communities	2020	Highrise	213	173,400	814
Topping Lane Terrace	Communities		Midrise	189	177,880	941
Westmount Ridge	Communities	2019	Midrise	179	131,700	736
Meadowcrest Apartments	Communities		Walk-Up	162	110,835	684
Castlegrove Estates	Communities		Lowrise	144	126,420	878
The Bristol	Communities		Highrise	138	109,059	790
Sandford Apartments	Communities	2019	Walk-Up	96	77,594	808
Villages of Hyde Park	Communities		Townhouse	60	57,850	964
Abbey Estates	Communities		Townhouse	53	59,794	1,128
Ridgewood Estates	Communities		Townhouse	29	31,020	1,070
Subtotal:				**2,256**	**1,867,146**	**828**
Kitchener, Waterloo, Cambridge & Brampton, ON						
Ardglen Place	Living		Townhouse	152	159,696	1,051
Kings Tower	Communities	2021	Highrise	226	171,100	757
Westheights Place	Communities		Midrise	103	91,920	892
Elmridge Heights	Communities		Walk-Up	70	71,420	1,020
Courtland Place	Communities		Walk-Up	60	61,152	1,019
Mayfieldview Court	Communities		Walk-Up	60	61,440	1,024
Cambridge Court	Communities		Townhouse	56	66,550	1,188
Wesley Park	Communities		Walk-Up	36	41,960	1,166
45 Railroad	Lifestyle		Highrise	183	162,703	889
Subtotal:				**946**	**887,941**	**939**
Montreal, QC						
Le Bienville	Living		Walk-up	168	115,600	688
Jardins Viva	Living		Walk-up	112	91,000	813

Property [1]	Brand	Year of Renovation [2]	Building Type [3]	# Suites	Net Rentable Sq. Ft.	Average Suite Size
Montreal, QC (continued from previous page)						
Nuns' Island Portfolio	Communities	2021 & 2023	HR, WU & TH	3,100	3,106,110	1,002
Domaine d'Iberville Apartments	Communities		Highrise	720	560,880	779
Complexe Deguire	Communities		Highrise	322	276,324	858
Le Quatre Cent	Communities		Highrise	259	153,500	593
Subtotal:				**4,681**	**4,303,414**	**919**
Quebec City, QC						
Place Chamonix	Living		Townhouse	246	236,630	962
Les Jardins de Merici	Communities	2024	Highrise	346	300,000	867
Les Appartements Du Verdier	Communities		Walk-Up	195	152,645	783
L'Astre	Communities	2021	Midrise	183	134,480	735
Place Samuel de Champlain	Communities		Highrise	130	104,153	801
Place Charlesbourg	Communities		Midrise	108	82,624	765
Place du Parc	Communities		Midrise	111	81,746	736
Subtotal:				**1,319**	**1,092,278**	**828**
Total Portfolio - As at Dec. 31, 2024				**34,405**	**29,790,203**	**866**
Total Portfolio - Excluding Dispositions Closed Subsequently to Year End				**34,015**	**29,481,765**	**867**

Whitehall Square, Edmonton. Where cutting-edge design meets the ultimate workout space.

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Management's Discussion and Analysis

For the Years Ended, December 31, 2024 and 2023

GENERAL AND FORWARD-LOOKING STATEMENTS ADVISORY

General

The terms "Boardwalk", "Boardwalk REIT", the "REIT", the "Trust", "we", "us" and "our" in the following Management's Discussion and Analysis ("MD&A") refer to Boardwalk Real Estate Investment Trust. Financial data, including related historical comparatives, provided in this MD&A has been prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). This MD&A is current as of February 19, 2025 unless otherwise stated, and should be read in conjunction with Boardwalk's audited annual consolidated financial statements for the years ended December 31, 2024 and 2023, which have been prepared in accordance with IFRS Accounting Standards, together with this MD&A, copies of which have been filed electronically with securities regulators in Canada through the System for Electronic Document Analysis and Retrieval ("SEDAR+") and may be accessed through the SEDAR+ website at www.sedarplus.ca. Historical results and percentage relationships contained in the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023 and this MD&A, including trends, should not be read as indicative of future operations.

Provided all of the Trust's income each year is paid or made payable to Unitholders (as defined below), then the Trust itself would generally not be subject to income tax. Boardwalk intends to distribute or allocate all of its taxable income of the Trust to its Unitholders and to deduct these distributions for income tax purposes. The Income Tax Act (Canada) (the "Tax Act") contains legislation affecting the tax treatment of publicly traded trusts (the "SIFT Legislation"), which if applicable, would tax the Trust in a manner similar to a corporation and tax certain distributions from such trusts as taxable dividends from a taxable Canadian corporation. A trust which qualifies under the Tax Act as a real estate investment trust (the "REIT Exemption") is not subject to tax under SIFT Legislation. Boardwalk qualified for the REIT Exemption for the years ended December 31, 2024 and 2023 and intends to continue to qualify for the REIT Exemption on an ongoing basis. Further discussion of this is contained in this MD&A.

Certain information contained in this MD&A , including information described under the heading "Risks and Risk Management," concerning the economy generally and relating to the industry in which the Trust operates has been obtained from publicly and/or industry available information from third party sources, including both the Bank of Canada's January 2025 Monetary Policy Report and the Royal Bank of Canada's December 2024 Provincial Report. The Trust has not verified the accuracy or completeness of any information contained in such publicly available information. In addition, the Trust has not determined if there has been any omission by any such third party to disclose any facts, information, or events which may have occurred prior to or subsequent to the date as of which any such information contained in such publicly available information has been furnished or which may affect the significance or accuracy of any information contained in any such information and summarized herein.

Unless otherwise indicated, all amounts are expressed in Canadian dollars.

Forward-looking Statements Advisory

Certain information included in this MD&A, including information described under the heading "Risks and Risk Management", contains forward-looking statements and information (collectively "forward-looking statements") within the meaning of applicable securities laws. These forward-looking statements include, but are not limited to, statements made concerning Boardwalk's objectives, including, but not limited to, the REIT's 2025 financial outlook and market guidance, the expectation that Boardwalk will continue to qualify for the REIT Exemption, increasing and maintaining its occupancy rates, environmental, social and governance ("ESG") initiatives and objectives, joint arrangement developments and future acquisition and development opportunities, including its plans for land in Victoria, British Columbia and proposed purchase of Elbow 5 Eight and its long-term strategic plan of opportunistic acquisitions and investments, its strategies to achieve objectives and business optimization expectations regarding Boardwalk's vision and its strategies to achieve that vision, expected value enhancements through Boardwalk's branding initiative and suite renovation program, expected demand for housing and expected occupancy rates, the Trust's ability to provide the optimal return to Unitholders and payment of all of the REITs taxable income to Unitholders, the Trust's intention to redeploy capital towards long-term value creation and maintain consistent and sustainable distributions while optimizing capital allocation, Boardwalk's goal of expanding geographically and diversifying its brand, expected increases in property taxes, utilities, and insurance costs, the anticipated impact of inflation and higher interest rates and fluctuations related thereto, the possibility of economic contractions as a result of a potential recession, Boardwalk's goal to offer select incentives implemented to maintain occupancy levels, Boardwalk's operational sensitivities, Boardwalk's focus on optimizing *performance measures, the competitive nature of the real estate industry, Boardwalk's competitive status and strategies to remain competitive, the Trust's plans with respect to adjustment of rental rates, real estate trends and the seasonality of the industry, depreciation adjustments, the Trust's intention to dispute the notices of reassessment with Canada Revenue Agency ("CRA") Appeals Division, plans for capital improvement projects, maintenance, capital expenditure, and investment properties, changes in Boardwalk's community classifications, financing costs, conversion of short-term mortgages to long-term, use, review, and alteration of critical accounting policies and IFRS Accounting Standards (as defined herein), as well as statements with respect to management of the Trust's beliefs, plans, estimates, assumptions, intentions, and similar statements concerning anticipated future events, results, circumstances, performance, or expectations that are not historical facts. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "outlook", "objective", "may", "will", "would", "expect", "intend", "estimate", "anticipate", "believe", "should", "plan", "continue", or similar expressions suggesting future outcomes or events. Such forward-looking statements reflect management of the Trust's current beliefs and are based on information currently available to management of the Trust at the time such statements are made. Management of the Trust's estimates, beliefs, and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. All forward-looking statements in this MD&A are qualified by these cautionary statements.*

Forward-looking statements are not guarantees of future events or performance and, by their nature, are based on Boardwalk's current estimates and assumptions, which are subject to risks and uncertainties, including those described in Boardwalk REIT's Annual Information Form for the year ended December 31, 2024 ("AIF") dated February 19, 2025 under the heading "Challenges and Risks" and in this MD&A under the heading "Risks and Risk Management", which could cause actual events or results to differ materially from the forward-looking statements contained in this MD&A. Those risks and uncertainties include, but are not limited to, those related to liquidity in the global marketplace associated with current economic conditions, the imposition of any tariffs, surtaxes or other restrictive trade measures or countermeasures affecting trade between Canada and the United States, real estate industry risks, changes in regulation and applicable law, including rent control regulations, tenant rental rate concessions, occupancy levels, access to debt and equity capital, changes to Canada Mortgage and Housing Corporation ("CMHC") rules regarding mortgage insurance, interest rates, joint arrangements/partnerships, the relative illiquidity of real property, unexpected costs or liabilities related to acquisitions, construction, environmental matters, climate-related risks, competition in the real estate industry, ground lease interruption, fluctuation in cash distributions, cyber incidents, availability of workforce, credit risk respecting tenants, supply and demand fluctuations, utility and tax expenses, increased costs of materials used in construction including increased costs as a result of increased or new tariffs imposed by local or foreign governments, uninsured perils, legal matters, reliance on key personnel, Unitholder liability, income taxes, limitations on interest deductibility and changes to income tax rules that impair the ability of Boardwalk to qualify for the REIT Exemption. This is not an exhaustive list of the factors that may affect Boardwalk's forward-looking statements. Other risks and uncertainties not presently known to Boardwalk could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Material factors or assumptions that were applied in drawing a conclusion or making an estimate set out in the forward-looking statements may include, but are not limited to, the impact of economic conditions in Canada and globally, the REIT's future growth potential, prospects and opportunities, interest costs, access to equity and debt capital markets to fund (at acceptable costs), the future growth program to enable the Trust to refinance debts as they mature, the availability of purchase opportunities for growth in Canada, the timing to deploy equity proceeds, the impact of accounting principles under IFRS Accounting Standards, general industry conditions and trends, changes in laws and regulations including, without limitation, changes in tax laws, increased competition, the availability of qualified personnel, fluctuations in foreign exchange or interest rates, and stock market volatility. Although the forward-looking statements contained in this MD&A are based upon what management of the Trust believes are reasonable assumptions, there can be no assurance actual results will be consistent with these forward-looking statements and no assurances can be given that any of the events anticipated by the forward-looking statements will transpire or occur at all, or if any of them do so, what benefits that Boardwalk will derive from them. As such, undue reliance should not be placed on forward-looking statements. Certain statements included in this MD&A may be considered "financial outlook" or "future oriented financial information ("FOFI") for purposes of applicable securities laws, all of which are subject to the same assumptions, risk factors, limitations and qualifications as set forth above. The actual results of operations of the Trust and the resulting financial results will likely vary from the amounts set forth in this MD&A and such variation may be material. Boardwalk REIT and its management believe that the FOFI contained in this MD&A has been prepared on a reasonable basis, reflecting management of the Trust's best estimates and judgements. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. FOFI contained in this MD&A was made as of the date of this MD&A and was provided for the purpose of providing further information about the Trust's anticipated future business operations. Readers are cautioned that the FOFI contained in this MD&A should not be used for purposes other than for which it is disclosed herein.

Except as required by applicable law, Boardwalk undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Executive Summary

BUSINESS OVERVIEW

Boardwalk REIT is an unincorporated, open-ended real estate investment trust created pursuant to a Declaration of Trust, dated January 9, 2004, as amended and restated on various dates between May 3, 2004, and May 6, 2024 (the "Declaration of Trust" or "DOT"), under the laws of the Province of Alberta. Boardwalk REIT was created to invest in revenue producing multi-family residential properties, or interests, initially through the acquisition of assets and operations of Boardwalk Equities Inc. (the "Corporation").

Boardwalk REIT's units (the "Trust Units") trade on the Toronto Stock Exchange ("TSX") under the trading symbol 'BEI.UN'. Additionally, the Trust has 4,415,000 special voting units issued to holders of "Class B Units" of Boardwalk REIT Limited Partnership ("LP Class B Units" and, together with the Trust Units, the "Units"), each of which also has a special voting unit in the REIT. Boardwalk REIT's principal objectives are to provide Resident Members (as defined herein) with superior quality rental communities and the best tenant/customer service, provide its holders ("Unitholders") of Trust Units with stable monthly cash distributions, and to increase the value of the Trust Units through the effective management of its residential multi-family revenue producing properties, renovations and upgrades to its current portfolio, and the acquisition and/or development of additional, accretive properties or interests therein. As at December 31, 2024, Boardwalk REIT owned and operated in excess of 200 properties, comprised of approximately 34,000 residential suites, and totaling over 29 million net rentable square feet. At the end of 2024, Boardwalk REIT's property portfolio was located in the provinces of British Columbia, Alberta, Saskatchewan, Ontario, and Quebec.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE OVERVIEW

The Trust is committed to ESG objectives and initiatives, including working towards reducing greenhouse gas emissions as well as electricity and natural gas consumption, water conservation, waste minimization, Resident Member satisfaction and a continued focus on governance and oversight. As part of its 2024 annual reporting, the Trust will be publishing its ESG Report in May 2025 which will be available on the Trust's website at www.bwalk.com/en-ca/investors/esg. The ESG Report does not form a part of this MD&A.

MD&A OVERVIEW

This MD&A focuses on key areas from the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023, and pertains to major known risks and uncertainties relating to the real estate industry, in general, and the Trust's business, in particular. This discussion should not be considered all-inclusive as it excludes changes that may occur in general economic, political, and environmental conditions. Additionally, other elements may or may not occur, which could affect the organization in the future. Please refer to the section titled "General and Forward-Looking Statements Advisory – Forward-Looking Statements Advisory" in this MD&A. To ensure that the reader is obtaining the best overall perspective, this discussion should be read in conjunction with material contained in Boardwalk REIT's 2024 Annual Report, the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023, and the AIF, each of which are available under the REIT's profile on www.sedarplus.ca.

OUTLOOK

In its January 2025 Monetary Policy Report, which was released on January 29, 2025, the Bank of Canada ("BoC") noted that since August 2024, inflation in Canada has stayed around 2%, though shelter prices remain elevated. Economic growth in Canada has been slower than expected, but has gained momentum due to past interest rate cuts, despite a slowdown in population growth. The central bank expects household spending to remain strong, with economic growth forecasted at 1.8% for 2025 and 2026. Despite the projected growth, the BoC emphasized the uncertainty surrounding US trade policies, particularly with respect to potential tariffs on imports, which could impact Canadian business confidence and the exchange rate. The BoC continues to monitor these developments closely.

The Royal Bank of Canada ("RBC") December 2024 Provincial Report continues to highlight both the challenges and opportunities the Canadian economy faces. The country's gross domestic product ("GDP") has been underperforming, with per-capita GDP declining for several quarters and unemployment rising. However, inflation is easing, with consumer price growth staying near the BoC's target which has allowed the central bank to reduce interest rates more quickly than other nations, including the U.S. Per RBC, while population growth has helped support the economy, new plans to reduce immigration could slow future growth and turn demographics into a challenge. While per-capita GDP growth is expected to recover by mid-2025 as a result of the revised immigration policy, RBC expects labor markets to soften further, with unemployment potentially peaking at 7%. Despite some signs in recovery in certain sectors like housing, long-term growth concerns for Canada remain, particularly with low productivity, weak business investment and potential trade disruptions.

For Alberta, RBC expects its economy to grow by approximately 2.8% in 2025, making it the expected top-performing province in Canada for 2025. The energy sector, driven by the Trans Mountain pipeline expansion and weakening Canadian dollar will continue to support growth by boosting oil production and exports and demand. Moving into 2025, RBC expects some of these tailwinds to slow down, but the continued use of new infrastructure, lower interest rates and strong inter-provincial migration will help Alberta maintain its momentum of growth at the forefront of Canadian provinces. For Saskatchewan, RBC remains optimistic and predicts its growth to accelerate by 1.9%, an upward revision from the previous estimate of 1.5%. The favorable revision is largely attributable to larger than anticipated interest rate cuts, alongside a modest pick-up in fertilizer prices and ongoing major construction projects that bode well for businesses. For British Columbia, RBC believes the province is set to rebound with growth reaching 1.5% in 2025, an upward revision from its original forecast of 0.9%. The stronger growth is attributed to falling interest rates that have helped the housing market activity to rebound, combined with a more favorable natural gas outlook. For Ontario and Quebec, RBC has placed both provinces near the bottom of its provincial growth ranking in 2025 at 1.2% growth for both. Although falling interest rates have brought on renewed activity in the housing markets and are projected to ease financial pressures for some, stricter than anticipated immigration targets and uncertainty from potential new or increased trade tariffs have limited provincial growth.

On October 24, 2024, the Government of Canada announced its 2025-2027 Immigration Levels Plan ("Immigration Levels Plan") aimed at pausing short-term growth to enable sustainable long-term development and growth. This plan introduces controlled targets for both temporary residents, such as international students and foreign workers, and permanent residents. The Government of Canada acknowledged the vital role that immigration has had in the post-pandemic economic recovery but seeks to reduce pressure on housing, infrastructure, and social services. The Immigration Levels Plan is expected to result in a marginal population decline of 0.2% in both 2025 and 2026, before returning to a population growth of 0.8% in 2027. The Immigration Levels Plan outlines a reduction to permanent resident targets from 500,000 permanent residents to 395,000 in 2025 and further down to 380,000 by 2026 and 365,000 in 2027, while temporary resident numbers are expected to drop significantly, in line with tightened eligibility criteria and caps. The Government of Canada expects that decreasing immigration levels should alleviate some pressure in the housing market, with an estimated reduction in the housing supply gap of approximately 670,000 units by the end of 2027. Management of the Trust is currently evaluating the impact of this recent announcement, acknowledging that although it will affect demand in the Trust's markets, the impact is expected to be somewhat mitigated by the fact that the majority of the Trust's portfolio is affordable housing in regions where demand remains strong relative to other regions in Canada. Relative to other provinces, Alberta is expected to be less impacted by the new Immigration Levels Plan due to its strong interprovincial migration and lower concentration of non-permanent residents as a percentage of the population.

When considering rent as compared to median renter household income, the Trust's core, non-price controlled markets remain among the most affordable in the country, positioning the REIT for stable organic growth. Affordability remains integral to our rent growth thesis that we are well positioned within our core markets. Calgary ranked as the fifth most liveable city in the world in the 2024 Economist Intelligence Unit's Global Liveability Index, taking Vancouver's spot who moved to number seven. In addition, Alberta was the fastest growing province in 2024, according to U-Haul's Growth Index report, and Calgary was the fastest-growing city for the second year in a row. We continue to be in the right place at the right time.

The real estate industry may also be negatively impacted by any tariffs, including those contemplated by the new United States administration, surtaxes or other restrictive trade measures or countermeasures affecting trade between Canada and the United States and specifically the goods and materials used in construction. While discussions regarding a potential economic arrangement between the United States and Canada are ongoing, there remains significant uncertainty regarding whether any restrictive trade measures or countermeasures will ultimately be implemented. Such measures could result in, among other things, a high degree of both cost and price volatility and a relative weakening of the Canadian dollar. The Trust continues to monitor these developments closely, however, the measures implemented, if any, as well as their scope, impact and duration remain uncertain at this time.

Boardwalk's Strategy

Community, Team, Performance. Boardwalk aims to be the first choice in multi-family apartment communities to work, invest and call home with our Boardwalk Family Forever.

Driven by our dynamic culture and performance-focused team, Boardwalk is dedicated to creating the best multi-family communities across diverse, affordable, growing housing markets. This is our purpose: to build better communities, where love always lives. Boardwalk aims to deliver consistent, strong total unitholder return through operational excellence, innovation and strategic capital allocation. Our initiatives include strategic acquisitions in targeted, high-growth markets with limited price-controls, high-return new development, and dispositions of non-core assets and accretively redeploying capital. Our investment principles prioritize sustainable, long-term growth in FFO and NAV per Unit. Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information on FFO and NAV. Built into this strategic plan is Boardwalk's brand diversification through common area upgrades, building improvements, and suite renovations to ensure long-term value for Unitholders and stakeholders.

Strong rental apartment housing fundamentals in Boardwalk's core markets, paired with the Trust's proven platform, positions Boardwalk for optimized cash flow growth. Management of the Trust believes that reinvesting maximum cash flow and maintaining a strong balance sheet enables the Trust to pursue external growth opportunities, develop communities in undersupplied markets, enhance value through capital investments, and, when appropriate, invest in our own portfolio through the purchase and cancellation of Trust Units through the REIT's normal course issuer bid ("NCIB") implemented in both 2024 and 2023. Management of the Trust continues to review all available options to provide the optimal return to Unitholders.

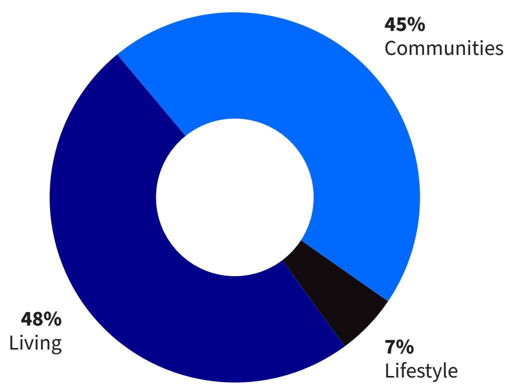
Brand Diversification

The medium to long-term goal of the Trust is to not only expand geographically, but also diversify its product offering through its three distinct brands.

The spectrum of rental housing in Canada has expanded over the last few years, with rental demand seen across the price spectrum from affordability to affordable high-end luxury. As a result, the ability to offer a more diverse product offering will allow Boardwalk to attract a larger demographic to the Boardwalk brand. We believe that our success as a business is closely linked to the success of the communities in which we operate. We are committed to providing a place where our Resident Members can feel at home through our multi-brand strategy and our community renovation programs.

Our Multi-brand Strategy

Boardwalk Lifestyle: Our refined Lifestyle communities go above and beyond to provide an elevated experience. Situated in central neighbourhoods, our buildings offer the perfect blend of elegance and convenience, granting Resident Members access to the best shopping, dining, and entertainment options. Resident Members can immerse themselves in upscale amenities, including fully equipped fitness centres, inviting BBQ patios, spacious Wi-Fi lounges and multi-use community rooms.



Boardwalk Communities: Our vibrant Boardwalk Communities provide our Resident Members with excitement and endless fun. These spacious and affordable homes are the perfect backdrop for unforgettable adventures and making lifelong memories. Resident Members are able to connect with neighbours at community events and find a community where they truly belong.

Boardwalk Living: The perfect home for our Resident Members' stories. With a focus on exceptional security, customer service, and affordability, we aim to provide our Resident Members with a sense of belonging. At our Living communities, our Resident Members are cherished members of our family.

Boardwalk's Branding Initiative and Suite Renovation Program

In 2024, Boardwalk invested $133.4 million in capital assets (year ended December 31, 2023 – $126.0 million), including $99.6 million in value-add capital ($93.4 million in 2023), focusing on building improvements, energy efficiency projects, upgrading common areas, and suite renovations. Please refer to the section titled "Financial Condition – Review of Cash Flows – Investing Activities – Maintenance of Productive Capacity" in this MD&A for further discussion on value-add capital. Each of the three brands have different renovation specifications depending on needs and anticipated returns. Market rents are adjusted upward based on an expected rate of return on the strategic investment. Management of the Trust believes these renovations and upgrades will continue to achieve future upward excess market rent adjustments, increased occupancy, as well as cost savings on turnovers. Historic investment in our assets and brands has resulted in a diversified product mix to match varying demand while allowing us to gain and maintain market share with increasing choice for existing and new Resident Members.

Boardwalk's most affordable brand, 'Boardwalk Living', receives suite enhancements on an as needed basis, with the focus being on providing affordable suites to this demographic segment. 'Boardwalk Communities', the Trust's core brand, conveys enhanced value and receives major suite upgrades based on need as well as upgrades to existing common areas. 'Boardwalk Lifestyle', which exemplifies upgraded, luxury suites, receives the highest level of overall renovations, including significant upgrades to suites and common areas. Additional amenities such as upgraded fitness facilities, Wi-Fi lounges and concierge services may be added when appropriate. In determining a brand that a particular rental community will represent, the Trust looks at a number of criteria, including the building's location, proximity to existing amenities, suite size, and suite layout. Once renovations are completed, Boardwalk adjusts the rents on these individual suites with the goal of achieving an 8% return on investment. Overall, Boardwalk has and continues to achieve more than its targeted rate of return.

While management of the Trust believes these investments will enhance long-term value, we also recognize the short-term effects of this program, such as temporary higher vacancies and incentives, though with the increase in apartment demand, this impact has been significantly reduced. Rebranding and repositioning communities will take time. Construction causes disruption to existing Resident Members and, depending on the level of investment, may result in higher turnover. Boardwalk continues to reduce the vacancy loss associated with suites being renovated by reducing the time to completion while still lowering the cost of the renovations.

DECLARATION OF TRUST

The investment guidelines and operating policies of the Trust are outlined in the DOT, a copy of which is available on request to all Unitholders and is also available under the REIT's profile on www.sedarplus.ca. A more detailed summary of the DOT can also be located in the AIF. Some of the main financial guidelines and operating policies set out in the DOT are as follows:

Investment Guidelines

1. Acquire, hold, develop, maintain, improve, lease, and manage multi-family residential properties and ancillary real estate ventures; and
2. No investment will be made that would disqualify Boardwalk REIT as a "mutual fund trust" or a "registered investment" as defined in the Tax Act.

Operating Policies

1. Interest Coverage Ratio of at least 1.5 to 1;
2. No guaranteeing of third-party debt unless related to direct or indirect ownership or acquisition of real property, including potential joint arrangement partner structures;
3. Third-party surveys of structural and environmental conditions are required prior to the acquisition of a multi-family asset; and
4. Commitment to expending at least 8.5% of its gross consolidated annual rental revenues generated from properties that have been insured by CMHC on on-site maintenance compensation to the employees of the Trust ("Associates"), repairs and maintenance, as well as capital upgrades.

Distribution Policy

Boardwalk REIT may distribute to holders of Trust Units and LP Class B Units on or about each distribution date such percentage of FFO for the calendar month then ended as the Trust's board of trustees ("Board of Trustees") determines in its discretion. Distributions will not be less than Boardwalk REIT's taxable income, unless the Board of Trustees, in its absolute discretion, determines another amount. The Board of Trustees reviews the distributions on a quarterly basis and takes into consideration distribution sustainability and whether there are more attractive alternatives to the Trust's current capital allocation strategy, such as its value-add capital renovation program, brand diversification initiative, acquisitions and new construction of multi-family communities in supply-constrained markets.

Compliance with DOT

As at December 31, 2024, the Trust was in compliance with all investment guidelines and operating policies as stipulated in the DOT. More details are provided later in this MD&A with respect to certain detailed calculations.

For the year ended December 31, 2024, Boardwalk REIT's interest coverage ratio of consolidated EBITDA (i.e. Earnings Before Interest, Taxes, Depreciation and Amortization) to consolidated interest expense was 2.95 (year ended December 31, 2023 – 2.83). Further details of the Trust's interest coverage ratio can be found in NOTE 22 to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023, which are available under the Trust's profile at www.sedarplus.ca.

PRESENTATION OF FINANCIAL INFORMATION

Financial results, including related historical comparatives, contained in this MD&A are based on the Trust's audited annual consolidated financial statements for the years ended December 31, 2024 and 2023, unless otherwise specified.

PRESENTATION OF NON-GAAP MEASURES

Non-GAAP Financial Measures

Boardwalk REIT prepares its consolidated financial statements in accordance with IFRS Accounting Standards and with the recommendations of REALPAC, Canada's senior national industry association for owners and managers of investment real estate. REALPAC has adopted non-GAAP financial measures called FFO and Adjusted Funds From Operations ("AFFO") to supplement operating income and profits as measures of operating performance, as well as a cash flow metric called Adjusted Cash Flow From Operations ("ACFO"). These non-GAAP financial measures are considered to be meaningful and useful measures of real estate operating performance, however, are not measures defined by IFRS Accounting Standards. The discussion below outlines these measurements and the other non-GAAP financial measures used by the Trust. Non-GAAP financial measures are not standardized financial measures under IFRS Accounting Standards and might not be comparable to similar financial measures disclosed by other entities. Non-GAAP financial measures should not be construed as alternatives to IFRS Accounting Standards defined measures.

Funds From Operations

The IFRS Accounting Standards measurement most comparable to FFO is profit. Boardwalk REIT considers FFO to be an appropriate measurement of the performance of a publicly listed multi-family residential entity as it is the most widely used and reported measure of real estate investment trust performance. Profit includes items such as fair value changes of investment property that are subject to market conditions and capitalization rate fluctuations which are not representative of recurring operating performance. Consistent with REALPAC, we define FFO as profit adjusted for fair value gains or losses, distributions on the LP Class B Units, gains or losses on the sale of the Trust's investment properties, depreciation, deferred income tax, and certain other non-cash adjustments, if any, but after deducting the principal repayment on lease liabilities and adding the principal repayment on lease receivable. Management of the Trust believes that such income is volatile and unpredictable and would significantly dilute the relevance of FFO as a measure of performance. Excluding gains or losses in the calculation of FFO is consistent with the REALPAC definition of FFO. Under IFRS Accounting Standards, the LP Class B Units are considered financial instruments in accordance with IFRS 9 – Financial Instruments ("IFRS 9"). As a result of this classification, their corresponding distribution amounts are considered "financing costs" under IFRS Accounting Standards. REALPAC recognizes this classification, however, adds the distributions that were treated as an interest expense back when calculating FFO, which suggests these puttable instruments are similar to equity. Management of the Trust agrees these distribution payments, are similar to equity, as these amounts are only payable if the Trust declares distributions, and only for the amount of any distributions declared, both of which are at the discretion of the Board of Trustees as outlined in the

DOT. Therefore, these distributions are excluded from the calculation of FFO, consistent with the treatment of distributions paid to all other Unitholders. The reconciliation from profit under IFRS Accounting Standards to FFO can be found under the section titled "Performance Review of 2024 – FFO and AFFO Reconciliations" in this MD&A. The Trust uses FFO to assess operating performance and its distribution paying capacity, determine the level of Associate incentive-based compensation, and decisions related to investment in capital assets. To facilitate a clear understanding of the combined historical operating results of Boardwalk REIT, management of the Trust believes FFO should be considered in conjunction with profit as presented in the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023.

Adjusted Funds From Operations

Similar to FFO, the IFRS Accounting Standards measurement most comparable to AFFO is profit. Boardwalk REIT considers AFFO to be an appropriate measurement of a publicly listed multi-family residential entity as it measures the economic performance after deducting for maintenance capital expenditures to the existing portfolio of investment properties. AFFO is determined by taking the amounts reported as FFO and deducting what is commonly referred to as "Maintenance Capital Expenditures". Maintenance Capital Expenditures are expenditures that, by standard accounting definition, are accounted for as capital in that the expenditure itself has a useful life in excess of the current financial year and maintains the value of the related assets. The reconciliation of AFFO can be found under the section titled "Performance Review of 2024 – FFO and AFFO Reconciliations" in this MD&A. The Trust uses AFFO to assess operating performance and its distribution paying capacity, and decisions related to investment in capital assets. A more detailed discussion is provided under the section titled "Financial Condition – Review of Cash Flows – Investing Activities – Maintenance of Productive Capacity" in this MD&A.

Adjusted Cash Flow From Operations

The IFRS Accounting Standards measurement most comparable to ACFO is cash flow from operating activities. ACFO is a non-GAAP financial measure of sustainable economic cash flow available for distributions. ACFO should not be construed as an alternative to cash flow from operating activities as determined under IFRS Accounting Standards. A reconciliation of ACFO to cash flow from operating activities as shown in the Trust's Consolidated Statements of Cash Flows is also provided under the section titled "Financial Condition – Review of Cash Flows – Operating Activities" in this MD&A, along with added commentary on the sustainability of Trust Unit distributions. The Trust uses ACFO to assess its distribution paying capacity.

Boardwalk REIT's presentation of FFO, AFFO, and ACFO are materially consistent with the definitions provided by REALPAC. These measurements, however, are not necessarily indicative of cash that is available to fund cash needs and should not be considered alternatives to cash flow as a measure of liquidity. FFO, AFFO, and ACFO do not represent earnings or cash flow from operating activities as defined by IFRS Accounting Standards. FFO and AFFO should not be construed as an alternative to profit determined in accordance with IFRS Accounting Standards as indicators of Boardwalk REIT's performance. In addition, Boardwalk REIT's calculation methodology for FFO, AFFO, and ACFO may differ from that of other real estate companies and trusts.

Adjusted Real Estate Assets

The IFRS Accounting Standards measurement most comparable to Adjusted Real Estate Assets is investment properties. Adjusted Real Estate Assets is comprised of investment properties, equity accounted investment, investment properties related to assets held for sale, loan receivable, and cash and cash equivalents. Adjusted Real Estate Assets is useful in summarizing the real estate assets owned by the Trust and it is used in the calculation of NAV, which management of the Trust believes is a useful measure in estimating the entity's value. The reconciliation from Investment Properties under IFRS Accounting Standards to Adjusted Real Estate Assets can be found under the section titled "Capital Structure and Liquidity – Net Asset Value Per Unit" in this MD&A.

Adjusted Real Estate Debt

The IFRS Accounting Standards measurement most comparable to Adjusted Real Estate Debt is total mortgage principal outstanding. Adjusted Real Estate Debt is comprised of total mortgage principal outstanding, mortgages payable related to assets held for sale, total lease liabilities attributable to land leases, and construction loan payable. It is useful in summarizing the Trust's debt which is attributable to its real estate assets and is used in the calculation of NAV, which management of the Trust believes is a useful measure in estimating the entity's value. The reconciliation from total mortgage principal outstanding under IFRS Accounting Standards to Adjusted Real Estate Debt can be found under the section titled "Capital Structure and Liquidity – Net Asset Value per Unit" in this MD&A.

Adjusted Real Estate Debt, net of Cash

Adjusted Real Estate Debt, net of Cash, is most directly comparable to the IFRS Accounting Standards measure of total mortgage principal outstanding. Adjusted Real Estate Debt, net of Cash is comprised of the sum of total mortgage principal outstanding, mortgages payable related to assets held for sale, total lease liabilities attributable to land leases, and construction loan payable, then reduced by cash and cash equivalents. It is useful in summarizing the Trust's debt which is attributable to its real estate assets and is used in the calculation of Debt to EBITDA.

Net Asset Value

The IFRS Accounting Standards measurement most comparable to NAV is Unitholders' Equity. With real estate entities, NAV is the total value of the entity's investment properties, equity accounted investment, investment properties related to assets held for sale, loan receivable, and cash and cash equivalents minus the total value of the entity's debt. The Trust determines NAV by taking Adjusted Real Estate Assets and subtracting Adjusted Real Estate Debt, which management of the Trust believes is a useful measure in estimating the entity's value. The reconciliation from Unitholders' Equity under IFRS Accounting Standards to NAV can be found under the section titled "Capital Structure and Liquidity – Net Asset Value per Unit" in this MD&A.

Non-GAAP Ratios

The discussion below outlines the non-GAAP ratios used by the Trust. Each non-GAAP ratio has a non-GAAP financial measure as one or more of its components, and, as a result, does not have a standardized meaning prescribed by IFRS Accounting Standards and therefore may not be comparable to similar financial measurements presented by other entities. Non-GAAP financial measures should not be construed as alternatives to IFRS Accounting Standards defined measures.

FFO per Unit, AFFO per Unit, ACFO per Unit, and NAV per Unit

FFO per Unit includes the non-GAAP financial measure FFO as a component in the calculation. The Trust uses FFO per Unit to assess operating performance on a per Unit basis, as well as determining the level of Associate incentive-based compensation.

AFFO per Unit includes the non-GAAP financial measure AFFO as a component in the calculation. The Trust uses AFFO per Unit to assess operating performance on a per Unit basis and its distribution paying capacity.

ACFO per Unit includes the non-GAAP financial measure ACFO as a component in the calculation. The Trust uses ACFO per Unit to assess its distribution paying capacity.

FFO per Unit, AFFO per Unit, and ACFO per Unit are calculated by taking the non-GAAP ratio's corresponding non-GAAP financial measure and dividing by the weighted average Trust Units outstanding for the period on a fully diluted basis, which assumes conversion of the LP Class B Units and vested deferred units determined in the calculation of diluted per Trust Unit amounts in accordance with IFRS Accounting Standards.

NAV per Unit includes the non-GAAP financial measure NAV as a component in the calculation. Management of the Trust believes it is a useful measure in estimating the entity's value on a per Unit basis, which an investor can compare to the entity's Trust Unit price which is publicly traded to help with investment decisions.

NAV per Unit is calculated as NAV divided by the Trust Units outstanding as at the reporting date on a fully diluted basis which assumes conversion of the LP Class B Units and vested deferred units outstanding.

Debt to EBITDA

Debt to EBITDA is calculated by dividing Adjusted Real Estate Debt, net of Cash by consolidated EBITDA. The Trust uses Debt to EBITDA to understand its capacity to pay off its debt.

Debt to Total Assets

Debt to Total Assets is calculated by dividing Adjusted Real Estate Debt by Total Assets. The Trust uses Debt to Total Assets to determine the proportion of assets which are financed by debt.

FFO per Unit Future Financial Guidance

FFO per Unit Future Financial Guidance is calculated as FFO Future Financial Guidance divided by the estimated weighted average Trust Units and LP Class B Units outstanding throughout the year. Boardwalk REIT considers FFO per Unit Future Financial Guidance to be an appropriate measurement of the estimated future financial performance based on information currently available to management of the Trust at the date of this MD&A.

AFFO per Unit Future Financial Guidance

AFFO per Unit Future Financial Guidance is calculated as AFFO Future Financial Guidance divided by the estimated weighted average Trust Units and LP Class B Units outstanding throughout the year. Boardwalk REIT considers AFFO per Unit Future Financial Guidance to be an appropriate measurement of the estimated future profitability based on information currently available to management of the Trust at the date of this MD&A.

FFO Payout Ratio, AFFO Payout Ratio, and ACFO Payout Ratio

FFO Payout Ratio, AFFO Payout Ratio, and ACFO Payout Ratio represent the REIT's ability to pay distributions. These non-GAAP ratios are computed by dividing regular distributions paid on the Trust Units and LP Class B Units by the non-GAAP financial measure of FFO, AFFO, and ACFO, respectively. Management of the Trust use these non-GAAP ratios to assess its distribution paying capacity.

PERFORMANCE REVIEW OF 2024

Boardwalk REIT generates revenues, cash flows, and earnings from two separate sources: primarily rental operations and also the sale of "non-core" real estate properties.

Boardwalk REIT's most consistent and largest source of income comes from its rental operations. Income from this source is derived from leasing individual suites to customers (referred to as "Resident Members"). Periodically, Boardwalk REIT has generated additional income from the sale of selective non-core real estate properties and utilized the equity for the acquisition and/or development of new rental properties and/or for the purchase for cancellation of Trust Units pursuant to its NCIB. The Trust, however, will only proceed with the sale of non-core real estate properties if market conditions justify the dispositions and Boardwalk has an alternative use for the net proceeds generated.

Performance Measures

The Trust intends to continue to pay out, at a minimum, all taxable income to Unitholders in the form of monthly distributions, unless the Board of Trustees, in its absolute discretion, determines a different amount. For 2024, the Board of Trustees approved an increase to the distribution to $0.1200 per Trust Unit on a monthly basis (or $1.44 on an annualized basis) beginning March 2024. This was an increase of $0.0225 per Trust Unit from the monthly $0.0975 per Trust Unit distributed for January and February 2024. The Trust intends to continue to redeploy its capital towards long-term value creation, including its suite renovation program, brand diversification initiative, and acquisition and development of new multi-family suites in supply-constrained markets.

For the three months and year ended December 31, 2024 and 2023, the Trust declared regular distributions of $19.3 million and $75.1 million (inclusive of distributions paid to holders of the LP Class B Units), respectively (three months and year ended December 31, 2023 – $15.0 million and $58.3 million, respectively), and recorded profit of $65.9 million and $588.2 million, respectively (three months and year ended December 31, 2023 – $173.1 million and $666.1 million, respectively). The FFO Payout Ratio for the three months ended December 31, 2024, was 33.1% (three months ended December 31, 2023 – 30.8%). For the year ended December 31, 2024, the FFO Payout Ratio was 33.3% (year ended December 31, 2023 –32.2%). Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information on FFO Payout Ratio. The overall operating performance of the first and fourth quarters tends to generate the highest payout ratio, mainly due to the high seasonality in total rental expenses. In particular, these quarters tend to be the highest demand periods for natural gas, a major operational cost for the Trust. It is therefore, important to not simply annualize the reported results of a particular quarter. On a quarterly basis, the Board of Trustees reviews the current level of distributions and determines if any adjustments to the distributed amount is warranted. On an overall basis, the Trust aims to maintain a consistent and sustainable payout ratio while optimizing its capital allocation strategy, and reviews this with its Board of Trustees.

FFO per Unit Reconciliations from 2023 to 2024

The following tables show reconciliations of changes in FFO per Unit from December 31, 2023, to December 31, 2024. As previously noted, we define the calculation of FFO as profit before fair value adjustments, distributions on the LP Class B Units, gains or losses on the sale of the Trust's investment properties, depreciation, deferred income taxes, and certain other non-cash items. A more detailed disclosure of the calculation of FFO is included later in this MD&A.

FFO per Unit Reconciliation		**3 Months**		**12 Months**
FFO per Unit (1) – Dec. 31, 2023	$	0.96	$	3.60
Same Property Net Operating Income ("NOI") (2)		0.19		0.85
Non-same Property NOI (2)		0.05		0.12
Administration		(0.04)		(0.13)
Financing Costs		(0.03)		(0.19)
Interest Income		0.02		0.18
Unit Issuance		(0.07)		(0.25)
FFO per Unit – Dec. 31, 2024	**$**	**1.08**	**$**	**4.18**

(1) Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information.
(2) The definition of same property and non-same property can be found in the section titled "Same Property Results" in this MD&A.

FFO and AFFO Reconciliations

In the following table, Boardwalk REIT provides a reconciliation of FFO to Profit, the most comparable related financial statement measurement, for the three and 12 months ended December 31, 2024 and 2023. Adjustments are explained in the notes below, as appropriate.

FFO Reconciliation *(In $000's, except per Unit amounts)*	**3 Months Dec. 31, 2024**	3 Months Dec. 31, 2023	% Change	**12 Months Dec. 31, 2024**	12 Months Dec. 31, 2023	% Change
Profit	**$ 65,924**	$ 173,130		**$ 588,218**	$ 666,099	
Adjustments						
Other income (1)	**-**	(68)		**-**	(886)	
Loss on sale of asset	**-**	928		**-**	928	
Fair value losses (gains), net	**3,357**	(127,849)		**(359,888)**	(494,877)	
Fair value gain from equity accounted investment	**(13,830)**	-		**(13,830)**	-	
LP Class B Unit distributions	**1,603**	1,309		**6,235**	5,169	
Deferred tax (recovery) expense	**(12)**	6		**70**	75	
Depreciation	**2,327**	2,244		**8,318**	7,921	
Principal repayments on lease liabilities	**(826)**	(803)		**(3,275)**	(3,397)	
Principal repayments on lease receivable	**-**	-		**-**	321	
FFO (2)(3)	**$ 58,543**	$ 48,897	19.7%	**$ 225,848**	$ 181,353	24.5%
FFO per Unit (3)	**$ 1.08**	$ 0.96	12.5%	**$ 4.18**	$ 3.60	16.1%

(1) Other income is comprised of capital gains from investment income.
(2) This is a non-GAAP financial measure.
(3) Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information.

The following table is the calculation of the fully diluted weighted average Trust Units used to calculate the FFO per Unit, AFFO per Unit, and ACFO per Unit amounts within this MD&A and includes all items that can be convertible into Trust Units.

Fully Diluted Trust Units	**3 Months Dec. 31, 2024**	3 Months Dec. 31, 2023	**12 Months Dec. 31, 2024**	12 Months Dec. 31, 2023
Weighted average Trust Units outstanding – basic	**49,415,840**	46,123,269	**49,403,967**	45,824,819
Conversion of LP Class B Units	**4,469,130**	4,475,000	**4,473,525**	4,475,000
Unexercised vested deferred units	**109,467**	78,829	**107,068**	65,330
Weighted average Trust Units outstanding – fully diluted	**53,994,437**	50,677,098	**53,984,560**	50,365,149

Profit for the fourth quarter of 2024 was $65.9 million compared to a profit of $173.1 million in the fourth quarter of 2023. Profit for the year ended December 31, 2024, was $588.2 million, compared to profit of $666.1 million in the prior year. The decrease in profit for the three months and year ended December 31, 2024, compared to the same periods in the prior year, is mainly attributable to the fair value loss that was recognized on investment properties during the fourth quarter of 2024 compared to the fair value gain recognized in the same period in the prior year. The fair value loss recognized in the fourth quarter of 2024 was a result of new supply entering select markets within the portfolio that resulted in increased competition and vacancy, particularly for product at the higher price point. Also contributing to the fair value loss was higher property operating costs as the Trust transitions into its upcoming year budget, as is customary every fourth quarter, where the Trust incorporated its 2025 budgeted amounts for property operating costs when determining the forecasted stabilized NOI for the Trust's internal valuation. Throughout 2024, the economy has shown modest growth as well as continued immigration for most of the year, which has allowed market rents to increase and flatten towards the end of the year. The weighted average capitalization rates for the Trust were 5.12% and 5.05% as at December 31, 2024 and 2023, respectively. For more information on the Trust's capitalization rates, please refer to the section titled "Financial Condition – Review of Cash Flows – Investing Activities – Investment Properties" in this MD&A.

Overall, Boardwalk REIT earned FFO of $58.5 million for the fourth quarter of 2024 compared to $48.9 million for the same period in 2023. FFO, on a per Unit basis, for the quarter ended December 31, 2024, increased approximately 12.5% compared to the same quarter in the prior year from $0.96 to $1.08. Additionally, the Trust earned FFO of $225.8 million for fiscal 2024 compared to $181.4 million for fiscal 2023. FFO per Unit for the year ended December 31, 2024, increased approximately 16.1% compared to the prior year from $3.60 to $4.18. The increase for the three and 12 months ended December 31, 2024, was primarily driven by higher occupied rents, lower incentives, and higher interest income, partially offset by an increase in total rental expenses, financing costs, administration, and deferred unit-based compensation.

The following table provides a reconciliation of FFO to AFFO:

(000's)	**3 Months Dec. 31, 2024**	3 Months Dec. 31, 2023	**12 Months Dec. 31, 2024**	12 Months Dec. 31, 2023
FFO (1)(2)	**$ 58,543**	$ 48,897	**$ 225,848**	$ 181,353
Maintenance Capital Expenditures (3)	**7,732**	8,651	**33,575**	32,255
AFFO (1)(2)	**$ 50,811**	$ 40,246	**$ 192,273**	$ 149,098
FFO per Unit (2)	**$ 1.08**	$ 0.96	**$ 4.18**	$ 3.60
AFFO per Unit (2)	**$ 0.94**	$ 0.79	**$ 3.56**	$ 2.96
Regular Distributions	**$ 19,390**	$ 15,041	**$ 75,152**	$ 58,338
FFO Payout Ratio (2)	**33.1%**	30.8%	**33.3%**	32.2%
AFFO Payout Ratio (2)	**38.2%**	37.4%	**39.1%**	39.1%
Profit	**$ 65,924**	$ 173,130	**$ 588,218**	$ 666,099

(1) This is a non-GAAP financial measure.
(2) Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information.
(3) Details of the calculation of Maintenance Capital Expenditures can be found in the section titled "Financial Condition – Review of Cash Flows – Investing Activities – Value-add Capital and Maintenance Capital Expenditures" in this MD&A.

FINANCIAL PERFORMANCE SUMMARY

At a Glance

(In $000's, except per Unit amounts)	**2024**	2023	% Change
Total assets	**$ 8,626,490**	$ 8,141,876	6.0%
Rental revenue	**$ 603,293**	$ 545,658	10.6%
NOI	**$ 382,334**	$ 332,989	14.8%
Profit	**$ 588,218**	$ 666,099	(11.7)%
FFO (1)(2)	**$ 225,848**	$ 181,353	24.5%
FFO per Unit (2)	**$ 4.18**	$ 3.60	16.1%

(1) This is a non-GAAP financial measure.
(2) Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information.

Total assets increased from the amounts reported in the prior year, mainly as a result of fair value gains and investment in capital assets on the Trust's investment properties, new investment property acquisitions that occurred in 2024, and the loan receivable to the joint venture, partially offset by a decrease in cash and cash equivalents. Rental revenue increased by 10.6%, due to higher in-place occupied rents across all regions and lower incentives in Alberta and Saskatchewan. The decrease in profit compared to the prior year was due to the decrease in fair value gains recognized in the current year and higher expenses attributable to total rental expenses, financing costs, administration, and deferred unit based compensation, partially offset by increases in rental revenue and interest income.

Consolidated Operations and Earnings Review

OVERALL REVIEW

Consolidated Statements of Comprehensive Income

Rental Operations

Boardwalk REIT's NOI strategy includes a rental revenue strategy that focuses on enhancing overall rental revenues by balancing market rents, rental incentives, turnovers, and occupancy gains. The application of this rental revenue strategy is ongoing, on a market-by-market basis, with the focus on obtaining the optimal balance of these variables given existing market conditions. In addition, the NOI strategy focuses on minimizing expenses.

(In $000's, except number of suites)	**3 Months Dec. 31, 2024**	3 Months Dec. 31, 2023	% Change	**12 Months Dec. 31, 2024**	12 Months Dec. 31, 2023	% Change
Rental revenue	**$ 155,565**	$ 141,907	9.6%	**$ 603,293**	$ 545,658	10.6%
Expenses						
Operating expenses	**27,484**	26,367	4.2%	**109,617**	106,190	3.2%
Utilities	**14,916**	13,872	7.5%	**55,969**	53,392	4.8%
Property taxes	**14,130**	13,720	3.0%	**55,373**	53,087	4.3%
Total rental expenses	**$ 56,530**	$ 53,959	4.8%	**$ 220,959**	$ 212,669	3.9%
Net operating income	**$ 99,035**	$ 87,948	12.6%	**$ 382,334**	$ 332,989	14.8%
Operating margin (1)	**63.7%**	62.0%		**63.4%**	61.0%	
Number of suites at December 31 (2)	**34,222**	33,846		**34,222**	33,846	

(1) Operating margin is calculated by dividing NOI by rental revenue allowing management to assess the percentage of rental revenue which generated profit.
(2) Excludes 183 suites related to the Trust's joint venture in Brampton, Ontario.

(In $000's, except number of suites)	**3 Months Dec. 31, 2024**	3 Months Dec. 31, 2023	% Change	**12 Months Dec. 31, 2024**	12 Months Dec. 31, 2023	% Change
Gross rental revenue [1]	**$ 160,482**	$ 146,468	9.6%	**$ 620,845**	$ 570,703	8.8%
Vacancy loss [2]	**(2,929)**	(1,320)	121.9%	**(8,280)**	(7,397)	11.9%
Incentives [3]	**(1,988)**	(3,241)	(38.7)%	**(9,272)**	(17,648)	(47.5)%
Rental revenue	**$ 155,565**	$ 141,907	9.6%	**$ 603,293**	$ 545,658	10.6%

(1) Gross rental revenue is a component of rental revenue and represents rental revenue based on 100% occupancy before adjustments for vacancy loss and incentives.
(2) Vacancy loss is a component of rental revenue and represents the estimated loss of gross rental revenue from unoccupied suites during the period.
(3) Incentives is a component of rental revenue and represents any suite specific rental discount offered or initial direct costs incurred in negotiating and arranging an operating lease amortized over the term of the operating lease.

Boardwalk REIT's rental operations for the three and 12 months ended December 31, 2024, reported higher results compared to the same periods in the prior year, with rental revenue increasing 9.6% and 10.6%, respectively. For the three and 12 months ended December 31, 2024, the increase in rental revenue was due to higher in-place occupied rents, lower incentives, as well as the acquisitions in Alberta in January, June, and November 2024. As outlined in the table above, although vacancy loss increased by 11.9%, the Trust was able to reduce incentives by 47.5% year-over-year. The Trust intends to continue to offer selective incentives in certain communities to maintain occupancy levels, with an overall goal of limiting incentives on new leases and decreasing incentives altogether.

For the three and 12 months ended December 31, 2024, total rental expenses increased by 4.8% and 3.9%, respectively, compared to the same periods in 2023 due to higher operating expenses, utilities, and property taxes.

The Trust continues to track, in detail, the actual work performed by our onsite Associates to assist in the operating effectiveness of its overall operations. This program results in overall lower costs while allowing the Trust greater control over the timing of its capital improvement projects, compared to contracting these same projects out to third parties. The Trust has been able to utilize our Associates to maintain quality customer services as well as to continue normal operations for both our repairs and maintenance as well as capital improvement projects. As with other estimates used by the Trust, key assumptions used in estimating the salaries and wages to be capitalized are reviewed on a regular basis and, based on this review, management of the Trust will adjust the amount allocated to more accurately reflect how many internal resources were directed towards specific capital improvements.

For the three months ended December 31, 2024, operating expenses increased 4.2% compared to the same period in the prior year due to higher wages and salaries and higher building repairs and maintenance, partially offset by lower insurance premiums upon renewal in July 2024. For the year ended December 31, 2024 operating expenses increased 3.2% compared to the prior year due to higher wages and salaries and building repairs and maintenance, partially offset by lower bad debts expense, advertising costs, and insurance premiums upon renewal.

Utility costs increased by 7.5% and 4.8% for the three and 12 months ended December 31, 2024, respectively, compared to the same periods in 2023. The increases were primarily due to higher water and sewer costs and higher carbon levy costs from the federal increases being implemented. Fixed price physical commodity contracts have helped to partially or fully mitigate the Trust's exposure to fluctuating natural gas and electricity prices. Further details regarding the contracts on natural gas, as well as electricity prices in Alberta, can be found in NOTE 21 to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023.

Property taxes increased 3.0% and 4.3% for the three and 12 months ended December 31, 2024, respectively, compared to the same periods in the prior year mainly due to higher overall property tax assessments received and the acquisitions during 2024. The Trust is constantly reviewing property tax assessments and related charges and, where management of the Trust believes appropriate, will appeal all, or a portion, of the related assessment. It is not uncommon for the Trust to receive property tax refunds and adjustments; however, due to the uncertainty of the amount and timing of the refunds and adjustments, these amounts are only reported when they are received.

Overall, operating margin for the three months ended December 31, 2024, is 63.7%, compared to 62.0% for the same period in 2023, an increase of 170 basis points ("bps"). Similarly, operating margin for the 12 months ended December 31, 2024 and 2023 is 63.4% and 61.0% respectively, an increase of 240 bps year-over-year.

Boardwalk REIT closely monitors and individually manages the performance of each of its rental properties. For the reader's convenience, we have provided the following summary of our operations on a province-by-province basis.

SEGMENTED OPERATIONAL REVIEWS

Alberta Rental Operations

(In $000's, except number of suites)	3 Months Dec. 31, 2024	3 Months Dec. 31, 2023	% Change	12 Months Dec. 31, 2024	12 Months Dec. 31, 2023	% Change
Rental revenue	**$ 100,438**	$ 90,261	11.3%	**$ 389,038**	$ 346,368	12.3%
Expenses						
Operating expenses	**16,692**	16,244	2.8%	**67,140**	65,520	2.5%
Utilities	**10,058**	8,918	12.8%	**36,884**	34,374	7.3%
Property taxes	**9,132**	8,780	4.0%	**35,871**	34,399	4.3%
Total rental expenses	**$ 35,882**	$ 33,942	5.7%	**$ 139,895**	$ 134,293	4.2%
Net operating income	**$ 64,556**	$ 56,319	14.6%	**$ 249,143**	$ 212,075	17.5%
Operating margin	**64.3%**	62.4%		**64.0%**	61.2%	
Number of suites at December 31	**21,460**	21,084		**21,460**	21,084	

Alberta is Boardwalk's largest operating segment, representing 65.2% of total reported NOI for the year ended December 31, 2024. In addition, Alberta represents 62.7% of total suites. Boardwalk REIT's Alberta operations for three months and year ended December 31, 2024, reported a 11.3% and 12.3% increase, respectively, in rental revenue compared to the same periods in the prior year due to higher in-place occupied rents and lower incentives, as well as the new buildings that were acquired in the past year, partially offset by higher vacancy loss. Increases were also driven, in part, by the high migrations into the province in 2023 and continuing into 2024.

For the three and 12 months ended December 31, 2024, total rental expenses increased by 5.7% and 4.2%, respectively, compared to the same periods in the prior year due to higher operating expenses, utilities, and property taxes.

Operating expenses increased by 2.8% and 2.5% for the three months and year ended December 31, 2024, respectively, compared to the same periods in the prior year. For the fourth quarter, the increase was due to higher wages and salaries and building repairs and maintenance costs, partially offset by lower insurance premiums as well as lower bad debts expense. For the year ended December 31, 2024, the increase was largely due to higher wages and salaries and higher building repairs and maintenance, partially offset by lower advertising costs, lower bad debts expense and lower insurance premiums upon renewal in July 2024.

Utilities for the three and 12 months ended December 31, 2024, increased by 12.8% and 7.3%, respectively, due to higher water and sewer costs, natural gas costs, and carbon levies when compared to the same periods in the prior year. Currently, the Trust also has three outstanding natural gas contracts to mitigate the price of its natural gas usage. The Trust also has two outstanding electricity contracts with two utility retailers to supply the Trust with its electrical power needs. More details can be found in NOTE 21 to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023.

Property taxes for the three and 12 months ended December 31, 2024, increased 4.0% and 4.3% respectively, compared to the same periods in the prior year due to higher property tax assessments and the acquisitions that were completed during 2024.

NOI for Alberta increased $37.1 million, or 17.5%, for the 12 months ended December 31, 2024, compared to the same period in 2023. Alberta's operating margin for the year ended December 31, 2024 was 64.0%, which is 280 bps higher compared to the same period in 2023.

British Columbia Rental Operations

(In $000's, except number of suites)	**3 Months Dec. 31, 2024**	3 Months Dec. 31, 2023	% Change	**12 Months Dec. 31, 2024**	12 Months Dec. 31, 2023	% Change
Rental revenue	**$ 1,713**	$ 1,698	0.9%	**$ 6,774**	$ 5,487	23.5%
Expenses						
Operating expenses	**148**	164	(9.8)%	**685**	488	40.4%
Utilities	**62**	59	5.1%	**272**	220	23.6%
Property taxes	**113**	97	16.5%	**452**	345	31.0%
Total rental expenses	**$ 323**	$ 320	0.9%	**$ 1,409**	$ 1,053	33.8%
Net operating income	**$ 1,390**	$ 1,378	0.9%	**$ 5,365**	$ 4,434	21.0%
Operating margin	**81.1%**	81.2%		**79.2%**	80.8%	
Number of suites at December 31	**238**	238		**238**	238	

British Columbia operations consist of two rental buildings in Victoria, with a total of 238 suites. For the three months ended December 31, 2024, overall operating results were consistent with the same period in the prior year. For the 12 months ended December 31, 2024, operating results were higher than the same period in the prior year due to the new acquisition in Victoria, British Columbia completed in April 2023. Further details on this acquisition can be found in the section titled "Financial Condition – Review of Cash Flows – Investing Activities – Property Acquisitions and Dispositions" in this MD&A.

Saskatchewan Rental Operations

(In $000's, except number of suites)	**3 Months Dec. 31, 2024**	3 Months Dec. 31, 2023	% Change	**12 Months Dec. 31, 2024**	12 Months Dec. 31, 2023	% Change
Rental revenue	**$ 16,487**	$ 14,891	10.7%	**$ 63,461**	$ 57,508	10.4%
Expenses						
Operating expenses	**2,535**	2,290	10.7%	**9,822**	9,764	0.6%
Utilities	**1,789**	1,685	6.2%	**7,016**	6,852	2.4%
Property taxes	**1,248**	1,156	8.0%	**4,868**	4,590	6.1%
Total rental expenses	**$ 5,572**	$ 5,131	8.6%	**$ 21,706**	$ 21,206	2.4%
Net operating income	**$ 10,915**	$ 9,760	11.8%	**$ 41,755**	$ 36,302	15.0%
Operating margin	**66.2%**	65.5%		**65.8%**	63.1%	
Number of suites at December 31	**3,505**	3,505		**3,505**	3,505	

For the three months and year ended December 31, 2024, Saskatchewan rental revenue increased by 10.7% and 10.4%, respectively, compared to the same periods in the prior year due to higher in-place occupied rents coupled with lower incentives, partially offset by higher vacancy loss. For the three and 12 months ended December 31, 2024, total rental expenses increased by 8.6% and 2.4%, respectively, compared to the same periods in the prior year due to higher operating expenses, utilities, and property taxes.

Operating expenses for the three months ended December 31, 2024, increased by 10.7% compared to the same period in the prior year due to higher wages and salaries and building repairs and maintenance, partially offset by lower insurance premiums upon renewal in July 2024. For the year-to-date, the operating expenses were relatively flat.

Utilities increased by 6.2% and 2.4% for the three and 12 months ended December 31, 2024, respectively, compared to the same periods in the prior year. The increases were primarily due to higher water and sewer costs and higher carbon levies, partially offset by lower gas and electricity costs. The Trust has one outstanding fixed price contract to mitigate its natural gas price for its Saskatchewan natural gas usage. Details of the contract can be found in NOTE 21 to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023.

Property taxes increased by 8.0% and 6.1% for the three and 12 months ended December 31, 2024, respectively, compared to the same periods in the prior year due to higher property tax assessments.

Reported operating margin for the year ended December 31, 2024 was 65.8% compared to 63.1% for the same period in 2023.

Ontario Rental Operations

(In $000's, except number of suites)	**3 Months Dec. 31, 2024**	3 Months Dec. 31, 2023	% Change	**12 Months Dec. 31, 2024**	12 Months Dec. 31, 2023	% Change
Rental revenue	**$ 12,202**	$ 11,525	5.9%	**$ 47,952**	$ 45,355	5.7%
Expenses						
Operating expenses	**2,176**	2,175	0.0%	**8,753**	8,310	5.3%
Utilities	**1,084**	1,144	(5.2)%	**4,633**	4,676	(0.9)%
Property taxes	**1,299**	1,268	2.4%	**4,914**	4,593	7.0%
Total rental expenses	**$ 4,559**	$ 4,587	(0.6)%	**$ 18,300**	$ 17,579	4.1%
Net operating income	**$ 7,643**	$ 6,938	10.2%	**$ 29,652**	$ 27,776	6.8%
Operating margin	**62.6%**	60.2%		**61.8%**	61.2%	
Number of suites at December 31 (1)	**3,019**	3,019		**3,019**	3,019	

(1) Excludes 183 suites related to the Trust's joint venture in Brampton, Ontario.

Boardwalk REIT's Ontario operations for the three and 12 months ended December 31, 2024, reported a 5.9% and 5.7% increase, respectively, in rental revenue compared to the same periods in the prior year due to higher in-place occupied rents. Total rental expenses were relatively flat for the three months ended December 31, 2024, compared to the same period in the prior year due to lower utilities costs that were largely offset by higher property taxes. For the year ended December 31, 2024, total rental expenses increased by 4.1% compared to the same period in the prior year as a result of higher operating expenses and property taxes, partially offset by lower utilities.

Operating expenses for the three months ended December 31, 2024, remained flat compared to the same period in the prior year. For the year ended December 31, 2024, operating expenses increased 5.3% compared to the same period in the prior year due to higher wages and salaries, building repairs and maintenance, and bad debts expense, partially offset by lower insurance premiums.

Utilities for the three months ended December 31, 2024, decreased by 5.2% compared to the same period in the prior year, primarily due to lower natural gas and electricity costs. For the year ended December 31, 2024, utilities were relatively flat, as lower natural gas costs were largely offset by higher electricity and water and sewer costs. The Trust had one outstanding fixed price natural gas contract for approximately 69% of price risk for London natural gas usage. Details of the contract can be found in NOTE 21 to the audited annual consolidated financial statements years ended December 31, 2024 and 2023.

Property taxes increased 2.4% and 7.0% for the three months and year ended December 31, 2024, respectively, compared to the same periods in the prior year due to higher property tax assessments.

NOI increased by 6.8% for the year ended December 31, 2024, compared to the prior year. Reported operating margin for the year ended December 31, 2024, was 61.8% compared to 61.2% for the prior year.

Quebec Rental Operations

(In $000's, except number of suites)	**3 Months Dec. 31, 2024**	3 Months Dec. 31, 2023	% Change	**12 Months Dec. 31, 2024**	12 Months Dec. 31, 2023	% Change
Rental revenue	**$ 24,267**	$ 23,098	5.1%	**$ 94,884**	$ 89,873	5.6%
Expenses						
Operating expenses	**4,250**	4,019	5.7%	**16,207**	15,632	3.7%
Utilities	**1,812**	1,970	(8.0)%	**6,763**	6,894	(1.9)%
Property taxes	**2,291**	2,370	(3.3)%	**9,093**	8,952	1.6%
Total rental expenses	**$ 8,353**	$ 8,359	(0.1)%	**$ 32,063**	$ 31,478	1.9%
Net operating income	**$ 15,914**	$ 14,739	8.0%	**$ 62,821**	$ 58,395	7.6%
Operating margin	**65.6%**	63.8%		**66.2%**	65.0%	
Number of suites at December 31	**6,000**	6,000		**6,000**	6,000	

Boardwalk REIT's Quebec operations reported rental revenue increases of 5.1% and 5.6% for the three and 12 months ended December 31, 2024, respectively, compared to the same periods in the prior year primarily due to higher in-place occupied rents. Total rental expenses for the three months ended December 31, 2024, were relatively flat compared to the same period in the prior year, with an increase in operating expenses offset by decreases in utilities and property taxes. Total rental expenses increased 1.9% for the 12 months ended December 31, 2024, compared to the same period in 2023 due to higher operating expenses and property taxes, partially offset by a decrease in utilities.

For the three months ended December 31, 2024, operating expenses increased 5.7% compared to the same period in the prior year due to higher building repairs and maintenance and higher bad debts expense, partially offset by lower insurance premiums. For the year ended December 31, 2024, operating expenses increased 3.7% compared to the same period in 2023 mainly due to higher wages and salaries and building repairs and maintenance, partially offset by lower insurance premiums upon renewal in July 2024.

For the three months and year ended December 31, 2024, utilities decreased 8.0% and 1.9%, respectively, compared to the same periods in the prior year due to a decrease in electricity costs and carbon levies. The Trust has one outstanding fixed price natural gas contract to mitigate approximately 74% of price risk for Nun's Island natural gas usage. The details of the natural gas contract is reported in NOTE 21 to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023.

Property taxes decreased 3.3% for the three months ended December 31, 2024, due to a one-time property tax adjustment increase received in the same period in prior year after the repositioning of the seniors' community building to a conventional multi-family residential asset was completed. For the year ended December 31, 2024, property taxes increased 1.6% compared to the same period in the prior year due to higher property tax assessments.

Reported operating margin for the 12 months ended December 31, 2024, increased from 65.0% to 66.2%.

OPERATIONAL SENSITIVITIES

Net Operating Income Optimization

Boardwalk continues to focus on optimizing its NOI. This focus requires the Trust to manage not only revenues but also related operating costs and takes both into consideration when determining a service and pricing model. Lowering overall turnover while maintaining competitive lease rental rates and a focus on a high-quality level of service continues to be the model that has delivered the most stable and long-term income source to date. This strategy is region specific and these variables are in constant flux.

In competitive markets, the Trust takes a more preventive approach of increasing its offering of suite-specific rental incentives as well as, where warranted, adjusting reported market rents. The increased use of these incentives, particularly in Alberta, was an attempt by the Trust to keep occupancy levels higher than the overall market. As the market has been undersupplied with housing over the last several years, the Trust has been unwinding these incentives and increasing market rents. This is evidenced in the current quarter with incentives decreasing 38.7% and 47.5% for the three and 12 months ended December 31, 2024, respectively, compared to the same periods in the prior year. It has been our experience that this proactive approach has resulted in optimizing NOI.

In addition, in these competitive, non-price controlled markets, the Trust takes steps to renew leases prior to term maturity. In select markets, the Trust may also forward-lock future rentals while not collecting revenues for certain months in the immediate future. This means the Trust may decide to rent a suite in December with the Resident Member not moving in until the following year. Although the suite is rented, it will not generate revenue until the Resident Member actually moves in, for example, in January, which corresponds to the next fiscal period. The percentages reported as occupancy levels (see table on the following page) represent those occupied suites generating revenue for the period noted. The Trust closely monitors 'apartment availability', which represents unoccupied suites not generating revenue for the period, after taking into account forward-committed leases. Although occupancy rates provide a good indication of current revenue, apartment availability provides the reader a more relevant indication of future potential revenue. As a result of recent acquisitions or newer developments, portfolio occupancy is on a same property basis.

Management of the Trust believes that when the NOI optimization strategy is combined with our strategic investment program, the outcome will be a more diverse product offering for our Resident Members and greater overall value creation for the Trust. The Trust also understands that the implementation and completion of these strategies may have some short-term consequences, as the timing of these enhancements may result in longer periods of time that suites are not available to be rented, leading to short-term increases in vacancy losses. However, the renovation program has slowed in relation to the current higher occupancy rates and in turn, the Trust will monitor various renovation opportunities as they arise. It is management's belief that a focus on longer-term value creation is in the best interest of all stakeholders.

Boardwalk constantly reviews its existing programs, measuring them against resident demand, viability and expected return, and refines them where appropriate.

Boardwalk REIT's Portfolio Occupancy (Same Property):

City	Q4 2024	Q4 2023
Brampton	**98.90%**	98.68%
Calgary	**97.19%**	99.38%
Cambridge	**98.21%**	97.13%
Edmonton	**97.75%**	98.42%
Fort McMurray	**95.74%**	97.91%
Grande Prairie	**97.92%**	98.13%
Kitchener	**97.89%**	98.26%
London	**98.89%**	98.69%
Montreal	**99.31%**	99.56%
Quebec City	**99.39%**	99.27%
Red Deer	**99.39%**	99.32%
Regina	**96.81%**	98.85%
Saskatoon	**98.69%**	99.39%
Verdun	**99.32%**	99.75%
Victoria	**98.54%**	99.71%
Waterloo	**93.33%**	99.44%
Portfolio	**98.02%**	98.91%

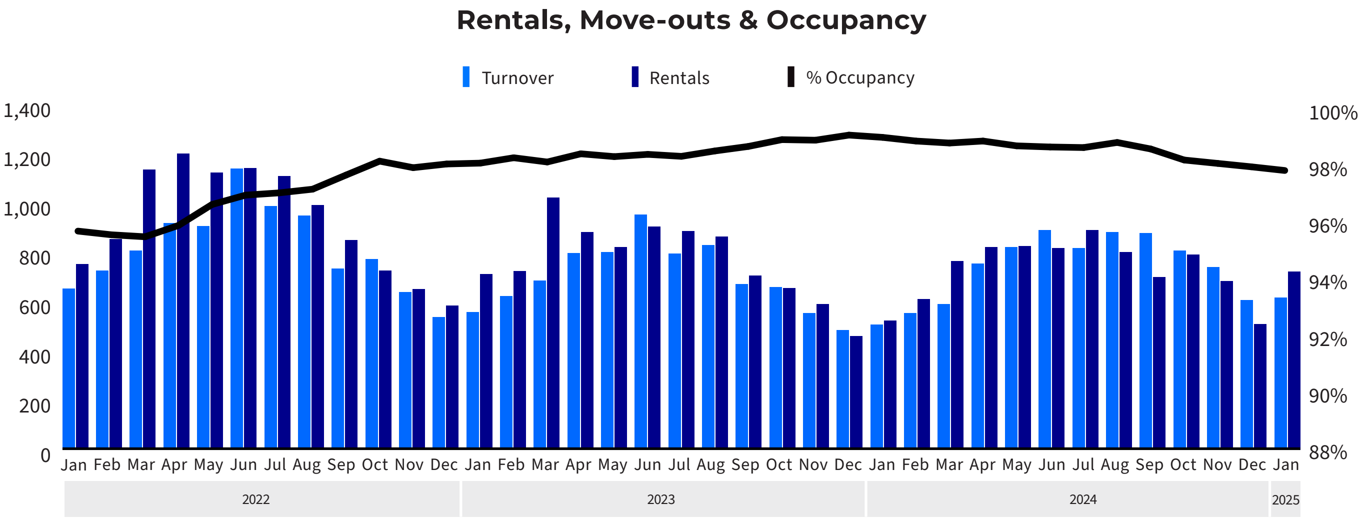
In Q4 2024, the Trust reported a decrease of 89 basis points in its overall same property occupancy rate compared to the same quarter in the prior year, a decrease from 98.91% to 98.02%. Alberta is experiencing increased competitive market conditions from the new supply of multi-family suites entering the market and a decrease in migration into the province during the last quarter of 2024, which has resulted in the decrease in occupancy for Edmonton of 67 bps to 97.75%, and a decrease of 219 bps in Calgary to 97.19%, when compared to the same period in the prior year. Fort McMurray occupancy decreased by 217 bps compared to the same period in the prior year, from 97.91% to 95.74%, due to a lower number of international students at the local college, and recent wildfires in the area reducing newcomers to the city. Overall, occupancy remains high in Alberta relative to historical levels due to high net migration into the province in 2023 and 2024.

In Saskatchewan, occupancy in Q4 2024 decreased in both Regina and Saskatoon due to increased supply of multi-family suites entering these markets. In Regina occupancy levels for Q4 2024 were 96.81% compared to 98.85% in the same quarter in prior year, while in Saskatoon, occupancy levels were 98.69% in Q4 2024 compared to 99.39% in Q4 2023. Although occupancy decreased compared to the same period in the prior year, occupancies remain high overall and are a result of a continuation of improved economic conditions in the agricultural sector, which can be partly attributed to the war in Ukraine driving up grain prices and drawing more immigration to the province, as well as increased developments in the natural resources sector.

In Ontario and Quebec, occupancy levels remained relatively high and were consistent with the same period in the prior year for most cities. In Waterloo, occupancy decreased by 611 bps compared to the same period in the prior year mainly due to a decrease in international students.

As overall markets stabilize, we expect some up and down movements in occupancy as the Trust aims to maintain occupancy near current levels.

Rentals, Move-Outs and Impact on Reported Occupancy (Same Property):



Demand and supply, as with any industry, is an essential performance indicator for multi-family real estate. The above chart shows the turnover or total move-outs (supply) compared to total rentals (demand) and the resulting impact on reported occupancy relating to our portfolio. The cumulative impact of demand being greater than supply, or vice versa, is the primary driver in the reported occupancy rate. In recent years, Boardwalk focused on maintaining high occupancy levels while optimizing turnover costs. Adjusting market rental rates is an ongoing process for the Trust and is consistent with its overall strategy of optimizing overall NOI; consequently, the Trust expects to adjust rents upward or downward when it is deemed necessary.

Occupancy Sensitivity

As with all real estate rental operators, Boardwalk REIT's financial performance is sensitive to occupancy rates. Based on the current reported market rents, a 1% annualized change in reported occupancy is estimated to impact overall rental revenue by approximately $6.2 million, or $0.11 per Trust Unit on a fully diluted basis.

SAME PROPERTY RESULTS

Boardwalk defines same property as one that has been owned by the Trust for a period of 24 months or more from the reporting date. Boardwalk REIT's overall percentage of same properties was 98.5% of its total rental suite portfolio as at December 31, 2024, or a total of 33,722 suites. The tables below provide a regional breakdown on these properties for the fourth quarter of 2024, compared to the fourth quarter of 2023, and fiscal 2024 compared to fiscal 2023.

Same Property Dec. 31 2024 – 3 M	# of Suites	% Rental Revenue Growth	% Total Rental Expenses Growth	% Net Operating Income Growth	% of NOI
Edmonton	12,882	9.3%	4.9%	12.4%	34.9%
Calgary	6,266	8.3%	2.0%	11.2%	24.5%
Other Alberta	1,936	9.4%	8.2%	10.2%	4.9%
Alberta	21,084	9.0%	4.2%	11.8%	64.3%
Quebec	6,000	5.1%	(0.1)%	8.0%	16.2%
Saskatchewan	3,505	10.7%	8.6%	11.8%	11.1%
Ontario	3,019	5.9%	(0.6)%	10.2%	7.8%
British Columbia	114	4.8%	10.8%	3.4%	0.6%
	33,722	8.2%	3.6%	11.0%	100.0%

Same Property Dec. 31 2024 – 12 M	# of Suites	% Rental Revenue Growth	% Total Rental Expenses Growth	% Net Operating Income Growth	% of NOI
Edmonton	12,882	10.3%	3.7%	15.2%	34.7%
Calgary	6,266	10.4%	2.0%	14.5%	24.5%
Other Alberta	1,936	10.5%	2.6%	16.1%	4.9%
Alberta	21,084	10.4%	3.1%	15.0%	64.1%
Quebec	6,000	5.6%	1.9%	7.6%	16.5%
Saskatchewan	3,505	10.4%	2.4%	15.0%	11.0%
Ontario	3,019	5.7%	4.1%	6.8%	7.8%
British Columbia	114	4.8%	(2.5)%	6.7%	0.6%
	33,722	9.2%	2.9%	13.0%	100.0%

Same property rental revenue increased by 9.2% for the year ended December 31, 2024, compared to the same period in the prior year. Total rental expenses reported for the year increased by 2.9% from 2023, resulting in a NOI increase of 13.0% compared to the prior year. The increase in reported rental revenue was driven by the higher in-place occupied rents across all regions as well as continued decreases in incentives in the Alberta and Saskatchewan markets. Same property total rental expenses increased for most regions due to higher wages and salaries from inflation, as well as higher building repairs and maintenance, utilities, and property taxes. In particular, Edmonton incurred increased wages and salaries due to higher maintenance, landscaper, and cleaner wages, as well as an increase in utilities from increases in natural gas, water and sewer costs, and carbon levies. In Ontario, the increase in operating expenses was attributable to higher salaries and wages, building repairs and maintenance, bad debts expenses, and property taxes, partially offset by lower insurance premiums. In British Columbia, total rental expenses decreased due to lower building repairs and maintenance costs, utilities, and wages and salaries. Overall, the Trust recognized same property NOI growth of 13.0% for 2024 when compared to the prior year.

Same Property Rental Revenue Growth	# of Suites	Q4 2024 vs Q3 2024	Q4 2024 vs Q2 2024	Q4 2024 vs Q1 2024	Q4 2024 vs Q4 2023
Edmonton	12,882	1.5%	4.4%	7.4%	9.3%
Calgary	6,266	0.8%	3.1%	5.8%	8.3%
Other Alberta	1,936	1.6%	4.0%	7.2%	9.4%
Quebec	6,000	1.3%	3.6%	4.4%	5.1%
Saskatchewan	3,505	2.0%	5.5%	8.6%	10.7%
Ontario	3,019	0.8%	2.7%	3.7%	5.9%
British Columbia	114	0.2%	2.1%	3.5%	4.8%
	33,722	1.3%	3.9%	6.3%	8.2%

On a sequential basis, same property rental revenue reported in the fourth quarter of 2024 increased by 1.3% over Q3 2024, increased by 3.9% compared to Q2 2024, increased by 6.3% compared to Q1 2024, and increased by 8.2% compared to Q4 2023. The change over each quarter is a reflection of Boardwalk's strategy, striving toward balancing the optimum level of market rents, rental incentives, and occupancy rates in order to achieve its NOI optimization strategy. The significant increases over the same quarter in the prior year also reflect market improvements and an influx in migration across provinces and international immigration, which has increased demand and contributed to the increases seen across Alberta and Saskatchewan. The Trust remains focused on sustainable rental rate increases with an emphasis on retention.

Estimated Mark-to-Market Revenue Gain Calculation

Boardwalk REIT's projected mark-to-market revenue gain, representing the difference between estimated market rents and actual occupied rents in December 2024, and adjusted for current occupancy levels, totaled approximately $42.4 million on an annualized basis, representing $0.79 per Unit (Trust Units and LP Class B Units). For the most part, Boardwalk REIT's rental lease agreements last no longer than 12 months. By managing market rents and providing suite-specific incentives to our Resident Members, the Trust and all its stakeholders continue to benefit from lower turnover, reduced expenses, and high occupancy. Estimated mark-to-market revenue gain is measured at a point in time and is not intended to depict expected future financial performance. Reported market rents can be very seasonal and, as such, will vary from quarter to quarter. The significance of this change could materially affect Boardwalk REIT's "estimated mark-to-market revenue gain" amount. The importance of this estimate, however, is that it can be an indicator of future rental performance, assuming continuing economic conditions and trends. It would take significant time for these market rents to be recognized by the Trust due to internal and external limitations on its ability to charge these new market-based rents in the short term, particularly on renewals.

	Without Incentives				With Incentives					
Same Property	Dec. 2024 Market Rent (1)	Dec. 2024 Occupied Rent (2)	Mark-to-Market Per Month (3)	Annualized Mark-to-Market Adjusted for Current Occupancy Levels ($000's)	Dec. 2024 Market Rent, Including Incentives (4)	Dec. 2024 Occupied Rent (2)	Mark-to-Market Per Month (3)	Annualized Mark-to-Market Adjusted for Current Occupancy Levels ($000's)	Weighted Average Apartment Suites (5)	% of Portfolio
Edmonton	$ 1,549	$ 1,479	$ 70	$ 10,561	$ 1,514	$ 1,479	$ 35	$ 4,993	12,882	38%
Calgary	1,934	1,851	83	6,152	1,920	1,851	69	5,032	6,347	19%
Other Alberta	1,412	1,344	68	1,557	1,374	1,344	30	670	1,936	6%
Alberta	$ 1,652	$ 1,578	$ 74	$ 18,270	$ 1,623	$ 1,578	$ 45	$ 10,695	21,165	63%
Quebec	$ 1,509	$ 1,355	$ 154	$ 10,986	$ 1,508	$ 1,355	$ 153	$ 10,973	6,000	18%
Saskatchewan (6)	1,631	1,594	37	1,520	1,622	1,594	28	1,061	3,505	10%
Ontario	1,903	1,371	532	18,969	1,902	1,371	531	19,207	3,019	9%
British Columbia	2,600	2,236	364	484	2,590	2,236	354	481	114	-%
Total Portfolio	$ 1,650	$ 1,524	$ 126	$ 50,229	$ 1,631	$ 1,524	$ 107	$ 42,417	33,803	100%

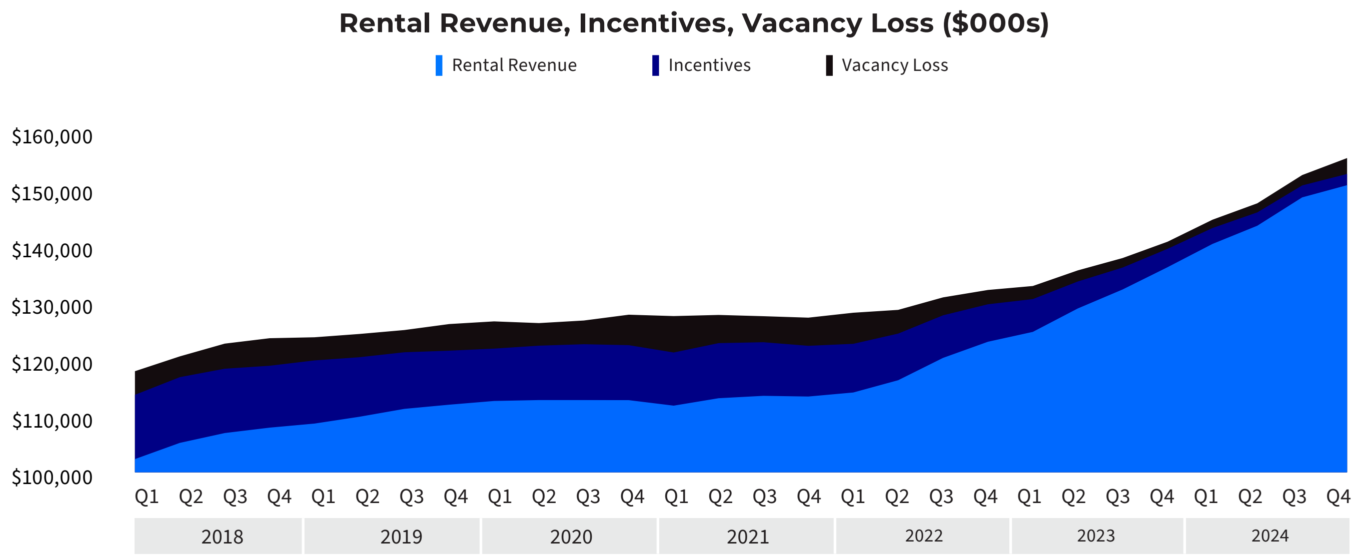
(1) Market rent is a component of rental revenue and represents same properties only. It is calculated as of the first day of each month as the average rental revenue amount a willing landlord might reasonably expect to receive, and a willing tenant might reasonably expect to pay, for a tenancy, before adjustments for other rental revenue items such as, incentives, vacancy loss, fees, specific recoveries, and revenue from commercial tenants.
(2) Occupied rent is a component of rental revenue and represents same properties only. It is calculated for occupied suites as of the first day of each month as the average rental revenue, adjusted for other rental revenue items such as fees, specific recoveries, and revenue from commercial tenants.
(3) Mark-to-market represents the difference between market rent and occupied rent, or market rent including incentives and occupied rent, where indicated.
(4) Market rent including incentives is market rent, as described, adjusted for incentives.
(5) Calgary includes the BRIO joint operation at 100% suite count.
(6) Saskatchewan market rent includes an increase for cable and internet service.

The decrease in the mark-to-market revenue gain for our portfolio, from $52.0 million at September 2024, to $42.4 million at December 2024, was due primarily to an increase in occupied rents in Alberta, and to a lesser extent, Ontario and Quebec. Excluded from the mark-to-market revenue gain calculation of $42.4 million is approximately $19 per suite per month of incentives, representing the difference of the mark-to-market calculated excluding incentives and the mark-to-market calculated including incentives, resulting in potential additional revenue of approximately $8 million per annum or a total mark-to-market opportunity of $50.2 million.

In fiscal 2024, as with prior periods, Boardwalk REIT continued to focus on the optimization of all rental revenue, with attention to appropriate levels of market rents and certain occupancy level targets, as well as suite-selective incentives when warranted.

Vacancy Loss and Incentives

Vacancy loss and rental incentives are strong indicators of current and future revenue performance. Depending on specific market conditions, to best manage overall economic rental revenue, the correct balance between rental incentives and vacancy loss is important. On a quarterly basis, the chart on the following page details rental incentives offered versus vacancy loss, on a same property basis. Select incentives are continuing in the Alberta and Saskatchewan markets to maintain and increase occupancy levels. However, incentives and vacancy loss in these markets are on a downward trend as noted previously under the section titled "Segmented Operational Reviews" in this MD&A, with decreased incentives being used on the renewal of leases and minimal to no incentives being offered on new leases. Boardwalk REIT continues to focus on maximizing overall revenues through the management of three key revenue variables, notably, market rents, occupancy levels, and suite-selective incentives.



FINANCING COSTS

Financing costs, including interest expense on the Trust's secured mortgages and lease obligations for the year ended December 31, 2024 increased from the same period in the prior year, from $111.2 million to $121.2 million. At December 31, 2024, the reported weighted average interest rate for mortgages payable of 3.19% was up from the weighted average interest rate of 3.00% at December 31, 2023. Boardwalk REIT has continued to refinance and renew certain mortgages with a focus on balancing the renewing interest rate as well as staggering the mortgage maturity curve. The average term to maturity of the Trust's mortgage portfolio is approximately 3.6 years.

Boardwalk REIT concentrates on multi-family residential real estate which makes it eligible to obtain government-backed insurance through the NHA (as defined herein) program, administered by CMHC. The benefits of purchasing this insurance are two-fold:

1. CMHC insurance allows Boardwalk REIT to obtain mortgages with lower interest rate spreads on its property financing compared to other financing alternatives in either the residential or any other real estate class, leading to lower overall cost of debt, after including the cost of the NHA insurance; and,
2. CMHC insurance lowers Boardwalk REIT's overall renewal risk. Once insurance is obtained on the related mortgage, the insurance is transferable and follows the mortgage for the complete amortization period, typically between 25 and 40 years, depending on the type of asset being insured. With the insurance being transferable between approved lenders, it lowers the overall risk of Boardwalk REIT not being able to refinance the asset on maturity.

This government-backed mortgage insurance program administered by CMHC provides significant benefits to the Trust, which in turn allows for increased quality and affordability for the Trust's Resident Members. Despite past volatility in the overall credit markets, the Trust has been able to maintain a number of mortgage lenders willing to assume, or underwrite, additional mortgages under this program.

At December 31, 2024, approximately 96% of Boardwalk REIT's mortgages were backed by this NHA insurance, with a weighted average amortization period of approximately 31 years.

As the LP Class B Units are classified as financial liabilities in accordance with IFRS Accounting Standards, the corresponding distributions paid to the Unitholders are classified as financing costs under IFRS Accounting Standards. In its definition of FFO, REALPAC notes that puttable instruments are classified as financial liabilities and distributions are therefore treated as interest expense, however, adds the distributions that were treated as interest expense back when calculating FFO, which suggests those puttable instruments are similar to equity. The total amount of distributions paid to the holders of LP Class B Units for the year ended December 31, 2024, which have been recorded as financing costs, was $6.2 million (year ended December 31, 2023 – $5.2 million). Based on this rationale, these amounts have been added back into the calculation of FFO.

The total amount of interest income earned for the year ended December 31, 2024, was $12.5 million, compared to $3.1 million for the prior year. Interest income will fluctuate depending on the cash on hand in the period and interest rates received on invested cash.

Amortization of Deferred Financing Costs

The amortization of deferred financing costs relates primarily to the amortization of CMHC premiums, which are paid as part of mortgage financing. If Boardwalk REIT replaces an existing mortgage with a new mortgage, all costs associated with the original mortgage, including the unamortized balance of the CMHC premium, are required to be charged to income in the period that this occurs. As a result, and due to the variable timing and strategy of each mortgage at maturity, the amounts reported will vary. Rather than refinance the entire mortgage on term maturity to a higher amount, Boardwalk REIT takes advantage of supplementing, rather than extinguishing, the original mortgage to increase its leverage.

Boardwalk reviews its amortization estimates on an ongoing basis and, if warranted, will adjust these estimates prospectively.

The total amortization of deferred financing costs for the year ended December 31, 2024, was $7.3 million compared to $7.2 million recorded for the prior year. Amortization of deferred financing costs is included in financing costs.

Interest Rate Sensitivity

Although Boardwalk REIT manages its financing risk in a variety of ways, significant interest rate changes could still impact the Trust as a whole. Due to the size of Boardwalk's overall mortgage portfolio, it has been prudent to spread out the maturity of these mortgages over a number of years. In fiscal 2025, the Trust anticipates having approximately $565.5 million of secured mortgages maturing with a weighted average rate of 2.44%. If we were to renew these mortgages today with a five-year term, the Trust estimates, based upon interactions with possible lenders, the new rate would be approximately 3.70% (as of February 2025).

To date, the Trust has renewed, or forward locked the interest rate on $57.0 million or 10.1% of its total 2025 mortgage maturities at an average interest rate of 3.78%, while extending the term of these mortgages by an average of 5.9 years.

ADMINISTRATION

Included in administration expenses are costs associated with Boardwalk REIT's centralized administrative functions. The amount reported for the year ended December 31, 2024, which relates to corporate administration from continuing operations, was $44.8 million compared to $41.2 million in the prior year, an increase of approximately 8.7% for the year. The increase was attributable to higher administrative wages, which was increased in part due to rising inflation coupled with bonus considerations, as well as increased travel costs and information technology costs including cybersecurity and third-party software as a service fees.

DEPRECIATION

Depreciation recorded on the Consolidated Statements of Comprehensive Income is made up of the depreciation of property, plant and equipment.

The Trust has elected to use the cost model under IAS 16 – Property, Plant and Equipment ("IAS 16") to value its property, plant and equipment, and, as a result of this method, depreciation expense is a charge taken against earnings to reflect the estimated depreciation that has occurred to these assets as a result of their use during the reporting period in question.

Boardwalk reviews its key depreciation estimates on an ongoing basis and, if warranted, will adjust these estimates on a prospective basis.

The total amount reported as depreciation for the year ended December 31, 2024 was $8.3 million, which was consistent with the $7.9 million recorded for the same period in the prior year.

OTHER INCOME AND EXPENSES

Income Tax Expense

Boardwalk REIT qualifies as a "mutual fund trust" as defined in the Tax Act. The Tax Act also contains legislation affecting the tax treatment of publicly traded trusts and the criteria for qualifying for the REIT Exemption, which would exempt Boardwalk REIT from income tax under the SIFT Legislation. For 2023 and 2024, the Trust qualified for the REIT Exemption.

Although Boardwalk REIT is exempted from income taxes provided it distributes all of its taxable income to its Unitholders, this exemption does not apply to its corporate subsidiaries, which are subject to income taxes.

Boardwalk REIT has received notices of reassessment dated February 28, 2024 from the CRA increasing the Trust's taxable income by $5.6 million, $20.6 million, $14.1 million, and $0.06 million for its taxation years ended December 31, 2011, 2012, 2013, and 2014, respectively, on the basis that the Trust did not report deemed taxable capital gains in each of those taxation years resulting from alleged negative adjusted cost base in the Trust's units of Top Hat Operating Trust, a trust 100% owned by Boardwalk REIT. Management of the Trust assessed the implications of the CRA notices of reassessment and filed an objection on May 24, 2024 with the CRA Appeals Division as it disagrees with the CRA's proposed assessment. It is the opinion of the Trust that it will not be required to pay any amount to the CRA in order to dispute this matter. Furthermore, it is the Trust's opinion that should a payment be required to settle this matter, provided the Trust is not a taxable entity, it will not be required to pay any income taxes payable as the Trust distributes all taxable income to its Unitholders. It is difficult to estimate the amount of time it could take to resolve the dispute with the CRA Appeals Division and it is possible that an appeal to the Tax Court of Canada could be required in order to resolve this dispute. Please refer to the section titled "Risks and Risk Management – Certain Tax Risks – Change of Tax Laws" in this MD&A for more information.

LP Class B Units and the Deferred Unit Compensation Plan

The LP Class B Units are non-transferable, except under certain circumstances, but are exchangeable, on a one-for-one basis, into Trust Units at any time at the option of the holder. The LP Class B Units and the deferred unit-based compensation plan are recorded at their fair value at each reporting date. As at December 31, 2024, the Trust used a price of $64.25 based on the closing price of the Trust Units on the TSX to determine the fair value of these liabilities at that date. The total fair value of the LP Class B Units recorded on the Consolidated Statements of Financial Position at December 31, 2024, was $283.7 million (December 31, 2023 – $319.2 million), and a corresponding fair value gain of $31.8 million (year ended December 31, 2023 – fair value loss of $98.0 million) was recorded on the Consolidated Statements of Comprehensive Income for the year ended December 31, 2024.

The deferred unit-based compensation plan had a fair value of $18.0 million (December 31, 2023 – $15.8 million), and a corresponding fair value loss of $0.5 million (year ended December 31, 2023 – fair value loss of $4.6 million) was recorded on the Consolidated Statements of Comprehensive Income for the year ended December 31, 2024.

Financial Condition

REVIEW OF CASH FLOWS

Operating Activities

Cash flow from operating activities increased by 20.7% from $199.8 million for the year ended December 31, 2023 to $241.2 million for the year ended December 31, 2024. For the year ended December 31, 2024, Boardwalk REIT reported ACFO of $192.3 million, or $3.56 per Unit. This represented an increase of approximately 29.0%, compared to $149.1 million, or $2.96 per Unit, reported for the same 12 months in 2023. The increase in cash flow from operating activities for 2024 was mainly the result of increased rental revenues and interest income partially offset by higher operating and administrative costs incurred in the period and higher interest expense as a result of higher interest rates. The increase in ACFO was primarily due to higher rental revenues from higher occupied rent and lower incentives as well as higher interest income.

A reconciliation of ACFO to cash flow from operating activities as shown in the Consolidated Statements of Cash Flows prepared in accordance with IFRS Accounting Standards is highlighted below.

ACFO Reconciliation *(In $000's, except per Unit amounts)*	**3 Months Dec. 31, 2024**	3 Months Dec. 31, 2023	% Change	**12 Months Dec. 31, 2024**	12 Months Dec. 31, 2023	% Change
Cash flow from operating activities	**$ 58,245**	$ 55,133		**$ 241,200**	$ 199,796	
Adjustments						
Net change in operating working capital	**3,041**	(5,290)		**(4,674)**	(8,385)	
Income (loss) from equity accounted investment	**14,272**	(572)		**13,226**	(1,113)	
Fair value gain from equity accounted investment	**(13,830)**	-		**(13,830)**	-	
Deferred unit-based compensation	**(2,048)**	(921)		**(5,374)**	(3,328)	
LP Class B Unit distributions	**1,603**	1,309		**6,235**	5,169	
Government grant amortization	**94**	94		**378**	378	
Interest paid	**28,929**	28,852		**113,123**	103,084	
Financing costs	**(30,937)**	(28,905)		**(121,161)**	(111,172)	
Principal repayments on lease liabilities	**(826)**	(803)		**(3,275)**	(3,397)	
Principal repayments on lease receivable	**-**	-		**-**	321	
Maintenance Capital Expenditures (1)	**(7,732)**	(8,651)		**(33,575)**	(32,255)	
ACFO (2)(3)	**$ 50,811**	$ 40,246	26.3%	**$ 192,273**	$ 149,098	29.0%
ACFO per Unit (3)	**$ 0.94**	$ 0.79	19.0%	**$ 3.56**	$ 2.96	20.3%

(1) Details of the calculation of Maintenance Capital Expenditures can be found in the section titled, "Financial Condition – Review of Cash Flows – Investing Activities – Value-add Capital and Maintenance Capital Expenditures" in this MD&A.
(2) This is a non-GAAP financial measure.
(3) Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information.

For the current quarter, FFO Payout Ratio and ACFO Payout Ratio were 33.1% and 38.2%, respectively, compared to 30.8% and 37.4%, respectively, for the same period in the prior year. For the year ended December 31, 2024, FFO Payout Ratio and ACFO Payout Ratio were 33.3% and 39.1%, respectively, compared to 32.2% and 39.1%, respectively, in the prior year.

ACFO, in the longer term, is indicative of the Trust's ability to pay distributions to its Unitholders. ACFO Payout Ratio is a non-GAAP ratio. Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information on ACFO Payout Ratio. As regular distributions are funded by the Trust's liquidity, cash flow from operating activities, and mortgage upfinancings tied to investment property capital appreciation (when needed), these distributions are reviewed on a quarterly basis by the Board of Trustees to assess whether they are sustainable. As a result of the review at the beginning of 2024, the Board of Trustees had approved distributions of $1.44 per Trust Unit on an annualized basis effective March 2024. With the completion of 2024, the Board of Trustees has approved distributions of $1.62 per Trust Unit on an annualized basis effective March 2025.

Investing Activities

Capital Improvements

Boardwalk has a continuous capital improvement program with respect to its investment properties and brand diversification strategy. The program is designed to extend the properties' useful lives, improve operating efficiency, enhance appeal, enhance as well as maintain earnings capacity, meet Resident Members' expectations, and comply with health and safety regulations.

A few of the Trust's communities will be selected to fall under the 'Boardwalk Lifestyle' brand, based on a number of criteria. In general, these communities are located in extremely attractive locations and desirable neighbourhoods. Rebranding is the highest level of investment the Trust will place in this community. Investment here will be holistic in nature and include significant enhancement to the exterior. Common areas may not only be refreshed but may also be modernized to include community areas with Wi-Fi lounges, barbeque areas, and other in-demand amenities. The suites in these buildings will be significantly modernized and may include the removal of existing walls and substantial upgrades, including all new appliances, upgraded kitchens and extensive flooring, electrical and plumbing upgrades. These communities will be targeted to renters commonly referred to as a 'renter by choice'.

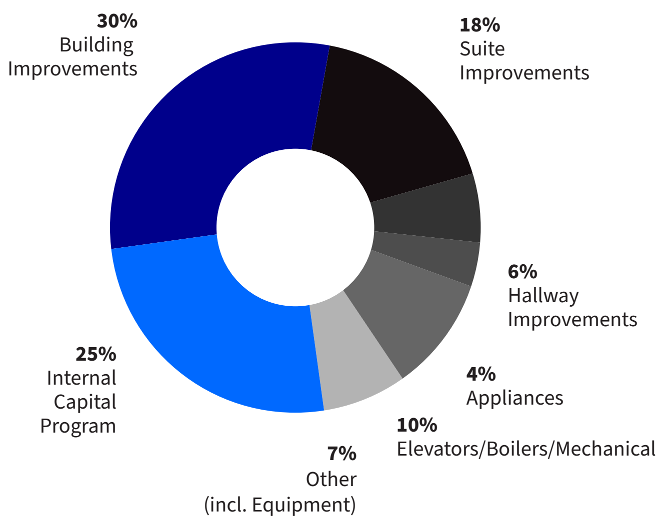
A number of the Trust's communities will be selected to be repositioned to the 'Boardwalk Communities' category. These communities will also be targeted based on location and will focus on a modernization program. These communities tend to be located in mature areas near schools, parks, the downtown core, shopping and other desirable amenities. Investment in these communities will enhance the already large suite size and will significantly upgrade most aspects of the suite, including new upgraded flooring, all new appliances with modernized kitchens, modern electrical, plumbing and hardware fixtures. Modernization of existing common areas such as hallways and lobbies will also be considered.

The majority of Boardwalk's existing portfolio falls into the 'Boardwalk Living' category. Resident Members in this area are looking for value but tend to be more price sensitive. Again, many of these Boardwalk communities are located in established communities with extensive local amenities. Although Boardwalk's investment in this area will be less significant than in its re-positioned and rebranded communities, it is value-focused and thoughtfully targeted with those items that these price sensitive renters appreciate most, such as upgraded flooring, and more modern electrical, plumbing and hardware fixtures.

In 2024, Boardwalk REIT invested approximately $133.4 million in capital assets (comprised of $124.4 million on its investment properties and $9.0 million on property, plant and equipment) back into its properties in the form of equipment and project enhancements to upgrade existing suites, common areas, and building exteriors and systems, compared to the $126.0 million ($119.0 million on its investment properties and $7.0 million on property, plant and equipment) invested in 2023.

A significant part of Boardwalk's capital improvement program relates to projects that are carried out by Boardwalk's Associates. This internal capital program was initiated in 1996 as a way to create more value for the Trust. The Trust recognizes that there are certain efficiencies and economies of scale available from having Boardwalk Associates perform certain capital projects themselves, or "in-house". This results in the faster execution and greater control of these projects while at the same time eliminating the profit charged by third-party contractors. The Trust focuses on specific projects where there is the largest opportunity for value creation, like flooring and painting. Over the last few years, the Trust has intensified this focus of performing capital projects "in-house" rather than contracting such services. Included in investment in capital assets is approximately $33.3 million of on-site wages and salaries that have been incurred towards these projects for 2024, compared to $33.8 million for 2023.

2024 12 M Investment in Capital Assets



Maintenance of Productive Capacity

The Trust has two separate areas in which capital is invested back into its residential buildings. These are referred to as Maintenance Capital Expenditures or "Maintenance CAPEX" and value-add capital investments.

Maintenance CAPEX over the longer term is funded from cash flow from operating activities. These expenditures are deducted from FFO in order to estimate a sustainable amount, AFFO, which can be distributed to Unitholders. Maintenance CAPEX include those expenditures that, while capital in nature, are not considered betterments and relate more to maintaining the existing earnings capacity of our property portfolio, though do extend the useful life of the asset. In contrast, value-add capital investments are more discretionary in nature and focus on increasing the productivity of the property, with the goal of increasing NOI through revenue growth and/or decreased operating expenses. Management of the Trust believes that significant judgement is required to determine whether a capital expenditure is needed to maintain the earning capacity of an asset or to increase the earning capacity of an asset. Lastly, the Trust invests funds in its portfolio in the form of ongoing repairs and maintenance as well as on-site maintenance Associates. Both of these expenditures are designed to maintain the operating capacity of our assets.

Value-add Capital and Maintenance Capital Expenditures

As discussed above, value-add capital investments include building improvements, suite upgrades, technology initiatives, and other investments which support NOI growth. Building improvements include investments which improve energy efficiency, enhance building envelopes, increase curb appeal of the property, as well as renovations of common areas and amenity spaces. Suite upgrades included in value-add capital result in revenue growth above market growth. In addition, internal capital required to complete building improvements and suite upgrades is considered value-add capital.

Maintenance CAPEX are expenditures which relate to sustaining and maintaining the existing asset. Boardwalk's determination of Maintenance CAPEX is based on an estimated reserve amount per suite based on a three-year average of the capital invested to maintain and sustain the existing properties. The allocations on the following page were the result of a detailed review of the Trust's historical capital investment. As previously discussed, significant judgement was required to allocate capital between value-add and Maintenance CAPEX. Capital budget amounts for 2024, revised, if necessary, based on actual expenditures for the year, are initially used to calculate Maintenance CAPEX for the three-year rolling average. For 2023, the three-year rolling average is based on actual expenditures invested from 2021 to 2023.

The Trust's calculation of standardized Maintenance CAPEX per suite is outlined in the following table:

Category	2024 Capital Expenditures ($000's)	2023 Capital Expenditures ($000's)	2022 Capital Expenditures ($000's)	2021 Capital Expenditures ($000's)
Building Exterior, Grounds & Parking	$ 40,077	$ 36,136	$ 40,794	$ 26,151
Hallways & Lobbies	8,151	8,999	6,628	8,093
Elevators	3,273	3,605	2,160	2,826
Mechanical & Electrical	10,654	9,023	6,086	6,901
Other – Information Technology	4,906	3,978	3,707	4,428
Site Equipment & Vehicles	2,478	2,204	1,342	1,636
Total Common Area	$ 69,539	$ 63,945	$ 60,717	$ 50,035
Paint & General	$ 8,140	$ 6,575	$ 8,891	$ 13,072
Flooring	8,469	8,512	10,823	12,824
Cabinets & Counters	5,931	5,495	6,760	7,957
Appliances	4,704	4,419	4,799	5,145
Suite Mechanical	1,376	1,287	1,549	1,659
Furniture, Fixtures & Equipment	911	980	771	1,198
Total Suites	$ 29,531	$ 27,268	$ 33,593	$ 41,855
Internal Capital Program	$ 33,329	$ 33,810	$ 34,435	$ 34,237
Subtotal	$ 132,399	$ 125,023	$ 128,745	$ 126,127
Corporate Capital Expenditures	1,028	949	607	876
Investment in Capital Assets	$ 133,427	$ 125,972	$ 129,352	$ 127,003
Cash Flow used in Investing Activities				
Improvements to Investment Properties	$ 124,395	$ 119,012	$ 123,885	$ 121,492
Additions to Property, Plant & Equipment	9,032	6,960	5,467	5,511
Investment in Capital Assets	$ 133,427	$ 125,972	$ 129,352	$ 127,003
Number of suites	34,222	33,846	33,722	33,264
Value-add Capital Investment				
Building Improvements	$ 41,002	$ 34,786	$ 34,443	$ 25,194
Common Area Renovations	8,151	8,999	6,628	8,093
Suite Upgrades	22,054	20,749	25,999	33,493
Internal Capital	27,137	27,873	28,289	28,664
Other – Information Technology	1,227	996	927	1,107
	$ 99,571	$ 93,403	$ 96,286	$ 96,551
Maintenance CAPEX	33,856	32,569	33,066	30,452
Investment in Capital Assets	$ 133,427	$ 125,972	$ 129,352	$ 127,003
Maintenance CAPEX per Suite	$ 989	$ 962	$ 981	$ 915
Three-year Rolling Average Reserve				
2022			$ 981	
2023			$ 962	
2024			$ 989	
2024 Maintenance CAPEX Per Suite			**$ 977**	
Three-year Rolling Average Reserve				
2021				$ 915
2022				$ 981
2023				$ 962
2023 Maintenance CAPEX Per Suite				**$ 953**

Using the three-year rolling average reserve, Boardwalk's 2024 estimate of Maintenance CAPEX is $33.6 million, or $977 per suite, for the year. For 2023, Boardwalk's estimate of Maintenance CAPEX, using the three-year average reserve, was $32.3 million, or $953 per suite, for the year. The increase in the three-year rolling average reserve of $953 per suite in 2023 to $977 per suite in 2024 is due to a higher Maintenance CAPEX per suite in part due to rising costs from inflationary increases experienced over the past year.

The following table provides management of the Trust's estimate of these expenditure categories for the three and 12 months ended December 31, 2024 and 2023

(In $000's, except for per suite amounts)	**3 Months Dec. 31, 2024**	**Per Suite**	3 Months Dec. 31, 2023	Per Suite	**12 Months Dec. 31, 2024**	**Per Suite**	12 Months Dec. 31, 2023	Per Suite
Maintenance CAPEX	**$ 7,732**	**$ 225**	$ 8,651	$ 255	**$ 33,575**	**$ 977**	$ 32,255	$ 953
Value-add capital	**33,095**	**962**	30,418	895	**99,852**	**2,906**	93,717	2,769
Investment in capital assets	**$ 40,827**	**$ 1,187**	$ 39,069	$ 1,150	**$ 133,427**	**$ 3,883**	$ 125,972	$ 3,722

Management of the Trust has estimated that for the fourth quarter of fiscals 2024 and 2023, the amount allocated to maintenance capital was approximately $7.7 million, or $225 per suite, and $8.7 million, or $255 per suite, respectively, with investment in value-add capital expenditures to its investment properties totaling $33.1 million and $30.4 million, respectively, or $962 and $895 per suite, respectively.

For the years ended December 31, 2024 and 2023, the amount allocated to maintenance capital was approximately $33.6 million, or $977 per suite, and $32.3 million, or $953 per suite, respectively, with investment in value-add capital expenditures to its investment properties totaling $99.9 million and $93.7 million, respectively, or $2,906 and $2,769 per suite, respectively.

Investment Properties

The Trust has elected to use the fair value model in accordance with IAS 40 – Investment Properties ("IAS 40") to report the value of its investment properties at each reporting date.

External valuations were obtained from third-party appraisers (the "Appraisers") based on a cross section of properties from different geographical locations and markets across the Trust's rental portfolio, as determined by management, to corroborate the Trust's internal fair value calculation for its entire investment property portfolio. Appraisals were obtained as follows:

Date	Number of Properties	Aggregate Fair Value	Percentage of Portfolio as of that Date
December 31, 2024	**6**	**$ 866,671**	**10.4%**
September 30, 2024	5	$ 203,269	2.4%
June 30, 2024	5	$ 254,010	3.1%
March 31, 2024	4	$ 180,971	2.2%
December 31, 2023	6	$ 874,525	11.4%
September 30, 2023	6	$ 196,708	2.6%
June 30, 2023	4	$ 210,300	2.8%
March 31, 2023	4	$ 100,235	1.4%

The fair value of the Trust's investment property portfolio was determined internally by the Trust using the same assumptions and valuation techniques used by the Appraisers. In addition to performing a valuation on a selection of the Trust's properties (and not performing a valuation on all of the Trust properties) to compare to the Trust's internal valuation, the Appraisers provided the Trust with a summary of the major assumptions and market data by city in order for the Trust to complete its internal valuations.

The key valuation metrics for the Trust's investment properties using the stabilized approach are set out in the following table:

As at	**Dec. 31, 2024**		Dec. 31, 2023	
	Capitalization Rate Weighted Average	**Forecasted Total Stabilized Net Operating Income**	Capitalization Rate Weighted Average	Forecasted Total Stabilized Net Operating Income
Alberta	**5.14%**	**$ 261,691**	5.13%	$ 247,297
British Columbia	**4.38%**	**5,703**	4.30%	5,518
Saskatchewan	**5.68%**	**43,757**	5.67%	39,326
Ontario	**4.52%**	**32,604**	4.27%	30,922
Quebec	**4.95%**	**21,172**	4.94%	18,944
	5.11%	**364,927**	5.06%	342,007
Land Leases	**5.22%**	**41,160**	4.96%	39,807
Total	**5.12%**	**$ 406,087**	5.05%	$ 381,814

Overall portfolio weighted average stabilized capitalization rate ("Cap Rate") was 5.12% as at December 31, 2024 and 5.05% as at December 31, 2023, using a forecasted stabilized NOI.

The "Overall Capitalization Rate" method requires a forecasted stabilized NOI be divided by a Cap Rate to determine a fair value. As such, fluctuations in both NOI and Cap Rates could significantly alter the fair value. Generally, an increase in NOI will result in an increase to the fair value of an investment property. An increase in Cap Rate will result in a decrease to the fair value of an investment property. When the Cap Rate is applied to NOI to calculate fair value, there is a significant impact whereby the lower the Cap Rate, the larger the impact. The tables below summarize the sensitivity impact of changes in both Cap Rates and forecasted stabilized NOI on the Trust's fair value of its investment properties (excluding building acquisitions valued at Level 2 inputs, developments, and the right-of-use assets related to lease liabilities) as at December 31, 2024, and December 31, 2023:

As at December 31, 2024		**Stabilized Net Operating Income**				
		-3%	**-1%**	**As Forecasted**	**+1%**	**+3%**
Cap Rate		**$ 393,904**	**$ 402,026**	**$ 406,087**	**$ 410,148**	**$ 418,270**
-0.25%	4.87%	**$ 157,056**	**$ 323,844**	**$ 407,238**	**$ 490,632**	**$ 657,421**
Cap Rate As Reported	5.12%	**(237,965)**	**(79,322)**	**7,932,173**	**79,322**	**237,965**
+0.25%	5.37%	**(596,202)**	**(444,945)**	**(369,317)**	**(293,688)**	**(142,431)**

As at December 31, 2023		Stabilized Net Operating Income				
		-3%	-1%	As Forecasted	+1%	+3%
Cap Rate		$ 370,360	$ 377,996	$ 381,814	$ 385,632	$ 393,268
-0.25%	4.80%	$ 154,907	$ 313,923	$ 393,431	$ 472,939	$ 631,955
Cap Rate As Reported	5.05%	(226,721)	(75,574)	7,557,359	75,574	226,721
+0.25%	5.30%	(572,361)	(428,341)	(356,330)	(284,320)	(140,299)

Investment properties with a fair value of $788.5 million as at December 31, 2024 (December 31, 2023 – $802.0 million), are situated on land held under ground (or land) leases.

Investment properties with a fair value of $1.1 billion as at December 31, 2024 (December 31, 2023 – $1.0 billion), are pledged as security against the Trust's credit facility, which includes a committed revolving credit facility and demand revolving credit facility (collectively, the "Credit Facility"). In addition, investment properties with a fair value of $7.9 billion as at December 31, 2024 (December 31, 2023 – $7.4 billion), are pledged as security against the Trust's mortgages payable.

For the year ended December 31, 2024, the Trust capitalized $124.4 million in improvements to investment properties (and $53.7 million in development of investment properties) and recorded a fair value gain of $328.7 million on its financial statements as a result of changes in the fair value of investment properties. For the year ended December 31, 2023, the Trust capitalized $119.0 million in improvements to investment properties (and $23.3 million in development of investment properties) and recorded a fair value gain of $598.8 million. Capitalized building improvements represent expenditures that provide future benefits to the Trust for a period greater than 12 months, some of which may not be immediately reflected in the fair value of the investment properties, under IFRS Accounting Standards, for the current reporting period.

Joint Arrangements

Boardwalk and RioCan Real Estate Investment Trust (“RioCan”) completed their first joint operation development project known as BRIO, located in Calgary, Alberta, in February 2020. The joint operation is an equal 50% interest between the parties, with RioCan managing the retail component and Boardwalk managing the residential component, each on a cost basis.

Boardwalk has a 50:50 joint venture partnership, with a private partner, to develop a 365-suite multi-residential, purpose-built rental complex, located near downtown Brampton, Ontario. It is estimated that total development costs for the project are approximately $200 to $215 million, which the Trust anticipates completing near the low end of the range. The project is a rental complex with approximately 10,700 square feet of retail space, above and underground parking, and 380,000 square feet of residential space over two concrete high-rise towers. For the year ended December 31, 2024 and 2023, the Trust invested $nil in capital contributions in equity accounted investment to this limited partnership. The project is substantially tracking on time and on budget. During the fourth quarter of 2022, one of the high-rise towers, which includes 176 residential suites, was substantially completed and as of December 31, 2024, the tower was fully leased. During the fourth quarter of 2023, the second high-rise tower, which includes 189 residential suites, was substantially completed and as of December 31, 2024, the tower was 88.5% leased. The joint venture has committed to a construction facility loan for 60% of the budgeted costs to construct. As at December 31, 2024, $58.2 million has been drawn on this loan. The decrease in the balance outstanding on the construction facility loan from December 2023 is due to the Trust providing a loan to the joint venture for $57.2 million with the proceeds used by the joint venture to repay 50% of the revolving construction facility loan payable. The loan made by the Trust to the joint venture was made on the same terms as the revolving construction facility loan. For the 12 months ended December 31, 2024, a further $1.0 million was advanced to the joint venture with respect to this loan to mirror what was drawn on the construction facility. As at December 31, 2024 the loan receivable owing by the joint venture to the Trust totaled $58.2 million.

Development

Boardwalk’s development opportunities include additional projects to be built on the Trust’s excess land density, as well as new land that was acquired in Victoria, British Columbia. These developments are in various stages of market analysis, planning and approval, and will further add newly constructed assets to the Trust’s portfolio.

For the year ended December 31, 2024, the Trust expended $53.7 million on development of investment properties compared to $23.3 million for the prior year. Interest costs of $2.3 million were capitalized to properties under development for the year ended December 31, 2024 (December 31, 2023 – $1.5 million).

During the second quarter of 2024, the Trust purchased a parcel of land in Calgary, Alberta, for a purchase price of $12.0 million (excluding transaction costs). The acquisition was funded with cash on hand and is planned for a development project of new rental suites. The site is located in one of central Calgary’s most desirable and amenity-rich neighbourhoods and is a short drive from downtown, 17th Avenue, University of Calgary, and Mount Royal University. The Trust estimates that the site allows for approximately 135 residential suites and supporting ground-level retail. The Trust will continue to progress with Development Permit approvals in 2024. With its joint venture project described above nearing stabilization, the Trust views this as an opportunity to augment and replenish its future development pipeline on a small scale in an irreplaceable location.

It is our intention to continue to investigate further development opportunities, however, each future opportunity will require a separate analysis and, depending on the analysis and economic conditions, Boardwalk REIT will determine if additional development projects are warranted. Historically, one of the biggest risks to real estate valuations is the building of oversupply in a particular market, which results in significant corrections of property values market-wide.

Property Acquisitions and Dispositions

On November 18, 2024, the Trust acquired two adjacent properties in Calgary, Alberta. The properties, totaling 12 suites, were purchased using cash on hand for $3.1 million.

On June 24, 2024, the Trust acquired a property in Chestermere, Alberta and a property in Calgary, Alberta. The Chestermere property is comprised of 63 townhome suites and was purchased for $26.4 million (including transaction costs). The Calgary property is comprised of 6 suites and was purchased for $1.9 million (including transaction costs). Both properties were purchased using cash on hand.

On January 24, 2024, the Trust acquired The Circle, a property in Calgary, Alberta. The property is comprised of 295 suites and had a purchase price of $77.6 million (including transaction costs and net of a deficiency credit received).

On April 25, 2023, the Trust acquired a property in Victoria, British Columbia. The property is comprised of 124 suites and had a purchase price of $60.3 million (including transaction costs).

The Trust has a purchase agreement in place for Elbow 5 Eight, a 255 suite, newly built wood frame community in central Calgary's Windsor Park neighbourhood for a purchase price of $93.0 million. Elbow 5 Eight is well-located within walking distance of Chinook Centre mall, and is a short drive from downtown Calgary, Sandy Beach Park, Rockyview General Hospital, Calgary Golf & Country Club and the nearby established communities of Britannia and Bel Aire. The community will feature condo-quality finishes, a residents' lounge, gym and rooftop patio. Subsequent to December 31, 2024, the remaining conditions on this purchase have been satisfied and the Trust has committed to this purchase, with the transaction expected to close in March 2025. The Trust anticipates lease-up will take approximately one year.

On January 21, 2025, the Trust sold three non-core assets, Axxess, Galbraith House, and Lansdowne Park (comprised of 390 suites), in Edmonton, Alberta, for total proceeds (excluding selling costs) of $80.0 million. These assets have been classified as assets held for sale. Details of the assets held for sale can be found in NOTE 5 to the audited annual consolidated financial statements years ended December 31, 2024 and 2023.

Financing Activities

Distributions

Boardwalk distributes payments monthly to its Unitholders and holders of LP Class B Units. These payments are referred to as regular distributions. The distinct nature and classification of these payments are unique to each real estate investment trust and the components of these distributions may have differing tax treatments. For the year ended December 31, 2024, the Trust declared regular distributions of $75.1 million, an increase from the $58.3 million declared in 2023. The increase is due to the increased distribution rate to $1.44 per Trust Unit as previously noted. Regular distributions declared for both the 12 months ended December 31, 2024 and 2023, represent an FFO payout ratio of 33.3% and 32.2%, respectively. For the year ended December 31, 2024, the Trust recorded profit of $588.2 million (year ended December 31, 2023 – profit of $666.1 million).

Financing of Revenue Producing Properties

During the 12 months ended December 31, 2024, proceeds from mortgage financings, excluding mortgages assumed on new acquisitions, totaled $60.3 million (year ended December 31, 2023 – $236.6 million). During the financing and refinancing process, the weighted average interest rate on its mortgage portfolio increased from 3.00% at December 31, 2023, to 3.19% at December 31, 2024.

CAPITAL STRUCTURE AND LIQUIDITY

Liquidity refers to the Trust's ability to generate, and have available, sufficient cash to fund its ongoing operations and capital commitments as well as its distributions to Unitholders. Generally, distributions are funded from ACFO, a non-GAAP financial measure cash flow metric as previously defined. In addition to ACFO, the Trust relies on a combination of debt capital, and equity to fund a portion of its capital expenditures, acquisitions, development, and other uses of capital. As previously mentioned, the DOT outlines the investment and operating policies of the Trust, however, the Trust has no specific working capital requirements. Over the past number of years, Boardwalk has observed a significant increase in borrowing standards of many of our key lending partners as a result of heightened sensitivity to possible weaknesses in the economy. To mitigate the risk of renewal, the Trust utilizes NHA mortgage insurance, the benefits of which are discussed in detail in this MD&A. Approximately 96% of Boardwalk REIT's secured mortgages carry NHA insurance. In volatile times, the ability to access this product is very beneficial to the Trust as a whole.

Access to liquidity is an important element of the Trust as it allows the Trust to implement its overall strategy. The previous low interest rate environment had allowed Boardwalk to renew its existing maturing mortgages at favourable interest rates. In addition, Boardwalk has been able to access additional capital from its properties through the continued use of the current NHA insurance program, which provides mortgage financing at attractive rates. During the early part of the COVID-19 pandemic we had seen declining interest rates, however, as a result of inflation, global conflicts, and various other economic factors, interest rates have increased significantly from where they previously were during 2021 and at the beginning of 2022. As such, financing costs over the near to medium term are expected to increase, as compared to maturing rates. In 2024 and to-date in 2025, the BoC has cut interest rates six times, however, interest rates still remain high relative to the levels during the COVID-19 pandemic.

Boardwalk defines total available liquidity to include cash and cash equivalents on hand and any unused committed revolving credit facility, plus any subsequent committed/funded financing. The Trust's cash and cash equivalents was $122.4 million at December 31, 2024, compared to $331.2 million reported on December 31, 2023. As at December 31, 2024, the Trust also had $245.8 million of unused committed revolving credit facilities (December 31, 2023 – $195.8 million), bringing total available liquidity to $368.2 million (December 31, 2023 – $527.0 million).

The Trust's liquidity position as at December 31, 2024, remains stable as the following table highlights:

($000)		
Cash and cash equivalents	$	122,408
Unused credit facilities		245,800
Total available liquidity	$	368,208

In addition to this, the Trust currently has 977 rental suites of unencumbered assets. It is estimated that, under current CMHC underwriting criteria, the Trust could obtain an additional $145.0 million of new proceeds from the financing of its currently unencumbered assets.

Of the $565.5 million of secured mortgages coming due in 2025 (as shown in the table included under "Mortgage Schedule"), approximately 100% have NHA insurance, and represent in aggregate approximately 36% of current estimated "underwriting" values on those individual secured assets. Interest rates on five and 10-year NHA-insured mortgages as of February 2025 are estimated to be approximately 3.70% and 4.05%, respectively. These rates do fluctuate and, by the time these maturing mortgages are set for renewal, with or without additional financing, interest rates may have changed materially. Even with the NHA insurance program attached to its secured mortgages, the Trust is still susceptible to changes in market interest rates. To address a portion of this risk, the Trust has forward locked or renewed $57.0 million, or 10.1%, of its $565.5 million of 2025 mortgage maturities. The weighted average contracted interest rate on these renewals is 3.78%, for an average term of 5.9 years.

In July 2024, the Trust extended its committed revolving credit facility for another year with a maturity date of July 25, 2029. In addition, at the time of extending the committed revolving credit facility, the Trust added an additional $50 million demand facility to the credit facility agreement.

Mortgage Schedule

Boardwalk REIT's long-term debt consists entirely of low-rate, fixed-term secured mortgage financing. The maturity dates on the secured mortgages have been staggered to lower the overall interest rate risk on renewal.

Mortgages payable as at December 31, 2024, were $3.3 billion, compared to $3.3 billion as at December 31, 2023.

Boardwalk REIT's overall weighted average interest rate on its long-term debt has decreased from the prior year. The weighted average interest rate as at December 31, 2024, was 3.19% compared to 3.00% as at December 31, 2023. To better maintain cost effectiveness and flexibility of capital, Boardwalk REIT continuously monitors short and long-term interest rates. If the environment warrants, the Trust will convert short-term, floating rate debt, if any, to longer term, fixed rate mortgages to reduce interest rate renewal risk.

Year of Maturity		Principal Outstanding as at Dec. 31, 2024 (1)	Weighted Average Interest Rate By Maturity	% of Total
2025	$	565,458	2.44%	16.6%
2026		604,716	2.33%	17.7%
2027		611,487	3.16%	17.9%
2028		413,748	3.73%	12.1%
2029		496,626	3.62%	14.6%
2030		170,745	2.67%	5.1%
2031		22,740	2.71%	0.7%
2032		79,670	4.13%	2.3%
2033		75,325	4.09%	2.2%
2034		338,736	4.52%	9.9%
2035		30,922	4.18%	0.9%
Total mortgage principal outstanding	$	3,410,173	3.19%	100.0%
Unamortized deferred financing costs		(123,634)		
Unamortized market debt adjustments		(458)		
Mortgages payable	$	3,286,081		

(1) Excludes mortgages related to assets held for sale.

Other contractual obligations of the Trust include lease obligations (see NOTE 24(c) to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023).

Interest Coverage

Boardwalk's liquidity and access to capital resources is constrained by certain tests that have been adopted in both its DOT, as well as in its Credit Facility. The DOT stipulates an interest coverage ratio limit of 1.5 to 1. For the purpose of the interest coverage ratio calculation, gains or losses on the sale or disposition of investment properties are excluded from earnings. Additionally, distributions on the LP Class B Units are excluded from interest expense, despite the LP Class B Units being classified as a financial liability under IFRS Accounting Standards.

The following table sets out the Trust's interest coverage ratio calculation as at December 31, 2024, and December 31, 2023, based on the most recently completed four fiscal quarters.

As at		**Dec. 31, 2024**		Dec. 31, 2023
Net operating income	**$**	**382,334**	$	332,989
Administration		**(44,791)**		(41,172)
Deferred unit-based compensation		**(5,374)**		(3,328)
EBITDA (1) from equity accounted investment		**3,357**		929
Consolidated EBITDA (12 months ended)	**$**	**335,526**	$	289,418
Interest expense	**$**	**109,945**	$	100,354
Interest expense from equity accounted investment		**3,956**		2,033
Consolidated interest expense (12 months ended)	**$**	**113,901**	$	102,387
Interest coverage ratio		**2.95**		2.83
Minimum threshold		**1.50**		1.50

(1) Earnings before interest, taxes, depreciation and amortization.

For the year ended December 31, 2024, Boardwalk REIT's overall interest coverage ratio of consolidated EBITDA to consolidated interest expense, excluding distributions on LP Class B Units and fair value adjustments, was 2.95, compared to 2.83 for the year ended December 31, 2023. Under IFRS Accounting Standards, the distributions made to the holders of LP Class B Units are considered financing costs and are the result of the reclassification of the LP Class B Units as financial liabilities. The calculation of the interest coverage ratio above does not include these distribution payments in the calculation of consolidated interest expense.

Debt to EBITDA

For the year ended December 31, 2024, Boardwalk REIT's Debt to EBITDA was 10.08, compared to 11.02 for the year ended December 31, 2023. The improving Debt to EBITDA is a result of the Trust's increasing NOI largely driven by increased rental revenue, and a reduction in the total mortgage principal outstanding from scheduled mortgage principal repayments. The following table sets out the Trust's Debt to EBITDA calculation as at December 31, 2024, and December 31, 2023, based on the most recently completed four fiscal quarters.

As at	Dec. 31, 2024	Dec. 31, 2023
Total mortgage principal outstanding	$ 3,410,173	$ 3,446,801
Mortgages payable related to assets held for sale	21,645	-
Total lease liabilities attributable to land leases (1)	71,181	72,860
Construction loan payable	1,478	-
Adjusted Real Estate Debt (2)(3)	$ 3,504,477	$ 3,519,661
Cash and cash equivalents	(122,408)	(331,204)
Adjusted Real Estate Debt, net of Cash (2)(3)	$ 3,382,069	$ 3,188,457
Consolidated EBITDA (12 months ended)	$ 335,526	$ 289,418
Debt to EBITDA (3)	10.08	11.02

(1) Total lease liabilities attributable to land leases is a component of lease liabilities as calculated in accordance with IFRS Accounting Standards.
(2) This is a non-GAAP financial measure.
(3) Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information.

Debt to Total Assets

The Trust's Debt to Total Assets as at December 31, 2024 and December 31, 2023 is presented in the table below. The improvement in the Trust's Debt to Total Assets is a result of an increase in Total Assets largely from an increase in investment properties, coupled with a decrease in Adjusted Real Estate Debt.

As at	Dec. 31, 2024	Dec. 31, 2023
Adjusted Real Estate Debt (1)(2)	$ 3,504,477	$ 3,519,661
Total Assets	8,626,490	8,141,876
Debt to Total Assets (2)	40.6%	43.2%

(1) This is a non-GAAP financial measure.
(2) Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information.

Unitholders' Equity

The following table discloses the changes in Trust Units issued and outstanding:

Summary of Unitholders' Capital Contributions	Trust Units
December 31, 2022	45,722,922
Trust Units issued under equity offering	3,662,750
Trust Units issued for vested deferred units	2,502
December 31, 2023	49,388,174
Trust Units issued for vested deferred units	47,033
Trust Units purchased and cancelled	(149,096)
Trust Units issued on exchange of LP Class B Units	60,000
December 31, 2024	**49,346,111**

Boardwalk REIT has one class of publicly traded voting securities, being the Trust Units. As at December 31, 2024, there were 49,346,111 Trust Units issued and outstanding. In addition, there were 4,415,000 LP Class B Units, each of which also has a special voting unit in the REIT. Each LP Class B Unit is exchangeable for a Trust Unit on a one-for-one basis at the option of the holder. Each LP Class B Unit, through the special voting unit, entitles the holder to one vote at any meeting of Unitholders. Accordingly, if all of the LP Class B Units were exchanged for Trust Units, the total issued and outstanding Trust Units would be 53,761,111. These LP Class B Units are classified as “FVTPL” financial liabilities under IFRS Accounting Standards and are recorded at their fair value as liabilities on the Consolidated Statements of Financial Position as at December 31, 2024 and 2023.

On November 20, 2024, the Trust received TSX approval for the renewal of its NCIB to purchase and cancel up to 4,068,000 Trust Units, representing 10% of the public float at the time of the TSX approval. The NCIB commenced on November 22, 2024, and will terminate on the earlier of November 21, 2025, or when the maximum number of Trust Units have been purchased. The Trust’s daily purchases under this NCIB are limited to 29,791 Trust Units.

Previously, the Trust's NCIB commenced on November 22, 2023 and terminated on November 21, 2024.

During 2024, the Trust purchased and cancelled 149,096 Trust Units at an average purchase cost of $67.08 per Trust Unit under its NCIB (includes commissions but excludes 2% tax on Trust Units repurchased, which became effective on January 1, 2024). During 2023, the Trust did not purchase any Trust Units under its NCIB.

On December 23, 2024, 60,000 LP Class B Units were exchanged for Trust Units on a one-for-one basis pursuant to their terms. Following completion of the exchange, 4,415,000 LP Class B Units remain outstanding.

On December 14, 2023, the Trust entered into an agreement to issue 2,190,000 Trust Units on a bought-deal basis at a price of $68.50 per Trust Unit for aggregate gross proceeds of $150.0 million to a syndicate of underwriters (the “Offering”). On December 15, 2023, the Trust agreed to increase the total size of the Offering to 3,185,000 Trust Units. The Trust also granted the underwriters an over-allotment option to purchase up to an additional 477,750 Trust Units which was exercised in full. On December 22, 2023, the Offering closed and the Trust issued 3,662,750 Trust Units at a price of $68.50 per Trust Unit for total gross proceeds of $250.9 million. Transaction costs for the Offering totaled $10.9 million resulting in net proceeds to the Trust of $240.0 million.

In January 2024, the Trust used a portion of the net proceeds to: (i) finance the purchase price for The Circle, a 295 suite newly built construction apartment complex in Calgary, Alberta; and (ii) to repay its portion of a floating rate construction loan facility in respect of a joint venture partnership in Brampton, Ontario. Throughout 2024, the Trust made additional acquisitions with the use of the proceeds from the Offering, including the purchase of Dawson Landing in Chestermere, Alberta and The Brenda Apartments, and two adjacent properties located in Calgary, Alberta. The Trust intends to use the remainder of the net proceeds to fund Elbow 5 Eight, with anticipated closing in Q1 2025, as well as other future acquisition and development opportunities in its existing pipeline.

Equity

Boardwalk has an equity market capitalization of $3.5 billion based on the Trust Unit closing price of $64.25 on the TSX on December 31, 2024.

With an enterprise value of approximately $6.9 billion (comprised of total mortgage principal outstanding, excluding mortgages payable related to assets held for sale, of $3.4 billion and equity market capitalization of $3.5 billion) as at December 31, 2024, Boardwalk’s total mortgage principal outstanding is approximately 49% enterprise value.

Net Asset Value per Unit

The Trust's NAV per Unit is calculated below:

As at	Dec. 31, 2024	Dec. 31, 2023
Investment properties	$ 8,238,024	$ 7,702,214
Equity accounted investment	52,984	39,758
Investment properties related to assets held for sale	79,920	-
Loan receivable	58,170	-
Cash and cash equivalents	122,408	331,204
Adjusted Real Estate Assets (1)(2)	$ 8,551,506	$ 8,073,176
Total mortgage principal outstanding	$ (3,410,173)	$ (3,446,801)
Mortgages payable related to assets held for sale	(21,645)	-
Total lease liabilities attributable to land leases (3)	(71,181)	(72,860)
Construction loan payable	(1,478)	-
Adjusted Real Estate Debt (1)(2)	$ (3,504,477)	$ (3,519,661)
Net Asset Value (1)(2)	$ 5,047,029	$ 4,553,515
Net Asset Value per Unit (2)	$ 93.68	$ 84.41

Reconciliation of Unitholders' Equity to Net Asset Value	Dec. 31, 2024	Dec. 31, 2023
Unitholders' equity	$ 4,836,809	$ 4,320,072
Total Assets	(8,626,490)	(8,141,876)
Investment properties	8,238,024	7,702,214
Equity accounted investment	52,984	39,758
Investment properties related to assets held for sale	79,920	-
Loan receivable	58,170	-
Cash and cash equivalents	122,408	331,204
Total Liabilities	3,789,681	3,821,804
Total mortgage principal outstanding	(3,410,173)	(3,446,801)
Mortgages payable related to assets held for sale	(21,645)	-
Total lease liabilities attributable to land leases (3)	(71,181)	(72,860)
Construction loan payable	(1,478)	-
Net Asset Value (1)(2)	$ 5,047,029	$ 4,553,515

(1) This is a non-GAAP financial measure.
(2) Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information.
(3) Total lease liabilities attributable to land leases is a component of lease liabilities as calculated in accordance with IFRS Accounting Standards.

Overall NAV per Unit has increased 11.0% to $93.68 as at December 31, 2024, compared to $84.41 as at December 31, 2023, primarily attributable to an increase in investment properties. NAV is a key metric used by real estate entities to measure the value of an organization.

Risks and Risk Management

Boardwalk REIT, like most other real estate rental entities, is exposed to a variety of risk areas. These areas are categorized between general and specific risks. General risks are the risks associated with general conditions in the real estate sector and consist mainly of commonly exposed risks that affect the real estate industry. Specific risks focus more on risks uniquely identified with the Trust, such as credit, market, liquidity, and operational risks. The following will address each of these risks. In addition, this section should be read in conjunction with risks and uncertainties included in the Trust's AIF under the heading “Challenges and Risks”, which is available under the Trust’s profile at www.sedarplus.ca, where additional risks are discussed.

GENERAL RISKS

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 tenant legislation or change to immigration policies), the attractiveness of the properties to tenants, competition from others with available space, and the ability of the owner to provide adequate maintenance at an economic cost. Because real estate, like many other types of long-term investment, experiences significant fluctuations and cycles in value, specific market conditions may result in occasional or permanent reductions in value of Boardwalk REIT’s portfolio. Furthermore, the Trust may buy and/or sell properties at less than optimal times. As interest rates fluctuate in the lending market, in general, so do capitalization rates, which affect the underlying value of real estate. As such, when interest rates rise, generally capitalization rates should be expected to rise. Over the period of investment, capital gains and losses at the time of disposition can occur due to the increase or decrease of these capitalization rates.

Currently, we operate in Canada, in the provinces of British Columbia, Alberta, Saskatchewan, Ontario, and Quebec. Neither of Alberta nor Saskatchewan is subject to rent control legislation; however, under Alberta legislation, a landlord is only entitled to increase rents once every 12 months. Please refer to the section titled “Risks and Risk Management – Specific Risks – Rent Control Risk” in this MD&A for a more detailed discussion on rent controls. Boardwalk REIT is not widely diversified either by asset class or geographic location. By focusing on the multi-residential sector and having a majority of its apartments located in Western Canada, Boardwalk is exposed to adverse effects on that segment of the real estate market and/or for that geographic region and does not benefit from a diversification of its portfolio by property type and, to a lesser extent, geographic location. The marketability and value of the Trust’s portfolio as well as the REIT’s revenues will depend on many factors beyond the control of Boardwalk REIT.

Certain significant expenditures, including property taxes, utilities, 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. Boardwalk REIT’s properties are subject to mortgages, which require significant debt service payments. If the Trust were unable 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 our ability to vary our 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.

Multi-Family Residential Sector Risk: Income producing properties generate income through rent payments made by tenants of the properties. Upon the expiry of any lease, there can be no assurance that the lease will be renewed or the tenant replaced. The terms of any subsequent lease may be less favourable than the existing lease. To mitigate this risk, the Trust does not have any one or small group of significant tenants. The majority of operating leases signed are for a period of 12 months or less. The Trust is dependent on leasing markets to ensure vacant residential space is leased, expiring leases are renewed and new tenants are found to fill vacancies. More recently, the markets in which the Trust operates have had job growth in various industries, however, a disruption in the economy could still have an impact on how much space tenants will lease, and the rental rates paid by tenants. This would affect the income produced by our properties as a result of downward pressure on rents.

Regulation and Changes in Applicable Laws: Boardwalk REIT is subject to laws and regulations governing the ownership and leasing of real property, zoning, building standards, landlord/tenant relationships, employment standards, environmental matters, taxes and other matters. It is possible that future changes in applicable federal, provincial, municipal or common laws or regulations or changes in their enforcement or regulatory interpretation could result in changes in the legal requirements affecting Boardwalk (including with retroactive effect). Any changes in the laws to which Boardwalk REIT is subject could materially adversely affect the Trust's rights and title to its assets. It is not possible to predict whether there will be any further changes in the regulatory regimes to which Boardwalk REIT is subject or the effect of any such changes on its investments. Lower revenue growth or significant unanticipated expenditures may result from Boardwalk's need to comply with changes in applicable laws or the enactment of new laws, including: (i) laws imposing environmental remedial requirements and the potential liability for environmental conditions existing on properties or the restrictions on discharges or other conditions; (ii) rent control or rent stabilization laws or other residential landlord/tenant laws; or (iii) other governmental rules and regulations or enforcement policies affecting the development, use and operation of the REIT's properties, including changes to building codes and fire and life-safety codes. Further, residential landlord/tenant laws in certain provinces may provide tenants with the right to bring certain claims to the applicable judicial or administrative body seeking an order to, among other things, compel landlords to comply with health, safety, housing and maintenance standards. As a result, Boardwalk may, in the future, incur capital expenditures, which may not be fully recoverable from tenants, which could further have a material adverse effect on our business, financial condition, or results of operations.

Development Risk: Development risk arises from the possibility that completed developments will not be leased on a timely basis or that costs of development will exceed original estimates, resulting in an uneconomic return from the leasing of such space. Boardwalk's construction commitments are subject to those risks usually attributable to construction projects, which include: (i) construction or other unforeseen delays including municipal approvals; (ii) cost overruns; (iii) increases in the costs of materials, goods and labour; and (iv) the failure of tenants to occupy and pay rent in accordance with existing lease agreements. Construction risks are minimized by utilizing established construction managers and knowledgeable third-party consultants.

Environmental Risks: As an owner and manager of real property, Boardwalk REIT is subject to various Canadian federal, provincial, and municipal laws relating to environmental matters. These laws could encumber us 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 Boardwalk's ability to sell its real estate, or to borrow using real estate as collateral, and could also result in claims or other proceedings against Boardwalk REIT. Current or future environmental laws may result in significant liability to the Trust in the future or otherwise have a material adverse effect on the business, financial condition and results of operations of the Trust and its ability to make Distributions.

The Trust is not 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. Boardwalk REIT 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 may become more stringent in the future. Compliance with more stringent environmental laws and regulations could have a material adverse effect on our business, financial condition, or results of operations.

Climate-related Risks: The Trust's properties may be impacted by both physical and climate-related events and the transition to a lower-carbon economy. Among the most significant of the physical risks is the risk of wildfires and flash flooding. Based on the Trust's current understanding, the potential physical risks resulting from climate change are long-term in nature and associated with a high degree of uncertainty regarding timing, scope, and severity of potential impacts. These risks may be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications such as direct damage to assets or indirect impacts. Climate-related events also may negatively impact certain costs of operation of the REIT's properties, including the cost of utility consumption due to abnormally hot or cold temperatures. More generally, the increase in catastrophic losses worldwide from climate-related events has resulted in significant payouts by property insurers. There is a risk of insurers being required to make payments on account of future climate-related catastrophic losses, which may result in increases in the property insurance premiums payable by the Trust.

Given the evolving nature of climate change policy and the control of greenhouse gas emissions and resulting requirements, including carbon taxes and carbon pricing schemes implemented by varying levels of government, it is expected that current and future climate change regulations may give rise to expenses that cannot be passed on to the Resident Members. The Trust focuses on implementing policies which promote the adaptation to climate-change, including ways to reduce greenhouse gas emissions, adopting energy efficient solutions, and encouraging greater water efficiency, etc.; however, each of these policies has a financial impact.

Lenders, investors, investment advisors, credit rating agencies and regulators are increasingly viewing climate change as an important issue that requires greater consideration due to the perceived elevated long-term risks associated with policy development, regulatory changes, public and private legal challenges or other market developments related to climate change. A lack of investment strategy and operational management plan concerning climate change may have an adverse effect on the Trust's ability to raise funds via debt and/or equity, as well as related investment returns and sentiment.

Ground Lease Risk: Four of our properties, two located in Banff, Alberta, and two in Montreal, Quebec, are subject to long-term ground (or land) leases and similar arrangements; in each instance, the underlying land is owned by a third party and leased to the Trust. Under the terms of a typical ground lease, the lessee must pay rent for the use of the land and is generally responsible for all costs and expenses associated with the building and improvements, including taxes, utilities, insurance, maintenance, repairs and replacements. Unless the lease term is extended, the land together with all improvements made will revert to the owner of the land upon the expiration of the lease term. These leases are set to expire between 2029 and 2064. Approximately 12% of the Trust's FFO is derived from these properties in its portfolio that are held as long-term ground leases. The Trust intends to actively seek to either renew the terms of such leases or purchase the freehold interest in the lands forming the subject matter of such leases prior to the expiry of their terms. However, if the Trust cannot or chooses not to renew such leases, or buy the land of which they form the subject matter, as the case may be, the NOI and cash flow associated with such properties would no longer contribute to Boardwalk's results of operations and could adversely impact its ability to make distributions to Unitholders. The ground lease for the largest Montreal property, known as the Nuns' Island portfolio, was also subject to a rent revision clause which commenced on December 1, 2008 (based on a valuation date of March 16, 2008). The rent increases were phased in on a property-by-property basis through to 2018 and were based on 75% of the land value in its current use. After that revision, the land rent remains constant through to 2064. An event of default by us, under the terms of a ground lease, could also result in a loss of the property, subject to such ground lease, should the default not be rectified in a reasonable period of time. The Trust is not aware of any default under the terms of the ground leases.

Competition Risk: Each segment of the real estate business is competitive. Numerous other residential developers and apartment owners compete in seeking tenants. Although it is our strategy to own multi-family properties in premier locations in each market in which we operate, some of the apartments of our competitors may be newer, better located or better capitalized. The existence of alternative housing could have a material adverse effect on our ability to lease space in our properties and on the rents charged or concessions granted and could adversely affect Boardwalk REIT's revenues and its ability to meet its obligations, which could have a material adverse effect on our business, financial condition, or results of operations and its ability to make Distributions.

General Uninsured Losses or Catastrophic Loss: Boardwalk REIT 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. Boardwalk REIT currently has insurance for earthquake risks, subject to certain policy limits, deductibles and self-insurance arrangements, and will continue to carry such insurance if it is economical to do so. Should an uninsured or underinsured loss occur, Boardwalk REIT 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.

Fluctuations of Cash Distributions: Although Boardwalk REIT intends to continue to make distributions on the Trust Units, the actual amount of distributions in respect of the Trust Units will depend upon numerous factors, including, but not limited to, the amount of principal repayments, tenant allowances, leasing commissions, capital expenditures and Trust Unit redemptions and other factors that may be beyond the control of Boardwalk REIT. The distribution policy of Boardwalk REIT was established by the Board of Trustees and is subject to change at the discretion of the Board of Trustees. The recourse of Unitholders who disagree with any change in policy is limited and could require such Unitholders to seek to replace the Board of Trustees. Distributions may exceed cash available to Boardwalk REIT from time to time because of items such as principal repayments, tenant allowances, leasing commissions, capital expenditures, and redemption of Trust Units, if any. Boardwalk REIT may be required to use part of its debt capacity or to reduce distributions in order to accommodate such items. Boardwalk REIT may temporarily fund such items, if necessary, through an operating line of credit in expectation of refinancing long-term debt on its maturity.

Liquidity Risk: An investment in real estate is relatively illiquid, with the degree of liquidity generally fluctuating in relation to demand for and the perceived desirability of such investments. Such illiquidity will tend to limit Boardwalk's ability to vary its portfolio of properties promptly in response to changing economic, investment or other conditions. If Boardwalk were required to quickly liquidate its real property investments, the proceeds to the Trust might be significantly less than the aggregate carrying or net asset value of its properties or less than what would be expected to be received under normal circumstances, which could have an adverse effect on Boardwalk's financial condition and financial performance and decrease the amount of cash available for distribution. Illiquidity may result from the absence of an established market for real property investments, as well as from legal or contractual restrictions on their resale. In addition, in recessionary times, it may be difficult to dispose of certain types of real estate. The costs of holding real estate are considerable and, during an economic recession, Boardwalk REIT may be faced with ongoing expenditures with a declining prospect of incoming receipts. In such circumstances, it may be necessary for Boardwalk REIT to dispose of properties at lower prices in order to generate sufficient cash for operations and making distributions. There can be no assurance that the fair market value of any properties held by the REIT will not decrease in the future.

Access to Capital Risk: The real estate industry is highly capital intensive. Boardwalk REIT will require access to capital to maintain its properties, as well as to fund its growth strategy and certain capital expenditures from time to time. There can be no assurances that Boardwalk REIT will have access to sufficient capital or access to capital on terms favourable to the Trust for future property acquisitions, development, financing or refinancing of properties, funding operating expenses or other purposes. Furthermore, in certain circumstances, Boardwalk REIT may not be able to borrow funds due to the limitations set forth in its DOT and/or other loan agreements. Market conditions and unexpected volatility or illiquidity in financial markets may inhibit Boardwalk REIT's access to long-term financing in the capital markets. As a result, it is possible that financing, which the Trust may require in order to grow and expand its operations, upon the expiry of the term of financing, upon refinancing any particular property owned by Boardwalk REIT or otherwise, may not be available or, if it is available, may not be available on favourable terms to the Trust. Failure by Boardwalk to access required capital could have a material adverse effect on our business, financial condition, or results of operations.

Cybersecurity Risk: A cyber incident is considered to be any adverse event that threatens the confidentiality, integrity or availability of Boardwalk REIT's information 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. As Boardwalk REIT's reliance on technology has increased, so have the risks posed to its systems. Boardwalk REIT's primary risks that could directly result from the occurrence of a cyber incident include operational interruption, damage to its reputation, damage to Boardwalk's business relationships with its Resident Members and disclosure of confidential information regarding its Resident Members and Associates. Boardwalk REIT has implemented processes, procedures and controls to help 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 increasing prevalence of artificial intelligence ("AI") tools may also increase the risk of cyberattacks or data breaches as a result of the use of AI to launch more automated, targeted, and coordinated attacks to the Trust's technology infrastructure. In addition, the rapid emergence and continuous evolution of generative AI tools, including the adoption of emerging technologies, such as cloud computing, AI and process automatization could lead to both new and complex risks that require continued focus and investment to manage effectively. The Trust may incorporate AI solutions into its information technology infrastructure, and these applications may become important to the Trust's business and operations over time. If the content, analyses, search results or recommendations that AI applications assist in producing are, or are alleged to be, deficient, inaccurate, or biased, the Trust's business, financial condition, results of operations and prospects and its ability to make Distributions. The rapid evolution of AI, including potential government regulation of AI, may require significant resources to develop, test and maintain the Trust's information technology infrastructure and systems to ensure the Trust implements AI ethically and minimizes any unintended and harmful impacts.

Workforce Availability and Talent Management: Boardwalk's ability to provide services to its existing Resident Members is somewhat dependent on the availability of well-trained Associates and contractors to service our Resident Members as well as complete required maintenance and capital upgrades on our buildings. The Trust must also balance requirements to maintain adequate staffing levels while balancing the overall cost to the Trust.

Within Boardwalk, our most experienced Associates are employed full-time; this full-time force is supplemented by additional part-time Associates as well as specific contract services needed by the Trust. We are constantly reviewing existing overall market factors to ensure that our existing compensation program is in-line with existing levels of responsibility and, if warranted, we adjust the program accordingly. We also encourage Associate feedback in these areas to ensure the existing programs are meeting their personal needs.

SPECIFIC RISKS

Credit Risk is the risk of loss due to failure of a contracted customer to fulfill the obligation of required payments.

One of the key credit risks involves the possibility that our Resident Members will be unable or unwilling to fulfill their lease term commitments. Due to the very nature of the multi-family business, credit risk is not deemed to be very high. The Trust currently has 34,405 rental suites. As a result, we are not unduly reliant on any one Resident Member or lease. To further mitigate this risk, Boardwalk REIT continues to diversify its portfolio to various major centers across Canada. Further, each of our rental suites has its own individual lease agreement, thus Boardwalk REIT has no material financial exposure to any particular Resident Member or group of Resident Members. The Trust continues to utilize extensive screening processes for all potential Resident Members including, but not limited to, detailed credit checks.

Market Risk is the risk that the Trust could be adversely affected due to market changes in product supply, interest rates, and regional rent controls.

Our principal exposures to market risk are in the areas of new multi-family housing supply, changes to rent controls, supply chain price increases, utility price increases, property tax increases, higher interest rates, and mortgage renewal risk. The BoC increased interest rates in 2022 and 2023 and lowered rates in 2024. Another increase in rates may affect the Trust's ability to finance mortgages at rates and on terms acceptable to the Trust or at all, which could have a material adverse effect on the business, financial condition and results of operations of the Trust and its ability to make Distributions.

Supply Risk is the risk that the Trust would be negatively affected by the new supply of, and demand for, multi-family residential suites in its major market areas.

Key drivers of demand include employment levels, population growth, demographic trends and consumer confidence. Any significant amount of new construction will typically result in an imbalance in supply and cause downward price pressure on rents. While there has been some new rental construction in our existing markets, total housing completions are expected to fall short of household formation over the medium term. Past studies have shown that in order to economically justify new rental construction in Boardwalk REIT's major markets, an increase in existing rental rates of hundreds of dollars will be necessary. In recent years, however, there has been a change in the multi-family apartment environment in Canada. During this period, we have witnessed a significant increase in the market value of rental apartments. This increase, although somewhat helped by a steady increase in reported market rental rates, has been mainly driven by a significant compression in market capitalization rates, which in turn has been the result of a prolonged low interest rate environment here in Canada. With this increase in the market value of apartments, there has been a significant decrease in the expected returns from the acquisition of existing multi-family rental properties to a level that warrants a measured allocation of capital to the area of new apartment development, particularly on excess land Boardwalk REIT currently owns. Accordingly, the Trust has pursued new apartment development on some of its excess density or newly acquired land. Despite a rise in interest rates, market value of apartments has remained consistent as the increased demand for rental housing has led to NOI growth.

The balance of housing supply relative to demand is a risk factor for operating and financial performance. In addition, housing supply may be impacted by changes to government policy, immigration, and potential tariffs, which affects the demand for product and costs for resources for housing. The potential for reduced rental revenue exists in the event that Boardwalk REIT is not able to competitively optimize occupancy levels or rental rates in an increased competitive housing environment. Boardwalk REIT attempts to minimize these risks by, among other things, focusing on Resident Member satisfaction, diversifying and upgrading its portfolio, and self-regulating rental adjustments.

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 with either the existing or an additional lender (Renewal Risk).

The Trust continues to manage interest risk by maintaining a balanced maturing portfolio with no significant amount coming due in any one particular period. In addition, the majority of Boardwalk REIT's debt is insured with NHA insurance. This insurance allows us to increase the overall credit quality of the mortgage and, as such, enables the Trust to obtain preferential interest rates as well as facilitating easier renewal on its due dates.

The use of NHA insurance also assists Boardwalk REIT in managing its renewal risk. Given the increased credit quality of such debt, the probability of the Trust being unable to renew the maturing debt or transfer this debt to another accredited lending institution is significantly reduced.

To date, the Trust has had no problem obtaining mortgage renewals on term maturing loans, and additional funds, if needed, continue to be available on its investment properties. The previous low interest rate environment had allowed the Trust to renew its existing maturing mortgages at favourable interest rates, however, as a result of inflation, interest rates have dramatically increased from where they previously were during 2021 and at the beginning of 2022. As such, financing costs over the near to medium term are expected to increase.

Currently, the Canadian government has capped the total amount of insurance that CMHC can have in force at $600 billion. This primarily affects the amount of portfolio or bulk insurance CMHC offers to banks, and, to date, has had a minimal impact on the renewal of Boardwalk's mortgages, or the cost of secured debt capital. However, there is no assurance the cap on the amount of CMHC insurance will not affect mortgages for multi-family residential properties in future periods.

If any changes are made by the Government of Canada on the NHA insurance product, such changes could have a negative impact on the Trust. However, it is management of the Trust's understanding that any change to the cap would not affect any pre-existing insurance agreements. Over 96% of Boardwalk's secured debt has this insurance on it with an average of 31 years of amortization remaining. The larger risk to the Trust may be the ability to issue new secured debt under this program at a much lower cost due to the use of this insurance, the proceeds of which the Trust uses to assist in the execution of its overall strategy.

Property Redevelopment, Repositioning and Renovations

Property redevelopment, re-positioning and major renovation work are subject to a number of risks, including:

(a) the potential that Boardwalk REIT may fail to recover expenses already incurred if it abandons redevelopment/re-positioning/renovation opportunities after commencing to explore them;

(b) the potential that Boardwalk REIT may expend funds on and devote management time to projects, which it does not complete;

(c) construction or redevelopment costs of a project may exceed original estimates, possibly making the project less profitable than originally estimated, or unprofitable, including as a result of increased costs of goods and materials as a result of any tariffs, surtaxes or other restrictive trade measures or countermeasures affecting trade between Canada and the United States;

(d) the time required to complete the construction, redevelopment or renovation of a project or to lease up the completed project may be greater than originally anticipated, thereby adversely affecting Boardwalk REIT's cash flow and liquidity;

(e) the cost and timely completion of construction or renovations (including risks beyond Boardwalk REIT's control, such as weather, labour conditions or material shortages);

(f) contractor and subcontractor disputes, strikes, labour disputes or supply disruptions;

(g) the failure to achieve expected occupancy and/or rent levels within the projected time frame, if at all;

(h) delays with respect to obtaining, or the inability to obtain, necessary zoning, occupancy, land use and other governmental permits, and changes in zoning and land use laws;

(i) occupancy rates and rents of a completed project or renovation may not be sufficient to make the project or initiative profitable;

(j) Boardwalk REIT's ability to dispose of properties redeveloped or renovated with the intent to sell could be impacted by the ability of prospective buyers to obtain financing given the current state of the credit markets; and

(k) the availability and pricing of financing to fund Boardwalk REIT's development or renovation activities on favourable terms or at all.

The above risks could result in substantial unanticipated delays or expenses and, under certain circumstances, could prevent the initiation of redevelopment or renovation activities or the completion of redevelopment or renovation activities once undertaken. In addition, redevelopment and renovation projects entail risks that investments may not perform in accordance with expectations and can carry an increased risk of litigation (and its attendant risks) with contractors, subcontractors, suppliers, partners, and others. Any of these risks could have an adverse effect on Boardwalk REIT's financial condition, financial performance, cash flow, per unit trading price of its Trust Units, distributions to Unitholders and ability to satisfy Boardwalk REIT's principal and interest obligations. Also, it is anticipated that the Trust would be required to execute a guarantee in connection with construction financing for redevelopments, which would subject Boardwalk REIT to recourse for construction completion risks and repayment of the construction indebtedness.

Joint Arrangements and Co-ownerships

Boardwalk participates in joint arrangements and partnerships that may involve risks and uncertainties associated with third-party involvement, including, but not limited to, Boardwalk's dependency on partners, co-tenants or co-venturers that are not under our control and that might compete with Boardwalk for opportunities, become bankrupt or otherwise fail to fund their share of required capital contributions, or suffer reputational damage that could have an adverse impact on the Trust. Additionally, our partners might at any time have economic or other business interests or goals that are different than or inconsistent with those of the Trust and may require Boardwalk to take actions that are in the interest of the partners collectively, but not in Boardwalk's sole best interests. Accordingly, Boardwalk may not be able to favourably resolve issues with respect to such decisions, or the Trust could become engaged in a dispute with any of them that might affect its ability to operate the business or assets in question.

Structural Subordination

Liabilities of a parent entity with assets held by various subsidiaries may result in the structural subordination of the lenders of 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 bankruptcy, liquidation or reorganization of the Trust, holders of indebtedness of the Trust may become subordinate to lenders to the subsidiaries of the Trust.

Certain subsidiaries of the Trust provide a form of guarantee pursuant to which a trustee will, subject to the documentation governing the guarantee, be entitled to seek redress from such subsidiaries for the guaranteed indebtedness. These guarantees are intended to eliminate structural subordination, which arises as a consequence of the Trust's assets being held in various subsidiaries. Although all subsidiaries, which own material assets, have provided a guarantee, not all subsidiaries of the Trust provide such a guarantee. In addition, there can be no assurance such a trustee will, or will be able to, effectively enforce the guarantee.

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

Under Ontario's rent control legislation, commonly known as "rent de-control", a landlord is entitled to increase the rent for existing tenants once every 12 months by no more than the "guideline amount" established by regulation. For the calendar years 2023 and 2024, the guideline amounts were established at 2.5% for both years, and for 2025 the guideline amount remains set at 2.5%. Further details on Ontario's Annual Rental Increase Guidelines can be found at https://www.ontario.ca/page/residential-rent-increases. This adjustment is meant to take into account the income of the building, the municipal and school taxes, the insurance bills, the energy costs, maintenance, and service costs. Landlords can apply to the Landlord and Tenant Board for an above guideline increase where, among other things, there has been a significant increase in the cost of taxes and charges, or the landlord has incurred significant capital expenditures. When a unit is vacated, the landlord is entitled to lease the unit to a new Resident Member at any rental amount, after which annual increases are limited to the applicable guideline amount. The cap does not apply to rental units first occupied after November 15, 2018.

Under Quebec's rent control legislation, a landlord is entitled to increase the rent for existing tenants once a year for the rent period starting after April 1st of the year but before April 1st of the following year. There is no fixed rate increase specified by the regulation. Rent increases also take into account a return on capital expenditures (for 2024 this return is 4.8% compared to 3.8% for 2023 and compared to 2.0% for 2022), if such expenditures were incurred, and an indexing of the net income of the building. For multi-family residential buildings, average rent increase estimates for the period starting after April 1, 2024, and before April 2, 2025, before any consideration for increases to municipal and school taxes as well as capital expenditures, are: 2.8% for electricity heated dwellings, -7.3% for gas heated dwellings, and -10.0% for oil heated dwellings, plus 7.5%, 5.3%, and 5.6% to cover the cost of maintenance, service, and management contracts, respectively. Tools to calculate the Quebec rent increase can be found at https://www.tal.gouv.qc.ca/en/calculation-for-rent-increase.

Under British Columbia's rent control legislation, a landlord is entitled to increase the rent for existing tenants once per year with the 2025 rate being 3.0% (2024 rate was 3.5%).

Currently, Alberta and Saskatchewan do not have rent control legislation, nor is such legislation planned to management of the Trust's knowledge. In Alberta, rent increases are limited to once per year, but there is no limit on the amount of the increase. Similarly, in Saskatchewan, prescribed landlords like the Trust can increase rent every six months after the first 12 months of the tenancy start date.

To manage this risk prior to entering a market where rent controls are in place, an extensive amount of time is spent researching the existing rules, and, where possible, the Trust will ensure it employs Associates who are experienced in working in these controlled environments. In addition, the Trust adjusts forecast assumptions on new acquisitions to ensure they are reasonable given the rent control environment.

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 Boardwalk, these re-valuations have resulted in significant increases in some property assessments due to enhancements, which are not represented on our balance sheet (as such representations are contrary to existing IFRS Accounting Standards). To address this risk, Boardwalk REIT has compiled a specialized team of property reviewers who, with the assistance of outside authorities, constantly review property tax assessments and, where warranted, appeal them.

Utility expenses, mainly consisting of water, natural gas and electricity charges, have been subject to considerable price fluctuations over the past several years. In recent years, water and sewer costs have increased significantly as another form of "taxes" imposed by various municipalities. In addition, the Alberta Carbon Tax increased the costs associated with natural gas usage. Beginning in 2020, Alberta began to participate in the federal carbon levy, which currently is at a price of $4.10/gigajoule and expected to increase to $4.78/gigajoule on April 1, 2025. Any significant increase in these resource costs that Boardwalk REIT cannot pass on to the Resident Member may have a negative material impact on the Trust. To mitigate this risk, the Trust has begun to play a more active role in controlling the fluctuation and predictability of this risk. Through the combined use of financial instruments and resource contracts with varying maturity dates, exposure to these fluctuations has been reduced. In addition to this, the following steps have been implemented:

- Where, possible, economical sub-metering devices or a ratio utility billing system are being implemented, passing on the responsibility for utility charges to the end Resident Member; and
- In other cases, rents have been, or will be, adjusted upward to cover these increased costs.

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.

The Trust endeavors to minimize losses in this area by ensuring that effective infrastructure and controls exist. These controls are constantly reviewed and improvements are implemented, if deemed necessary.

Aging Portfolio Risk relates to the decrease in demand for Boardwalk's asset portfolio due to the age of the asset.

Boardwalk's primary exposure to aging portfolio risk relates to an increase in demand for new product. This risk is mitigated partially due to the fact that older assets tend to be in more desired locations and tend to have larger suite sizes. In addition, Boardwalk mitigates this risk through its value-added capital upgrades and property re-positioning.

CERTAIN TAX RISKS

SIFT Legislation

Management of the Trust believe the Trust currently qualifies as a "mutual fund trust" and a "real estate investment trust" for Canadian income tax purposes. If the Trust were not to qualify the consequences could be material and adverse. The Tax Act contains the SIFT Legislation, which tax certain publicly traded or listed trusts in a manner similar to corporations and tax certain distributions from such trusts as taxable dividends from a taxable Canadian corporation. The SIFT Legislation applies to a trust that is a "SIFT trust" and a partnership that is a "SIFT partnership", each as defined in the Tax Act. Distributions paid by a specified investment flow-through ("SIFT") trust as return of capital will generally not be subject to the tax. The SIFT Legislation is not applicable to a real estate investment trust that meets the REIT Exemption conditions relating to the nature of its assets and revenue. Unless the Trust qualifies for exclusion from the definition of "SIFT trust" in the Tax Act (i.e., REIT Exemption), the SIFT Legislation could impact the level of cash distributions which would otherwise be made by the Trust and the taxation of such distributions to Unitholders. If the Trust were to no longer qualify for the REIT Exemption, it would not be able to flow through its taxable income to Unitholders and the Trust would therefore be subject to tax. The REIT Exemption is applied on an annual basis. As such, it will not be possible to determine if the Trust will satisfy the conditions of the REIT Exemption for 2025 or any subsequent year until the end of the particular year.

Management of the Trust believes that each direct or indirect subsidiary of the Trust that is a partnership or trust currently qualifies as an excluded subsidiary entity (as defined in the Tax Act) for Canadian income tax purposes. If any subsidiary were to not so qualify, the SIFT Legislation could apply to such entities. The SIFT Legislation (if such rules were to apply) may have an adverse impact on the Trust, on the Unitholders, on the value of the Trust Units and on the ability of the Trust to undertake financings and acquisitions, and if the SIFT Legislation were to apply, the distributable cash of the Trust may be materially reduced. The effect of the SIFT Legislation, if such rules were to apply, on the market for the Trust Units is uncertain. The DOT provides that a sufficient amount of Boardwalk REIT's net income and net realized capital gains will be distributed each year to Unitholders, in cash or otherwise, in order to eliminate Boardwalk REIT's liability for tax under Part I of the Tax Act. Where such amount of net income and net realized capital gains of Boardwalk REIT in a taxation year exceeds the cash available for distribution in the year, such excess net income and net realized capital gains will be distributed to Unitholders in the form of additional Trust Units. Unitholders will generally be required to include an amount equal to the fair market value of those Trust Units in their taxable income, in circumstances where they do not directly receive a cash distribution.

Limits on Interest Deductibility

Under the Tax Act, the excessive interest and financing expenses limitation rules (the "EIFEL Rules"), where applicable, limit the deductibility of certain interest and financing expenses. Under the EIFEL Rules, for taxation years beginning on or after October 1, 2023, the amount of net interest and financing expenses incurred by a Canadian resident corporation or trust that is not an "excluded entity" (as defined in the Tax Act), whether incurred directly or through a partnership, that may be deducted in computing its income for Canadian income tax purposes will generally be limited to no more than a fixed ratio of its adjusted taxable income, which is intended to reflect the taxable income generated by its activities in Canada. If the EIFEL Rules apply to the REIT, the income of the REIT for Canadian income tax purposes may be increased which could change the taxable component of Distributions to Unitholders and have an adverse impact on the after tax return of a Unitholder and on the value of Trust Units in the REIT. The EIFEL Rules may also apply to a corporation or trust held directly or indirectly by the REIT. Management of the REIT intends to monitor the EIFEL Rules and assess their potential impact, if any, on the REIT. Unitholders who make a leveraged investment in Trust Units of the REIT should consult their own tax advisors on this matter.

Change of Tax Laws

There can be no assurance that Canadian tax laws, the judicial interpretation thereof, the terms of any income tax treaty applicable to the Trust or its affiliates or the administrative policies and assessing practices of the CRA will not change in a manner that adversely affects the Trust, its affiliates or Unitholders. Any such change could affect the Trust's eligibility for the REIT Exemption, increase the amount of tax payable by the Trust or its affiliates, or otherwise adversely affect Unitholders by reducing the amount available to pay distributions or changing the tax treatment applicable to Unitholders in respect of such distributions.

In addition, tax authorities having jurisdiction over the Trust, its affiliates or Unitholders may disagree with the manner in which the Trust calculates its income for tax purposes or could change their administrative practices to the Trust's detriment or the detriment of Unitholders. Boardwalk files all required income tax returns and believes that it is in full compliance with the applicable tax legislation. However, such returns are subject to audit and reassessment by the applicable taxation authority. Any such reassessment may have an impact on current and future taxes payable and incur penalties and interest on such amounts payable which could be material.

Boardwalk REIT has received notices of reassessment dated February 28, 2024, from the CRA increasing the Trust's taxable income for its taxation years ended December 31, 2011, 2012, 2013, and 2014, respectively, on the basis that the Trust did not report deemed taxable capital gains in each of those taxation years resulting from alleged negative adjusted cost base in the Trust's units of Top Hat Operating Trust, a trust 100% owned by Boardwalk REIT. Management of the Trust assessed the implications of the CRA notices of reassessment and filed an objection on May 24, 2024, with the CRA Appeals Division as it disagrees with the CRA's proposed assessment. It is the opinion of the Trust that it will not be required to pay any amount to the CRA in order to dispute this matter. Furthermore, it is the Trust's opinion that should a payment be required to settle this matter, provided the Trust continues to remain eligible for the REIT Exemption, it will not be required to pay any income taxes payable as the Trust distributes all taxable income to its Unitholders. It is difficult to estimate the amount of time it could take to resolve the dispute with the CRA Appeals Division and it is possible that an appeal to the Tax Court of Canada could be required in order to resolve this dispute. Further, the position adopted by the CRA in its reassessment may have implications for other taxation years resulting in additional taxes, penalties and interest payable which, in aggregate, could be material. Any reassessment that cannot be successfully challenged could increase the amount of tax payable by the Trust, its affiliates or any Unitholders during the applicable taxation years of the Trust, adversely affect Unitholders by reducing the amount available to pay distributions, or otherwise adversely affect the Trust or the Unitholders. Please refer to the section titled "Other Income and Expenses – Income Tax Expense" in this MD&A for more information.

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

Our business could be adversely impacted if we have deficiencies in our disclosure controls and procedures ("DC&P") or internal control over financial reporting ("ICFR").

The design and effectiveness of our DC&P and ICFR may not prevent all errors, misstatements, or misrepresentations. While management continues to review the design and effectiveness of our DC&P and ICFR, we cannot assure you that our DC&P or ICFR will be effective in accomplishing all control objectives all of the time. Deficiencies, particularly material weaknesses, in ICFR which may occur in the future could result in misstatements of our results of operations, restatements of our financial statements, a decline in our Trust Unit price, or otherwise materially adversely affect our business, reputation, results of operations, financial condition, or liquidity. Additionally, controls may be circumvented by unauthorized acts of individuals, by collusion of two or more people, or by management override. The design of any control system is also based in part upon certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential conditions. Projections of any evaluations of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Accounting and Control Matters

CRITICAL ACCOUNTING POLICIES

The Trust adopted IFRS Accounting Standards as its basis of financial reporting, effective January 1, 2011. The material accounting policies adopted by the Trust are included in NOTE 2 to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023.

The preparation of the audited annual consolidated financial statements requires management to make estimates and judgements that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates under different assumptions and conditions. In determining estimates, management uses the information available to the Trust at the time. Management reviews key estimates on a quarterly basis to determine their appropriateness. Any change to these estimates is applied prospectively in compliance with IFRS Accounting Standards. We believe that the application of judgements and assessments is consistently applied and produces financial information that fairly depicts the results of operations for all periods presented. Boardwalk REIT considers the following policies to be critical in determining the judgements that are involved in the preparation of the audited annual consolidated financial statements and the uncertainties that could affect the reported results.

(a) Investment Properties

Investment properties consist of multi-family residential properties held to earn rental income and properties being constructed or developed for future use to earn rental income, and include interests held under long-term operating land leases. Investment properties are measured initially at cost (which is equivalent to fair value). Cost includes all amounts relating to the acquisition (excluding transaction costs related to a business combination) and improvement of the properties. All costs associated with upgrading and extending the economic life of the existing facilities, other than ordinary repairs and maintenance, are capitalized to investment property. Included in these costs are internal amounts that are directly attributable to a specific investment property, which are capitalized to the extent that they upgrade or extend the economic life of the asset.

Subsequent to initial recognition, investment properties are recorded at fair value, in accordance with IAS 40. Fair value is determined based on a combination of internal and external processes and valuation techniques. Gains or losses arising from differences between current period fair value and the sum of previously measured fair value and capitalized costs as described above are recorded in profit or loss in the period in which they arise. The fair value of an investment property held by a lessee as a right-of-use asset reflects expected cash flows (including variable lease payments) that are expected to become payable. Accordingly, if the valuation obtained for an investment property is net of all payments expected to be made, it will be necessary to add back any recognized lease liability, to arrive at the carrying amount of the investment property using the fair value model.

Properties owned by the Trust where a significant portion of the property is used for administrative purposes by the Trust are considered “Property, Plant and Equipment” and, therefore, fall within the scope of IAS 16 and are recorded in accordance with that standard. Where part of a building is used for administrative purposes by the Trust, but this portion is considered insignificant, this space is included as part of Investment Property under IAS 40.

Investment properties are reclassified to “Assets Held for Sale” when the criteria set out in IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations (“IFRS 5”) are met (see NOTE 2(i)) to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023).

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Prior to its disposal, the carrying value of the investment property is adjusted to reflect its fair value as outlined in the purchase and sale agreement (as the purchase and sale agreement is the best evidence of fair value). This adjustment shall be recorded as a fair value gain or loss. Any remaining gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Excess land represents land owned by the Trust located contiguous to land included as investment property. For some of the Trust's excess land, the Trust has the ability to develop additional multi-family residential buildings on this land or sell it separately from the investment property at a later date. Excess land is held for capital appreciation and, therefore, is treated as Investment Property and recorded in accordance with IAS 40 as outlined above. When determining the fair value of a project with excess land, the capitalization rate used in determining the value is adjusted accordingly.

(b) Properties Under Development

Properties under development include new development on excess land density or acquired land, redevelopment or repositioning of buildings the Trust currently owns that require substantial renovations, and incomplete apartment suites acquired from third parties that will take 12 months or longer to complete. The cost of land, if applicable, and buildings under development or redevelopment (consisting of development sites, density or intensification rights and related infrastructure) are specifically identifiable costs incurred in the period before construction is complete. Capitalized costs include pre-construction costs essential to the development or redevelopment of the property, construction costs, borrowing costs directly attributable to the development, real estate taxes, and other costs incurred during the period of development or redevelopment. Additions to investment properties consist of costs of a capital nature and, in the case of properties under development and/or redevelopment, capitalized interest. Directly attributable borrowing costs are also capitalized on land or properties acquired specifically for development or redevelopment when activities necessary to prepare the asset for development or redevelopment are in progress in accordance with IAS 23 – Borrowing Costs. Where borrowings are associated with specific developments, the amount capitalized is the total cost incurred on those borrowings.

The capitalization of borrowing costs commences when the activities necessary to prepare an asset for development or redevelopment begins, and continues until the date that substantially all of the construction is complete and all necessary occupancy and related permits have been received, whether or not the space is leased. If the Trust is required, as a condition of a lease, to construct tenant improvements that enhance the value of the property, then capitalization of costs continues until such improvements are completed. Capitalization ceases if there is a prolonged period where development activity is interrupted.

Properties under active development are generally valued at market land values, if applicable, plus costs invested to date. Where significant leasing and construction is in place and the future income stream is reasonably determinable, the valuation methodology used is similar to that of revenue-producing properties, less estimates of future capital outlays, construction and development costs, to determine a net "as-is" market value. Development risks such as planning, zoning, licenses, and building permits are considered in the valuation process. Properties not under active development, such as land parcels held for future development, are valued based on comparable sales of land. Significant increases (decreases) in construction costs, cost escalation rates, and estimated time to complete construction in isolation would result in a significantly lower (higher) fair value for properties under development.

(c) Property, Plant and Equipment

Tangible assets that are held for use in the production or supply of goods and services, or for administrative purposes, and are expected to be used during more than one period, except when another accounting standard requires or permits a different accounting treatment, are recorded in accordance with IAS 16 using the cost model. IAS 16, therefore, excludes tangible assets that are accounted for in accordance with IFRS 5 and IAS 40 (see NOTE 2(f) to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023).

In accordance with IAS 16, the cost model, after initial recognition of the property, plant and equipment, requires the tangible asset to be carried at its cost less accumulated depreciation and any accumulated impairment losses. Depreciation is recognized in a manner that reflects the pattern in which the future economic benefits of the tangible asset are expected to be consumed and realized by the Trust. The amount of depreciation will be charged systematically to the consolidated statement of comprehensive income and is the cost less residual value of the asset over its useful economic life. IAS 16 also requires that the cost and useful economic life of each significant component of a tangible asset be determined based on the circumstances of each tangible asset. The method of depreciation, residual values, and estimates of the useful economic life of a tangible asset, or other property, plant and equipment, are reviewed at each financial year-end and any changes are accounted for as a change in accounting estimate in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors ("IAS 8").

Property, Plant and Equipment ("PP&E") is valued using the cost model under IAS 16. PP&E is categorized into the following classes and their respective useful economic life is used to calculate the amount of depreciation or amortization for each period. Categories of PP&E with the same or similar useful lives are included in the same class.

PP&E Class	PP&E Category	Useful Life/Depreciation Rate	Depreciation Method Used
Administrative building	Administrative building	40 years	Straight-line
Site equipment	Site equipment and other assets	15%	Declining balance
Automobiles	Site equipment and other assets	20%	Declining balance
Warehouse and corporate assets	Site equipment and other assets	10% to 20%	Declining balance
Computer hardware	Corporate technology assets	35%	Declining balance
Computer software (1)	Corporate technology assets	35%	Declining balance

(1) In addition to the purchase of software from external sources, the Trust capitalizes certain programmers' salaries related to internally developed software applications used in the normal course of operations of Boardwalk REIT. The programmers' work is directly attributable to software development.

(d) Assets Held for Sale

Non-current assets are classified as assets held for sale in accordance with IFRS 5 when the Trust has committed to a plan to sell the asset, the properties are available for immediate sale in present condition, and the asset is actively marketed for sale at a price that is reasonable in relation to its estimated fair value. Investment properties transferred to assets held for sale will have carrying amounts that will be recovered principally through a sale, and continue to be held at fair value, in accordance with IAS 40. The Trust presents non-current assets held for sale and their related liabilities separately from other assets and liabilities on the consolidated statements of financial position and in the notes to the consolidated financial statements beginning from the period in which they were first classified as held for sale.

(e) Leases

The Trust as a Lessee

The Trust assesses whether a contract is, or contains, a lease at inception of the contract. The Trust recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Trust recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Trust uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made (see NOTE 2(o) to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023 for definition of effective interest method).

The Trust remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured either at fair value (in the case of right-of-use assets which are considered part of investment properties) or at cost less accumulated depreciation and impairment losses (for right-of-use assets which are considered property, plant and equipment). Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Trust applied IAS 36 – Impairment of Assets to determine whether a right-of-use asset is impaired.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments and are included in operating expenses in the consolidated statement of comprehensive income.

As a practical expedient, IFRS 16 – Leases ("IFRS 16") permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Trust has used this practical expedient on those contracts (warehouse space and office space) which contain both lease and non-lease components.

The Trust as a Lessor

The Trust enters into lease agreements as a lessor with respect to its investment properties. Leases for which the Trust is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. As the Trust has retained substantially all of the risks and benefits of ownership of its investment properties, it accounts for leases with its tenants as operating leases. As operating leases, lease payments are recognized as revenue when the tenant has a right to use the leased asset. The leased asset is recognized in the consolidated statements of financial position according to the nature of the underlying asset.

(f) Taxation

For fiscal 2024 and 2023, Boardwalk REIT qualified as a "mutual fund trust" as defined under the Tax Act and as a real estate investment trust eligible for the REIT Exemption in accordance with the rules affecting the tax treatment of publicly traded trusts. Accordingly, the Trust is not taxable on its income provided that all of its taxable income is distributed to Unitholders. This exemption, however, does not extend to the corporate subsidiaries of Boardwalk REIT that are subject to income tax. The Trust establishes provisions for taxes when, despite the belief that its tax positions are fully supportable, it is probable that its positions may be challenged and disallowed by the relevant tax authorities. The consolidated tax expense (recovery) and related accruals include the impact of such reasonably estimated disallowances as deemed appropriate. To the extent that the probable tax outcome of these matters changes, such changes in estimates will impact the income tax expense (recovery) in the period in which such determination is made.

Current Tax

The tax currently payable, if any, is based on taxable profit for the year for certain corporate subsidiaries of the Trust. Taxable profit differs from profit as reported in the consolidated statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Trust's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the audited annual consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits, and unused tax losses, to the extent that it is probable that deductions, tax credits, and tax losses can be utilized. The carrying amounts of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that the income tax assets will be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability settled, based on tax rates and laws that have been enacted or substantively enacted at the reporting date. In addition, deferred income tax assets and liabilities are measured using the rate that is consistent with the expected manner of recovery (i.e. using the asset versus selling the asset). Where applicable, current and deferred income taxes relating to items recognized directly in equity or comprehensive income are also recognized directly in equity or comprehensive income, respectively.

(g) Provisions

In accordance with IAS 37 – Provisions, contingent liabilities and contingent assets, a provision is a liability of uncertain timing or amount. Provisions are recognized when the entity has a present legal or constructive obligation as a result of past events and when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discounted rate that reflects current market assessment of the time value of money and the risks and uncertainties specific to the obligation. Provisions are remeasured at each reporting date using the current discount rate. The increase in the provision due to the passage of time is recognized as a financing cost.

(h) Unit-based Payments

Deferred unit-based payments to employees and Board of Trustees are measured at the fair value of the deferred unit at the grant date and is expensed over the vesting period based on the Trust's estimate of the deferred units that will actually vest unless earlier recognition is triggered in certain events. At the end of each reporting period, the Trust revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss prospectively such that the cumulative expense reflects the revised estimate. In accordance with IFRS 2 – Share-based payments ("IFRS 2"), the deferred units are presented as a liability on the Consolidated Statements of Financial Position as the Trust is obliged to provide the holder with Trust Units once the deferred units vest. Under IFRS 2, the deferred units are measured at each reporting period at fair value with changes in fair value recognized in the consolidated statements of comprehensive income. Fair value of the deferred units is calculated based on the observable market price of Boardwalk REIT's Trust Units.

(i) Revenue Recognition

(i) Rental Revenue

The Trust has retained substantially all of the risks and benefits of ownership of its investment properties, and, therefore, accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on lease inception date when the tenant occupies their leased space. Rental revenue is recognized systematically over the term of the lease, which is generally not more than 12 months. Any suite specific incentives offered or initial direct costs incurred in negotiating and arranging an operating lease are also amortized over the term of the operating lease. Rental revenue is recorded based on the amount received or to be received in accordance with the operating lease.

Lease revenue earned directly from leasing the asset is recognized and measured in accordance with IFRS 16. In addition to revenue generated directly from the operating lease, rental revenue includes non-lease revenue earned from the tenant, which is recognized and measured under IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"). Non-lease revenue includes parking revenue, other service revenue and fees, and recovery of certain operating costs, including retirement services and cable (internet and television). These revenues are recognized when earned.

IFRS 15 requires revenue recognized from customer contracts (non-lease components) to be disclosed separately from its other sources of revenue (NOTE 18 and NOTE 28 to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023).

(ii) Building Sales

The gain or loss from the sale of an investment property is recognized when title passes to the purchaser (control is transferred) upon closing at which time all or substantially all of the funds are receivable, or have been received, and the conditions of the sale have been completed.

(iii) Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Trust and the amount of income can be measured reliably. Interest income is accrued on a time basis when earned, by reference to the principal outstanding and at the effective interest rate applicable.

(j) Financial Instruments and Derivatives

Financial instruments and derivatives are accounted for, presented, and disclosed in accordance with IFRS 7 – Financial Instruments: Disclosures ("IFRS 7"), IFRS 9 and IAS 32 – Financial Instruments: Presentation. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

Financial assets are classified and measured on the basis of the Trust's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. As such, after initial recognition, financial assets are classified and measured based on three categories: (i) amortized cost, (ii) fair value through other comprehensive income ("FVTOCI"), or (iii) fair value through profit and loss ("FVTPL"). The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. Financial assets are classified as at FVTPL when the financial asset either is held for trading or is designated as at FVTPL. Financial assets categories are defined and measured as follows:

Classification	Definition	Measurement
Amortized cost	Debt instrument is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.	Measured at amortized cost using the effective interest rate method less any expected credit loss. (1)(2)
FVTOCI	Debt instrument is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.	Stated at fair value, with gains or losses arising on measurement recognized in other comprehensive income.
FVTPL	Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically, investments in equity instruments or debt instruments which do not meet the amortized cost or FVTOCI definitions.	Measured at fair value, with gains or losses recognized in profit or loss.

(1) The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

(2) Financial assets, other than those at FVTPL, are required to use an expected credit loss impairment model. The expected credit loss model requires the Trust to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in the credit risk since initial recognition of the financial asset. It results in an allowance for estimated credit losses being recorded on financial assets regardless of whether there has been an actual loss event.

Boardwalk REIT's financial assets are as follows:

Financial Asset	Classification and Measurement
Loan receivable	FVTPL
Trade and other receivables	Amortized cost
Segregated tenants' security deposits	Amortized cost
Cash and cash equivalents	Amortized cost

The Trust derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial Liabilities and Equity

Debt and equity instruments issued are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Trust are recognized at the proceeds received, net of direct issue costs. Repurchase of Boardwalk REIT's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Trust's own equity instruments. Distributions paid on the Trust's equity instruments subsequent to, declared prior to, and with a record date at or prior to, the reporting date, are recorded as a liability.

Financial liabilities are classified and measured as either amortized cost or FVTPL. Financial liabilities categories are defined and measured as follows:

Classification	Definition	Measurement
FVTPL	Classified as FVTPL when the financial liability is either held for trading or it is designated as at FVTPL as discussed below:	
	Classified as held for trading if: it has been acquired principally for the purpose of repurchasing it in the near term; or, on initial recognition, it is part of a portfolio of identified financial instruments that the Trust manages together and has a recent actual pattern of short-term profit taking; or, it is a derivative that is not designated and effective as a hedging instrument.	Stated at fair value, with gains or losses arising on measurement recognized in profit or loss.
	Classified as FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group which is managed and its performance is evaluated on a fair value basis; or it forms part of a contract containing one or more embedded derivatives.	Stated at fair value, with gains or losses arising on measurement recognized in profit or loss.
Amortized cost	All other liabilities.	Measured at amortized cost using the effective interest method. (1)

(1) The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Boardwalk REIT's financial liabilities are as follows:

Financial Liability	Classification and Measurement
Mortgages payable	Amortized cost
LP Class B Units	FVTPL
Construction loan payable	Amortized cost
Refundable tenants' security deposits	Amortized cost
Trade and other payables	Amortized cost

The Trust derecognizes a financial liability when, and only when, the Trust's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivatives

The Trust may enter into a variety of derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps and bond forward contracts. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured at their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives embedded in host contracts are treated as separate derivatives when their risks and characteristics are not closely related to the host contracts and the host contracts are not measured at FVTPL. For the years ended December 31, 2024 and 2023, the Trust had no embedded derivatives requiring separate recognition.

(k) Cash and Cash Equivalents

Cash is comprised of bank balances, interest-earning bank accounts, and term deposits with maturities of 90 days or less.

(l) Critical Judgment in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimations (see NOTE 2(r) to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023), that have been made in applying the Trust's accounting policies and that have the most significant effect on the reported amounts in the audited annual consolidated financial statements:

(i) Investment Property and Internal Capital Program

The Trust's accounting policy relating to investment property is described in NOTE 2(f) to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023. In applying this policy, judgment is applied in determining the appropriate classes of investment properties in order to measure fair value. The Trust also undertakes internal capital improvements and upgrades. Such work is specifically identified, and the Trust applies judgment in the estimated amount of directly attributable on-site wages to be allocated to capital improvements and upgrades of its real estate assets.

(ii) Interest in Joint Operations, Associates and Joint Ventures

When determining the appropriate basis of accounting for the Trust's investees, the Trust makes judgement about the degree of influence that Boardwalk REIT exerts directly or through an arrangement over the investee's relevant activities. This may include the ability to elect investee directors, appoint management, or influence key decisions. Judgement is also required in determining whether or not an arrangement is a joint operation or joint venture.

(iii) Taxation Provisions

The Trust's accounting policy relating to provisions is described in (g) above. In applying this policy, judgement is applied in determining if the Trust has a present legal or constructive obligation as a result of past events and if it is probable that an outflow of resources will be required to settle the obligation and if the amount can be reliably estimated. For uncertain tax items no provision has been recorded based on the interpretation of tax legislation. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open matters at a future date, the final outcome may differ significantly from the Trust's judgements or estimates. Please refer to NOTE 21 for additional details.

(m) Material Accounting Estimates and Assumptions

Below are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results could differ from estimates.

(i) Investment Properties

The choice of valuation method for fair valuing and the critical estimates and assumptions underlying the fair value determination of investment properties are set out in NOTE 4 to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023. Significant estimates used in determining the fair value of the Trust's investment properties includes capitalization rates and NOI (which is influenced by market rents, vacancy rates, and standard costs) used in the overall capitalization rate valuation method as well as discount rates and forecasted cash flows used in the discounted cash flow valuation method. A change to any one of these inputs could materially alter the fair value of an investment property. Please refer to NOTE 4 to the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023 for sensitivity analysis.

(ii) Internal Capital Program

The Trust's internal capital program is based on internal allocations, including parts, supplies, and on-site wages identified as part of a specific upgrade or capital improvement. Elements included under the internal capital program are capitalized to investment properties.

APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS AND FUTURE ACCOUNTING POLICIES

Boardwalk REIT monitors new IFRS Accounting Standards pronouncements to assess the applicability and impact, if any, these new pronouncements may have on the audited annual consolidated financial statements and note disclosures.

(a) Application of New and Revised IFRS Accounting Standards

For the year ended December 31, 2024, the Trust has applied a number of revised IFRS Accountant Standards and incorporated in the Chartered Professional Accountants of Canada Handbook. The following highlights these changes and the effect, if any, on the Trust's consolidated financial statements.

New or Amended Standards	Summary of Requirements	Impact on Consolidated Financial Statements
IAS 1 – Presentation of Financial Statements	The amendment deals with the presentation of liabilities, not the amount or timing of recognition, or disclosure. Specifically, the amendment clarifies the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. In addition, a second amendment deals with non-current liabilities with covenants. Specifically, the amendment clarifies how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability.	This amendment was applied retrospectively effective January 1, 2024. The Trust has evaluated the impact of this amendment and has appropriately reclassified the LP Class B Units from non-current liabilities to current liabilities due to the fact that the LP Class B Units are convertible at any time at the option of the holder. In addition, the deferred unit-based compensation is now presented entirely as a current liability due to the fact that the deferred unit-based compensation outstanding has either: (i) vested, or (ii) will vest automatically in the event of termination of employment of the participant and which the entity does not have the right to defer payment for more than 12 months. The second amendment was applied retrospectively effective January, 1, 2024 and there was no material impact on the consolidated financial statements.
IAS 7 – Statement of Cash Flows and IFRS 7	The amendments deal with the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.	This amendment was applied prospectively on January 1, 2024 and there was no impact on the consolidated financial statements.

(b) Future Accounting Policies

The following accounting standards under IFRS Accounting Standards have been issued or revised; however, they were not yet effective for the years ended, December 31, 2024 and 2023 and, as such, have not been applied to the audited annual consolidated financial statements:

New or Amended Standards	Summary of Requirements	Possible Impact on Consolidated Financial Statements
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	Multiple amendments were made to these IFRS Accounting Standards. The amendments deal with the derecognition of a financial liability at the settlement date and when settled through electronic transfer. It also provides additional guidance regarding the classification of financial assets, as well as additional disclosure requirements for financial instruments with contingent features and equity instruments classified at FVTOCI. The effective date of the amendments is for annual reporting periods beginning or after January 1, 2026, however, earlier application is permitted.	The Trust is assessing the potential impact but does not expect any material impact on the consolidated financial statements.
IFRS 18 – Presentation and Disclosures in Financial Statements	The new standard replaces IAS 1 regarding requirements for the presentation and disclosure of information in the general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity income and expenses. Specifically, it introduces requirements to classify income and expenses into categories and to include specified subtotals in the Statement of Profit or Loss, along with other enhanced guidance on the aggregation of information and mandatory disclosures about management-defined performance measures. The effective date of the amendments is for annual reporting periods beginning on or after January 1, 2027, and are to be applied retrospectively with earlier application permitted.	The Trust is currently evaluating the impact of the new standard. In addition, the Trust expects to include increased disclosures on management-defined performance measures in the financial statements.
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The effective date of the amendments has yet to be set, however, earlier application is permitted.	The Trust is assessing the potential impact but does not expect any material impact on the consolidated financial statements.

In addition to those referenced, the following amendments are not expected to have any impact on the Trust's annual audited consolidated financial statements:

- IFRS 19 – Subsidiaries without Public Accountability
- IAS 21 – The Effects of Changes in Foreign Exchange Rates

IFRS ACCOUNTING STANDARDS

The Trust's audited annual consolidated financial statements have been prepared in accordance with IFRS Accounting Standards.

DISCLOSURE CONTROLS AND PROCEDURES ("DC&P") & INTERNAL CONTROL OVER FINANCIAL REPORTING

DC&P are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer and Chief Financial Officer, as applicable, on a timely basis so appropriate decisions can be made regarding public disclosure.

The preparation of this information is supported by a set of DC&P implemented by management. In fiscal 2024, these controls and procedures were reviewed and the effectiveness of their design and operation was evaluated. This evaluation confirmed the effectiveness of both the design and the operation of DC&P as at December 31, 2024. The evaluation was performed in accordance with the Committee of Sponsoring Organizations of the Treadway Commission control framework adopted by the Trust and the requirements of National Instrument 52-109 of the Canadian Securities Administrators titled, Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109").

There were no changes made to our DC&P during the year ended December 31, 2024. Boardwalk REIT continues to review the design of DC&P to provide reasonable assurance that material information relating to Boardwalk REIT is properly communicated to certifying officers responsible for establishing and maintaining DC&P, as those terms are defined in NI 52-109.

As at December 31, 2024, Boardwalk REIT can confirm the effectiveness of both the design and the operation of its ICFR to provide reasonable assurance regarding the reliability of financial statements and information. Boardwalk REIT may, from time to time, make changes aimed at enhancing their effectiveness and ensuring that our systems evolve with our business. There were no changes made in our ICFR during the year ended December 31, 2024, that have materially affected, or are reasonably likely to materially affect, our ICFR, which have been designed using the Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

2025 Financial Outlook and Market Guidance

As is customary, the Trust is providing its outlook and financial guidance for the upcoming 2025 fiscal year as part of its year end results. The Trust's 2025 objectives are as follows:

Description	2025 Guidance	2024 Actual
Same Property NOI Growth	4.0% to 8.0%	13.0%
Profit	N/A	$588,218
FFO (1)(2)	N/A	$225,848
AFFO (1)(2)	N/A	$192,273
FFO per Unit (2)	$4.25 to $4.55	$4.18
AFFO per Unit (2)	$3.62 to $3.92 utilizing a Maintenance CAPEX of $998/suite/year	$3.56 utilizing a Maintenance CAPEX of $977/suite/year

(1) This is a non-GAAP financial measure.
(2) Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information.

In deriving these forecasts, the Trust has adjusted for the treatment of the LP Class B Units to be treated as equity (versus debt under IFRS Accounting Standards) and their related treatment of the distributions paid (which are classified as financing costs under IFRS Accounting Standards).

This information is forward-looking and actual results may vary materially from those reported. One of the key estimates is the performance of the Trust's same properties. Any significant change in assumptions deriving "Same property NOI performance" would have a material effect on the final reported amount. The Trust reviews these key assumptions quarterly and, based on this review, may change its outlook on a going-forward basis. Please refer to the section titled "General and Forward-Looking Statements Advisory – Forward-Looking Statements Advisory" in this MD&A.

In addition to the above financial guidance for 2025, the Board of Trustees approved the 2025 Capital Budget as follows:

Capital Budget *($000's)*	2025 Budget	Per Suite	2024 Actual	Per Suite
Maintenance Capital Expenditures	$ 34,333	$ 998	$ 33,575	$ 977
Value-add Capital	112,417	3,267	99,852	2,906
Investment in capital assets	$ 146,750	$ 4,265	$ 133,427	$ 3,883
Development of investment properties	$ 80,632		$ 53,719	

In total, the Trust expects to invest $146.8 million (or $4,265 per suite) in capital assets in 2025, compared to $133.4 million (or $3,883 per suite) actually spent in 2024. The Trust has estimated its Maintenance Capital Expenditures for 2025 at $998 per suite per year, compared to $977 per suite per year in 2024, using a three-year rolling average. Additionally, for 2025, Boardwalk is estimating $80.6 million will be spent on development of investment properties.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following selected financial information should be read in conjunction with this MD&A and the audited annual consolidated financial statements for the years ended December 31, 2024 and 2023, and the applicable unaudited condensed consolidated interim financial statements of the Trust for the various quarterly interim periods, which are available under the Trust's profile at www.sedarplus.ca.

The consolidated statements of comprehensive income and consolidated statements of financial position information set forth in the following tables has been derived from the audited annual consolidated financial statements referred to above and the unaudited condensed consolidated interim financial statements of the Trust for various quarterly interim periods.

Annual Comparative *(Cdn$ Thousands, except per Unit amount)*	Twelve Months Ended		
	Dec. 31, 2024	Dec. 31, 2023	Dec. 31, 2022
Rental revenue	**$ 603,293**	$ 545,658	$ 496,360
Profit	**588,218**	666,099	283,096
FFO [1][2]	**225,848**	181,353	157,444
Profit per Trust Unit			
– Basic	**$ 11.91**	$ 14.54	$ 6.17
– Diluted	**$ 10.41**	$ 14.54	$ 5.23
FFO per Unit [2]			
– Basic	**$ 4.57**	$ 3.96	$ 3.43
– Diluted	**$ 4.18**	$ 3.60	$ 3.13
Mortgages payable [3]	**3,286,081**	3,318,417	3,214,554
Total assets	**8,626,490**	8,141,876	7,067,275
Number of suites [4]	**34,405**	34,029	33,722
Rentable square feet (000's)	**29,829**	29,515	29,310

(1) This is a non-GAAP financial measure.
(2) Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information.
(3) December 31, 2024, excludes mortgages related to assets held for sale.
(4) Includes 183 suites related to the Trust's joint venture in Brampton, Ontario.

Variations on an annual basis are primarily attributable to reported fair value gains/losses. Please refer to the section titled "Executive Summary – Financial Performance Summary" for additional details.

Quarterly Comparative *(Cdn$ Thousands, except per Unit amount)*	**Dec. 31, 2024**	Sep. 30, 2024	Jun. 30, 2024	Mar. 31, 2024	Dec 31, 2023	Sep. 30, 2023	Jun. 30, 2023	Mar. 31, 2023
	Three Months Ended							
Rental revenue	**$ 155,565**	$ 153,413	$ 149,067	$ 145,248	$ 141,907	$ 138,268	$ 134,553	$ 130,931
Profit	**65,924**	55,419	159,154	307,721	173,130	39,417	232,163	221,389
FFO [1][2]	**58,543**	60,185	56,085	51,035	48,897	48,266	44,595	39,595
Profit per Trust Unit								
– Basic	**$ 1.33**	$ 1.12	$ 3.22	$ 6.23	$ 3.75	$ 0.86	$ 5.08	$ 4.84
– Diluted	**$ (0.57)**	$ 1.12	$ 2.33	$ 6.23	$ 3.75	$ 0.86	$ 5.08	$ 4.84
FFO per Unit [2]	**$ 1.08**	$ 1.11	$ 1.04	$ 0.95	$ 0.96	$ 0.96	$ 0.89	$ 0.79

(1) This is a non-GAAP financial measure.
(2) Please refer to the section titled "Presentation of Non-GAAP Measures" in this MD&A for more information.

Variations in the quarterly comparative results presented above are primarily attributable to reported fair value gains/losses and from seasonality in total rental expenses in the first and fourth quarters when demand for natural gas is at the highest. Please refer to the section titled "Executive Summary – Financial Performance Summary" for additional details.

Additional Information

Additional information relating to Boardwalk Equities Inc. and Boardwalk REIT, including the AIF, is available under the Trust's profile on SEDAR+ at www.sedarplus.ca.

Independent Auditor's Report

To the Unitholders and Board of Trustees of Boardwalk Real Estate Investment Trust

OPINION

We have audited the consolidated financial statements of Boardwalk Real Estate Investment Trust (the "Trust"), which comprise the consolidated statements of financial position as at December 31, 2024 and 2023, and the consolidated statements of comprehensive income, changes in unitholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

BASIS FOR OPINION

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTER

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Fair Value of Investment Properties – Refer to Notes 2(f) and 4 of the Financial Statements

Key Audit Matter Description

The Trust has elected the fair value model for all investment properties and accordingly measures all investment properties at fair value subsequent to initial recognition on the statement of financial position. The Trust uses a combination of internal and external processes and valuation techniques to estimate fair value based on a number of inputs.

While several inputs are required to determine the fair value of the investment properties, the assumptions with the highest degree of subjectivity and impact on fair values are the forecast of rental income and capitalization rates. Auditing these assumptions required a high degree of auditor judgment as the estimations made by management are subject to a high degree of estimation uncertainty. This resulted in an increased extent of audit effort, including the need to involve fair value specialists.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the forecast of rental income and capitalization rates used to determine the fair value of the investment properties included the following, among others:

- Evaluated the effectiveness of controls over determination of investment properties' fair value, including those over the determination of the forecast of rental income and capitalization rates.
- Evaluated the reasonableness of management's forecast of rental income by comparing management's forecast with historical results, internal communications to management and the Board of Trustees, contractual information and market rents at the valuation date, where applicable.
- With the assistance of fair value specialists, evaluated the reasonableness of capitalization rates by developing a range of estimates based on recent market transactions and industry surveys and comparing them to the capitalization rates selected by management.

OTHER INFORMATION

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis
- The information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis and the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Trust's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Trust as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Andrew Coutts.

/s/ Deloitte LLP

Chartered Professional Accountants

Calgary, Alberta
February 19, 2025

Consolidated Statements of Financial Position

(CDN $ THOUSANDS)

As at	Note	**Dec. 31, 2024**	Dec. 31, 2023
ASSETS			
Non-current assets			
Investment properties	4	**$ 8,238,024**	$ 7,702,214
Equity accounted investment	6	**52,984**	39,758
Other	7	**34,291**	31,367
		8,325,299	7,773,339
Current assets			
Loan receivable	8	**58,170**	-
Assets held for sale	5	**80,000**	-
Other	7	**40,613**	37,333
Cash and cash equivalents	10	**122,408**	331,204
		301,191	368,537
Total Assets		**$ 8,626,490**	$ 8,141,876
LIABILITIES			
Non-current liabilities			
Mortgages payable	11	**$ 2,661,345**	$ 2,818,045
Lease liabilities	12	**72,671**	73,818
Deferred government grant		**2,994**	3,372
		2,737,010	2,895,235
Current liabilities			
Mortgages payable	11	**624,736**	500,372
Lease liabilities	12	**3,210**	2,978
LP Class B Units	13	**283,664**	319,247
Liabilities related to assets held for sale	5	**21,817**	-
Other	14	**119,244**	103,972
		1,052,671	926,569
Total Liabilities		**3,789,681**	3,821,804
Equity			
Unitholders' equity	17	**4,836,809**	4,320,072
Total Equity		**4,836,809**	4,320,072
Total Liabilities and Equity		**$ 8,626,490**	$ 8,141,876

See accompanying notes to these consolidated financial statements.

On behalf of the Trust:

[signed]

SAM KOLIAS
Trustee

[signed]

GARY GOODMAN
Trustee

Consolidated Statements of Comprehensive Income

(CDN $ THOUSANDS)

	Note	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
Rental revenue	18	$ 603,293	$ 545,658
Rental expenses			
Operating expenses		109,617	106,190
Utilities		55,969	53,392
Property taxes		55,373	53,087
Total rental expenses		220,959	212,669
Net operating income		382,334	332,989
Financing costs	19	121,161	111,172
Administration		44,791	41,172
Deferred unit-based compensation	15	5,374	3,328
Depreciation	9	8,318	7,921
Profit before the undernoted		202,690	169,396
Income (loss) from equity accounted investment	6	13,226	(1,113)
Loss on sale of asset		-	(928)
Fair value gains, net	20	359,888	494,877
Interest income		12,498	3,059
Other income		-	886
Profit before income tax		588,302	666,177
Income tax expense	16	(84)	(78)
Profit		588,218	666,099
Other comprehensive income		-	-
Total comprehensive income		$ 588,218	$ 666,099

See accompanying notes to these consolidated financial statements.

Consolidated Statements of Changes in Unitholders' Equity

(CDN $ THOUSANDS)

	Trust Units	Cumulative Profit (Loss)	Cumulative Distributions to Unitholders	Retained Earnings	Total Unitholders' Equity
Balance, December 31, 2022	$ 211,899	$ 4,847,088	$ (1,591,989)	$ 3,255,099	$ 3,466,998
Trust Units issued under equity offering, net of issue costs	239,992	-	-	-	239,992
Trust Units issued for vested deferred units	152	-	-	-	152
Profit	-	666,099	-	666,099	666,099
Total comprehensive income	-	666,099	-	666,099	666,099
Distributions	-	-	(53,169)	(53,169)	(53,169)
Balance, December 31, 2023	$ 452,043	$ 5,513,187	$ (1,645,158)	$ 3,868,029	$ 4,320,072
Trust Units issued for vested deferred units	3,754	-	-	-	3,754
Trust Units purchased and cancelled	(2,058)	(8,069)	-	(8,069)	(10,127)
Trust Units issued on exchange of LP Class B Units	3,809	-	-	-	3,809
Profit	-	588,218	-	588,218	588,218
Total comprehensive income	-	588,218	-	588,218	588,218
Distributions	-	-	(68,917)	(68,917)	(68,917)
Balance, December 31, 2024	**$ 457,548**	**$ 6,093,336**	**$(1,714,075)**	**$ 4,379,261**	**$ 4,836,809**

See accompanying notes to these consolidated financial statements.

Consolidated Statements of Cash Flows

(CDN $ THOUSANDS)

	Note	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
Operating activities			
Profit		$ 588,218	$ 666,099
Loss on sale of asset		-	928
Other income		-	(886)
Financing costs	19	121,161	111,172
Interest paid		(113,123)	(103,084)
Deferred unit-based compensation	15	5,374	3,328
(Income) loss from equity accounted investment	6	(13,226)	1,113
Fair value gains, net	20	(359,888)	(494,877)
Income tax expense	16	84	78
Income tax paid		(14)	(3)
Government grant amortization		(378)	(378)
Depreciation	9	8,318	7,921
		236,526	191,411
Net change in operating working capital	27	4,674	8,385
Cash flow from operating activities		241,200	199,796
Investing activities			
Purchase of investment properties, net of financing	4	(108,956)	(13,782)
Investment in capital assets	27	(133,427)	(125,972)
Development of investment properties	4	(53,719)	(23,325)
Issuance of loan receivable	8	(58,170)	-
Proceeds from sale of investment in private technology venture fund		-	929
Distributions from investment in private technology venture fund, net of capital contribution		-	990
Principal repayments on lease receivable		-	321
Net change in investing working capital	27	2,644	6,005
Cash flow used in investing activities		(351,628)	(154,834)
Financing activities			
Issuance of Trust Units, net of issue costs	17	-	239,992
Distributions paid	27	(67,810)	(52,469)
Unit repurchase program	17	(10,127)	-
Proceeds from mortgage financings		60,300	236,627
Mortgage payments upon refinancing		-	(97,912)
Scheduled mortgage principal repayments		(75,282)	(74,448)
Proceeds from construction loan financing	14	1,478	-
Deferred financing costs incurred		(3,173)	(14,234)
Principal repayments on lease liabilities		(3,275)	(3,397)
Net change in financing working capital	27	(479)	(733)
Cash flow (used in) from financing activities		(98,368)	233,426
Net (decrease) increase in cash		(208,796)	278,388
Cash and cash equivalents, beginning of year		331,204	52,816
Cash and cash equivalents, end of year	10	**$ 122,408**	**$ 331,204**

See accompanying notes to these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the Years Ended, December 31, 2024 and 2023

(Tabular amounts in Cdn $ thousands, except number of units and per unit amounts UNLESS OTHERWISE STATED)

NOTE 1: ORGANIZATION OF THE TRUST

Boardwalk Real Estate Investment Trust ("Boardwalk REIT" or the "Trust") is an unincorporated, open-ended real estate investment trust created pursuant to the Declaration of Trust ("DOT"), dated January 9, 2004, and as amended and restated on various dates between May 3, 2004 and May 6, 2024, under the laws of the Province of Alberta. Boardwalk REIT was created to invest in multi-family residential investment properties or similar interests, initially through the acquisition of the assets and operations of Boardwalk Equities Inc. (the "Corporation"), which was acquired on May 3, 2004. Boardwalk REIT Trust Units (or "Trust Units") are listed on the Toronto Stock Exchange under the symbol 'BEI.UN'. The registered office of the Trust and its head office operations are located at First West Place, Suite 200, 1501 1st Street SW, Calgary, Alberta, T2R 0W1.

NOTE 2: MATERIAL ACCOUNTING POLICIES

(a) Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards, as issued by the International Accounting Standards Board ("IFRS Accounting Standards").

(b) Basis of Presentation

The Trust's consolidated financial statements have been prepared on the historical cost basis, except for investment properties, assets held for sale, and certain financial instruments that are measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets. These consolidated financial statements were prepared on a going concern basis and have been presented in Canadian dollars rounded to the nearest thousand. The accounting policies set out below have been applied consistently in all material respects. Standards and guidelines not effective for the current accounting period are described in NOTE 3(b).

Certain comparative figures have been restated to conform to the presentation of the current year. Specifically, the property, plant and equipment balances presented in NOTE 9 have been updated to appropriately derecognize the cost and accumulated depreciation of historical additions that have been fully amortized and no longer in use.

(c) Basis of Consolidation

These consolidated financial statements include the accounts of the Trust and its consolidated subsidiaries which are the entities over which Boardwalk REIT has control. Control is achieved when the entity has power over the investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns. The Trust reassesses whether or not it controls an investee if facts, circumstances, and events indicate that there are changes to one or more of the three elements of control listed above.

In accordance with IFRS 10 – Consolidated Financial Statements ("IFRS 10"), an entity can exercise control on a basis other than ownership of voting interests. When the Trust has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Trust considers all relevant facts and circumstances in assessing whether or not the Trust's voting rights in an investee are sufficient to give it power. These facts and circumstances can include: the size of the Trust's holding of voting rights relative to the size and dispersion of holdings of the other vote holders; potential voting rights held by the Trust, other vote holders or other parties; rights arising from contractual arrangements; and any other additional facts or circumstances.

Currently, the Trust has control over all of the subsidiaries reported in the consolidated financial statements (either directly or indirectly) and non-controlling interests either do not exist or are immaterial for the Trust at this time. All intra-group transactions, balances, revenues and expenses eliminate on consolidation.

(d) Interest in Joint Operations

In accordance with IFRS 11 – Joint Arrangements (“IFRS 11”), a joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Trust records only its share of the assets, liabilities, and share of the revenue and expenses of the joint operation. The assets, liabilities, revenue and expenses of joint operations are included within the respective line items of the consolidated statements of financial position and consolidated statements of comprehensive income.

(e) Interest in Associates and Joint Ventures

In accordance with IAS 28 – Investments in associates and joint ventures (“IAS 28”), an associate is defined as an entity over which the investor has significant influence, however the investor does not have control or joint control. Significant influence generally arises when an entity holds, directly or indirectly, 20% or more of the voting power of the investee. Significant influence is usually evidenced by representation on the board of directors or equivalent of the investee, participation in policy-making processes, material transactions between the entity and its investee, interchange of managerial personnel, or provision of essential technical information.

In accordance with IFRS 11, a joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Investments in associates and joint ventures are accounted for using the equity method. Under the equity method, the investment is initially recorded at cost, and the carrying amount is increased or decreased to recognize the investor’s share of profit or loss of the investee after the date of acquisition. The Trust’s share of the investee’s profit or loss is recognized in the Trust’s profit or loss. Distributions received from an investee reduce the carrying amount of the investment.

(f) Investment Properties

Investment properties consist of multi-family residential properties held to earn rental income and properties being constructed or developed for future use to earn rental income, and include interests held under long-term operating land leases. Investment properties are measured initially at cost (which is equivalent to fair value). Cost includes all amounts relating to the acquisition (excluding transaction costs related to a business combination) and improvement of the properties. All costs associated with upgrading and extending the economic life of the existing facilities, other than ordinary repairs and maintenance, are capitalized to investment property. Included in these costs are internal amounts that are directly attributable to a specific investment property, which are capitalized to the extent that they upgrade or extend the economic life of the asset.

Subsequent to initial recognition, investment properties are recorded at fair value, in accordance with IAS 40 – Investment Property (“IAS 40”). Fair value is determined based on a combination of internal and external processes and valuation techniques. Gains or losses arising from differences between current period fair value and the sum of previously measured fair value and capitalized costs as described above are recorded in profit or loss in the period in which they arise. The fair value of an investment property held by a lessee as a right-of-use asset reflects expected cash flows (including variable lease payments) that are expected to become payable. Accordingly, if the valuation obtained for an investment property is net of all payments expected to be made, it will be necessary to add back any recognized lease liability, to arrive at the carrying amount of the investment property using the fair value model.

Properties owned by the Trust where a significant portion of the property is used for administrative purposes by the Trust are considered “Property, Plant and Equipment” and, therefore, fall within the scope of IAS 16 – Property, Plant and Equipment (“IAS 16”) and are recorded in accordance with that standard. Where part of a building is used for administrative purposes by the Trust, but this portion is considered insignificant, this space is included as part of Investment Property under IAS 40.

Investment properties are reclassified to "Assets Held for Sale" when the criteria set out in IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations ("IFRS 5") are met (see NOTE 2(i)).

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Prior to its disposal, the carrying value of the investment property is adjusted to reflect its fair value as outlined in the purchase and sale agreement (as the purchase and sale agreement is the best evidence of fair value). This adjustment shall be recorded as a fair value gain or loss. Any remaining gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

Excess land represents land owned by the Trust located contiguous to land included as investment property. For some of the Trust's excess land, the Trust has the ability to develop additional multi-family residential buildings on this land or sell it separately from the investment property at a later date. Excess land is held for capital appreciation and, therefore, is treated as investment property and recorded in accordance with IAS 40 as outlined above. When determining the fair value of a project with excess land, the capitalization rate used in determining the value is adjusted accordingly.

(g) Properties Under Development

Properties under development include new development on excess land density or acquired land, redevelopment or repositioning of buildings the Trust currently owns that require substantial renovations, and incomplete apartment suites acquired from third parties that will take 12 months or longer to complete. The cost of land, if applicable, and buildings under development or redevelopment (consisting of development sites, density or intensification rights and related infrastructure) are specifically identifiable costs incurred in the period before construction is complete. Capitalized costs include pre-construction costs essential to the development or redevelopment of the property, construction costs, borrowing costs directly attributable to the development, real estate taxes, and other costs incurred during the period of development or redevelopment. Additions to investment properties consist of costs of a capital nature and, in the case of properties under development and/or redevelopment, capitalized interest. Directly attributable borrowing costs are also capitalized on land or properties acquired specifically for development or redevelopment when activities necessary to prepare the asset for development or redevelopment are in progress in accordance with IAS 23 – Borrowing Costs. Where borrowings are associated with specific developments, the amount capitalized is the total cost incurred on those borrowings.

The capitalization of borrowing costs commences when the activities necessary to prepare an asset for development or redevelopment begins, and continues until the date that substantially all of the construction is complete and all necessary occupancy and related permits have been received, whether or not the space is leased. If the Trust is required, as a condition of a lease, to construct tenant improvements that enhance the value of the property, then capitalization of costs continues until such improvements are completed. Capitalization ceases if there is a prolonged period where development activity is interrupted.

Properties under active development are generally valued at market land values, if applicable, plus costs invested to date. Where significant leasing and construction is in place and the future income stream is reasonably determinable, the valuation methodology used is similar to that of revenue-producing properties, less estimates of future capital outlays, construction and development costs, to determine a net "as-is" market value. Development risks such as planning, zoning, licenses, and building permits are considered in the valuation process. Properties not under active development, such as land parcels held for future development, are valued based on comparable sales of land. Significant increases (decreases) in construction costs, cost escalation rates, and estimated time to complete construction in isolation would result in a significantly lower (higher) fair value for properties under development.

(h) Property, Plant and Equipment

Tangible assets that are held for use in the production or supply of goods and services, or for administrative purposes, and are expected to be used during more than one period, except when another accounting standard requires or permits a different accounting treatment, are recorded in accordance with IAS 16 using the cost model. IAS 16, therefore, excludes tangible assets that are accounted for in accordance with IFRS 5 (see NOTE 2(i)) and IAS 40 (see NOTE 2(f)).

In accordance with IAS 16, the cost model, after initial recognition of the property, plant and equipment, requires the tangible asset to be carried at its cost less accumulated depreciation and any accumulated impairment losses. Depreciation is recognized in a manner that reflects the pattern in which the future economic benefits of the tangible asset are expected to be consumed and realized by the Trust. The amount of depreciation will be charged systematically to the consolidated statement of comprehensive income and is the cost less residual value of the asset over its useful economic life. IAS 16 also requires that the cost and useful economic life of each significant component of a tangible asset be determined based on the circumstances of each tangible asset. The method of depreciation, residual values, and estimates of the useful economic life of a tangible asset, or other property, plant and equipment, are reviewed at each financial year-end and any changes are accounted for as a change in accounting estimate in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Property, Plant and Equipment ("PP&E") is valued using the cost model under IAS 16. PP&E is categorized into the following classes and their respective useful economic life is used to calculate the amount of depreciation or amortization for each period. Categories of PP&E with the same or similar useful lives are included in the same class.

PP&E Class	PP&E Category (NOTE 9)	Useful Life / Depreciation Rate	Depreciation Method Used
Administrative building	Administrative building	40 years	Straight-line
Site equipment	Site equipment and other assets	15%	Declining balance
Automobiles	Site equipment and other assets	20%	Declining balance
Warehouse and corporate assets	Site equipment and other assets	10% to 20%	Declining balance
Computer hardware	Corporate technology assets	35%	Declining balance
Computer software (1)	Corporate technology assets	35%	Declining balance

(1) In addition to the purchase of software from external sources, the Trust capitalizes certain programmers' salaries related to internally developed software applications used in the normal course of operations of Boardwalk REIT. The programmers' work is directly attributable to software development.

(i) Assets Held for Sale

Non-current assets are classified as assets held for sale in accordance with IFRS 5 when the Trust has committed to a plan to sell the asset, the properties are available for immediate sale in present condition, and the asset is actively marketed for sale at a price that is reasonable in relation to its estimated fair value. Investment properties transferred to assets held for sale will have carrying amounts that will be recovered principally through a sale, and continue to be held at fair value, in accordance with IAS 40. The Trust presents non-current assets held for sale and their related liabilities separately from other assets and liabilities on the consolidated statements of financial position and in the notes to the consolidated financial statements beginning from the period in which they were first classified as held for sale.

(j) Leases

The Trust as a Lessee

The Trust assesses whether a contract is, or contains, a lease at inception of the contract. The Trust recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Trust recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Trust uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprise:

- Fixed payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made (see NOTE 2(o)) for definition of effective interest method).

The Trust remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate; or
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured either at fair value (in the case of right-of-use assets which are considered part of investment properties) or at cost less accumulated depreciation and impairment losses (for right-of-use assets which are considered property, plant and equipment). Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The Trust applied IAS 36 – Impairment of Assets to determine whether a right-of-use asset is impaired.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition that triggers those payments and are included in operating expenses in the consolidated statement of comprehensive income.

As a practical expedient, IFRS 16 – Leases (“IFRS 16”) permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Trust has used this practical expedient on those contracts (warehouse space and office space) which contain both lease and non-lease components.

The Trust as a Lessor

The Trust enters into lease agreements as a lessor with respect to its investment properties. Leases for which the Trust is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases. As the Trust has retained substantially all of the risks and benefits of ownership of its investment properties, it accounts for leases with its tenants as operating leases. As operating leases, lease payments are recognized as revenue when the tenant has a right to use the leased asset. The leased asset is recognized in the consolidated statements of financial position according to the nature of the underlying asset.

(k) Taxation

For fiscal 2024 and 2023, Boardwalk REIT qualified as a “mutual fund trust” as defined under the *Income Tax Act* (Canada) (the “Tax Act”) and as a Real Estate Investment Trust (“REIT”) eligible for the ‘REIT Exemption’ in accordance with the rules affecting the tax treatment of publicly traded trusts. Accordingly, the Trust is not taxable on its income provided that all of its taxable income is distributed to Unitholders. This exemption, however, does not extend to the corporate subsidiaries of Boardwalk REIT that are subject to income tax. The Trust establishes provisions for taxes when, despite the belief that its tax positions are fully supportable, it is probable that its positions may be challenged and disallowed by the relevant tax authorities. The consolidated tax expense (recovery) and related accruals include the impact of such reasonably estimated disallowances as deemed appropriate. To the extent that the probable tax outcome of these matters changes, such changes in estimates will impact the income tax expense (recovery) in the period in which such determination is made.

Current Tax

The tax currently payable, if any, is based on taxable profit for the year for certain corporate subsidiaries of the Trust. Taxable profit differs from profit as reported in the consolidated statements of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Trust’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred Tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits, and unused tax losses, to the extent that it is probable that deductions, tax credits, and tax losses can be utilized. The carrying amounts of deferred income tax assets are reviewed at each reporting date and reduced to the extent it is no longer probable that the income tax assets will be recovered. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability settled, based on tax rates and laws that have been enacted or substantively enacted at the reporting date. In addition, deferred income tax assets and liabilities are measured using the rate that is consistent with the expected manner of recovery (i.e. using the asset versus selling the asset). Where applicable, current and deferred income taxes relating to items recognized directly in equity or comprehensive income are also recognized directly in equity or comprehensive income, respectively.

(l) Provisions

In accordance with IAS 37 – Provisions, contingent liabilities and contingent assets ("IAS 37"), a provision is a liability of uncertain timing or amount. Provisions are recognized when the entity has a present legal or constructive obligation as a result of past events and when it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a discounted rate that reflects current market assessment of the time value of money and the risks and uncertainties specific to the obligation. Provisions are remeasured at each reporting date using the current discount rate. The increase in the provision due to the passage of time is recognized as a financing cost.

(m) Unit-based Payments

Deferred unit-based payments to employees and Board of Trustees are measured at the fair value of the deferred unit at the grant date and expensed over the vesting period based on the Trust's estimate of the deferred units that will actually vest, unless earlier recognition is triggered in certain events. At the end of each reporting period, the Trust revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognized in profit or loss prospectively such that the cumulative expense reflects the revised estimate. In accordance with IFRS 2 – Share-based payments ("IFRS 2"), the deferred units are presented as a liability on the Consolidated Statements of Financial Position as the Trust is obliged to provide the holder with Trust Units once the deferred units vest. Under IFRS 2, the deferred units are measured at each reporting period at fair value with changes in fair value recognized in the consolidated statements of comprehensive income. Fair value of the deferred units is calculated based on the observable market price of Boardwalk REIT's Trust Units.

(n) Revenue Recognition

(i) Rental Revenue

The Trust has retained substantially all of the risks and benefits of ownership of its investment properties, and, therefore, accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. Generally, this occurs on lease inception date when the tenant occupies their leased space. Rental revenue is recognized systematically over the term of the lease, which is generally not more than 12 months. Any suite specific incentives offered or initial direct costs incurred in negotiating and arranging an operating lease are also amortized over the term of the operating lease. Rental revenue is recorded based on the amount received or to be received in accordance with the operating lease.

Lease revenue earned directly from leasing the asset is recognized and measured in accordance with IFRS 16. In addition to revenue generated directly from the operating lease, rental revenue includes non-lease revenue earned from the tenant, which is recognized and measured under IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"). Non-lease revenue includes parking revenue, other service revenue and fees, and recovery of certain operating costs, including retirement services and cable (internet and television). These revenues are recognized when earned.

IFRS 15 requires revenue recognized from customer contracts (non-lease components) to be disclosed separately from its other sources of revenue (NOTE 18 and NOTE 28).

(ii) Building Sales

The gain or loss from the sale of an investment property is recognized when title passes to the purchaser (control is transferred) upon closing at which time all or substantially all of the funds are receivable, or have been received, and the conditions of the sale have been completed.

(iii) Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Trust and the amount of income can be measured reliably. Interest income is accrued on a time basis when earned, by reference to the principal outstanding and at the effective interest rate applicable.

(o) Financial Instruments and Derivatives

Financial instruments and derivatives are accounted for, presented, and disclosed in accordance with IFRS 7 – Financial Instruments: Disclosures ("IFRS 7"), IFRS 9 – Financial Instruments ("IFRS 9") and IAS 32 – Financial Instruments: Presentation ("IAS 32"). Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial Assets

Financial assets are classified and measured on the basis of the Trust's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. As such, after initial recognition, financial assets are classified and measured based on three categories: (i) amortized cost, (ii) fair value through other comprehensive income (FVTOCI), or (iii) fair value through profit and loss (FVTPL). The classification depends on the nature and purpose of the financial asset and is determined at the time of initial recognition. Financial assets are classified as at FVTPL when the financial asset either is held for trading or is designated as at FVTPL. Financial assets categories are defined and measured as follows:

Classification	Definition	Measurement
Amortized cost	Debt instrument is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.	Measured at amortized cost using the effective interest rate method less any expected credit loss. (1) (2)
FVTOCI	Debt instrument is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.	Stated at fair value, with gains or losses arising on measurement recognized in other comprehensive income.
FVTPL	Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically, investments in equity instruments or debt instruments which do not meet the amortized cost or FVTOCI definitions.	Measured at fair value, with gains or losses recognized in profit or loss.

(1) The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument or where appropriate, a shorter period, to the net carrying amount on initial recognition.

(2) Financial assets, other than those at FVTPL, are required to use an expected credit loss impairment model. The expected credit loss model requires the Trust to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in the credit risk since initial recognition of the financial asset. It results in an allowance for estimated credit losses being recorded on financial assets regardless of whether there has been an actual loss event.

Boardwalk REIT's financial assets are as follows:

Financial Asset	Classification and Measurement
Loan receivable	FVTPL
Trade and other receivables	Amortized cost
Segregated tenants' security deposits	Amortized cost
Cash and cash equivalents	Amortized cost

The Trust derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial Liabilities and Equity

Debt and equity instruments issued are classified either as financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Trust are recognized at the proceeds received, net of direct issue costs. Repurchase of Boardwalk REIT's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue, or cancellation of the Trust's own equity instruments. Distributions paid on the Trust's equity instruments subsequent to, declared prior to, and with a record date at or prior to, the reporting date, are recorded as a liability.

Financial liabilities are classified and measured as either amortized cost or FVTPL. Financial liabilities categories are defined and measured as follows:

Classification	Definition	Measurement
FVTPL	Classified as FVTPL when the financial liability is either held for trading or it is designated as at FVTPL as discussed below:	
	Classified as held for trading if: it has been acquired principally for the purpose of repurchasing it in the near term; or, on initial recognition, it is part of a portfolio of identified financial instruments that the Trust manages together and has a recent actual pattern of short-term profit taking; or, it is a derivative that is not designated and effective as a hedging instrument.	Stated at fair value, with gains or losses arising on measurement recognized in profit or loss.
	Classified as FVTPL upon initial recognition if: such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or the financial liability forms part of a group which is managed and its performance is evaluated on a fair value basis; or it forms part of a contract containing one or more embedded derivatives.	Stated at fair value, with gains or losses arising on measurement recognized in profit or loss.
Amortized cost	All other liabilities.	Measured at amortized cost using the effective interest method. (1)

(1) The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability or where appropriate, a shorter period, to the net carrying amount on initial recognition.

Boardwalk REIT's financial liabilities are as follows:

Financial Liability	Classification and Measurement
Mortgages payable	Amortized cost
LP Class B Units	FVTPL
Construction loan payable	Amortized cost
Refundable tenants' security deposits	Amortized cost
Trade and other payables	Amortized cost

The Trust derecognizes a financial liability when, and only when, the Trust's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

Derivatives

The Trust may enter into a variety of derivative financial instruments to manage its exposure to interest rate risks, including interest rate swaps and bond forward contracts. Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently measured at their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which case the timing of the recognition in profit or loss depends on the nature of the hedge relationship. Derivatives embedded in host contracts are treated as separate derivatives when their risks and characteristics are not closely related to the host contracts and the host contracts are not measured at FVTPL. For the years ended December 31, 2024 and 2023, the Trust had no embedded derivatives requiring separate recognition.

(p) Cash and Cash Equivalents

Cash is comprised of bank balances, interest-earning bank accounts, and term deposits with maturities of 90 days or less.

(q) Critical Judgement in Applying Accounting Policies

The following are the critical judgements, apart from those involving estimations (see NOTE 2(r) below), that have been made in applying the Trust's accounting policies and that have the most significant effect on the reported amounts in the consolidated financial statements:

(i) Investment Property and Internal Capital Program

The Trust's accounting policy relating to investment property is described in NOTE 2(f) above. In applying this policy, judgement is applied in determining the appropriate classes of investment properties in order to measure fair value. The Trust also undertakes internal capital improvements and upgrades. Such work is specifically identified, and the Trust applies judgement in the estimated amount of directly attributable on-site wages to be allocated to capital improvements and upgrades of its real estate assets.

(ii) Interest in Joint Operations, Associates, and Joint Ventures

When determining the appropriate basis of accounting for the Trust's investees, the Trust makes judgement about the degree of influence that Boardwalk REIT exerts directly or through an arrangement over the investee's relevant activities. This may include the ability to elect investee directors, appoint management, or influence key decisions. Judgement is also required in determining whether or not an arrangement is a joint operation or joint venture.

(iii) Taxation Provisions

The Trust's accounting policy relating to provisions is described in NOTE 2(l) above. In applying this policy, judgement is applied in determining if the Trust has a present legal or constructive obligation as a result of past events and if it is probable that an outflow of resources will be required to settle the obligation and if the amount can be reliably estimated. As outlined in NOTE 21, no provision has been recorded for the Trust's dispute with the CRA for uncertain tax items based on the interpretation of tax legislation. Due to the uncertainty associated with such tax items, there is a possibility that, on conclusion of open matters at a future date, the final outcome may differ significantly from the Trust's judgements or estimates.

(r) Material Accounting Estimates and Assumptions

Below are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. Actual results could differ from estimates.

(i) Investment Properties

The choice of valuation method for fair valuing and the critical estimates and assumptions underlying the fair value determination of investment properties are set out in NOTE 4. Significant estimates used in determining the fair value of the Trust's investment properties includes capitalization rates and net operating income (which is influenced by market rents, vacancy rates, and standard costs) used in the overall capitalization rate valuation method as well as discount rates and forecasted cash flows used in the discounted cash flow valuation method. A change to any one of these inputs could materially alter the fair value of an investment property. Please refer to NOTE 4 for sensitivity analysis.

(ii) Internal Capital Program

The Trust's internal capital program is based on internal allocations, including parts, supplies, and on-site wages identified as part of a specific upgrade or capital improvement. Elements included under the internal capital program are capitalized to investment properties.

NOTE 3: APPLICATION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS AND FUTURE ACCOUNTING POLICIES

(a) Application of New and Revised IFRS Accounting Standards

In the current year, the Trust has applied a number of revised IFRS Accounting Standards and incorporated in the Chartered Professional Accountants of Canada Handbook. The following highlights these changes and the effect, if any, on the Trust's consolidated financial statements.

New or Amended Standards	Summary of Requirements	Impact on Consolidated Financial Statements
IAS 1 – Presentation of Financial Statements ("IAS 1")	The amendment deals with the presentation of liabilities, not the amount or timing of recognition, or disclosure. Specifically, the amendment clarifies the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability. In addition, a second amendment deals with non-current liabilities with covenants. Specifically, the amendment clarifies how conditions with which an entity must comply within 12 months after the reporting period affect the classification of a liability.	This amendment was applied retrospectively effective January 1, 2024. The Trust has evaluated the impact of this amendment and has appropriately reclassified the LP Class B Units from non-current liabilities to current liabilities due to the fact that the LP Class B Units are convertible at any time at the option of the holder. In addition, the deferred unit-based compensation is now presented entirely as a current liability due to the fact that the deferred unit-based compensation outstanding has either: (i) vested, or (ii) will vest automatically in the event of termination of employment of the participant and which the entity does not have the right to defer payment for more than 12 months. The second amendment was applied retrospectively effective January, 1, 2024 and there was no material impact on the consolidated financial statements.
IAS 7 – Statement of Cash Flows and IFRS 7	The amendments deal with the disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk.	This amendment was applied prospectively on January 1, 2024 and there was no impact on the consolidated financial statements.

(b) Future Accounting Policies

The following accounting standards under IFRS Accounting Standards have been issued or revised; however, they are not yet effective, and, as such, have not been applied to these consolidated financial statements:

New or Amended Standards	Summary of Requirements	Possible Impact on Consolidated Financial Statements
Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments	Multiple amendments were made to these IFRS Accounting Standards. The amendments deal with the derecognition of a financial liability at the settlement date and when settled through electronic transfer. It also provides additional guidance regarding the classification of financial assets, as well as additional disclosure requirements for financial instruments with contingent features and equity instruments classified at FVTOCI. The effective date of the amendments is for annual reporting periods beginning or after January 1, 2026, however, earlier application is permitted.	The Trust is assessing the potential impact but does not expect any material impact on the consolidated financial statements.
IFRS 18 – Presentation and Disclosures in Financial Statements	The new standard replaces IAS 1 regarding requirements for the presentation and disclosure of information in the general purpose financial statements to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity income and expenses. Specifically, it introduces requirements to classify income and expenses into categories and to include specified subtotals in the Statement of Profit or Loss, along with other enhanced guidance on the aggregation of information and mandatory disclosures about management-defined performance measures. The effective date of the amendments is for annual reporting periods beginning on or after January 1, 2027, and are to be applied retrospectively with earlier application permitted.	The Trust is currently evaluating the impact of the new standard. In addition, the Trust expects to include increased disclosures on management-defined performance measures in the financial statements.
Amendments to IFRS 10 and IAS 28 – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	The amendments deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognized in the parent's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The effective date of the amendments has yet to be set, however, earlier application is permitted.	The Trust is assessing the potential impact but does not expect any material impact on the consolidated financial statements.

In addition to those referenced, the following amendments are not expected to have any impact on the Trust's consolidated financial statements:

- IFRS 19 – Subsidiaries without Public Accountability
- IAS 21 – The Effects of Changes in Foreign Exchange Rates

NOTE 4: INVESTMENT PROPERTIES

	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
Balance, beginning of year	$ 7,702,214	$ 6,900,745
Additions		
Building acquisitions	108,956	60,290
Building improvements (incl. internal capital program)	124,395	119,012
Development of investment properties (1)	53,719	23,325
Fair value gains, net (unrealized)	328,660	598,842
Transferred to assets held for sale (NOTE 5)	(79,920)	-
Balance, end of year	$ 8,238,024	$ 7,702,214

As at	Dec. 31, 2024	Dec. 31, 2023
Fair value of investment properties, before buildings valued at Level 2 inputs, right-of-use assets, and developments	$ 7,932,173	$ 7,557,359
Buildings valued at Level 2 inputs	108,956	-
Fair value, right-of-use assets (IFRS 16 – Leases)	71,181	72,860
Revenue producing properties	8,112,310	7,630,219
Properties under development	125,714	71,995
Total	$ 8,238,024	$ 7,702,214

(1) On June 13, 2024, the Trust purchased a parcel of land in Calgary, Alberta for a purchase price of $12.0 million. The acquisition was funded with cash on hand for planned development of new rental suites.

On November 18, 2024, the Trust acquired two adjacent properties in Calgary, Alberta. The properties, totaling 12 suites, were purchased using cash on hand for $3.1 million.

On June 24, 2024, the Trust acquired a property in Chestermere, Alberta and a property in Calgary, Alberta. The Chestermere property is comprised of 63 townhome suites and was purchased for $26.3 million. The Calgary property is comprised of six suites and was purchased for $1.9 million. Both properties were purchased using cash on hand.

On January 24, 2024, the Trust acquired a property in Calgary, Alberta. The property is comprised of 295 suites and was purchased using cash on hand for $77.6 million.

On April 25, 2023, the Trust acquired a property in Victoria, British Columbia. The property is comprised of 124 suites and was purchased for $60.3 million. The acquisition was funded with mortgage financing of $46.5 million and cash on hand of $13.8 million.

Building Acquisitions	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
Purchase price	$ 108,988	$ 60,000
Transaction costs	427	290
Deficiency credit	(459)	-
Total	$ 108,956	$ 60,290
Multi-family suites acquired	376	124

Purchase price	$ 108,988	$ 60,000
Transaction costs	427	290
Deficiency credit	(459)	-
Proceeds from mortgage financing	-	(46,508)
Net cash paid	$ 108,956	$ 13,782

Subsequent to initial recognition at cost, investment properties are recorded at fair value in accordance with IAS 40. Fair value is determined based on a combination of internal and external processes and valuation techniques. Fair value under IFRS Accounting Standards is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Investment properties are valued on a highest and best use basis. For all of the Trust's investment properties, the current use is considered to be the highest and best use. For the year ended December 31, 2024, there has been no change to the valuation techniques.

In determining the appropriate classes of investment properties in order to determine the fair value measurement, the Trust has considered the nature, characteristics, and risk of its properties. The classification of investment properties is based primarily on the geographical location of the asset, with the exception of properties situated on land leases. Below is a continuity schedule based on investment property classes:

	Year Ended December 31, 2024						
	Balance, Beginning of Year	Building Acquisitions	Improvements to Investment Properties	Development of Investment Properties	Transferred to Assets Held for Sale (NOTE 5)	Fair Value Gains (Losses)	Balance, End of Year
Recurring measurements							
Investment properties							
Alberta	$4,827,914	$ 108,956	$ 72,302	$ 12,160	$ (79,920)	$ 245,462	$5,186,874
British Columbia	198,497	-	442	41,554	-	1,525	242,018
Saskatchewan	693,353	-	19,192	5	-	57,694	770,244
Ontario	723,770	-	11,584	-	-	(14,680)	720,674
Quebec	383,810	-	8,700	-	-	35,026	427,536
Land leases	874,870	-	12,175	-	-	3,633	890,678
Total	$7,702,214	$ 108,956	$ 124,395	$ 53,719	$ (79,920)	$ 328,660	$8,238,024

Year Ended December 31, 2023						
	Balance, Beginning of Year	Building Acquisitions	Improvements to Investment Properties	Development of Investment Properties	Fair Value Gains (Losses)	Balance, End of Year
Recurring measurements Investment properties						
Alberta	$ 4,217,249	$ -	$ 73,964	$ 23	$ 536,678	$ 4,827,914
British Columbia	102,685	60,290	213	22,887	12,422	198,497
Saskatchewan	618,172	-	14,944	5	60,232	693,353
Ontario	742,267	-	9,606	410	(28,513)	723,770
Quebec	373,367	-	5,320	-	5,123	383,810
Land leases	847,005	-	14,965	-	12,900	874,870
Total	$ 6,900,745	$ 60,290	$ 119,012	$ 23,325	$ 598,842	$ 7,702,214

Investment properties measured at fair value in the consolidated statements of financial position are categorized by level according to the significance of the inputs used in making the measurements. The levels of inputs are defined as follows:

Level 1 inputs: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 inputs: Inputs other than quoted prices included within Level 1 that are observable for the asset or the liability, either directly or indirectly.

Level 3 inputs: Unobservable inputs for the asset or liability.

The Trust's policy is to recognize transfers out of fair value hierarchy levels as of the date of the event or change in circumstances that caused the transfer. As at December 31, 2024, all of the Trust's investment properties were Level 3 inputs, except the buildings acquired in 2024 and assets held for sale (NOTE 5) which were valued at Level 2 inputs as they are valued based on unconditional purchase and sale agreements between two willing market participants. For investment properties measured at fair value as at December 31, 2024, and December 31, 2023, transfers into and out of Level 3 fair value measurements include the following:

(i) There were three investment properties transferred during the year ended December 31, 2024, from Level 3 into Level 2 fair value measurements and are included in assets held for sale. The fair value of these three investment properties as at December 31, 2024, using Level 2 inputs totalled $79.9 million (December 31, 2023 – $76.4 million valued using Level 3 inputs).

(ii) There were three investment properties transferred during the year ended December 31, 2023, from Level 2 into Level 3 fair value measurements. The fair value of these three investment properties as at December 31, 2023, using Level 3 inputs totalled $189.9 million (December 31, 2022 – $159.7 million valued using Level 2 inputs).

External valuations were obtained from third-party external valuation professionals (the "Appraisers") based on a cross section of properties from different geographical locations and markets across the Trust's rental portfolio as determined by the Trust's management and approved by the Trust's Board of Trustees. The Appraisers are an independent valuation firm not related to the Trust and employ valuation professionals who are members of the Appraisal Institute of Canada and the Ordre des Evaluateurs Agrees du Quebec who have appropriate qualifications and recent experience in the valuation of properties in the relevant locations. External appraisals were obtained as follows:

Date	Number of Properties		Aggregate Fair Value	Percentage of Portfolio as of that Date
December 31, 2024	**6**	**$**	**866,671**	**10.4%**
September 30, 2024	5	$	203,269	2.4%
June 30, 2024	5	$	254,010	3.1%
March 31, 2024	4	$	180,971	2.2%
December 31, 2023	6	$	874,525	11.4%
September 30, 2023	6	$	196,708	2.6%
June 30, 2023	4	$	210,300	2.8%
March 31, 2023	4	$	100,235	1.4%

The fair value of the remainder of the Trust's investment property portfolio was determined internally by the Trust using the same assumptions and valuation techniques used by the Appraisers. In addition to performing a valuation on a selection of the Trust's properties (and not performing a valuation on all of the Trust's properties) to corroborate the Trust's internal valuation, the Appraisers provided the Trust with a summary of the major assumptions and market data by city in order for the Trust to complete its internal valuations. This summary includes the Appraisers' estimates of Capitalization Rates ("Cap Rate") for each region (city) as well as confirmation of the reasonableness of the assumptions used in determining stabilized net operating income ("NOI") used in calculating fair values.

The third-party valuation technique of the Trust's investment property portfolio primarily utilizes the "Overall Capitalization Rate" method. This method requires that a forecasted stabilized NOI for each individual property be divided by a Cap Rate to determine a property's fair value. NOI is calculated as a one-year income forecast based on rental income from current leases and key assumptions about rental income, vacancies and inflation rates, among other factors, less property operating costs. Fair value also considers any forecasted capital expenditures within the year to maintain the property in good condition. Given the short-term nature of residential leases (typically one year), revenue and costs are not discounted. A Cap Rate was also determined for each property based on market information related to the external sale of similar buildings within a similar geographic location. These factors were used to determine the fair value of investment properties at each reporting date.

Four of the Trust's properties: two in Banff, Alberta, and two in Montreal, Quebec, are subject to long-term land leases and similar arrangements in which the underlying land is owned by a third party and leased to the Trust. Under the terms of a typical land lease, the lessee must pay rent for the use of the land and is generally responsible for all costs and expenses associated with the building and improvements, including taxes, utilities, insurance, maintenance, repairs and replacements in respect of all the leased premises. Unless the lease term is extended, the land together with all improvements made will revert to the owner of the land upon the expiration of the lease term. Due to the relatively short-term remaining on one of the land leases in Montreal (with an expiry date of 2029), this property utilized the Discounted Cash Flow ("DCF") approach to derive the fair value. The DCF Method calculates the present value of the future cash flows over a specified time period to determine the fair value for each property at each reporting date. The most significant assumption using the DCF method is the discount rate applied over the term of the lease. The discount rate reflects the uncertainty regarding the renegotiation of the land lease payments and the ability to extend the land lease at the expiry date. Forecasted cash flows are reduced for contractual land lease payments during the term of the leases. For the other land lease in Montreal, which has an expiry date of 2064, a DCF approach was prepared to substantiate the income approach that was used to derive fair value, with no significant differences between the two methods.

The key valuation metrics (and significant unobservable inputs in Level 3) for the Trust's investment properties are set out in the following table:

As at	Dec. 31, 2024		Dec. 31, 2023	
	Capitalization Rate Weighted Average	**Forecasted Total Stabilized Net Operating Income**	Capitalization Rate Weighted Average	Forecasted Total Stabilized Net Operating Income
Alberta	**5.14%**	**$ 261,691**	5.13%	$ 247,297
British Columbia	**4.38%**	**5,703**	4.30%	5,518
Saskatchewan	**5.68%**	**43,757**	5.67%	39,326
Ontario	**4.52%**	**32,604**	4.27%	30,922
Quebec	**4.95%**	**21,172**	4.94%	18,944
	5.11%	**364,927**	5.06%	342,007
Land Leases	**5.22%**	**41,160**	4.96%	39,807
Total	**5.12%**	**$ 406,087**	5.05%	$ 381,814

The overall weighted average stabilized Cap Rates for measuring the Trust's investment properties at fair value using a forecasted stabilized NOI as at December 31, 2024 and 2023, was 5.12% and 5.05%, respectively.

The Overall Capitalization Rate method requires inputs of both stabilized NOI and Cap Rate to determine a fair value. As such, fluctuations in both NOI and Cap Rates could materially alter the fair value. Generally, an increase in stabilized NOI will result in an increase to the fair value of an investment property. An increase in Cap Rate will result in a decrease to the fair value of an investment property. When the Cap Rate is applied to NOI to calculate fair value, there is a significant impact as the lower the Cap Rate, the larger the impact. The following tables summarize the impact of changes in both the Cap Rates and forecasted stabilized NOI on the Trust's fair value of investment properties (excluding building acquisitions valued at Level 2 inputs, right-of-use assets, and developments):

As at December 31, 2024		**Stabilized Net Operating Income**				
		-3%	**-1%**	**As Forecasted**	**+1%**	**+3%**
Cap Rate		**$ 393,904**	**$ 402,026**	**$ 406,087**	**$ 410,148**	**$ 418,270**
-0.25%	4.87%	**$ 157,056**	**$ 323,844**	**$ 407,238**	**$ 490,632**	**$ 657,421**
Cap Rate As Reported	5.12%	**(237,965)**	**(79,322)**	**7,932,173**	**79,322**	**237,965**
+0.25%	5.37%	**(596,202)**	**(444,945)**	**(369,317)**	**(293,688)**	**(142,431)**

As at December 31, 2023		Stabilized Net Operating Income				
		-3%	-1%	As Forecasted	+1%	+3%
Cap Rate		$ 370,360	$ 377,996	$ 381,814	$ 385,632	$ 393,268
-0.25%	4.80%	$ 154,907	$ 313,923	$ 393,431	$ 472,939	$ 631,955
Cap Rate As Reported	5.05%	(226,721)	(75,574)	7,557,359	75,574	226,721
+0.25%	5.30%	(572,361)	(428,341)	(356,330)	(284,320)	(140,299)

Investment properties with a fair value of $788.5 million as at December 31, 2024 (December 31, 2023 – $802.0 million) are situated on land held under land leases.

Investment properties with a fair value of $1.1 billion as at December 31, 2024 (December 31, 2023 – $1.0 billion) are pledged as security against the Trust's credit facility, which includes a committed revolving credit facility and demand revolving credit facility (collectively, the "Credit Facility"). In addition, investment properties with a fair value of $7.9 billion as at December 31, 2024 (December 31, 2023 – $7.4 billion) are pledged as security against the Trust's mortgages payable. As at December 31, 2024, there are no contractual obligations to purchase, construct, or develop investment properties, or for repairs, maintenance, and enhancements, except for the fixed-price contract in place related to the construction of the new development project in Victoria, British Columbia.

For the years ended December 31, 2024 and 2023, investment properties earned rental revenue (including ancillary rental income) of $603.3 million and $545.7 million, respectively. Total rental expenses in relation to investment properties were $221.0 million and $212.7 million for the years ended December 31, 2024 and 2023, respectively.

NOTE 5: ASSETS HELD FOR SALE

As at December 31, 2024, the Trust classified three properties as assets held for sale, totalling $80.0 million, along with the liabilities related to assets held for sale totalling $21.8 million. The Trust had committed to a plan to sell these properties, and the sales were considered highly probable as at December 31, 2024. All three properties were disposed of on January 21, 2025, please refer to NOTE 29 for additional details.

The following table summarizes the assets held for sale and liabilities related to assets held for sale:

As at	Note		Dec. 31, 2024
Investment properties	4	$	79,920
Property, plant and equipment	9		80
Assets held for sale		$	80,000
Mortgages payable		$	21,645
Refundable tenants' security deposits			172
Liabilities related to assets held for sale		$	21,817

NOTE 6: EQUITY ACCOUNTED INVESTMENT

The Trust is a participant in a joint venture with the principal activity to develop and operate a mixed-use property in Brampton, Ontario. The mixed-use property includes residential space over two concrete high-rise towers. As at December 31, 2024, one tower is fully leased-up and the other tower, having completed development in November 2023, 88.5% leased up.

The following table shows the changes in the carrying value of the investment in the partnership:

		Year Ended Dec. 31, 2024		Year Ended Dec. 31, 2023
Balance, beginning of year	$	39,758	$	40,871
Share of income (loss)		13,226		(1,113)
Balance, end of year	$	52,984	$	39,758

The following tables present the Trust's share of the summarized financial information of the partnership:

As at		Dec. 31, 2024		Dec. 31, 2023
Non-current assets	$	224,857	$	194,521
Current assets		2,112		970
Non-current liabilities		(116,340)		(112,655)
Current liabilities		(4,661)		(3,321)
Net assets	$	105,968	$	79,515
Trust's share	$	52,984	$	39,758

	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
Revenue	$ 9,852	$ 4,519
Expenses	11,058	6,745
Net operating loss	(1,206)	(2,226)
Fair value gain	27,660	-
Income (loss)	$ 26,454	$ (2,226)
Trust's share	$ 13,226	$ (1,113)

During 2021, the Trust, in conjunction with its joint venture partner, entered into a $122 million revolving construction facility loan with a third-party financial institution. The facility is interest payable only and has a maturity date of June 30, 2025 (NOTE 29). On May 24, 2024, the facility was amended to replace Bankers' Acceptance fee with the Canadian Overnight Repo Rate Average ("CORRA"). The loan bears interest at prime plus 0.25%, or Daily Compounded CORRA Loans with advances bearing an interest rate of Daily Compounded CORRA plus 1.525% per annum, or Term CORRA Loans with advances bearing an interest rate of 1 Month Term CORRA plus 1.525% per annum or 3 Month Term CORRA plus 1.551% per annum.

On January 12, 2024, the Trust made a loan to the joint venture for $57.2 million, of which the proceeds were used by the joint venture to repay 50% of the revolving construction facility loan payable. The loan receivable is recorded on the consolidated statements of financial position and details of the loan receivable can be found in NOTE 8.

As at December 31, 2024, $58.2 million has been drawn on the revolving construction facility loan (December 31, 2023 – $112.6 million), of which Boardwalk's portion is $29.1 million (December 31, 2023 – $56.3 million).

The revolving construction facility loan contains three financial covenants. These covenants are consistent with those found in the Credit Facility outlined in NOTE 24(d). As at December 31, 2024, the Trust was in compliance with these covenants.

NOTE 7: OTHER ASSETS

As at	Note	Dec. 31, 2024	Dec. 31, 2023
Other non-current assets			
Property, plant and equipment	9	$ 33,579	$ 30,585
Deferred tax assets	16	712	782
		$ 34,291	$ 31,367

As at	Dec. 31, 2024	Dec. 31, 2023
Other current assets		
Inventories	$ 5,995	$ 6,875
Prepaid expenses and other	13,065	15,697
Trade and other receivables	9,387	4,940
Segregated tenants' security deposits	12,166	9,821
	$ 40,613	$ 37,333

Prepaid Expenses and Other

The major components of prepaid expenses and other relate to property taxes, land leases, prepaid expenses, and deposits.

Trade and Other Receivables

Trade and other receivables consist mainly of mortgage holdbacks, refundable mortgage fees, and amounts owed to Boardwalk REIT by tenants, insurers, and revenue-sharing business partners. Refer to NOTE 24(b) for the Trust's exposure to credit risk in relation to its trade and other receivables and how the Trust accounts for past due balances.

Segregated Tenants' Security Deposits

Segregated tenants' security deposits are considered restricted cash as they are held in trust bank accounts and subject to the contingent rights of third parties.

NOTE 8: LOAN RECEIVABLE

With respect to its equity accounted investment, on January 12, 2024, the Trust made a loan to the joint venture for $57.2 million. The loan receivable is a financial asset classified as fair value through profit and loss and is measured at fair value, with gains or losses recognized in profit or loss.

The proceeds were used by the joint venture to repay 50% of the revolving construction facility loan payable. The loan receivable has the same terms as the revolving construction facility loan, which is interest payable only and has a maturity date of June 30, 2025 (NOTE 29). Please refer to the terms of the construction facility loan in NOTE 6 for further details.

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

The carrying amounts of PP&E were as follows:

As at	Dec. 31, 2024				Dec. 31, 2023		
	Cost	**Accumulated Depreciation**	**Transferred to Assets Held for Sale (NOTE 5)**	**Carrying Amount**	Cost	Accumulated Depreciation	Carrying Amount
Administration building	**$ 7,668**	**$ (4,923)**	**$ -**	**$ 2,745**	$ 7,163	$ (4,694)	$ 2,469
Site equipment and other	**67,771**	**(46,770)**	**(80)**	**20,921**	69,564	(50,108)	19,456
Corporate technology assets	**35,513**	**(25,601)**	**-**	**9,913**	32,229	(23,569)	8,660
Total	**$ 110,952**	**$ (77,294)**	**$ (80)**	**$ 33,579**	$ 108,956	$ (78,371)	$ 30,585

The following table outlines a reconciliation of the carrying amount of PP&E as at December 31, 2024:

	Balance, Beginning of Year	Additions to PP&E	Transferred to Assets Held for Sale	Depreciation	Balance End of Year
Administration building	$ 2,469	$ 505	$ -	$ (229)	$ 2,745
Site equipment and other	19,456	5,688	(80)	(4,143)	20,921
Corporate technology assets (1)	8,660	5,199	-	(3,946)	9,913
Total	$ 30,585	$ 11,392	$ (80)	$ (8,318)	$ 33,579

(1) Included in corporate technology assets for the year ended December 31, 2024, was $1.6 million of capitalized programmers' salaries related to the internally developed software applications used by the Trust in the normal course of its operations.

The following table outlines a reconciliation of the carrying amount of PP&E as at December 31, 2023:

	Balance, Beginning of Year	Additions to PP&E	Depreciation	Balance End of Year
Administration building	$ 2,510	$ 172	$ (213)	$ 2,469
Site equipment and other	20,761	2,846	(4,151)	19,456
Corporate technology assets (1)	8,081	4,136	(3,557)	8,660
Total	$ 31,352	$ 7,154	$ (7,921)	$ 30,585

(1) Included in corporate technology assets for the year ended December 31, 2023, was $1.4 million of capitalized programmers' salaries related to the internally developed software applications used by the Trust in the normal course of its operations.

NOTE 10: CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash of $52.2 million and term deposits with maturities of 90 days or less of $70.2 million (December 31, 2023 – cash of $100.8 million and term deposits of $230.4 million).

NOTE 11: MORTGAGES PAYABLE

As at	Dec. 31, 2024 [1]		Dec. 31, 2023	
	Weighted Average Interest	**Debt Balance**	Weighted Average Interest	Debt Balance
Mortgages payable				
Fixed rate	**3.19%**	**$ 3,286,081**	3.00%	$ 3,318,417
Total		**$ 3,286,081**		$ 3,318,417
Current		**$ 624,736**		$ 500,372
Non-current		**2,661,345**		2,818,045
		$ 3,286,081		$ 3,318,417

(1) Excludes mortgages related to assets held for sale.

Estimated future principal payments required to meet mortgage obligations as at December 31, 2024, excluding mortgages related to assets held for sale, are as follows:

	Secured By Investment Properties
12 months ending December 31, 2025	$ 624,736
12 months ending December 31, 2026	633,355
12 months ending December 31, 2027	619,174
12 months ending December 31, 2028	413,233
12 months ending December 31, 2029	466,230
Subsequent	653,445
Total mortgage principal outstanding	3,410,173
Unamortized deferred financing costs	(123,634)
Unamortized market debt adjustments	(458)
	$ 3,286,081

During the years ended December 31, 2024 and 2023, the Trust had a Credit Facility with a major financial institution with a committed revolving credit facility and demand revolving credit facility. This Credit Facility is secured by a first or second mortgage charge on specific real estate assets. The maximum amount available varies with the value of the pledged assets and amounts drawn, with a maximum limit not to exceed $250.0 million (committed revolving credit facility of $200.0 million and demand revolving credit facility of $50.0 million), and an available limit of $250.0 million as at December 31, 2024 (December 31, 2023 – $200.0 million). The Credit Facility requires monthly interest payments, is for a five-year term maturing on July 25, 2029 (or upon demand with respect to the demand revolving credit facility), and can be extended annually thereafter, subject to the mutual consent of the lender and the Trust. Unless otherwise extended, all principal and accrued interest is due and payable upon maturity of the Credit Facility.

There was no amount outstanding at December 31, 2024 (December 31, 2023 – $nil) under this Credit Facility, except for Letters of Credit ("LCs") issued and outstanding. The LCs totalled $4.2 million as at December 31, 2024 (December 31, 2023 – $4.2 million). As such, approximately $245.8 million was unused and available from this Credit Facility on December 31, 2024 (December 31, 2023 – $195.8 million). The Credit Facility carries interest rates ranging from prime to prime plus 1.0% per annum, or Daily Compounded CORRA plus 1.95% per annum, or Term CORRA plus 1.95% per annum, and has no fixed terms of repayment. The covenants in relation to the Credit Facility are discussed in NOTE 24(d).

NOTE 12: LEASE LIABILITIES

As lessee, the Trust leases several assets which are secured by the lessor's title to the leased assets for such leases. The following represents the major type of leases the Trust maintains as lessee:

(i) Land Leases

Excluding assets held for sale, the Trust has entered into non-cancellable land leases for land related to four of its properties, which sit on land that is not owned by the Trust. Approximate remaining terms of the Trust's land leases range from four to 40 years as at December 31, 2024. Two of the land leases provide for annual rent.

(ii) Warehouse and Office Space Leases

The Trust has entered into lease agreements for warehouse and some office and data centre space it utilizes but does not own. Approximate remaining terms of all of the leasing arrangements related to warehouse space are for one to four years.

As at	Dec. 31, 2024		Dec. 31, 2023	
	Weighted Average Interest	**Lease Balance**	Weighted Average Interest	Lease Balance
Lease liabilities				
Fixed rate	**3.34%**	**$ 75,881**	3.30%	$ 76,796
Total		**$ 75,881**		$ 76,796
Current		**$ 3,210**		$ 2,978
Non-current		**72,671**		73,818
		$ 75,881		$ 76,796

Estimated future principal payments required to meet lease liabilities as at December 31, 2024 are as follows:

	Amount
12 months ending December 31, 2025	$ 3,210
12 months ending December 31, 2026	3,159
12 months ending December 31, 2027	3,130
12 months ending December 31, 2028	2,380
12 months ending December 31, 2029	1,083
Subsequent	62,919
Total lease liabilities	$ 75,881

The Trust has short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Trust recognizes the lease payments as an operating expense or applied against ancillary revenue. For the year ended December 31, 2024, lease payments on short-term leases or leases of low value assets totalled $2.0 million (year ended December 31, 2023 – $1.9 million).

NOTE 13: LP CLASS B UNITS

The Class B Limited Partnership Units ("LP Class B Units"), as defined in NOTE 17, representing an aggregate fair value of $283.7 million at December 31, 2024 (December 31, 2023 – $319.2 million), are non-transferable, except under certain circumstances, but are exchangeable, on a one-for-one basis, into Trust Units at any time at the option of the holder. Prior to such exchange, distributions will be made on these exchangeable units in an amount equivalent to the distributions which would have been made had the units been exchanged for Trust Units. Each LP Class B Unit is accompanied by a Special Voting Unit, which entitles the holder to receive notice of, attend, and vote at all meetings of Unitholders. There is no value assigned to the Special Voting Units. The LP Class B Units have been classified as "FVTPL" financial liabilities in accordance with IFRS 9. Gains or losses resulting from changes in the fair value at each reporting date are recorded in the consolidated statement of comprehensive income and are included in NOTE 20.

On December 23, 2024, 60,000 LP Class B Units were exchanged for Trust Units on a one-for-one basis. As at December 31, 2024, 4,415,000 LP Class B Units remain issued and outstanding (December 31, 2023 – 4,475,000 LP Class B Units).

As at	**Dec. 31, 2024**		Dec. 31, 2023	
	Number of LP Class B Units	**Value**	**Number of LP Class B Units**	**Value**
Balance, beginning of year	**4,475,000**	**$ 319,247**	**4,475,000**	**$ 221,199**
LP Class B Units exchanged for Trust Units	**(60,000)**	**(3,809)**	**-**	**-**
Fair value adjustment	**-**	**(31,774)**	**-**	**98,048**
Balance, end of year	**4,415,000**	**$ 283,664**	**4,475,000**	**$ 319,247**

NOTE 14: OTHER LIABILITIES

As at	**Note**	**Dec. 31, 2024** [(1)]	Dec. 31, 2023
Other current liabilities			
Deferred unit-based compensation	**15**	**$ 17,973**	$ 15,808
Construction loan payable		**1,478**	-
Deferred government grant		**378**	378
Refundable tenants' security deposits		**16,376**	13,732
Trade and other payables		**83,039**	74,054
		$ 119,244	$ 103,972

(1) Excludes refundable tenants' security deposits related to assets held for sale.

Trade and Other Payables

Trade and other payables are comprised of trade payables, accrued liabilities, distribution payable, and provisions. As at December 31, 2024, the Trust's most significant provision relates to vacation payable to its employees within each employee's individual employment agreement totalled $6.5 million (December 31, 2023 – $6.2 million).

Construction Loan Payable

During the three months ended March 31, 2024, the Trust entered into a $94.0 million non-revolving construction facility loan with a third-party financial institution in conjunction with one of the Trust's development projects in Victoria, British Columbia. As at December 31, 2024, $1.5 million has been drawn on this loan. The facility is interest payable only and has a maturity date of September 30, 2025. The facility bears interest at prime, or a CORRA plus 1.40%. The construction loan payable is a financial liability classified as amortized cost and is measured at amortized cost using the effective interest method.

NOTE 15: DEFERRED UNIT-BASED COMPENSATION

The total of $18.0 million represents the fair value of the underlying deferred units at December 31, 2024 (December 31, 2023 – $15.8 million). Gains or losses resulting from changes in the fair value at each reporting date are recorded in the consolidated statement of comprehensive income and are included in NOTE 20.

Details of the Deferred Unit-based Compensation Plan

During 2006, the Trust implemented a deferred unit-based compensation plan. The plan entitles executives, leaders, and the Board of Trustees at the participant's option, to receive deferred units in consideration for trustee fees or a portion of executive cash bonuses, respectively, with the Trust matching the number of units received. The deferred units in consideration for trustee fees or a portion of executive cash bonuses vest immediately while the matching number of units received vest 50% on the third anniversary and 25% on each of the fourth and fifth anniversaries, subject to provisions for earlier vesting in certain events. The deferred units earn additional deferred units for the distributions that would otherwise have been paid on the deferred units (i.e. had they instead been issued as Trust Units on the date of grant). Once vested, participants are entitled to receive an equivalent number of Trust Units representing the vesting deferred units and the corresponding additional deferred units. Cash is granted for any fractional units. The deferred unit plan was approved by Unitholders on May 10, 2006 and was most recently amended on June 9, 2021.

As at December 31, 2024 and 2023, the deferred units outstanding, in whole or in part, were granted as follows:

Deferred Units Granted in	Number	Grant Date	Fair Value at Grant Date	Vesting Date	Deferred Units Outstanding
2015	55,236	February, June & December 2015	$ 3,094	February, June & December 2020	1,345
2016	63,697	February, June & December 2016	3,065	February, June & December 2021	3,252
2017	34,858	June & December 2017	1,614	June & December 2022	6,620
2018	41,238	June & December 2018	1,771	June & December 2023	12,430
2019	51,692	March, June & December 2019	2,188	March, June & December 2024	19,279
2020	99,357	March, June & December 2020	3,710	March, June & December 2025	54,915
2021	65,270	March, June & December 2021	2,676	March, June & December 2026	44,990
2022	77,908	March, June & December 2022	3,966	March, June & December 2027	66,152
2023	75,940	March, June & December 2023	4,627	March, June & December 2028	67,246
2024	81,749	March, June & December 2024	5,959	March, June & December 2029	76,440
			$ 32,670		352,669
Additional deferred units earned on units					22,420
					375,089

The initial cost of the deferred unit-based transactions is determined, in accordance with IFRS 2, as the fair value of the units on the grant date. The fair value of each unit granted is determined based on the weighted average observable closing market prices of Boardwalk REIT's Trusts Units ten trading days preceding the grant date. This initial cost of deferred units in consideration for trustee fees or a portion of executive cash bonuses is expensed immediately while the cost of the matching deferred units is generally expensed over the vesting period, unless earlier recognition is triggered in certain events.

The status of the outstanding deferred units was as follows:

	# of Units Outstanding	# of Units Vested
Balance, December 31, 2022	265,972	35,151
Deferred units granted	75,940	44,651
Additional deferred units earned on units	5,686	7,257
Deferred units forfeited	(7,011)	-
Deferred units converted to Trust Units	(2,502)	(2,502)
Balance, December 31, 2023	338,085	84,557
Deferred units granted	81,749	65,548
Additional deferred units earned on units	6,817	11,602
Deferred units forfeited	(4,529)	-
Deferred units converted to Trust Units	(47,033)	(47,033)
Balance, December 31, 2024	**375,089**	**114,674**

For the year ended December 31, 2024, total costs of $5.4 million (year ended December 31, 2023 – $3.3 million) were recorded in expenses related to executive bonuses, leader bonuses, and trustee fees under the deferred unit plan.

NOTE 16: INCOME TAXES

Current Income Tax

For the year ended December 31, 2024, one of the Trust's corporate entities had $14,000 in current tax expense (year ended December 31, 2023 – $3,000). All other corporate entities either have sufficient tax deductions to offset any taxable income or have operating losses from previous years to apply against any taxable income.

Deferred Income Tax

For fiscal 2024 and 2023, Boardwalk REIT is a "mutual fund trust" as defined under the Tax Act and as a REIT is eligible for the "REIT Exemption" in accordance with the rules affecting the tax treatment of publicly traded trusts. Accordingly, the Trust is not taxable on its income provided all of its taxable income is distributed to Unitholders. This exemption, however, does not extend to the corporate subsidiaries of Boardwalk REIT that are subject to income tax.

The sources of deferred tax balances and movements were as follows:

As at	Dec. 31, 2023	Recognized in Profit	**Dec. 31, 2024**
Deferred tax assets (liabilities) related to:			
Operating losses	$ 782	$ (70)	**$ 712**
Other	-	-	**-**
Net deferred tax assets	$ 782	$ (70)	**$ 712**
Deferred tax assets	$ 782	$ (70)	**$ 712**
Deferred tax liabilities	-	-	**-**
Net deferred tax assets	$ 782	$ (70)	**$ 712**

As at	Dec. 31, 2022	Recognized in Profit	Dec. 31, 2023
Deferred tax assets (liabilities) related to:			
Operating losses	$ 859	$ (77)	$ 782
Other	(2)	2	-
Net deferred tax assets	$ 857	$ (75)	$ 782
Deferred tax assets	$ 859	$ (77)	$ 782
Deferred tax liabilities	(2)	2	-
Net deferred tax assets	$ 857	$ (75)	$ 782

No current income taxes or deferred income taxes were recognized in equity, other than through profit or other comprehensive income, for the years ended December 31, 2024 and 2023.

As at December 31, 2024, wholly-owned Canadian corporate subsidiaries have deferred tax assets of $0.7 million (December 31, 2023 – $0.8 million) related to operating losses, which expire over the next seven to 19 years. The Trust believes that the future income of these entities will be sufficient to utilize these deferred tax assets prior to their expiration.

The major components of income tax expense include the following:

		Year Ended Dec. 31, 2024		Year Ended Dec. 31, 2023
Current tax expense	$	14	$	3
Deferred tax expense		70		75
Total income tax expense	$	84	$	78

The income tax expense for the year can be reconciled to the accounting profit as follows:

		Year Ended Dec. 31, 2024		Year Ended Dec. 31, 2023
Profit before income tax	$	588,302	$	666,177
Remove (profit) from non-taxable entities		(529,650)		(611,654)
Accounting profit subject to tax		58,652		54,523
Deduct management fee charged to corporate entities		(58,601)		(54,468)
Taxable profit		51		55
Weighted average substantively enacted tax rate		26.51%		26.50%
Calculated income tax expense		14		15
Changes to other deferred tax balances		70		63
Total income tax expense	$	84	$	78

NOTE 17: UNITHOLDERS' EQUITY

The Plan of Arrangement (the "Arrangement") converting the Corporation to a real estate investment trust was completed on May 3, 2004. Under the Arrangement, the former shareholders of the Corporation received Boardwalk REIT Trust Units or LP Class B Units of a controlled limited partnership of the Trust, Boardwalk REIT Limited Partnership. The interests in Boardwalk REIT are represented by two classes of units: a class described and designated as "Trust Units" and a class described and designated as "Special Voting Units". The LP Class B Units are classified as a financial liability and are discussed in NOTE 13.

(a) Trust Units

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

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

- **(i)** 90% of the "market price" of the Trust Units on the principal market on which the Trust Units are quoted for trading during the 20-day period ending on the trading day prior to the day on which the Trust Units were surrendered to Boardwalk REIT for redemption; and,
- **(ii)** 100% of the "closing market price" of the Trust Units on the principal market on which the Trust Units are quoted for trading on the redemption date.

By virtue of Boardwalk REIT being an open-ended mutual fund trust, Unitholders of Trust Units are entitled to redeem their Trust Units at any time at prices determined and payable in accordance with the conditions specified in the DOT. As a result, under IFRS Accounting Standards, Trust Units are defined as financial liabilities; however, the Trust Units meet the limited exemption conditions set out in IAS 32 and are therefore presented as equity in the consolidated statements of financial position.

The DOT authorizes Boardwalk REIT to issue an unlimited number of Trust Units for the consideration and on terms and conditions established by the Board of Trustees without the approval of any Unitholders.

The Trust has the following capital securities outstanding:

As at	Dec. 31, 2024		Dec. 31, 2023	
	Trust Units	**Amount**	Trust Units	Amount
Trust Units outstanding, beginning of year	**49,388,174**	**$ 452,043**	45,722,922	$ 211,899
Trust Units issued under equity offering, net of issue costs	**-**	**-**	3,662,750	239,992
Trust Units issued for vested deferred units	**47,033**	**3,754**	2,502	152
Trust Units purchased and cancelled	**(149,096)**	**(2,058)**	-	-
Trust Units issued on exchange of LP Class B Units	**60,000**	**3,809**	-	-
Trust Units outstanding, end of year	**49,346,111**	**$ 457,548**	49,388,174	$ 452,043

On December 22, 2023, Boardwalk REIT issued 3,662,750 Trust Units under a bought-deal equity offering at a price of $68.50 per Trust Unit for total gross proceeds of $250.9 million. Transaction costs for this equity offering totalled $10.9 million resulting in net proceeds to the Trust of $240.0 million.

On a periodic basis, Boardwalk REIT will apply to the Toronto Stock Exchange (“TSX”) for approval of a Normal Course Issuer Bid (“NCIB”). Pursuant to regulations of the NCIB, Boardwalk REIT will receive approval to purchase and cancel a specified number of Trust Units, representing 10% of the public float of its Trust Units at the time of the TSX approval. The NCIB will terminate on the earlier of the termination date or at such time as the purchases under the NCIB are completed.

On November 20, 2024, Boardwalk REIT requested and received regulatory approval for an NCIB, which commenced on November 22, 2024, and terminates on November 21, 2025. The NCIB allows Boardwalk REIT to purchase and cancel up to 4,068,000 Trust Units.

On November 14, 2023, Boardwalk REIT requested and received regulatory approval for an NCIB, which commenced on November 22, 2023, and terminated on November 21, 2024. The NCIB allowed Boardwalk REIT to purchase and cancel up to 3,696,997 Trust Units.

For the year ended December 31, 2024, Boardwalk REIT purchased and cancelled the following Trust Units:

Year Ended December 31, 2024		
Number of Trust Units Purchased and Cancelled	Purchase Cost (1)	Cost per Trust Unit (1)
149,096	$ 10,001	$ 67.08

(1) The purchase cost presented and the cost per Trust Unit include commissions but exclude an aggregate amount of $126 thousand relating to the 2% tax on Trust Units repurchased, which became effective on January 1, 2024.

For the year ended December 31, 2023, Boardwalk REIT did not purchase and cancel any Trust Units.

(b) Special Voting Units

The Declaration of Trust provides for the issuance of an unlimited number of Special Voting Units that will be used to provide voting rights to holders of LP Class B Units or other securities that are, directly or indirectly, exchangeable for Trust Units. Each Special Voting Unit entitles the holder to the number of votes at any meeting of Unitholders, which is equal to the number of Trust Units that may be obtained upon surrender of the LP Class B Units or other securities to which the Special Voting Unit relates. The Special Voting Units do not entitle or give any rights to the holders to receive distributions or any amount upon liquidation, dissolution or winding-up of Boardwalk REIT.

On December 23, 2024, 60,000 LP Class B Units were exchanged for Trust Units on a one-for-one basis.

In summary, the Trust has the following capital securities outstanding:

	Units Outstanding Dec. 31, 2024	Monthly Distribution	Units Outstanding Dec. 31, 2023	Monthly Distribution
Boardwalk REIT Trust Units	**49,346,111**	**$0.1200/unit**	49,388,174	$0.0975/unit
Special Voting Units	**4,415,000**	**N/A**	4,475,000	N/A

Distributions

Monthly distributions and special distributions are determined at the discretion of the Board of Trustees, however the total income distributed will not be less than the amount necessary to ensure the Trust will not be liable to pay income taxes under the Tax Act. The taxable income allocated to the Unitholders and holders of LP Class B Units may vary in certain taxation years. Over time, such differences, in aggregate, are expected to be minimal.

The Trust increased cash distributions from $0.0975 per Trust Unit on a monthly basis ($1.17 on an annualized basis) in January and February 2024, to $0.1200 per Trust Unit on a monthly basis ($1.44 on an annualized basis) beginning March 2024, for total declared cash distributions for the year ended December 31, 2024 of $68.9 million (year ended December 31, 2023 – $1.17 per Unit or $53.2 million). The Board of Trustees declares distributions to be paid on, or about, the 15th of the month following the record date. Distributions to be paid on the Boardwalk REIT Trust Units with a record date of January 31, 2025 (to be paid on February 17, 2025) totalled $5.9 million ($0.12 per unit) and have not been included as a liability in the consolidated statements of financial position as at December 31, 2024.

(c) Profit per Trust Unit

	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
Numerator		
Profit – basic	**$ 588,218**	$ 666,099
Distribution declared on LP Class B Units	**6,235**	-
Gain on fair value adjustments on LP Class B Units	**(31,774)**	-
Gain on fair value adjustment to unexercised deferred units	**(813)**	-
Profit – diluted	**$ 561,866**	$ 666,099
Denominator		
Weighted average Trust Units outstanding – basic	**49,403,967**	45,824,819
Conversion of LP Class B Units	**4,473,525**	-
Unexercised vested deferred units	**107,068**	-
Weighted average Trust Units outstanding – diluted	**53,984,560**	45,824,819
Profit per Trust Unit		
– basic	**$ 11.91**	$ 14.54
– diluted	**$ 10.41**	$ 14.54

All dilutive elements were included in the calculation of diluted per Trust Unit amounts. For the year ended December 31, 2024, both the conversion of the LP Class B Units and the exercise of deferred units were dilutive and were included in the calculation of diluted profit per Trust Unit. For the year ended December 31, 2023, all items were anti-dilutive as the conversion of the LP Class B Units and the exercise of deferred units would have increased profit per Trust Unit. As such, they were excluded in the calculation of diluted profit per Trust Unit.

NOTE 18: RENTAL REVENUE

As lessor, the Trust leases residential rental properties under operating leases generally with a term of not more than 12 months and in many cases tenants lease rental space on a month-to-month basis. Rental incentives may be offered as part of a rental agreement and the costs associated with these incentives are amortized over the term of the lease and netted against residential rental revenue. Rental revenue represents all revenue earned from the Trust's operating leases, as well as ancillary rental income earned from revenue share service agreements with third parties, and totalled $603.3 million for the year ended December 31, 2024 (year ended December 31, 2023 – $545.7 million).

Rental revenue is comprised of the following:

	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
Lease revenue	$ 576,471	$ 520,918
Parking revenue	10,943	9,601
Recoveries (cable, retirement) and revenue from telephone and cable providers	7,314	7,327
Revenue from coin laundry machines	4,342	4,613
Other	4,223	3,199
Total	$ 603,293	$ 545,658

As at December 31, 2024, under its non-cancellable operating leases, Boardwalk REIT was entitled to the following minimum future payments:

	Within 12 months	2 to 5 years	Over 5 years
Operating leases	$ 320,042	$ 22,364	$ 1,758

NOTE 19: FINANCING COSTS

Financing costs are comprised of interest on mortgages payable, distributions paid to the holders of LP Class B Units, other interest charges, interest on lease liabilities under IFRS 16, and the amortization of deferred financing costs. Financing costs total $121.2 million for the year ended December 31, 2024 (year ended December 31, 2023 – $111.2 million) and can be summarized as follows:

	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
Interest on secured debt (mortgages payable)	$ 105,204	$ 95,928
Interest capitalized to properties under development	(2,332)	(1,549)
LP Class B Unit distributions	6,235	5,169
Other interest charges	2,164	1,831
Interest on lease liabilities	2,577	2,594
Amortization of deferred financing costs	7,313	7,199
Total	$ 121,161	$ 111,172

For the year ended December 31, 2024, interest was capitalized to properties under development at a weighted average effective interest rate of 4.46% (year ended December, 31, 2023 – 4.02%).

NOTE 20: FAIR VALUE GAINS (LOSSES)

	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
Investment properties (NOTE 4)	$ 328,660	$ 598,842
Financial asset designated as FVTPL		
Investment in private technology venture fund	-	(1,344)
Financial liability designated as FVTPL		
LP Class B Units	31,774	(98,048)
Deferred unit-based compensation	(546)	(4,573)
Total fair value gains, net	$ 359,888	$ 494,877

NOTE 21: GUARANTEES, CONTINGENCIES, COMMITMENTS AND OTHER

As discussed in NOTE 12, the Trust has four properties that are situated on land leases. One of the land leases situated in Montreal, Quebec is set to expire in 2029. The Trust is seeking to either renew the term of this lease or purchase the freehold interest in the land prior to the expiry of the lease term. However, if the Trust cannot or chooses not to renew the lease, or buy the land, as the case may be, the net operating income and cash flow associated with the property would no longer contribute to Boardwalk's results of operations.

From time to time, the Trust enters into various physical supply contracts for energy commodities to hedge its own usage, which is summarized below:

Natural Gas:

Area	Estimated Usage Coverage	Term	Cost
Alberta	25%	November 1, 2018 to October 31, 2023	$2.08/Gigajoule ("GJ")
Alberta	25%	November 1, 2019 to October 31, 2024	$2.21/GJ
Alberta	25%	November 1, 2020 to October 31, 2025	$2.78/GJ
Alberta	23%	November 1, 2023 to October 31, 2026	$3.83/GJ
Alberta	22%	November 1, 2024 to October 31, 2027	$3.25/GJ
Saskatchewan	40%	November 1, 2020 to October 31, 2025	$2.99/GJ
Verdun, Quebec	74%	November 1, 2021 to October 31, 2025	$4.29/GJ
London, Ontario	69%	November 1, 2021 to October 31, 2024	$4.52/GJ
London, Ontario	69%	November 1, 2024 to October 31, 2026	$4.00/GJ

Electrical:

Area	Estimated Usage Coverage	Term	Cost
Alberta	45%	November 1, 2020 to October 31, 2024	$0.06/Kilowatt-hour ("kWh")
Alberta	53%	October 1, 2022 to September 30, 2027	$0.10/kWh
Alberta	45%	November 1, 2024 to October 31, 2029	$0.06/kWh

Boardwalk REIT, in the normal course of operations, will become subject to a variety of legal and other claims against the Trust, most of which are minor in nature. Management and the Trust's legal counsel evaluate all claims on their apparent merits and accrue management's best estimate of the estimated costs to satisfy such claims. Management believes the outcome of claims of this nature at December 31, 2024, will not have a material impact on the Trust.

Boardwalk REIT has received notices of reassessment dated February 28, 2024, from the CRA increasing the Trust's taxable income by $5.6 million, $20.6 million, $14.1 million, and $0.06 million for its taxation years ended December 31, 2011, 2012, 2013, and 2014, respectively, on the basis that the Trust did not report deemed taxable capital gains in each of those taxation years resulting from alleged negative adjusted cost base in the Trust's units of Top Hat Operating Trust, a trust 100% owned by Boardwalk REIT. Management of the Trust assessed the implications of the notices of reassessment and filed an objection on May 24, 2024, with the CRA Appeals Division as it disagrees with the CRA's proposed assessment. It is the opinion of the Trust that it will not be required to pay any amount to the CRA in order to dispute this matter. Furthermore, it is the Trust's opinion that should a payment be required to settle this matter, provided the Trust continues to remain eligible for the REIT Exemption, it will not be required to pay any income taxes payable as the Trust distributes all taxable income to its Unitholders. It is difficult to estimate the amount of time it could take to resolve the dispute with the CRA Appeals Division and it is possible that an appeal to the Tax Court of Canada could be required in order to resolve this dispute.

NOTE 22: CAPITAL MANAGEMENT AND LIQUIDITY

The Trust defines capital resources as the aggregate of Unitholders' equity at market value, debt (both secured and unsecured), cash flows from operations, and amounts available under credit facilities net of cash on hand. The Trust's capital management framework is designed to maintain a level of capital that allows it to implement its business strategy while complying with investment and debt restrictions pursuant to Boardwalk REIT's DOT as well as existing debt covenants and continue building long-term Unitholder value while maintaining sufficient capital contingency. The main components of the Trust's capital allocation are reviewed on a regular basis by its Board of Trustees (the "Board") through its annual review of the Trust's strategic plan and budget, supplemented by periodic Board and Board Committee meetings. Capital adequacy is monitored by the Trust by assessing performance against the approved annual plan throughout the year, which is updated accordingly, and by monitoring adherence to investment and debt restrictions contained in the DOT and debt covenants. Boardwalk REIT's DOT, as amended, provides for a minimum interest coverage ratio of 1.5 to 1 calculated on the most recently completed four fiscal quarters. The DOT also defines interest expense to exclude distributions on the LP Class B Units, which under IFRS Accounting Standards are considered financing costs.

The following table highlights Boardwalk REIT's interest coverage ratio in accordance with the DOT:

As at	Dec. 31, 2024	Dec. 31, 2023
Net operating income	$ 382,334	$ 332,989
Administration	(44,791)	(41,172)
Deferred unit-based compensation	(5,374)	(3,328)
EBITDA (1) from equity accounted investment	3,357	929
Consolidated EBITDA (12 months ended)	335,526	289,418
Interest expense	109,945	100,354
Interest expense from equity accounted investment	3,956	2,033
Consolidated interest expense (12 months ended)	113,901	102,387
Interest coverage ratio	2.95	2.83
Minimum threshold	1.50	1.50

(1) Earnings Before Interest, Taxes, Depreciation and Amortization.

The Trust employs a broad range of financing strategies to facilitate growth and manage financial risk. The Trust's objective is to reduce its weighted average cost of capital and improve Unitholder distributions through value enhancement initiatives and consistent monitoring of the balance between debt and equity financing. As at December 31, 2024, the Trust's weighted average cost of capital was calculated to be 4.41%.

The following schedule details the components of the Trust's capital and the related costs thereof:

As at	Dec. 31, 2024 (1)			Dec. 31, 2023		
	Cost of Capital (2)	Underlying Value (3)		Cost of Capital (2)	Underlying Value (3)	
Liabilities						
Mortgages payable	**3.19%**	**$**	**3,241,736**	3.00%	$	3,200,899
LP Class B Units	**5.54%**		**283,664**	4.15%		319,247
Deferred unit-based compensation	**5.54%**		**17,973**	4.15%		15,808
Unitholders' equity						
Boardwalk REIT Trust Units	**5.54%**		**3,170,488**	4.15%		3,523,352
Total	**4.41%**	**$**	**6,713,861**	3.63%	$	7,059,306

(1) Excludes mortgages related to assets held for sale.
(2) As a percentage of average carrying value unless otherwise noted.
(3) Underlying value of liabilities represents market value or the cost to retire on maturity. Underlying value of equity is based on the closing stock price of the Trust Units.

Mortgages payable – The debt is primarily fixed rate debt and approximately 96% of this debt at December 31, 2024 is insured under the National Housing Act ("NHA") and administered by CMHC (December 31, 2023 – approximately 96%). These financings can be structured on a loan to CMHC appraised value basis of between 75-80%. The Trust currently has a level of indebtedness of approximately 40% of the fair value of the Trust's investment properties (December 31, 2023 – approximately 43%). This level of indebtedness is considered by the Trust to be within its target.

LP Class B Units – These units are non-transferable, except under certain circumstances, but are exchangeable, on a one-for-one basis, into Boardwalk REIT Trust Units at any time at the option of the holder. Prior to such exchange, distributions will be made on the exchangeable units in an amount equivalent to the distributions which would have been made had the Trust Units of Boardwalk REIT been issued. Each LP Class B Unit was accompanied by a Special Voting Unit, which entitles the holder to receive notice of, attend, and vote at all meetings of Unitholders. There is no value assigned to the Special Voting Units. The LP Class B Units have been classified as FVTPL financial liabilities in accordance with IFRS 9. Gains or losses resulting from changes in the fair value at each reporting date are recorded in the consolidated statement of comprehensive income.

As outlined in NOTE 24(d), Boardwalk REIT's Credit Facility agreement, which includes a committed revolving credit facility and demand revolving credit facility, contains financial covenants.

The Trust had $368.2 million in total available liquidity as at December 31, 2024 (December 31, 2023 – $527.0 million), consisting of cash and cash equivalents on hand of $122.4 million (December 31, 2023 – $331.2 million), as well as unused credit facilities of $245.8 million (December 31, 2023 – $195.8 million). The Trust monitors its ratios and as at December 31, 2024, and December 31, 2023, the Trust was in compliance with all covenants in both its DOT and all existing debt facilities.

NOTE 23: FAIR VALUE MEASUREMENT

(a) Fair Value of Financial Instruments

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of interest bearing financial assets and liabilities is determined by discounting the contractual principal and interest payments at estimated current market interest rates for the instrument. Current market rates are determined by reference to current benchmark rates for similar term and current credit spreads for debt with similar terms and risk. The fair values of the Trust's financial instruments were determined as follows:

(i) the carrying amounts of loan receivable, trade and other receivables, segregated tenants' security deposits, cash and cash equivalents, construction loan payable, refundable tenants' security deposits, and trade and other payables approximate their fair values due to their short-term nature.

(ii) the fair value of the Trust's mortgages payable is an estimate made at a specific point in time, based on relevant market information. The estimate is based on quoted market prices for the same or similar issues or on the current rates offered to the Trust for similar financial instruments subject to similar risks and maturities.

(iii) the fair value of the LP Class B Units are estimates at a specific point in time, based on the closing market price of the Trust Units listed on the Toronto Stock Exchange.

These estimates are subjective in nature and involve uncertainties and matters of significant judgment and therefore, cannot be determined with precision. Changes in estimates could materially affect fair values. The significant financial instruments of Boardwalk REIT and their carrying values as at December 31, 2024, and December 31, 2023, are as follows:

As at	Dec. 31, 2024 (1)		Dec. 31, 2023	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial asset carried at FVTPL				
Loan receivable	$ 58,170	$ 58,170	$ -	$ -
Financial liabilities carried at amortized cost				
Mortgages payable	3,286,081	3,241,736	3,318,417	3,200,899
Construction loan payable	1,478	1,478	-	-
Financial liability carried at FVTPL				
LP Class B Units	283,664	283,664	319,247	319,247

(1) Excludes mortgages related to assets held for sale.

The fair value of the Trust's mortgages payable was lower than the recorded value by approximately $44.3 million at December 31, 2024 (December 31, 2023 – lower by $117.5 million), due to changes in interest rates since the dates on which the individual mortgages were last contracted. The fair values of the mortgages payable have been estimated based on the current market rates for mortgages with similar terms and conditions. The fair value of the Trust's mortgages payable is an amount computed based on the interest rate environment prevailing at December 31, 2024, and December 31, 2023, respectively; the amount is subject to change and the future amounts will converge. There are no additional costs or penalties to Boardwalk REIT if the mortgages are held to maturity.

As at December 31, 2024, and December 31, 2023, the Trust had no embedded derivatives requiring separate recognition.

The nature of these financial instruments and the Trust's operations expose the Trust to certain principal financial risks. The main objective of the Trust's risk management process is to properly identify financial risks and minimize the exposure to potential losses arising from those risks. The principal financial risks to which the Trust is exposed are described in NOTE 24.

(b) Assets and Liabilities Measured at Fair Value

The fair value hierarchy of assets and liabilities measured at fair value on a recurring basis in the consolidated statements of financial position is as follows:

As at	Dec. 31, 2024			Dec. 31, 2023		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Assets						
Investment properties	$ -	$ 108,956	$ 8,129,068	$ -	$ -	$ 7,702,214
Assets held for sale	-	80,000	-	-	-	-
Loan receivable	-	-	58,170	-	-	-
Liabilities						
LP Class B Units	283,664	-	-	319,247	-	-
Deferred unit-based compensation	17,973	-	-	15,808	-	-

The three levels of the fair value hierarchy are described in NOTE 4.

Transfers between levels in the fair value hierarchy are recognized on the date of the event or change in circumstances that caused the transfer. For assets and liabilities measured at fair value as at December 31, 2024, and December 31, 2023, there were no other transfers between Level 1, Level 2, and Level 3 assets and liabilities.

NOTE 24: RISK MANAGEMENT

(a) Interest Rate Risk

The Trust is exposed to interest rate risk as a result of its mortgages payable and credit facilities; however, this risk is minimized through the Trust's current strategy of having the majority of its mortgages payable in fixed-term arrangements. As such, the Trust's cash flows are not significantly impacted by a change in market interest rates. In addition, the Trust structures its financings so as to stagger the maturities of its debt, thereby minimizing the Trust's exposure to interest rates in any one year. The majority of the Trust's mortgages are also insured by the CMHC under the NHA mortgage program. This added level of insurance offered to lenders allows the Trust to receive advantageous interest rates while minimizing the risk of mortgage renewals or extensions, and significantly reduces the potential for a lender to call a loan prematurely. In addition, management is constantly reviewing its Credit Facility (floating-rate debt) and, if market conditions warrant, the Trust has the ability to convert its existing floating-rate debt to fixed rate debt.

As at December 31, 2024, the Trust had no amount outstanding on its Credit Facility and its mortgages payable are fixed-rate debt. However, the Trust has a non-revolving construction facility loan which is carried at variable-rate interest with $1.5 million outstanding (NOTE 14). As such, for the year ended December 31, 2024, all else being equal, the increase or decrease in net earnings for each 1% change in market interest rates would be nominal. In addition, while the Trust has a construction facility in its equity accounted investment which is carried at variable-rate interest, this interest rate exposure is offset by the interest earned on the loan receivable (NOTE 8). For the year ended December 31, 2024, the Trust's equity accounted investment had a revolving construction facility loan which was carried at variable-rate interest with $58.2 million outstanding, of which Boardwalk's portion was $29.1 million, that was exposed to interest rate risk (NOTE 6). As such, for the year ended December 31, 2024, all else being equal, the increase or decrease in net earnings for each 1% change in market interest rates would be $0.4 million (year ended December 31, 2023 – $0.5 million). For the mortgages payable that have fixed-rate debt, the Trust is exposed to interest rate risk on renewals. Please refer to NOTE 24(c) for details on the Trust's remaining contractual maturity for its mortgages payable listed by year of maturity date.

(b) Credit Risk

The Trust is exposed to credit risk as a result of its trade and other receivables. The trade and other receivables balance is comprised of mortgage holdbacks and refundable mortgage fees, accounts receivable from significant customers and insurers, and tenant receivables. As at December 31, 2024, and December 31, 2023, no balance relating to mortgage holdbacks, refundable mortgage fees, or accounts receivable from significant customers and insurers was past due.

In relation to mortgage holdbacks and refundable mortgage fees, the Trust's exposure to credit risk is low given the nature of these balances. These funds will be advanced when the Trust has met the conditions pursuant to the mortgage agreement (in the case of the mortgage holdback) or when financing is completed (in the case of refundable mortgage fees), both of which are expected to occur.

Similar to mortgage holdbacks and refundable mortgage fees, the Trust assesses the credit risk on accounts receivable to be low due to the assured collection of these balances. The majority of the balance relates to money owing from the Trust's revenue sharing initiatives. Given the Trust's collection history and the nature of these customers, credit risk is assessed as low. Additionally, an amount is owed by insurance companies in relation to current outstanding claims (NOTE 7). In all circumstances, the insurance deductible has been paid and amounts incurred and owing for reimbursement are due to an insurable event. Recoverability may differ from the amount owing solely due to discrepancies between the Trust and the insurance provider regarding the value of replacement costs.

With tenant receivables, credit risk arises from the possibility tenants may experience financial difficulty and be unable to fulfill their lease term commitments. The maximum exposure to credit risk is equal to the carrying value of the financial assets. Rent payments from tenants are due on the first of the month and tenants generally pay a security deposit – both of these actions mitigate against bad debts.

As stated above, the carrying amount of tenant receivables reflects management's assessment of the credit risk associated with its tenants; however, the Trust mitigates this risk of credit loss by geographically diversifying its existing portfolio, by limiting its exposure to any one tenant and by conducting thorough credit checks with respect to all new rental-leasing arrangements. In addition, where legislation allows, the Trust obtains a security deposit from a tenant to assist in the recovery of monies owed to the Trust.

Past due receivables (receivables which are greater than 30 days) are reviewed by management on a monthly basis and tenant receivables are considered for impairment on a case-by-case basis. The Trust takes into consideration the tenant's payment history, their credit worthiness, and the current economic environment; however, tenant receivable balances exceeding 60 days are typically written off to bad debt expense as the Trust does not utilize an allowance for estimated credit losses. The amount of the loss is recognized in the consolidated statement of comprehensive income as part of operating expenses. Subsequent recoveries of amounts previously written off are credited against operating expenses during the period of settlement. As tenant receivables are typically written off after 60 days, none of the balance is considered to be past due by the Trust. For the year ended December 31, 2024, bad debt expense totalled $2.8 million (year ended December 31, 2023 – $3.5 million).

The credit risk of both Boardwalk REIT and the counter party have been taken into account in determining the fair value of Boardwalk REIT's trade and other receivables.

(c) Liquidity Risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they become due. The Trust maintains what it believes to be conservatively leveraged assets and can finance any future growth through one or a combination of internally generated cash flows, borrowing under an existing Credit Facility, the issuance of debt, or the issuance of equity, according to its capital management objectives. In addition, the Trust structures its financings so as to stagger the maturities of its debt, thereby minimizing the Trust's exposure to liquidity risk in any one year. In addition, cash flow projections are completed and reviewed on a regular basis to ensure the Trust has sufficient cash flows to make its monthly distributions to Unitholders. Finally, financial assets, such as cash and trade and other receivables, will be realized within the next 12 months and can be utilized to satisfy the Trust's financial liabilities. Given the Trust's currently available liquid resources (from both financial assets and on-going operations) as compared to its contractual obligations, Management assesses the Trust's liquidity risk to be low.

The following table details the Trust's remaining contractual maturity for its financial liabilities listed by year of maturity date:

Year of Maturity	Weighted Average Interest Rate (1)	Mortgage Principal Outstanding (1)	Mortgage Interest (1)(2)	Lease Liabilities Principal Outstanding	Construction Loan Payable	Tenants' Security Deposits (1)	Distribution Payable (3)	Trades and Other Payables	Total
2025	2.44%	$ 565,458	$ 100,770	$ 185	$ 1,478	$ 16,376	$ 6,451	$ 76,588	$ 767,306
2026	2.33%	604,716	85,126	-	-	-	-	-	689,842
2027	3.16%	611,487	69,381	2,613	-	-	-	-	683,481
2028	3.73%	413,748	49,729	-	-	-	-	-	463,477
2029	3.62%	496,626	32,218	5,504	-	-	-	-	534,348
Subsequent	2.67%	718,138	83,461	67,579	-	-	-	-	869,178
	3.19%	3,410,173	420,685	75,881	1,478	16,376	6,451	76,588	4,007,632
Unamortized deferred financing costs		(123,634)	-	-	-	-	-	-	(123,634)
Unamortized market debt adjustments		(458)	-	-	-	-	-	-	(458)
		$ 3,286,081	$ 420,685	$ 75,881	$ 1,478	$ 16,376	$ 6,451	$ 76,588	$3,883,540

(1) Excludes liabilities related to assets held for sale.
(2) Based on current in-place interest rates for the remaining term to maturity.
(3) Distribution payable includes distributions owed on the Boardwalk REIT Trust Units and the LP Class B Units.

(d) Debt Covenants

As outlined in its mortgages payable agreements, the Trust is required to make equal monthly payments of principal and interest based on the respective amortization period. Additionally, the Trust must ensure that all property taxes have been paid in full when they become due and that no arrears exist.

The Trust has a Credit Facility with a major financial institution with a committed revolving credit facility and demand revolving credit facility. This Credit Facility is secured by a pledge of a group of specific real estate assets with a fair value at December 31, 2024 of approximately $1.1 billion (December 31, 2023 – $1.0 billion). Assets pledged as security for the Credit Facility may also be pledged as security on mortgages. The amount available through the Credit Facility varies with the value of the pledged assets and amounts drawn, with a maximum limit not to exceed $250.0 million (committed revolving credit facility of $200.0 million and demand revolving credit facility of $50.0 million), and an available limit of $245.8 million as at December 31, 2024 (December 31, 2023 – $195.8 million). The Credit Facility requires monthly interest payments, is for a five-year term maturing on July 25, 2029 (or upon demand with respect to the demand revolving credit facility), and can be extended annually thereafter, subject to the mutual consent of the lender and the Trust. Unless otherwise extended, all principal and accrued interest is due and payable upon maturity of the Credit Facility.

Unless otherwise extended, the drawn-down principal and accrued interest would be due on the maturity date of the Credit Facility.

The Credit Facility contains three financial covenants as follows:

- **(i)** The Trust will maintain an overall Debt Service Coverage Ratio of at least 1.20, calculated on the most recent completed trailing four fiscal quarter basis. As at December 31, 2024, this ratio was 1.85 (December 31, 2023 – 1.62).
- **(ii)** The Trust will maintain a Debt Service Coverage Ratio, specific to the Security Portfolio of at least 1.15, calculated on the most recent completed trailing four fiscal quarter basis. As at December 31, 2024, this ratio was 2.48 (December 31, 2023 – 2.35).
- **(iii)** Total indebtedness of the Trust will not exceed 75% of the Gross Book Value of all assets for the two most recent quarters as defined in the credit agreement. As at December 31, 2024, this ratio was 38.9% (December 31, 2023 – 42.4%).

As at December 31, 2024, and December 31, 2023, the Trust was in compliance with all financial covenants.

(e) Market Risk

The Trust is exposed to market risk related to utilities as a result of fluctuations in the prices of natural gas and electricity. As outlined in NOTE 21, the Trust has commitments to certain utility contracts to reduce the risk of exposure to adverse changes in commodity prices.

NOTE 25: SUBSIDIARIES

The entities included in the Trust's consolidated financial statements are as follows:

Entity	Type	Relationship
Boardwalk Real Estate Investment Trust ("BREIT")	Trust	Parent
Boardwalk Real Estate Management Ltd.	Corporation	100% owned by BREIT
Top Hat Operating Trust ("TOT")	Trust	100% owned by BREIT
BPCL Holdings Inc. ("BPCL")	Corporation	Meets the principle of control
Boardwalk REIT Limited Partnership ("BLP")	Partnership	A Units are 100% owned by TOT
		B Units and C Units are 100% owned by BPCL
Boardwalk REIT Properties Holdings (Alberta) Ltd.	Corporation	100% owned by BLP
Boardwalk REIT Quebec Inc.	Corporation	100% owned by BLP
Boardwalk Quebec Trust	Trust	100% owned by BLP
Boardwalk St. Laurent Limited Partnership	Partnership	99.99% owned by Boardwalk Quebec Trust
		0.01% owned by 9165-5795 Quebec Inc.
9108-4749 Quebec Inc.	Corporation	100% owned by BLP
9165-5795 Quebec Inc.	Corporation	100% owned by 9108-4749 Quebec Inc.
Nun's Island Trust 1	Trust	100% owned by BLP
Nun's Island Trust 2	Trust	100% owned by BLP
Metropolitan Structures (MSI) Inc.	Corporation	100% owned by BLP
Boardwalk GP Holding Trust	Trust	100% owned by BLP
6222285 Canada Inc.	Corporation	100% owned by BLP
Boardwalk GP Operating Trust	Trust	100% owned by 6222285 Canada Inc.
Boardwalk General Partnership ("BGP")	Partnership	99.99% owned by Boardwalk GP Holding Trust
		0.01% owned by Boardwalk GP Operating Trust
Boardwalk REIT Properties Holdings Ltd.	Corporation	100% owned by BGP
Helmcken Rd. Development B.C Ltd.	Corporation	100% owned by BGP
Carlisle Ave Development B.C. Ltd.	Corporation	100% owned by BGP
Island Highway Development (B.C.) Ltd.	Corporation	100% owned by BGP
Watkiss Eagle Creek Property Ltd.	Corporation	100% owned by BGP
BRIO Holdings Ltd.	Corporation	50% Owned by BGP
Redwalk Brampton Limited Partnership	Partnership	49.99% owned by BGP
		0.01% owned by Redwalk Brampton Inc.
Redwalk Brampton Inc.	Corporation	50% owned by Boardwalk REIT Properties Holdings Ltd.
1082116 B.C. Ltd.	Corporation	100% owned by BGP

BPCL represents the only entity which is included in the Trust's consolidated financial statements by meeting the principle of control and not based on the Trust's ownership percentage. BPCL (formerly called Boardwalk Equities Inc.) was created to accomplish a narrow and well-defined objective, which was to transfer the beneficial interest in the Corporation's assets (the "Assets") pursuant to the Master Asset Contribution Agreement. The Trust does not have any voting interest in BPCL; however, the Trust controls BPCL because the Trust has the decision-making powers to obtain the majority of the benefits of the activities of BPCL and the Trust retains the majority of the residual or ownership risks related to BPCL. Specifically, BLP controls all of the Assets previously held by BPCL and is responsible for BPCL's debt by guaranteeing the principal and interest owed to the lenders. BLP must make distributions to the LP Class C Units equivalent to the principal and interest owed on BPCL's debt. As beneficial owner of the Assets, BLP has power over BPCL as it can direct their relevant activities (i.e. impose and collect rental income, manage and pay operating costs, etc.) in order to generate cash flows and make distributions on the LP Class C Units. It has exposure, or rights, to variable returns based on its beneficial ownership of the Assets. The Trust controls BPCL, because the Trust has the decision making power to obtain the majority of the benefits from the activities of BPCL. Due to the above, BPCL is part of the Trust's consolidated group.

NOTE 26: RELATED PARTY DISCLOSURES

IAS 24 – Related Party Disclosures requires entities to disclose in their financial statements information about transactions with related parties. Generally, two parties are related to each other if one party controls, or significantly influences, the other party. Balances and transactions between the Trust and its subsidiaries, which are related parties of the Trust, have been eliminated on consolidation and are not disclosed in this note disclosure.

The individuals considered key management personnel of the Trust as at December 31, 2024, were as follows:

Chief Executive Officer

President

Chief Financial Officer

CIO, VP, Technology

VP, People

Members of the Board of Trustees

The remuneration of the Trust's key management personnel was as follows:

	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
Short-term benefits	$ 3,316	$ 2,753
Post-employment benefits	70	50
Other long-term benefits	4	4
	$ 3,390	$ 2,807

In addition, the LP Class B Units are held by Mr. Sam Kolias (Chairman of the Board, Chief Executive Officer and Trustee) and Mr. Van Kolias (Senior Vice President, Quality Control). Under IAS 32, the LP Class B Units issued by a wholly-owned subsidiary of the Trust are considered financial liabilities and are reclassified from equity to liabilities on the consolidated financial statements. Additionally, as the LP Class B Units are liabilities, all distributions paid (both regular and special) are recorded as financing costs under IFRS Accounting Standards. For the year ended December 31, 2024, distributions on the LP Class B Units totalled $6.2 million (year ended December 31, 2023 – $5.2 million). Distributions on the LP Class B Units are made on terms equal to distributions made on Boardwalk REIT Trust Units.

As at December 31, 2024, there was $0.5 million owed to related parties (December 31, 2023 – $0.4 million) based on the LP Class B Units distribution outlined above.

On January 12, 2024, with respect to the equity accounted investment in the joint venture, the Trust made a loan to the joint venture for $57.2 million with the proceeds used by the joint venture to repay 50% of the revolving construction facility loan payable. Additional details on the loan receivable are described in NOTE 8.

NOTE 27: OTHER INFORMATION

(a) Supplemental Cash Flow Information

	Note	Year Ended Dec. 31, 2024	Year Ended Dec. 31, 2023
Net change in operating working capital			
Net change in inventories		$ 880	$ 890
Net change in prepaid assets		2,632	282
Net change in trade and other receivables		(4,447)	(299)
Net change in segregated and refundable tenants' security deposits		470	171
Net change in trade and other payables		5,139	7,341
		$ 4,674	$ 8,385
Net change in investing working capital			
Net change in trade and other payables		$ 2,644	$ 6,005
Net change in financing working capital			
Net change in trade and other payables		$ (479)	$ (733)
Investment in capital assets			
Improvements to investment properties	4	$ (124,395)	$ (119,012)
Additions to property, plant and equipment		(9,032)	(6,960)
		$ (133,427)	$ (125,972)
Distributions paid			
Distributions declared		$ (68,917)	$ (53,169)
Distributions declared in prior year paid in current year		(4,815)	(4,115)
Distributions declared in current year paid in next year		5,922	4,815
		$ (67,810)	$ (52,469)

(b) Included in administration costs was $4.2 million relating to Registered Retirement Savings Plan matching for the year ended December 31, 2024 (year ended December 31, 2023 – $3.7 million).

(c) The Trust declared regular distributions of $75.1 million for the year ended December 31, 2024, which includes $68.9 million of distributions on the Trust Units and $6.2 million of distributions on the LP Class B Units, which under IFRS Accounting Standards are considered financing costs (year ended December 31, 2023 – $58.4 million, which includes $53.2 million of distributions on the Trust Units and $5.2 million of distributions on the LP Class B Units).

NOTE 28: SEGMENTED INFORMATION

Boardwalk REIT specializes in multi-family residential housing and operates within one business segment in five provinces located wholly in Canada along with a corporate segment. Each provincial segment operates with a high degree of autonomy. Management monitors the operating results on a province-by-province basis. Segment performance is evaluated on a number of measures, including profit. Financial information reported is on the same basis as used for internal evaluation and allocation of resources. Boardwalk REIT does not have any one major tenant or a significant group of tenants. Either expiring leases are renewed or new tenants are found.

Net debt, interest income and expenses, and income taxes are managed on a group basis. Transfer prices between locations are set on an arm's-length basis in a manner similar to transactions with third parties and are eliminated upon inter-company consolidation.

Corporate represents corporate functions, technology assets, activities incidental to operations, development of investment properties, and certain comparative data for divested assets.

Details of segmented information are as follows:

As at	December 31, 2024						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Assets	$ 5,353,427	$ 130,226	$ 771,112	$ 819,882	$ 1,235,657	$ 316,186	$ 8,626,490
Liabilities	2,221,228	75,139	305,713	271,521	556,063	360,017	3,789,681

As at	December 31, 2023						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Assets	$ 4,922,321	$ 128,253	$ 694,290	$ 764,466	$ 1,180,899	$ 451,647	$ 8,141,876
Liabilities	2,205,582	75,836	311,060	275,313	569,275	384,738	3,821,804

	Year Ended December 31, 2024						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Rental revenue (a)	$389,038	$ 6,774	$ 63,461	$ 47,952	$ 94,884	$ 1,184	$603,293
Rental expenses							
Operating expenses	67,140	685	9,822	8,753	16,207	7,010	109,617
Utilities	36,884	272	7,016	4,633	6,763	401	55,969
Property taxes	35,871	452	4,868	4,914	9,093	175	55,373
Total rental expenses	139,895	1,409	21,706	18,300	32,063	7,586	220,959
Net operating income (loss)	249,143	5,365	41,755	29,652	62,821	(6,402)	382,334
Financing costs (b)	74,201	3,114	9,135	9,189	18,987	6,535	121,161
Administration	3,119	5	497	257	499	40,414	44,791
Deferred unit-based compensation	-	-	-	-	-	5,374	5,374
Depreciation (c)	836	4	145	81	154	7,098	8,318
Profit (loss) before the undernoted	170,987	2,242	31,978	20,125	43,181	(65,823)	202,690
Income from equity accounted investment	-	-	-	13,226	-	-	13,226
Fair value gains (losses)	249,349	1,525	57,695	(14,681)	34,773	31,227	359,888
Interest income	16	-	-	3,870	-	8,612	12,498
Profit (loss) before income tax	420,352	3,767	89,673	22,540	77,954	(25,984)	588,302
Income tax expense (d)	-	-	-	-	-	(84)	(84)
Profit (loss)	420,352	3,767	89,673	22,540	77,954	(26,068)	588,218
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income (loss)	$420,352	$ 3,767	$ 89,673	$ 22,540	$ 77,954	$ (26,068)	$588,218
Additions to non-current assets (e)	$183,962	$ 425	$ 19,448	$ 11,833	$ 19,097	$ 63,696	$298,461

	Year Ended December 31, 2023						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Rental revenue (a)	$ 346,368	$ 5,487	$ 57,508	$ 45,355	$ 89,873	$ 1,067	$ 545,658
Rental expenses							
Operating expenses	65,520	488	9,764	8,310	15,632	6,476	106,190
Utilities	34,374	220	6,852	4,676	6,894	376	53,392
Property taxes	34,399	345	4,590	4,593	8,952	208	53,087
Total rental expenses	134,293	1,053	21,206	17,579	31,478	7,060	212,669
Net operating income (loss)	212,075	4,434	36,302	27,776	58,395	(5,993)	332,989
Financing costs (b)	67,357	2,482	8,650	7,503	19,254	5,926	111,172
Administration	2,644	6	460	125	466	37,471	41,172
Deferred unit-based compensation	-	-	-	-	-	3,328	3,328
Depreciation (c)	788	2	151	69	145	6,766	7,921
Profit (loss) before the undernoted	141,286	1,944	27,041	20,079	38,530	(59,484)	169,396
Loss from equity accounted investment	-	-	-	(1,113)	-	-	(1,113)
Loss on sale of asset	-	-	-	-	-	(928)	(928)
Fair value gains (losses)	544,686	12,422	60,232	(28,513)	10,015	(103,965)	494,877
Interest income	28	-	-	-	-	3,031	3,059
Other income	-	-	-	-	-	886	886
Profit (loss) before income tax	686,000	14,366	87,273	(9,547)	48,545	(160,460)	666,177
Income tax expense (d)	-	-	-	-	-	(78)	(78)
Profit (loss)	686,000	14,366	87,273	(9,547)	48,545	(160,538)	666,099
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive income (loss)	$ 686,000	$ 14,366	$ 87,273	$ (9,547)	$ 48,545	$ (160,538)	$ 666,099
Additions to non-current assets (e)	$ 75,594	$ 60,513	$ 15,047	$ 9,694	$ 18,547	$ 30,387	$ 209,782

(a) Rental Revenue

	Year Ended December 31, 2024						
	Alberta	**British Columbia**	**Saskatchewan**	**Ontario**	**Quebec**	**Corporate**	**Total**
Lease revenue	**$371,197**	**$ 6,679**	**$ 60,782**	**$ 46,976**	**$ 90,241**	**$ 596**	**$576,471**
Parking revenue	**7,047**	**110**	**728**	**501**	**2,557**	**-**	**10,943**
Recoveries (cable, retirement) and revenue from telephone and cable providers	**4,985**	**8**	**1,135**	**133**	**968**	**85**	**7,314**
Revenue from coin laundry machines	**2,879**	**-**	**278**	**512**	**673**	**-**	**4,342**
Other	**2,930**	**(23)**	**538**	**(170)**	**445**	**503**	**4,223**
Total	**$389,038**	**$ 6,774**	**$ 63,461**	**$ 47,952**	**$ 94,884**	**$ 1,184**	**$603,293**

	Year Ended December 31, 2023						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Lease revenue	$ 329,833	$ 5,395	$ 55,202	$ 44,346	$ 85,476	$ 666	$ 520,918
Parking revenue	5,989	109	640	424	2,439	-	9,601
Recoveries (cable, retirement) and revenue from telephone and cable providers	5,326	9	1,039	125	737	91	7,327
Revenue from coin laundry machines	3,038	-	279	547	747	2	4,613
Other	2,182	(26)	348	(87)	474	308	3,199
Total	$ 346,368	$ 5,487	$ 57,508	$ 45,355	$ 89,873	$ 1,067	$ 545,658

(b) Financing Costs

	Year Ended December 31, 2024						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Interest on secured debt (mortgages payable)	$ 69,546	$ 3,023	$ 8,459	$ 8,578	$ 15,601	$ (3)	$105,204
Interest capitalized to properties under development	-	-	-	-	-	(2,332)	(2,332)
LP Class B Unit distributions	-	-	-	-	-	6,235	6,235
Other interest charges	(160)	3	(81)	51	(20)	2,371	2,164
Interest on lease liabilities	-	-	-	-	2,314	263	2,577
Amortization of deferred financing costs	4,815	88	757	560	1,092	1	7,313
Total	$ 74,201	$ 3,114	$ 9,135	$ 9,189	$ 18,987	$ 6,535	$121,161

	Year Ended December 31, 2023						
	Alberta	British Columbia	Saskatchewan	Ontario	Quebec	Corporate	Total
Interest on secured debt (mortgages payable)	$ 62,863	$ 2,420	$ 7,961	$ 6,868	$ 15,816	$ -	$ 95,928
Interest capitalized to properties under development	-	-	-	-	-	(1,549)	(1,549)
LP Class B Unit distributions	-	-	-	-	-	5,169	5,169
Other interest charges	(213)	2	(64)	55	(14)	2,065	1,831
Interest on lease liabilities	-	-	-	-	2,353	241	2,594
Amortization of deferred financing costs	4,707	60	753	580	1,099	-	7,199
Total	$ 67,357	$ 2,482	$ 8,650	$ 7,503	$ 19,254	$ 5,926	$ 111,172

(c) Depreciation

This represents depreciation on items carried at cost and primarily includes corporate assets, technology assets, site equipment and other assets. These figures exclude any impairment charges.

(d) Income Tax Expense

This relates to any current and deferred taxes.

(e) Additions to Non-current Assets (Other Than Financial Instruments and Deferred Tax Assets)

This represents the total cost incurred during the year to acquire non-current assets (other than financial instruments and deferred tax assets), measured on an accrual basis.

NOTE 29: SUBSEQUENT EVENTS

On January 21, 2025, the Trust sold three non-core assets that were included in assets held for sale (NOTE 5), totaling 390 suites, in Edmonton, Alberta, which forms part of the Alberta geographical segment, for the combined sale price of $80.0 million.

Subsequent to December 31, 2024, the Trust committed to the purchase of one property located in Calgary, Alberta. The purchase price of the property, totalling 255 suites and known as Elbow 5 Eight, is $93.0 million and will be funded with cash on hand. The transaction is expected to close in March 2025.

Subsequent to December 31, 2024, pursuant to the Trust's current Bid, the Trust purchased for cancellation 460,386 Trust Units totaling $29.1 million.

Subsequent to December 31, 2024, with respect to the equity accounted investment in the joint venture, the joint venture extended the revolving construction facility loan with a maturity date of June 30, 2025. In return, the Trust extended the maturity date on the loan receivable from the joint venture to June 30, 2025, to maintain the same terms as the revolving construction facility loan.

NOTE 30: APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Trustees and authorized on February 19, 2025.

Five Year Summary

($000's except per unit and per square foot)	2020	2021	2022	2023	**2024**
Assets					
Total Assets	$ 6,107,744	$ 6,660,653	$ 7,067,275	$ 8,141,876	**$ 8,626,490**
Liabilities					
Total Liabilities	$ 3,231,295	$ 3,407,475	$ 3,600,277	$ 3,821,804	**$ 3,789,681**
Equity					
Unitholders' equity	2,876,449	3,253,178	3,466,998	4,320,072	**4,836,809**
Total Liabilities and Equity	$ 6,107,744	$ 6,660,653	$ 7,067,275	$ 8,141,876	**$ 8,626,490**
Trust unit outstanding (000) (including LP B Units)	51,024	50,612	50,198	53,863	**53,761**
Trust unit price at year-end ($)	$ 33.74	$ 54.83	$ 49.43	$ 71.34	**$ 64.25**
Market capitalization ($MM)	1,721.5	2,775.1	2,481.3	3,842.6	**3,454.2**
Number of rental suites	33,396	33,264	33,810	34,029	**34,405**
Total Assets per suite ($000)	183	200	209	239	**251**
Total Liabilities per suite ($000)	97	102	106	112	**110**
Net rentable square feet (000)	28,879	28,888	29,390	29,515	**29,829**
Total Assets per square foot ($)	211	231	240	276	**289**
Total Liabilities per square foot ($)	112	118	123	129	**127**
Average net rentable SF per unit	865	868	869	867	**867**
L/T debt weighted average interest rate	2.58%	2.46%	2.72%	3.00%	**3.19%**

Five Year Summary

($000's except per unit)	2020	2021	2022	2023	**2024**
Rental revenue	$ 467,583	$ 472,312	$ 496,360	$ 545,658	**$ 603,293**
Rental expenses					
Operating expenses	98,349	98,626	104,081	106,190	**109,617**
Utilities	48,938	49,751	52,572	53,392	**55,969**
Property taxes	51,152	49,595	51,047	53,087	**55,373**
Total rental expenses	198,439	197,972	207,700	212,669	**220,959**
Net operating income	269,144	274,340	288,660	332,989	**382,334**
Operating margin	58%	58%	58%	61%	**63%**
Financing costs	92,385	90,080	97,021	111,172	**121,161**
Administration	36,069	33,282	33,859	41,172	**44,791**
Deferred unit-based compensation	3,255	2,392	2,556	3,328	**5,374**
Depreciation	8,195	7,809	7,782	7,921	**8,318**
Profit from continuing operations before the undernoted	129,240	140,777	147,442	169,396	**202,690**
(Loss) income from equity accounted investment	-	-	(247)	(1,113)	**13,226**
Loss on sale of assets	(1,136)	(1,953)	-	(928)	**-**
Adjustment to right-of-use asset related to lease receivable	(159)	-	-	-	**-**
Fair value (losses) gains	(326,134)	307,002	132,256	494,877	**359,888**
Interest Income	763	331	935	3,059	**12,498**
Other income	75	-	2,788	886	**-**
(Loss) profit before income taxes	(197,351)	446,157	283,174	666,177	**588,302**
Income tax recovery (expense)	72	110	(78)	(78)	**(84)**
(Loss) profit	(197,279)	446,267	283,096	666,099	**588,218**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive (loss) income	$ (197,279)	$ 446,267	$ 283,096	$ 666,099	**$ 588,218**
(Loss) profit per Trust Unit – diluted	$ (4.85)	$ 9.59	$ 5.23	$ 14.54	**$ 10.41**
Funds from operations (1)(2)	$ 139,736	$ 150,207	$ 157,444	$ 181,353	**$ 225,848**
Funds from operations per Unit – fully diluted (2)	$ 2.74	$ 2.94	$ 3.13	$ 3.60	**$ 4.18**
Interest Coverage Ratio	2.77	2.96	2.90	2.83	**2.95**

(1) This is a non-GAAP financial measure.
(2) Please refer to the section titled "Presentation of Non-GAAP Measures" in the MD&A for more information.

2024 Quarterly Results

	Q1	Q2	Q3	Q4	Dec. 31, 2024
Rental revenue	$ 145,248	$ 149,067	$ 153,413	$ 155,565	**$ 603,293**
Rental expenses					
Operating expenses	27,082	27,082	27,969	27,484	**109,617**
Utilities	17,116	12,777	11,160	14,916	**55,969**
Property taxes	13,503	13,640	14,100	14,130	**55,373**
Total rental expenses	57,701	53,499	53,229	56,530	**220,959**
Net operating income	87,547	95,568	100,184	99,035	**382,334**
Financing costs	29,704	30,255	30,265	30,937	**121,161**
Administration	10,293	11,708	11,710	11,080	**44,791**
Deferred unit-based compensation	671	1,418	1,237	2,048	**5,374**
Depreciation and amortization	1,865	2,002	2,124	2,327	**8,318**
Profit before the undernoted	45,014	50,185	54,848	52,643	**202,690**
(Loss) income from equity accounted investment	(596)	(302)	(148)	14,272	**13,226**
Fair value gains (losses)	259,205	105,878	(1,838)	(3,357)	**359,888**
Interest Income	4,180	3,392	2,572	2,354	**12,498**
Profit before income tax	307,803	159,153	55,434	65,912	**588,302**
Income tax (expense) recovery	(82)	1	(15)	12	**(84)**
Profit for the period	307,721	159,154	55,419	65,924	**588,218**
Other comprehensive income	-	-	-	-	**-**
Total comprehensive income	$ 307,721	$ 159,154	$ 55,419	$ 65,924	**$ 588,218**
Profit (loss) per unit – diluted	$ 6.23	$ 2.33	$ 1.12	$ (0.57)	**$ 10.41**
Funds from operations (1)(2)	$ 51,035	$ 56,085	$ 60,185	$ 58,543	**$ 225,848**
Funds from operations per unit – fully diluted (2)	$ 0.95	$ 1.04	$ 1.11	$ 1.08	**$ 4.18**

(1) This is a non-GAAP financial measure.
(2) Please refer to the section titled "Presentation of Non-GAAP Measures" in the MD&A for more information."

2023 Quarterly Results

		Q1		Q2		Q3		Q4		Dec. 31, 2023
Rental revenue	$	130,931	$	134,553	$	138,267	$	141,907	**$**	**545,658**
Rental expenses										
Operating expenses		25,867		26,720		27,236		26,367		**106,190**
Utilities		16,428		12,235		10,857		13,872		**53,392**
Property taxes		12,844		12,992		13,531		13,720		**53,087**
Total rental expenses		55,139		51,947		51,624		53,959		**212,669**
Net operating income		75,792		82,606		86,643		87,948		**332,989**
Financing costs		26,638		27,501		28,128		28,905		**111,172**
Administration		9,847		10,054		10,922		10,349		**41,172**
Deferred unit-based compensation		575		1,242		590		921		**3,328**
Depreciation and amortization		1,800		1,893		1,984		2,244		**7,921**
Profit before the undernoted		36,932		41,916		45,019		45,529		**169,396**
(Loss) income from equity accounted investment		(315)		(309)		83		(572)		**(1,113)**
Loss on sale of assets		-		-		-		(928)		**(928)**
Fair value gains (losses)		183,362		189,981		(6,315)		127,849		**494,877**
Interest Income		649		560		660		1,190		**3,059**
Other income		818		-		-		68		**886**
Profit before income tax		221,446		232,148		39,447		173,136		**666,177**
Income tax (expense) recovery		(57)		15		(30)		(6)		**(78)**
Profit for the period		221,389		232,163		39,417		173,130		**666,099**
Other comprehensive income		-		-		-		-		**-**
Total comprehensive income	$	221,389	$	232,163	$	39,417	$	173,130	**$**	**666,099**
Profit per unit - diluted	$	4.84	$	5.08	$	0.86	$	3.75	**$**	**14.54**
Funds from operations (1)(2)	$	39,595	$	44,595	$	48,266	$	48,897	**$**	**181,353**
Funds from operations per unit – fully diluted (2)	$	0.79	$	0.89	$	0.96	$	0.96	**$**	**3.60**

(1) This is a non-GAAP financial measure.
(2) Please refer to the section titled "Presentation of Non-GAAP Measures" in the MD&A for more information.

Market & Unitholder Information

SOLICITORS

Gowling WLG (Canada) LLP
1600, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9

First West Law LLP
100, 1501 – 1st Street SW
Calgary, Alberta T2R 0W1

BANKERS

TD Commercial Banking
1100, 421 – 7th Avenue SW
Calgary, Alberta T2P 4K9

AUDITORS

Deloitte LLP
700, 850 – 2nd Street SW
Calgary, Alberta T2P 0R8

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
Our Transfer Agent can help you with a variety of unitholder related services, including change of address, tax forms, accounts consolidation and transfer of stock.

800, 324 – 8th Avenue SW
Calgary AB T2P 2Z2
Telephone: 403-267-6800

INVESTOR RELATIONS

Unitholders seeking financial and operating information may contact:

Eric Bowers
Vice President, Finance & Investor Relations
Telephone: 403-531-9255
Web: www.bwalk.com/investors
Email: investor@bwalk.com

ONLINE INFORMATION

For an online version of the current and past annual reports, quarterly reports, press releases and other Trust information, please visit our investor website at www.bwalk.com/investors.

ANNUAL GENERAL MEETING

The Annual General and Special Meeting of the Unitholders of Boardwalk REIT will be held at the Calgary Petroleum Club: 319 – 5th Avenue SW, Calgary, Alberta at 4:00 PM (MT) on Monday, May 5, 2025.

Unitholders are encouraged to attend. Those unable to do so are requested to complete the Form of Proxy and forward it at their earliest convenience. Information available on www.bwalk.com/investors.

EXCHANGE LISTINGS

The Toronto Stock Exchange
Symbol: BEI.UN

TRADING PROFILE

TSX: January 1, 2024 to December 31, 2024
High: $91.81
Low: $62.35
Year-end Closing Price: $64.25

MONTHLY DISTRIBUTIONS				
Month	**Per Unit**	**Annualized**	**Record Date**	**Distribution Date**
Jan-24	$0.0975	**$1.17**	31-Jan-24	15-Feb-24
Feb-24	$0.0975	**$1.17**	29-Feb-24	15-Mar-24
Mar-24	$0.1200	**$1.44**	29-Mar-24	15-Apr-24
Apr-24	$0.1200	**$1.44**	30-Apr-24	15-May-24
May-24	$0.1200	**$1.44**	31-May-24	17-Jun-24
Jun-24	$0.1200	**$1.44**	28-Jun-24	15-Jul-24
Jul-24	$0.1200	**$1.44**	31-Jul-24	15-Aug-24
Aug-24	$0.1200	**$1.44**	30-Aug-24	16-Sep-24
Sep-24	$0.1200	**$1.44**	30-Sep-24	15-Oct-24
Oct-24	$0.1200	**$1.44**	31-Oct-24	15-Nov-24
Nov-24	$0.1200	**$1.44**	29-Nov-24	16-Dec-24
Dec-24	$0.1200	**$1.44**	31-Dec-24	15-Jan-25
Jan-25	$0.1200	**$1.44**	31-Jan-25	17-Feb-25
Feb-25	$0.1200	**$1.44**	28-Feb-25	17-Mar-25
Mar-25	$0.1350	**$1.62**	31-Mar-25	15-Apr-25
Apr-25	$0.1350	**$1.62**	30-Apr-25	15-May-25
May-25	$0.1350	**$1.62**	30-May-25	16-Jun-25

Corporate Information

EXECUTIVE OFFICE

First West Professional Building
200, 1501 – 1st Street SW
Calgary, Alberta T2R 0W1
Phone: 403-531-9255

BOARD OF TRUSTEES

Sam Kolias
Chairman of the Board
Calgary, Alberta

Mandy Abramsohn (2)(3)
Toronto, Ontario

Andrea Goertz (2)(3)
Calgary, Alberta

Gary Goodman (2)
Toronto, Ontario

Samantha Kolias-Gunn
Calgary, Alberta

Scott Morrison (2)
Toronto, Ontario

Brian Robinson (1)(3)
Calgary, Alberta

(1) Lead Trustee
(2) Member of the Audit & Risk Management Committee
(3) Compensation, Governance, Nominations & Sustainability Committee

SENIOR MANAGEMENT

Samantha Adams
Senior Vice President,
Investments

Boyd Belisle
Vice President,
Community & Culture

Eric Bowers
Vice President,
Finance & Investor Relations

Razvan Costin
Vice President,
Operations,
Northern Alberta and Saskatchewan

Arvinder Dhol
Vice President, Special Projects,
Engineering & Design

James Ha
President

Bhavnesh Jairam
CIO, Vice President,
Technology

Haroon Khan
Vice President,
Operations, British Columbia,
Southern Alberta, Ontario and Quebec

Jeff Klaus
Vice President,
Asset Management & Development

Sam Kolias
Chief Executive Officer

Samantha Kolias
Senior Vice President,
Corporate Development & Governance

Marie Ma
Vice President,
Recovery & Tribunal Affairs

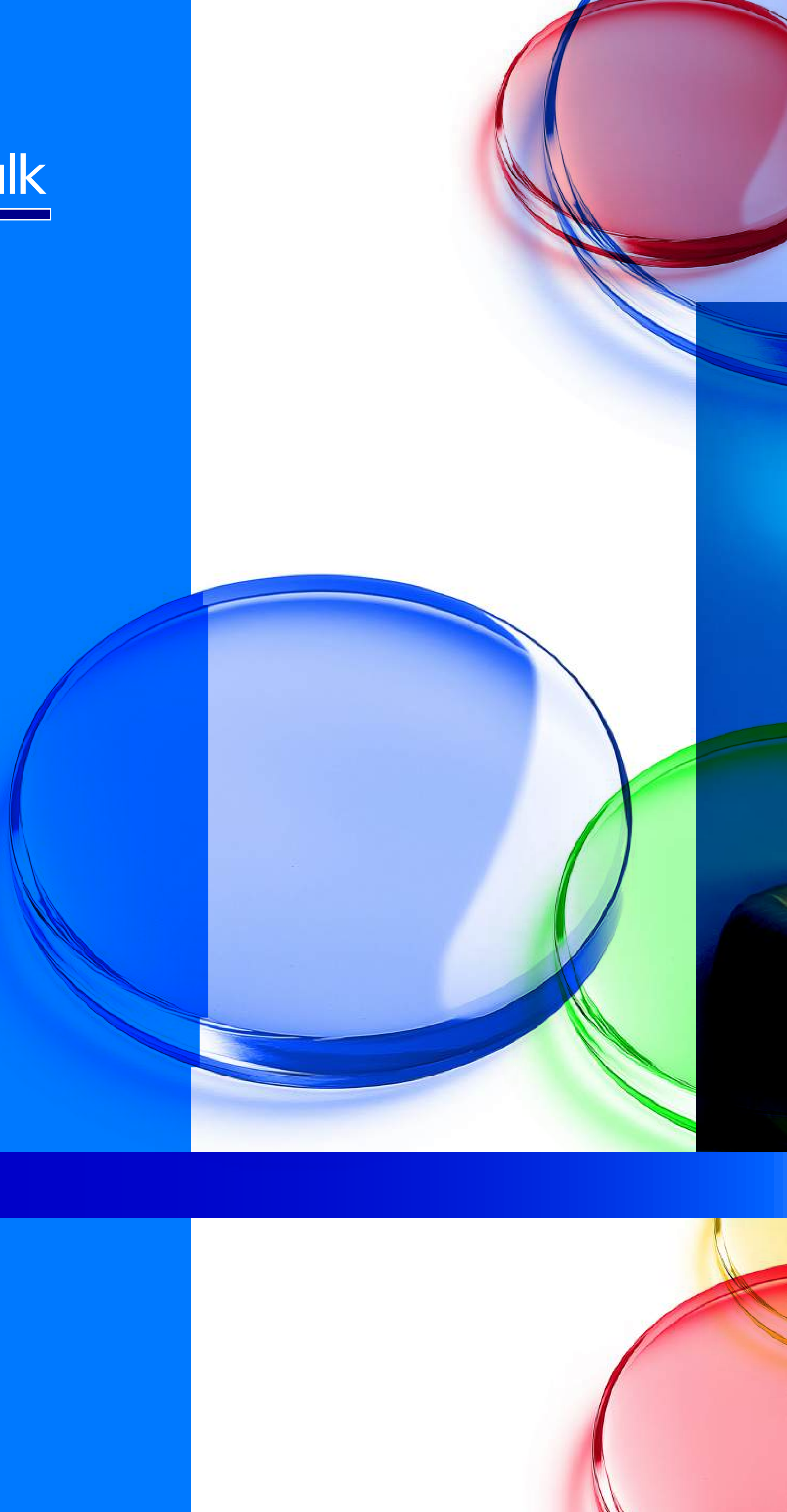
Helen Mix
Vice President,
People

Nandini Somayaji
General Counsel & Corporate Secretary

Gregg Tinling
Chief Financial Officer

NOTES

boardwalk



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