



Automotive Properties Real Estate Investment Trust

Management's Discussion and Analysis

September 30, 2025

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SECTION 1 – GENERAL INFORMATION AND CAUTIONARY STATEMENTS

Basis of Presentation

The following Management's Discussion and Analysis ("MD&A") of the financial position and results of operations of Automotive Properties Real Estate Investment Trust (the "REIT") is intended to provide readers with an assessment of the performance of the REIT for the three- and nine-month periods ended September 30, 2025. This MD&A also outlines the REIT's capital structure, operating strategies and business outlook. All dollar amounts in this MD&A are presented in thousands of Canadian dollars, except unit and per unit amounts, unless otherwise noted. All comparisons of results for the three months ended September 30, 2025 ("Q3 2025") are against results for the three months ended September 30, 2024 ("Q3 2024"), and all comparisons of results for the nine months ended September 30, 2025 ("YTD 2025") are against results for the nine months ended September 30, 2024 ("YTD 2024"), unless otherwise noted.

This MD&A should be read in conjunction with the unaudited condensed consolidated interim financial statements of the REIT and accompanying notes for the three and nine months ended September 30, 2025. Further information about the REIT can be found in the REIT's annual information form dated March 5, 2025 (the "AIF"). The AIF, along with other continuous disclosure documents required by the Canadian securities regulators, can be found on the REIT's SEDAR+ profile at <http://www.sedarplus.ca> and on the REIT's website at www.automotivepropertiesreit.ca. This MD&A is dated November 13, 2025.

All information regarding Dilawri (as defined below) contained in this MD&A (the "Dilawri Information") has been provided by and is solely the responsibility of Dilawri and not of the REIT, the REIT's management nor the trustees of the REIT (the "Trustees"). Although the REIT has no reason to believe that the Dilawri Information contains a misrepresentation, Dilawri is a private company that is independent of, and operates entirely independently from, the REIT and, consequently, neither the REIT, its management nor its Trustees (in their capacities as such) have been involved in the preparation of the Dilawri Information, nor has the REIT approved such information. Readers are cautioned, therefore, not to place undue reliance on the Dilawri Information.

The REIT

The REIT is an unincorporated, open-ended real estate investment trust that was formed to own primarily income-producing automotive properties, including retail dealership and original equipment manufacturer properties, in Canada and the United States. As at the date of this MD&A, the REIT owns a portfolio of 91 income-producing commercial properties. The properties are located in metropolitan areas in Canada across British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec and in the United States in the states of Florida and Ohio, totaling approximately 3.4 million square feet of gross leasable area ("GLA") on approximately 307 acres of land. The REIT has been internally managed since January 1, 2020.

The REIT commenced operations on July 22, 2015 following completion of its initial public offering of trust units (the "IPO"). In connection with the IPO, the REIT indirectly acquired a portfolio of 26 commercial properties from certain members of the Dilawri Group (as defined below) (the "Initial Properties") and leased the Initial Properties to the applicable member of the Dilawri Group (collectively, and including members of the Dilawri Group that became tenants of a property owned by the REIT subsequent to the IPO, the "Dilawri Tenants").

893353 Alberta Inc. ("Dilawri") is a privately held corporation which, together with certain of its affiliates, held an approximate 30.7% effective interest in the REIT on a fully diluted basis as at September 30, 2025 (December 31, 2024 – 31.3%) through the ownership, direction or control of 15,748,507 trust units of the REIT ("REIT Units"). On June 21, 2024, Dilawri converted all 9,327,487 outstanding Class B LP Units held by it into an equal number of REIT Units. As of the date of this MD&A, Dilawri, together with certain of its affiliates, holds an approximate 30.8% effective interest in the REIT on a fully diluted basis through the ownership, direction or control of 17,392,598 REIT Units. Dilawri and its affiliates, other than its shareholders and controlling persons, are referred to herein as the "Dilawri Group".

As at September 30, 2025, the total number of issued and outstanding REIT Units and Class B limited partnership units ("Class B LP Units") of Automotive Properties Limited Partnership, the REIT's operating subsidiary (the "Partnership"), was 49,117,113 and 833,333, respectively. As of the date of this MD&A, the total number of issued and outstanding REIT Units and Class B LP Units is 54,259,404 and 833,333, respectively. The REIT Units are listed and posted for trading on the Toronto Stock Exchange under the symbol "APR.UN". REIT Units and Class B LP Units are collectively referred to in this MD&A as "Units". See Section 7 "Liquidity and Capital Resources".

On February 6, 2025, the REIT entered into a floating-to-fixed interest rate swap within Facility 1 in the amount of \$7,000 for a term of six years at an interest rate of 4.46% and also entered into a floating-to-fixed interest rate swap in the amount of \$8,000 for a term of eight years at an interest rate of 4.56%.

On March 3, 2025, the REIT entered into a floating-to-fixed interest rate swap within Facility 1 in the amount of \$10,000 for a term of nine years at an interest rate of 4.53%.

On March 11, 2025, the REIT acquired the real estate underlying a Tesla collision centre (the "Columbus Tesla Property") located in Dublin, Ohio, a suburb of Columbus, for a purchase price of US\$17,800, plus acquisition costs of US\$846, for a total of C\$26,679. The Columbus Tesla Property consists of an approximately 94,000 square-foot Tesla collision service centre facility that is situated on 6.3 acres of land located along a commercial corridor at 5600 Britton Parkway, adjacent to a large retail shopping center. The Columbus Tesla Property is tenanted by Tesla under a mid-term net lease. The REIT funded the purchase price of the Columbus Tesla Property primarily by drawing on its revolving credit facilities. To mitigate the REIT's exposure to fluctuations in the Canadian to U.S. dollar exchange rate, on February 7, 2025, the REIT entered into a foreign exchange forward contract to purchase US\$17,000 at a fixed rate of 1.43, which was fulfilled on March 11, 2025.

On March 31, 2025, the maturity date of Facility 3 was extended from June 2026 to March 2028.

On April 11, 2025, the REIT acquired the real estate underlying a 25,000 square-foot automotive property situated on 2.7 acres of land located at 701 North Dale Mabry Highway in Tampa, Florida (the "Tampa Property") for a purchase price of US\$13,075, plus acquisition costs of US\$345, for a total of C\$18,639. The Tampa Property is comprised of a sales, delivery and service facility tenanted by Rivian LLC, which recently completed a major renovation to the facility, under a long-term lease that includes contractual fixed annual rent increases with renewal options. The REIT funded the purchase price of the Tampa Property by drawing on its revolving credit facilities. To mitigate the REIT's exposure to fluctuations in the Canadian to U.S. dollar exchange rate, on November 19, 2024, the REIT entered into a foreign exchange forward contract to purchase US\$12,000 at a fixed rate of 1.394, which was fulfilled on April 11, 2025.

On April 16, 2025, the REIT renewed a floating-to-fixed interest rate swap within Facility 1 in the amount of \$8,681 for a term of six years at an interest rate of 4.5%, effective March 31, 2025.

In June 2025, the REIT increased the amount of the non-revolving portion of Facility 3 by \$35,000.

On July 2, 2025, the REIT renewed a \$9,875 floating-to-fixed interest rate swap within Facility 3 for a term of six years at an interest rate of 4.58%, effective June 30, 2025.

On July 4, 2025, the REIT renewed a \$9,287 floating-to-fixed interest rate swap within Facility 2 for a term of eight years at an interest rate of 4.58%.

On August 14, 2025, the Trustees approved a \$0.018 per REIT Unit, or 2.2%, increase to the REIT's annual cash distribution, from \$0.804 per REIT Unit to \$0.822 per REIT Unit. The monthly distribution will be \$0.0685 per REIT Unit, up from \$0.0670 per REIT Unit. The increase was effective for the REIT's August 2025 cash distribution, that was paid on September 15, 2025 to Unitholders (as defined below) of record as of August 29, 2025. The increase of the distribution reflects management's and the Trustees' confidence in the REIT's stability and cash flow. See Section 1 "General Information and Cautionary Statements – Forward-Looking Statements" below.

On September 11, 2025, the REIT renewed a floating-to-fixed interest rate swap within Facility 1 in the amount of \$10,000 for a term of six years at an interest rate of 4.60%.

In September 2025, the REIT increased the amount of the non-revolving portion of Facility 2 by \$40,000 and the maturity date was extended from January 2028 to March 2029 at the same credit spread.

On September 18, 2025, the REIT acquired the real estate underlying an automotive property located in Orlando, Florida (the “Orlando Property”) from a third party for a purchase price of US\$16,800, plus acquisition costs of US\$405, for a total of C\$23,742. The Orlando Property is tenanted by Rivian LLC, under a long-term, net lease that includes contractual fixed annual rent increases with renewal options. The Orlando Property consists of an approximately 34,938 square-foot Rivian sales, delivery and service facility that is situated on approximately 6.44 acres of land located at 4000 Shader Road. The REIT funded the purchase price of the Orlando Property by drawing on its credit facilities.

On September 25, 2025, the REIT acquired a portfolio of five automotive dealership properties and one collision centre property (GM Île-Perrot, Île-Perrot Toyota, Mazda 2-20, Hyundai Île-Perrot, Ford Île-Perrot and a body shop) located in Île-Perrot, Québec, a suburb of Montreal (collectively, the “Île-Perrot Properties”), from a third party for an aggregate purchase price of approximately \$70,479, plus acquisition costs of \$2,171. The Île-Perrot Properties consist of an aggregate of 177,932 square-feet of GLA situated on approximately 24.0 acres of land and are tenanted by affiliates of Groupe AutoForce Inc., a private entity that owns and operates several automotive dealerships in the Greater Montreal Area. The respective operators of each of the Île-Perrot Properties are under long-term net leases with the REIT that are subject to annual adjustments linked to the consumer price index (“CPI”) in Québec. The REIT funded a portion of the purchase price for the Île-Perrot Properties through the issuance of 833,333 Class B LP Units to the vendor at a price of \$12.00 per Class B LP Unit (with a corresponding number of Special Voting Units (as defined below) issued concurrently therewith), subject to a potential cash adjustment payable by the REIT in the event that the five day volume-weighted average trading price of the Units on the Toronto Stock Exchange (the “VWAP”) is less than \$12.00 per REIT Unit on the date that is two years following closing of such acquisition (the “Reference Date”), in an amount equal to the difference between (i) \$12.00 and (ii) the VWAP as of the Reference Date, subject to a maximum cash payment of \$1,250. The balance of the purchase price was funded by the REIT by drawing on its credit facilities.

On October 16, 2025, the REIT renewed a floating-to-fixed interest rate swap within Facility 2 in the amount of \$15,000 for a term of six years at an interest rate of 4.50%.

On October 16, 2025, the REIT acquired a portfolio of three automotive dealership properties located in Dorval, Québec, a suburb of Montreal (collectively, the “Des Sources Properties”), from a third party for an aggregate purchase price of approximately \$52,500. The Des Sources Properties consist of Subaru Des Sources, Honda Des Sources and Volkswagen Des Sources, which together comprise an aggregate of 140,693 square feet of GLA situated on approximately 9.0 acres of land. The Des Sources Properties are tenanted by members of the Dilawri Group under short-term, triple-net leases with renewal rights. The REIT funded the purchase price for the Des Source Properties through an interest-only \$31,500 vendor take-back mortgage with an affiliate of the vendor at an interest rate of 4.5% for a term of five years, with the balance funded by the REIT’s credit facilities, which the REIT repaid with a portion of the net proceeds of the Offering (as defined below).

On October 17, 2025, the REIT increased the amount of the non-revolving portion of Facility 3 by \$40,000.

On October 23, 2025, the REIT completed a bought deal public offering of 3,070,000 REIT Units at a price of \$11.11 per REIT Unit (the “Offering Price”) to a syndicate of underwriters (the “Underwriters”) for gross proceeds of \$34,108 (the “Public Offering”). Concurrently with the Public Offering, the REIT completed a private placement of 1,442,844 REIT Units at the Offering Price to a member of the Dilawri Group (the “Dilawri Subscriber”) for gross proceeds of \$16,030 (the “Concurrent Private Placement” and, together with the Public Offering, the “Offering”). On October 28, 2025, the REIT issued and sold an additional 428,200 REIT Units at the Offering Price to the Underwriters for gross proceeds of \$4,757 pursuant to the partial exercise of the over-allotment option granted to the Underwriters in connection with the Public Offering (the “Over-Allotment Option”). Concurrently, the REIT completed the issue and sale of an additional 201,247 REIT Units at the Offering Price to the Dilawri Subscriber for gross proceeds of \$2,236 pursuant to the exercise of an option granted to the Dilawri Subscriber in connection with the Concurrent Private Placement (the “Dilawri Option”). The completion of the Over-Allotment Option and the Dilawri Option increased the total gross proceeds of the Offering to \$57,131. The REIT used the net proceeds from the Offering to repay indebtedness under its credit facilities, including the debt incurred to fund the cash portion of the acquisition of the Des Sources Properties as described above.

On October 29, 2025, the REIT acquired an automotive dealership property located in Île-Perrot, Québec (the “Honda Île-Perrot Property”) for a purchase price of \$4,800. The Honda Île-Perrot Property consists of 18,670 square feet of GLA situated on approximately 4.0 acres of land. The REIT funded the acquisition of the Honda Île-Perrot Property with cash on hand.

The Strategic Alliance Agreement with Dilawri continues to allow the REIT to benefit from a preferential relationship with Dilawri as Dilawri develops and acquires automotive dealerships in the future. This agreement is described under Section 8 “Related Party Transactions” in this MD&A.

The REIT paid monthly cash distributions of \$0.067 per REIT Unit for July and August 2025, and \$0.0685 per REIT Unit and Class B LP Unit for September 2025, resulting in total distributions paid of \$9,946 (Q3 2024 – \$9,865 paid and declared) and declared of distributions \$10,077 for Q3 2025. As at September 30, 2025, the REIT had a Debt to GBV (as defined below) ratio of 47.4%, \$21,000 of undrawn capacity under its Credit Facilities (as defined below), cash on hand of \$636 and ten unencumbered properties with an aggregate value of approximately \$153,830. As the result of the successful completion of the Offering and the acquisition of the Honda Île-Perrot Property and the Des Sources Properties (collectively, the “Quebec Properties”), the REIT’s Debt to GBV ratio as of the date of this MD&A has decreased to approximately 45.7%. As at the date of this MD&A, the REIT has approximately \$7,500 of cash on hand, approximately \$90,000 of undrawn capacity under its Credit Facilities and eight unencumbered properties with an aggregate value of approximately \$116,997. See Section 7 “Liquidity and Capital Resources” for additional details. See also Section 1 “General Information and Cautionary Statements – Non-IFRS Financial Measures” below.

As at September 30, 2025, the REIT had a Debt to EBITDA Ratio of 8.34, compared to 6.89 as at December 31, 2024. The increase in the Debt to EBITDA Ratio results primarily from the fact that EBITDA does not include the full trailing 12 months of rental revenue generated from the Columbus Tesla Property, the Tampa Property, the Orlando Property, the Île-Perrot Properties and the Quebec Properties. The REIT’s EBITDA will increase as a result of these acquisitions, thereby reducing the REIT’s Debt to EBITDA Ratio in future periods. See Section 1 “General Information and Cautionary Statements – Non-IFRS Financial Measures” and “General Information and Cautionary Statements – Forward-Looking Statements” below.

Forward-Looking Statements

Certain statements contained in this MD&A constitute forward-looking information within the meaning of securities laws. Forward-looking information may relate to the REIT’s future outlook and anticipated events or results and may include statements regarding the financial position, business strategy, budgets, litigation, projected costs, capital expenditures, financial results, taxes, plans and objectives of or involving the REIT. Particularly, statements regarding future results, performance, achievements, prospects or opportunities for the REIT or the real estate or automotive dealership industry are forward-looking statements. In some cases, forward-looking information can be identified by terms such as “may”, “might”, “will”, “could”, “should”, “would”, “occur”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “potential”, “continue”, “likely”, “schedule”, “objectives”, or the negative thereof or other similar expressions concerning matters that are not historical facts. Some of the specific forward-looking statements in this MD&A include, but are not limited to, statements with respect to the following:

- the impact of changes in economic conditions, including changes in interest rates, currency fluctuation and the rate of inflation, or the impact of tariffs or other trade restrictions;
- the REIT’s relationship with the Dilawri Group, Dilawri’s shareholders and certain other related persons and entities (collectively, the “Dilawri Organization”), including in respect of (i) the Dilawri Organization’s retained interest in the REIT and its current intention with respect thereto, and (ii) expected transactions to be entered into between Dilawri and the REIT (including pursuant to the Strategic Alliance Agreement);
- the REIT’s intention with respect to, and ability to execute, its external and internal growth strategies;
- the maintenance by the REIT of a strong balance sheet and prudent financial management and associated minimization of financial risk;

- the REIT's expectations with respect to the proportion of leases containing CPI-related adjustments in 2025 and the impact of rent escalators on the REIT's Same Property Cash NOI (as defined below);
- the REIT representing a unique alternative for automotive, original equipment manufacturers ("OEMs"), dealership and service centre operators considering a sale or recapitalization of their business;
- the REIT's capital expenditure requirements and capital expenditures to be made by the REIT and the REIT's tenants;
- the REIT's distribution policy and the distributions to be paid to Unitholders;
- the REIT's debt strategy;
- the REIT's access to available sources of debt and/or equity financing;
- the expected tax treatment of the REIT and its distributions to Unitholders;
- the REIT's ability to meet its stated objectives;
- the REIT's ability to expand its asset base and make accretive acquisitions;
- the ability of the REIT to qualify as a "mutual fund trust" as defined in the *Income Tax Act* (Canada) (the "Tax Act"), and as a "Real Estate Investment Trust" as defined in the rules in the Tax Act applicable to "SIFT trusts" and "SIFT partnerships" (the "SIFT Rules"); and
- the REIT's ability to acquire automotive and OEM dealership and service centre properties.

The REIT has based these forward-looking statements on factors and assumptions about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs, including that inflation will remain stable in the near term, that interest rates will remain elevated in the near term, that tax laws remain unchanged, that the geopolitical environment (including with respect to tariffs and other trade restrictions) will remain stable in the near term, that conditions within the automotive dealership, OEM, dealership and service centre operators real estate industry and the automotive dealership, OEM dealership and service centre operators industry generally, including competition for acquisitions, will be consistent with the current climate, that the Canadian capital markets will provide the REIT with access to equity and/or debt at reasonable rates when required and that the Dilawri Organization will continue its involvement with the REIT.

Although the forward-looking statements contained in this MD&A are based upon assumptions that management believes are reasonable based on information currently available to management, there can be no assurance that actual results will be consistent with these forward-looking statements. Forward-looking statements necessarily involve known and unknown risks and uncertainties, many of which are beyond the REIT's control, that may cause the REIT's or the industry's actual results, performance, achievements, prospects and opportunities in future periods to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things, the factors contained in the REIT's filings with securities regulators, including the factors discussed under Section 12 "Risks & Uncertainties, Critical Judgments & Estimates" in this MD&A.

When relying on forward-looking statements to make decisions, the REIT cautions readers not to place undue reliance on these statements, as forward-looking statements involve significant risks and uncertainties and should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not, and at which times, such performance or results will be achieved. The forward-looking statements made in this MD&A relate only to events or information as of the date on which the statements are made in this MD&A. Except as required by law, the REIT undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

The information in this MD&A is current to September 30, 2025, unless otherwise noted.

Non-IFRS Financial Measures

The REIT prepares its consolidated financial statements according to IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board. This MD&A contains certain financial measures and ratios which are not defined under IFRS and may not be comparable to similar measures presented by other real estate investment trusts or enterprises.

Funds from operations (“FFO”), adjusted funds from operations (“AFFO”), adjusted cash flow from operations (“ACFO”), FFO payout ratio, AFFO payout ratio, ACFO payout ratio, net operating income (“NOI”), cash net operating income (“Cash NOI”), same property cash net operating income (“Same Property Cash NOI”), and earnings before interest expense, income tax, depreciation, and amortization (“EBITDA”) are key measures of performance used by the REIT’s management and real estate businesses.

Gross book value (“GBV”), indebtedness (“Indebtedness”), net asset value (“Net Asset Value”), debt to gross book value (“Debt to GBV”), debt service coverage ratio (“Debt Service Coverage Ratio”), interest coverage ratio (“Interest Coverage Ratio”), debt to EBITDA ratio (“Debt to EBITDA Ratio”) and tangible net worth are measures of financial position defined by agreements to which the REIT is a party. These measures and ratios, as well as any associated “per Unit” amounts, are not defined by IFRS and do not have standardized meanings prescribed by IFRS, and therefore should not be construed as alternatives to net income or cash flow from operating activities calculated in accordance with IFRS.

The REIT believes that AFFO is an important measure of economic earnings performance and is indicative of the REIT’s ability to pay distributions from earnings, while FFO, NOI, Cash NOI, Same Property Cash NOI and EBITDA are important measures of operating performance of real estate businesses and properties. The IFRS measurement most directly comparable to FFO, AFFO, NOI, Cash NOI, Same Property Cash NOI and EBITDA is net income. ACFO is a supplementary measure used by management to improve the understanding of the operating cash flow of the REIT. The IFRS measurement most directly comparable to ACFO is cash flow from operating activities.

“FFO” is a non-IFRS measure of operating performance widely used by the real estate industry, particularly by those publicly traded entities that own and operate income-producing properties. FFO should not be considered as an alternative to net income or cash flows provided by operating activities determined in accordance with IFRS. The REIT calculates FFO in accordance with the Real Property Association of Canada’s White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS issued in January 2022. FFO is calculated as net income in accordance with IFRS, adjusted by removing the impact of: (i) fair value adjustments on investment properties; (ii) other fair value adjustments including fair value adjustments on redeemable or exchangeable units; (iii) gains and losses on the sale of investment properties; (iv) amortization of tenant incentives; (v) distributions on redeemable or exchangeable units treated as interest expense; (vi) operational revenue and expenses from the right-of-use assets (referred to as “ROU” assets); and (vii) foreign exchange translation adjustment.

“AFFO” is a non-IFRS measure of economic earnings operating performance widely used in the real estate industry to assess an entity’s distribution capacity from earnings. The REIT calculates AFFO in accordance with the Real Property Association of Canada’s White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS issued in January 2022. AFFO is calculated as FFO subject to certain adjustments, to remove the impact of: (i) any adjustments resulting from recognizing property rental revenues or expenses (including ground lease rental payments) on a straight-line basis; and (ii) capital expenditures. The REIT includes a capital expenditure reserve of 0.5% of base rent in the AFFO calculation. To date, the REIT has not incurred capital expenditure costs. The capital expenditure reserve is based on management’s best estimate of costs that the REIT may incur related to the sustaining/maintaining of the existing leased area.

“ACFO” is a non-IFRS financial measure. The REIT calculates ACFO in accordance with the Real Property Association of Canada’s White Paper on Adjusted Cash Flow from Operations for IFRS issued in January 2022. ACFO is calculated as cash flow from operating activities subject to certain adjustments, to (a) remove the impact of: (i) changes in non-cash working capital that are not sustainable in nature; (ii) amortization of financing costs and indemnity payable in respect of the third-party tenant portfolio sublease structure; and (iii) capital expenditures and (b) deduct interest expense. The REIT includes a capital expenditure reserve of 0.5% of base rent in the ACFO calculation. To date, the

REIT has not incurred capital expenditure costs. The capital expenditure reserve is based on management's best estimate of costs that the REIT may incur, related to the sustaining/maintaining of the existing leased area.

"NOI" is a non-IFRS measure that means rental revenue from properties less property operating expenses as presented in the statement of income prepared in accordance with IFRS. Accordingly, NOI excludes certain expenses included in the determination of net income such as interest, general and administrative expenses, fair value adjustments and amortization.

"Cash NOI" is a non-IFRS measure that means NOI prior to the effects of straight-line adjustments and deducts land lease payments.

"Same Property Cash NOI" is a non-IFRS measure which reports the period-over-period performance of the same asset base having consistent GLA during both periods of Cash NOI. The REIT uses this measure to assess financial returns and changes in property value.

Non-IFRS Ratios:

"FFO payout ratio" is calculated as distributions paid per Unit (excluding the Special Distribution (as defined below)) divided by the FFO per Unit diluted.

"AFFO payout ratio" is a non-IFRS measure of the sustainability of the REIT's distribution payout capacity from earnings. The REIT uses this metric to provide clarity of the performance of earnings and the overall management of the current portfolio of assets. Management considers AFFO payout ratio as the key measure of the REIT's distribution capacity from earnings. AFFO payout ratio is calculated as distributions declared per Unit (excluding the Special Distribution) divided by AFFO per Unit diluted.

"ACFO payout ratio" is calculated as distributions declared (excluding the Special Distribution) divided by ACFO.

Supplementary Financial Measures:

"EBITDA" is defined as earnings (net income) before income tax, interest expense, depreciation, and amortization.

FFO, AFFO, FFO payout ratio, AFFO payout ratio, ACFO, ACFO payout ratio, NOI, Cash NOI and Same Property Cash NOI should not be construed as alternatives to net income or cash flow from operating activities determined in accordance with IFRS as indicators of the REIT's performance. The REIT's method of calculating FFO, AFFO, FFO payout ratio, AFFO payout ratio, ACFO, ACFO payout ratio, NOI, Cash NOI and Same Property Cash NOI may differ from other issuers' methods and, accordingly, may not be comparable to measures used by other issuers. See Section 6 "Non-IFRS Financial Measures" in this MD&A for a reconciliation of these measures to net income or cash flow from operating activities, as applicable.

"GBV" means, at any time, the greater of: (A) the book value of the assets of the REIT and its consolidated subsidiaries, as shown on its then most recent consolidated balance sheet, less the amount of any receivable reflecting interest rate subsidies on any debt assumed by the REIT; and (B) the historical cost of the investment properties, plus (i) the carrying value of cash and cash equivalents, (ii) the carrying value of mortgages receivable, and (iii) the historical cost of other assets and investments used in operations.

"Indebtedness" of the REIT means (without duplication): (i) any obligation for borrowed money (including, for greater certainty, the full principal amount of convertible debt, notwithstanding its presentation under IFRS), (ii) any obligation incurred in connection with the acquisition of property, assets or businesses, (iii) any obligation issued or assumed as the deferred purchase price of property, (iv) any capital lease obligation (as defined under IFRS and in the REIT's declaration of trust (the "Declaration of Trust")), and (v) any obligations of the type referred to in clauses (i) through (iv) of another entity, the payment of which the REIT has guaranteed or for which the REIT is responsible or liable; provided that, (A) for the purpose of clauses (i) through (v) (except in respect of convertible debt, as described above), an obligation will constitute Indebtedness of the REIT only to the extent that it would appear as a liability on the consolidated balance sheet of the REIT in accordance with IFRS, (B) obligations referred to in clauses (i) through (iii) exclude trade accounts payable, distributions payable to Unitholders or holders of other securities excluded from the definition of

Indebtedness pursuant to clause (C) below, accrued liabilities arising in the ordinary course of business which are not overdue or which are being contested in good faith, deferred revenues, intangible liabilities, deferred income taxes, deferred financing costs, tenant deposits and indebtedness with respect to the unpaid balance of installment receipts where such indebtedness has a term not in excess of 12 months, and (C) REIT Units, Class A LP Units, and Class B LP Units, exchangeable securities and other equity securities that constitute debt under IFRS do not constitute Indebtedness.

“Net Asset Value” means total assets less Indebtedness, accounts payable, accrued liabilities, credit facilities, mortgages and interest rate swaps.

“Debt to EBITDA Ratio” means the ratio of total debt divided by 12 months of trailing EBITDA. Debt may increase as a result of acquisitions; however, EBITDA will not include the full trailing 12 months of rental revenue associated with recent acquisitions.

“Debt to GBV” means the ratio of Indebtedness to GBV at a particular time.

“Debt Service” means the total payments of principal and interest on debt.

“Debt Service Coverage Ratio” means the ratio of EBITDA divided by Debt Service at a particular time.

“Interest Coverage Ratio” means the ratio of Cash NOI less general and administrative expenses divided by the total of the interest expense and other financing charges.

SECTION 2 — STRATEGY AND OBJECTIVES

Strategy and Objectives

The primary strategy of the REIT is to create Unitholder value over the long-term by generating sustainable tax-efficient cash flow and capital appreciation through the REIT’s ability to execute on external and internal growth strategies.

The primary objectives of the REIT are to:

- provide Unitholders with stable, predictable and growing monthly cash distributions on a tax-efficient basis;
- enhance the value of the REIT’s assets in order to maximize long-term Unitholder value; and
- expand the REIT’s asset base while also increasing the REIT’s AFFO per Unit, including through accretive acquisitions.

Management intends to grow the value of the REIT’s real estate portfolio while also increasing AFFO per Unit through accretive acquisitions and steady growth in rental rates. The REIT expects to be well-positioned to capitalize on acquisition opportunities presented by third parties due to the fragmented nature of the automotive dealership industry. The REIT also expects to leverage its strategic arrangement with the Dilawri Group to acquire properties from the Dilawri Group that meet the REIT’s investment criteria. Management intends to focus on obtaining new properties which have the potential to contribute to the REIT’s ability to generate stable and predictable monthly cash distributions to Unitholders. The REIT continually reviews its investment property portfolio and may consider, from time to time, potential strategic dispositions of investment properties in order to unlock value which is in line with the best interests of the REIT’s long-term growth strategy. The REIT also, plans to continue to grow its portfolio of properties leased to OEMs, OEM dealers and other automotive related tenants in Canada and the United States.

Overall, the REIT has a well-defined, long-term growth strategy which includes both external and internal elements.

External Growth

Accretive Acquisitions

Management believes that the REIT is well-positioned to capitalize on opportunities for accretive acquisitions of automotive dealership and OEM properties due to certain features of the automotive dealership industry in Canada and the United States:

- *Fragmented ownership* – Management estimates that the top 10 automotive dealership groups in Canada and the United States own less than 20% of the approximately 3,500 automotive dealerships in Canada and approximately 18,000 automotive dealerships in the United States that are currently in operation;
- *Capital redeployment needs* – Monetizing the real estate underlying automotive dealership, OEM, dealership and service centre properties allows owner operators to retain control of their dealership while redeploying capital into other areas of their business; and
- *Succession planning issues* – Management believes that for the majority of independent automotive dealership or OEM dealership or service centre owners, the dealership / service centre and its underlying real estate together represent the single largest proportion of their wealth. Selling the underlying real estate to the REIT can help such dealers address succession planning issues, particularly if the transaction can be effected on a tax efficient basis. Management believes that the REIT will represent a unique alternative for automotive dealership operators considering a sale or recapitalization of their business, as the REIT is currently the only public vehicle in Canada focused on consolidating automotive and OEM dealership and service real estate properties.

The REIT seeks to acquire properties that meet its investment criteria in order to diversify its tenant base, while continuing to focus on tenant quality, stability of cash flow and brand and geographical diversification in strategic markets. The REIT will evaluate potential acquisition opportunities based on a number of factors, including valuation, expected financial performance, stability of cash flows, physical features, existing leases, functionality of design, geographic market, location, automotive brand representation and opportunity for future value enhancement. In addition, the REIT will continue to assess acquisitions of heavy equipment, trucking and other OEM dealership or service properties as opportunities arise.

Right of First Offer to Acquire REIT-Suitable Properties from the Dilawri Group

Management believes that its relationship with the Dilawri Group provides the REIT with additional opportunities to add quality automotive dealership properties to its portfolio in an accretive manner.

Pursuant to the Strategic Alliance Agreement, Dilawri is required to offer to sell to the REIT any REIT suitable property that is acquired, developed, redeveloped, refurbished, or repositioned by a member of the Dilawri Group.

Since completion of the IPO, the REIT has acquired 13 automotive dealership properties from the Dilawri Group under the Strategic Alliance Agreement as of the date of this MD&A.

Internal Growth

Management believes the REIT is well-positioned to organically increase cash flow and, as a result, increase the value of its properties over time. These increases are expected to come from the following sources:

- The existing leases as at September 30, 2025 with a member of the Dilawri Group (each, a “Dilawri Lease”) contain annual contractual basic rent escalators in the amount of 1.5% per annum during the initial lease term and any renewal term. In addition, the leases entered into by the REIT with other dealership groups to date generally also contain contractual basic rent escalation clauses. The Dilawri Leases and nearly all of the leases with other tenants are structured as triple-net leases under which the tenant is responsible for all costs relating to repair and maintenance, realty taxes, property insurance, utilities and non-structural capital improvements. As a result, the contractual rent escalators will provide the REIT with stable and predictable increases in Same Property Cash NOI over the terms of the leases; and

- Contractual fixed rent escalators or consumer price index adjustments are expected, wherever possible, to be negotiated into new leases entered into by the REIT. Leases containing CPI-related adjustments represent approximately 28% of the REIT's portfolio by full year base rent in 2025 and an additional 10% of the REIT's existing leases are subject to capped CPI-related adjustments.

Overview of Automobile Retail Industry

According to DesRosiers Automotive Consultants Inc., based on OEM submissions, Canadian new, light vehicle unit sales for Q3 2025 increased by approximately 2.5% compared to Q3 2024. According to Bank of Nova Scotia, US new light vehicle unit sales for Q3 2025 increased by approximately 6.0% compared to Q3 2024. The increases may be a partially attributable to of the uncertainty regarding the impact of tariffs on future vehicle pricing and demand.

Historically, Canada's automotive retail industry has been characterized by strong industry fundamentals. According to Statistics Canada, automotive retail industry sales totaled approximately \$219 billion in 2024 (up 3.6% from approximately \$211 billion in 2023), representing approximately 27% of Canada's overall retail sales of products and merchandise. Over the last 20 years, retail automotive sales grew at a compound annual rate of 5.0%. The tables below contain new automobile sales by units in Canada for the eight months ended August 31, 2025 and 2024 and 2024 and 2023 calendar years as provided by Statistics Canada:

	Eight Months Ended August 31 (units)			2024
	2025	YoY unit increase/ (decrease)	YoY % increase/ (decrease)	
Alberta	163,437	13,209	8.8%	150,228
British Columbia and the Territories	147,903	2,982	2.1%	144,921
Manitoba	43,449	4,663	12.0%	38,786
New Brunswick	33,070	3,297	11.1%	29,773
Newfoundland and Labrador	25,893	3,259	14.4%	22,634
Nova Scotia	39,164	5,832	17.5%	33,332
Ontario	540,917	23,328	4.5%	517,589
Prince Edward Island	6,380	643	11.2%	5,737
Québec	311,378	(486)	(0.2%)	311,864
Saskatchewan	38,335	4,218	12.4%	34,117
Total Canada	1,349,926	60,945	4.7%	1,288,981

	Twelve Months Ended December 31 (units)			2023
	2024	YoY unit increase/ (decrease)	YoY % increase/ (decrease)	
Alberta	223,441	15,818	7.6%	207,623
British Columbia and the Territories	214,515	10,601	5.2%	203,914
Manitoba	57,777	9,008	18.5%	48,769
New Brunswick	44,077	6,662	17.8%	37,415
Newfoundland and Labrador	33,277	6,492	24.2%	26,785
Nova Scotia	49,268	7,483	17.9%	41,785
Ontario	762,260	48,339	6.8%	713,921
Prince Edward Island	8,495	972	12.9%	7,523
Québec	470,727	63,029	15.5%	407,698
Saskatchewan	50,885	7,048	16.1%	43,837
Total Canada	1,914,722	175,452	10.1%	1,739,270

(Source: Statistics Canada)

New vehicle sales represent a portion of overall dealer profitability, as significant profit contributions are also generated from used vehicle sales, service and parts, finance and insurance. The REIT's portfolio of diverse dealership, service and OEM properties, strong industry fundamentals and an attractive leasing profile support the stability of distributions to holders of REIT Units and Class B LP Units (collectively, "Unitholders").

SECTION 3 — PROPERTY PORTFOLIO

Portfolio Overview

As at September 30, 2025, the REIT's portfolio consisted of 87 income-producing commercial properties (91 properties as of the date of this MD&A), representing approximately 3.2 million square feet of GLA on approximately 294 acres of land (3.4 million square feet of GLA on approximately 307 acres of land as of the date of this MD&A), in metropolitan markets in Canada across British Columbia, Alberta, Saskatchewan, Manitoba, Ontario and Québec and in the states of Florida and Ohio in the United States.

As at September 30, 2025, the Dilawri Group occupies 36 of the REIT's properties for use as automotive dealerships or, in one case, an automotive repair facility (39 properties as of the date of this MD&A). The Dilawri Group jointly occupies one of the REIT's properties (for use as an automotive dealership) with one or more third parties (for use as automotive dealerships or complementary uses, including restaurants). The remaining 50 properties (51 properties as of the date of this MD&A) are exclusively occupied by other dealership groups or OEMs for use as automotive dealerships, service centres or for ancillary services, such as a vehicle service compound facility or a repair facility. The REIT's Taschereau JLR and Volkswagen property is jointly owned by the REIT and StorageVault Canada Inc. pursuant to a 50/50 joint arrangement.

The Dilawri Group is the REIT's most significant tenant and accounted for approximately 48.2% of the REIT's Q3 2025 base rent, including rent from properties subleased to third parties (53.0% for Q3 2024). The REIT's overall portfolio continues to be 100% leased.

As at September 30, 2025, the REIT's properties had a weighted average rental rate of \$28.30 per square foot (\$27.39 as at September 30, 2024). The year-over-year increase is due to contractual rent increases, lease renewals and properties acquired by the REIT subsequent to Q3 2024.

Except where otherwise expressly indicated, the information that follows as at and for the three and nine months ended September 30, 2025 does not give effect to the acquisition of the Quebec Properties, as the acquisition of these properties had not closed by September 30, 2025.

Income Producing Property Portfolio Summary

As at September 30, 2025	Number of Properties	GLA (sq. ft.)	Average rental rate (per sq. ft.) ⁽¹⁾	Weighted Average Lease Term (yrs)
British Columbia ⁽²⁾	8	199,244	\$42.73	8.4
Alberta	13	467,508	\$30.06	7.4
Saskatchewan	9	203,560	\$24.82	5.3
Manitoba	2	109,816	\$25.95	15.7
Ontario	26	986,879	\$30.13	8.0
Quebec	26	1,084,342	\$24.02	10.6
USA	3	153,938	\$29.11	5.6
Total Portfolio	87	3,205,287	\$28.30	8.8

As at September 30, 2024	Number of Properties	GLA (sq. ft.)	Average rental rate (per sq. ft.) ⁽³⁾	Weighted Average Lease Term (yrs)
British Columbia ⁽²⁾	8	199,244	\$41.90	9.4
Alberta	13	467,508	\$29.70	8.4
Saskatchewan	9	203,560	\$24.49	6.3
Manitoba	2	96,135	\$25.68	13.5
Ontario	27	1,058,889	\$27.56	8.5
Quebec	18	846,803	\$22.95	10.2
Total Portfolio	77	2,872,139	\$27.26	9.1

(1) Based on 12-month period contractual rental revenue commencing September 30, 2025.

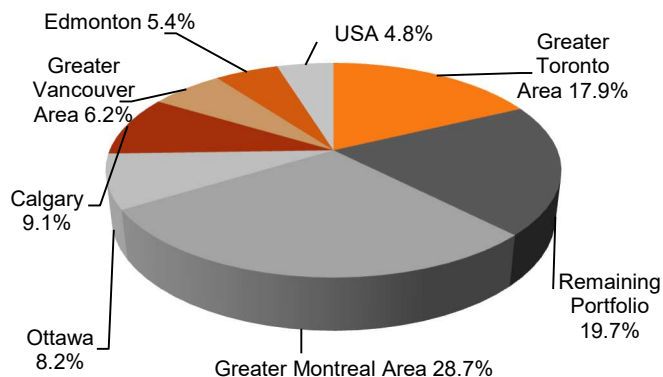
(2) Excludes land leases, where expenses are passed on to the tenant.

(3) Based on 12-month period contractual rental revenue commencing September 30, 2024.

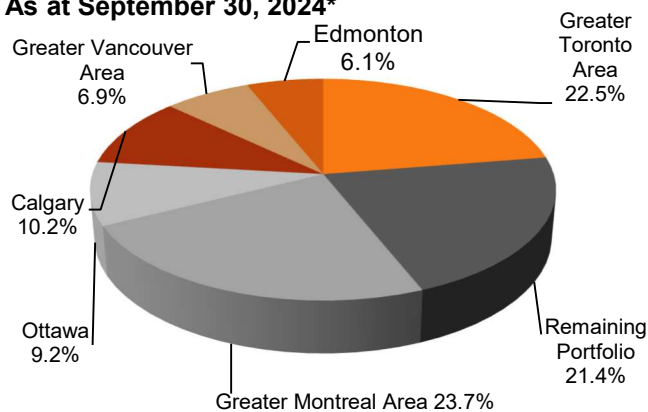
GLA by Major Metropolitan Area Across Canada and in the United States

A significant majority of the REIT's properties are located within major metropolitan areas across Canada and in the United States. Except where otherwise expressly indicated, the information that follows as at and for the three and nine months ended September 30, 2025 does not give effect to the acquisition of the Quebec Properties, as the acquisition of these properties had not closed by September 30, 2025.

As at September 30, 2025



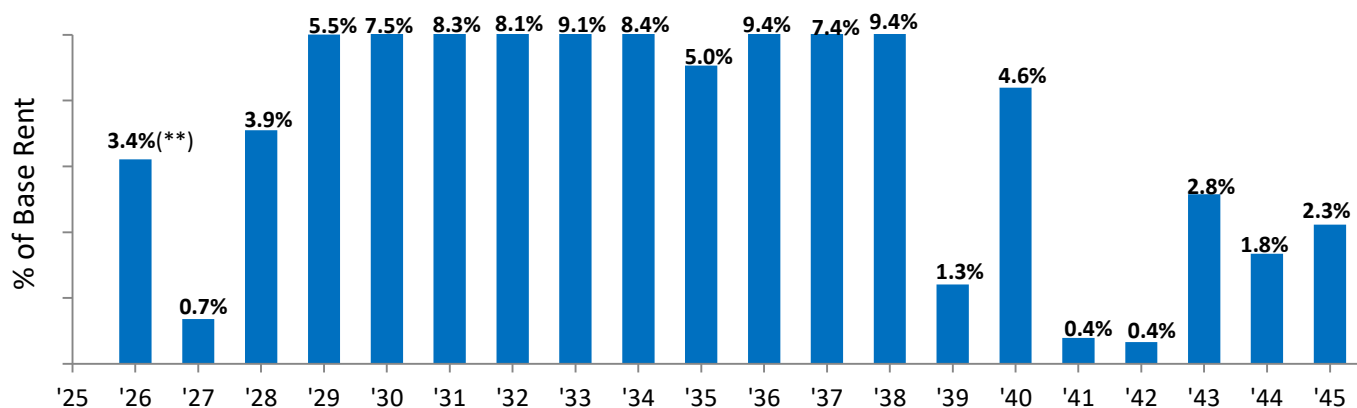
As at September 30, 2024*



(*) Inclusive of the Kennedy Lands as at September 30, 2024.

The REIT's lease portfolio matures between 2026 and 2045 as set out in the chart below:

Lease Maturity Profile (*)



(*) Based on 12-month period contractual rental revenue commencing September 30, 2025.

(**) Pfaff Audi (Vaughan property) tenant has notified that they will vacate the premises at the end of the lease on or about September 1, 2026.

Property Use and Brand Diversification

Sales for an individual automotive dealership and OEM property are heavily influenced by the popularity of the automotive brands being marketed, and these, in turn, are often cyclical for each brand as new models are introduced, and existing models are updated and refreshed. In addition, prospects for both mass market and luxury brands can vary with economic cycles. Management believes that the portfolio's broad automotive and OEM brand diversification contributes to the quality and stability of the REIT's cash flows. The following table sets out the breakdown of automotive brands that are marketed, retailed and serviced at the REIT's properties as of September 30, 2025:

Manufacturer / Brand	REIT Auto Property GLA (Sq. Feet)	% of REIT Auto Property GLA	% of REIT Base Rent ⁽¹⁾	No. of REIT Locations
Honda ⁽²⁾	449,585	14.1%	14.3%	12
Tesla ⁽³⁾	332,879	10.5%	6.9%	7
BMW ⁽⁴⁾	320,824	10.1%	8.6%	7
Toyota	264,324	8.3%	8.6%	6
Volkswagen ^{(6) (7)}	252,299	7.9%	8.5%	7
Audi	196,462	6.2%	7.4%	4
Acura ⁽²⁾	162,081	5.1%	6.1%	6
Mazda	139,254	4.4%	5.4%	6
General Motors	113,532	3.6%	3.2%	2
Hyundai	100,384	3.2%	3.7%	5
Chrysler ⁽⁶⁾	81,750	2.6%	1.5%	2
Mercedes Benz	60,850	1.9%	1.7%	1
Nissan	57,233	1.8%	1.7%	2
Kia	53,819	1.7%	1.8%	3
Porsche	39,790	1.2%	3.7%	1
Lexus	30,015	0.9%	1.1%	1
Subaru	19,033	0.6%	0.5%	2
Mitsubishi	14,750	0.5%	0.5%	2
Infiniti	14,592	0.5%	0.8%	2
Other ⁽⁵⁾	481,056	14.9%	14.0%	23
Total	3,184,512	100.0%	100.0%	101

Notes:

- (1) Based on 12-month period contractual base rent commencing October 1, 2025.
- (2) Includes Honda Used Car and Regina Collision Centre. Regina Honda/Acura split 75% and 25% of 30,863 square feet, respectively. Also includes the former Markham Ford, which is being used for ancillary purposes by Markham Honda.
- (3) Includes the following Tesla properties: Tesla KW, Tesla Laval, Tesla Edmonton, Tesla Barrie, Tesla Quebec City (two adjoining properties) and Columbus Tesla.
- (4) Includes MINI.
- (5) The Dilawri Group subleased a property in Calgary to Grand Touring Automobile which operates Aston Martin and Bentley. Also includes the former Dilawri Acura and BMW property in Regina at 1921 1st Avenue which is being used for ancillary dealership purposes by both the Dilawri Pre Owned and the Triple 7 Chrysler dealerships. Also includes: a Harley Davidson dealership, VinFast dealership and Ineos Grenadier dealership, located in the Dixie Auto Mall. Includes three vehicle compound facilities. The former Southtown Hyundai is operating as Go Auto service centre and Jaguar Land Rover ("JLR") Centre in Edmonton is operating as JLR Edmonton. Includes JLR (formerly Audi Services), Taschereau JLR (formerly Taschereau Volvo and JLR) and two heavy construction equipment dealership properties located in the Greater Montreal Area. The former North Vancouver Nissan Infiniti is expected to be replaced by another branded OEM in the future. Includes Rivian Tampa and Orlando Rivian in Florida. Also includes Ford Île-Perrot and Body Shop CCIP.
- (6) Includes Dodge, FIAT, Jeep and RAM.
- (7) Part of Taschereau JLR and Volkswagen (formerly Taschereau Volvo and JLR).

Description of the REIT's Key Tenant

At the time of the IPO, Dilawri agreed to provide certain financial information to the REIT pursuant to a financial information and confidentiality agreement for so long as the annual basic rent payable by the applicable members of the Dilawri Group, collectively, under their respective Dilawri Leases represented, in the aggregate, 60% or more of the REIT's Cash NOI during any rolling period of 12 consecutive calendar months, determined quarterly. As of December 31, 2022, the Dilawri Group's basic rent payable was below the 60% threshold; however, Dilawri agreed to continue to provide its Combined Revenues, EBITDA and Pro Forma Adjusted Rent Coverage Ratio on a trailing 12-month basis (with a comparative period for the prior 12-month period) until the REIT released its financial results for the fiscal year ended December 31, 2024. In the first quarter of 2025, the REIT and Dilawri amended the agreement such that Dilawri will continue to provide such financial information to the REIT for inclusion in the REIT's management's discussion and analysis for one quarter following the quarter in which notice of termination is provided to the REIT by Dilawri.

The following chart summarizes certain relevant financial information of the Dilawri Group for the 12 months ended September 30, 2025 with comparative figures for the 12 months ended September 30, 2024 as provided to the REIT by Dilawri:

Dilawri Group's Financial Information <i>(all figures are approximations, not in thousands)</i>		
	September 30, 2025 LTM⁽¹⁾	September 30, 2024 LTM⁽¹⁾
Combined Revenues (not audited or reviewed)	\$5.3 billion	\$5.0 billion
EBITDA (not audited or reviewed)	\$271.0 million	\$231.6 million
Pro Forma Adjusted Rent Coverage Ratio (not audited or reviewed)	5.5 ⁽²⁾	5.0 ⁽²⁾

Notes:

- (1) "LTM" means the last twelve months.
- (2) As at September 30, 2025.
- (3) As at September 30, 2024.

Although the REIT has no reason to believe that the above financial information of the Dilawri Group contains a misrepresentation, Dilawri is a private company that is independent of, and operates entirely independently from, the REIT and, consequently, neither the REIT, its management nor its Trustees in their capacities as such have been involved in the preparation of this financial information. Readers are cautioned, therefore, not to place undue reliance on this financial information.

Pursuant to an undertaking provided by Dilawri to the Canadian securities regulatory authorities in connection with the IPO, Dilawri provides to the REIT carve-out interim financial statements and the related management's discussion and analysis in respect of the members of the Dilawri Group subject to leases pertaining to the Initial Properties for the nine-month period ended September 30, 2025. These documents, once provided by Dilawri to the REIT, will be available on the REIT's SEDAR+ profile at <http://www.sedarplus.ca>.

Dilawri Additional and Non-ASPE Measures

Dilawri uses "EBITDA" in its financial statements which is an additional ASPE (as defined below) measure. "EBITDA" is defined as the earnings of the Dilawri Group before interest, taxes, depreciation and amortization, all as reflected in the non-consolidated combined financial statements of the Dilawri Group prepared in accordance with the recognition, measurement and disclosure principles under Canadian accounting standards for private enterprises ("ASPE"). Dilawri believes that EBITDA is an important measure of operating performance as it shows Dilawri's earnings before interest, taxes, depreciation and amortization. Dilawri's method of calculating EBITDA may differ from other issuers' calculations and, accordingly, may not be comparable to measures used by other issuers.

References to "Pro Forma Adjusted Rent Coverage Ratio", which is a key measure of performance used by automotive dealership businesses, refers to the Pro Forma Adjusted Rent Coverage Ratio of the Dilawri Group on a non-consolidated combined basis. Pro Forma Adjusted Rent Coverage Ratio is a non-ASPE financial ratio and is not defined by ASPE or IFRS and does not have a standardized meaning prescribed by ASPE or IFRS.

Non-ASPE financial ratio:

"Pro Forma Adjusted Rent Coverage Ratio" is calculated by Dilawri as EBITDA for the LTM plus rent paid by the Dilawri Group for the LTM to third parties and the REIT, less rent received from third parties. The resultant figure is divided by rent paid by the Dilawri Group for the LTM to third parties and the REIT, less rent received from third parties.

SECTION 4 — KEY PERFORMANCE INDICATORS AND SELECTED FINANCIAL INFORMATION

Key Performance Indicators

The REIT's performance is measured by management's selection of certain key indicators including those set out in the table below. For further information on the REIT's operating measures and non-IFRS measures, please refer to Sections 5 and 6 of this MD&A. Except where otherwise expressly indicated, the information that follows as at and for the three and nine months ended September 30, 2025 does not give effect to the acquisition of the Quebec Properties nor the Offering as these transactions had not closed by September 30, 2025.

Operating Results	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Rental Revenue	\$25,397	\$23,533	\$73,900	\$70,461
NOI ⁽¹⁾	21,136	19,897	62,206	59,564
Cash NOI ⁽¹⁾	20,959	19,680	61,711	58,724
Same Property Cash NOI ⁽¹⁾	19,635	19,189	58,596	57,348
Net Income and other comprehensive income	10,417	1,766	29,298	59,955
FFO ⁽¹⁾	12,904	11,920	38,331	36,004
AFFO ⁽¹⁾	12,721	11,690	37,724	35,127
Fair value adjustment on investment properties and investment properties held for sale	(2,319)	5,074	(3,575)	29,105
Distributions per Unit	0.204	0.201	0.606	0.603
Net Income per Unit – basic ⁽²⁾	0.182	0.036	0.604	1.222
Net Income per Unit – diluted ⁽³⁾	0.177	0.035	0.588	1.194
FFO per Unit – basic ^{(1) (4)}	0.262	0.243	0.780	0.734
FFO per Unit – diluted ^{(1) (5)}	0.255	0.237	0.759	0.717

AFFO per Unit – basic ^{(1) (4)}	0.259	0.238	0.768	0.716
AFFO per Unit – diluted ^{(1) (5)}	0.252	0.233	0.747	0.699
Weighted average Units – basic ⁽⁶⁾	49,162,403	49,072,488	49,124,867	49,060,783
Weighted average Units – diluted ⁽⁷⁾	50,576,101	50,286,264	50,469,603	50,232,596
Payout ratio (%)				
FFO ⁽¹⁾	80.0%	84.8%	79.8%	84.1%
AFFO ⁽¹⁾	81.0%	86.3%	81.1%	86.3%

Balance Sheet and Other Metrics	As at September 30, 2025	As at December 31, 2024	As at September 30, 2024
Total assets	\$1,327,647	\$1,190,733	\$1,212,514
Total liabilities	\$664,427	\$527,331	\$534,235
Number of Units outstanding (includes Class B LP Units for YTD 2025)	49,950,446	49,090,142	49,090,142
Market price per REIT Unit – close (end of period)	\$11.34	\$10.89	\$12.38
Market capitalization	\$566,438	\$534,592	\$607,736
Overall capitalization rate	6.74%	6.69%	6.67%
Fixed weighted average effective interest rate on debt (excludes revolving Credit Facilities) ^{(8) (9)}	4.44%	4.37%	4.31%
Proportion of total debt at fixed interest rates through swaps and Mortgages ⁽¹⁰⁾	77%	93%	94%
Weighted average interest rate swap term and Mortgage remaining (years) ⁽⁹⁾	4.0	4.2	4.1
Weighted average term to maturity of debt	2.4	2.4	2.6
Interest Coverage Ratio ⁽¹⁰⁾	3.0X	2.9X	2.8X
Debt Service Coverage Ratio ⁽¹⁰⁾	1.55X	1.49X	1.50X
Debt to GBV ⁽¹⁾	47.4%	42.4%	43.7%
Debt to EBITDA ⁽¹⁾	8.34	6.89	7.13

- (1) NOI, Cash NOI, Same Property Cash NOI, FFO, AFFO, FFO per Unit, AFFO per Unit, FFO payout ratio, AFFO payout ratio, Debt to GBV and Debt to EBITDA are non-IFRS measures or non-IFRS ratios, as applicable. See Section 1 “General Information and Cautionary Statements – Non-IFRS Financial Measures” and Section 6 “Non-IFRS Financial Measures” of this MD&A.
- (2) Net Income per Unit — basic is calculated in accordance with IFRS by dividing Net Income by the amount of the weighted average number of outstanding REIT Units and Class B LP Units.
- (3) Net Income per Unit — diluted is calculated in accordance with IFRS by dividing Net Income by the amount of the weighted average number of outstanding REIT Units, Class B LP Units, DUs, IDUs, RDUs and PDUs (each as defined below) granted to certain Trustees and management of the REIT.
- (4) FFO per Unit and AFFO per Unit — basic is calculated by dividing the total FFO and AFFO by the amount of the total weighted average number of outstanding REIT Units and Class B LP Units.
- (5) FFO per Unit and AFFO per Unit — diluted is calculated by dividing the total FFO and AFFO by the amount of the total weighted average number of outstanding REIT Units, Class B LP Units, DUs, IDUs, RDUs and PDUs granted to certain Trustees and management of the REIT.
- (6) The weighted average number of outstanding Units — basic includes the Class B LP Units.
- (7) The weighted average number of outstanding Units — diluted includes the Class B LP Units, DUs, IDUs, RDUs and PDUs granted to certain Trustees and management of the REIT.
- (8) The fixed weighted average effective interest rate on debt is calculated on an annualized basis.
- (9) Includes the swap extension for \$11,400 under Facility 1 for a six-year term at an interest rate of 4.60%, effective December 2024. On February 6, 2025, the REIT entered into a floating-to-fixed interest rate swap within Facility 1 in the amount of \$7,000 for a term of six years at an interest rate of 4.46%, and also entered into a floating-to-fixed interest rate swap in the amount of \$8,000 for term of eight years at an interest rate of 4.56%. On March 3, 2025, the REIT entered into a floating-to-fixed interest rate swap within Facility 1 in the amount of \$10,000 for a term of nine years at an interest rate of 4.53%. On April 16, 2025, the REIT renewed a floating-to-fixed interest rate swap within Facility 1 in the amount of \$8,681 for a term of six years at an interest rate of 4.50%, effective March 31, 2025. On July 2, 2025 the REIT renewed a \$9,875 floating-to-fixed interest rate swap within Facility 3 for a term of six years at an interest rate of 4.58%. On September 11, 2025, the REIT renewed a floating-to-fixed interest rate swap within Facility 1 in the amount of \$10,000 for a term of six years at an interest rate of 4.60%. In September 2025, the REIT increased the amount of the non-revolving portion of Facility 2 by \$40,000.
- (10) The REIT used the net proceeds from the Offering to repay indebtedness under its Credit Facilities, including the debt incurred to fund the cash portion of the acquisition of the Des Sources Properties. As at the date of this MD&A, approximately 84% the REIT's debt is fixed. For 2025 ratios, see Section 7 “Liquidity and Capital Resources – Financing Metrics and Debt Covenants”.

SECTION 5 — RESULTS OF OPERATIONS

Net Income and Comprehensive Income

	Three Months Ended September 30, 2025			Nine Months Ended September 30, 2025		
	2025	2024	Variance	2025	2024	Variance
Base rent	21,058	19,766	\$1,292	61,909	58,982	\$2,927
Property tax recoveries	4,261	3,636	625	11,694	10,897	797
Straight-line rent adjustment	78	131	(53)	297	582	(285)
Rental Revenue	25,397	23,533	1,864	73,900	70,461	3,439
Property tax expense	(4,261)	(3,636)	(625)	(11,694)	(10,897)	(797)
Property Costs	(4,261)	(3,636)	(625)	(11,694)	(10,897)	(797)
NOI⁽¹⁾	21,136	19,897	\$1,239	62,206	59,564	\$2,642
Other Income (Expenses)						
General and administrative expenses	(1,690)	(1,402)	(288)	(4,827)	(4,184)	(643)
Interest expense and other financing charges	(6,468)	(6,497)	29	(18,823)	(19,156)	333
Fair value adjustment on interest rate swaps and foreign exchange forward contracts	(1,881)	(12,485)	10,604	(4,741)	(9,763)	5,022
Distribution expense on Class B LP Units	(57)	-	(57)	(57)	(3,125)	3,068
Fair value adjustment on Class B LP Units and Unit-based compensation	237	(2,821)	3,058	(527)	7,514	(8,041)
Fair value adjustment on investment properties and investment properties held for sale ⁽²⁾	(2,319)	5,074	(7,393)	(3,575)	29,105	(32,680)
Net Income	8,958	1,766	7,192	29,656	59,955	(30,299)
Exchange gain (loss) arising on translation of foreign operations	1,459	-	1,459	(358)	-	(358)
Net Income and Other Comprehensive Income	10,417	1,766	8,651	29,298	59,955	(30,657)

(1) NOI is a non-IFRS measure. See Section 1 "General Information and Cautionary Statements – Non-IFRS Financial Measures" and Section 6 "Non-IFRS Financial Measures" of this MD&A.

(2) The fair value adjustment on investment properties in respect of the three and nine months ended September 30, 2024 is inclusive of the \$23,760 fair value gain as a result of entering into the Sale Agreement (as defined herein) (but prior to completion of the Sale Transaction (as defined herein) on October 1, 2024), thereby classifying the Kennedy Lands (as defined herein) as an investment property held for sale during the three and nine months ended September 30, 2024.

For Q3 2025, net income and other comprehensive income was \$10,417 as compared to \$1,766 in Q3 2024. The increase was primarily driven by changes in the fair value adjustment on interest rate swaps, Class B LP Units and Unit-based compensation (which consists of Deferred Units ("DUs"), Income Deferred Units ("IDUs"), Performance Deferred Units ("PDUs") and Restricted Deferred Units ("RDUs")), a gain of \$1,459 on translation of foreign operations and partially offset by a fair value adjustment loss on investment properties. For YTD 2025, net income and other comprehensive income was \$29,298, as compared to \$59,955 in YTD 2024. The decrease was primarily driven by changes to the fair value adjustment on investment properties and investment properties held for sale, and the fair value adjustment on Class B LP Units and Unit-based compensation.

NOI was \$21,136 in Q3 2025, an increase of 6.2% as compared to \$19,897 in Q3 2024 and was \$62,206 in YTD 2025, an increase of 4.4% as compared to \$59,564 in YTD 2024. The increases in NOI were primarily attributable to the properties acquired subsequent to Q3 2024 and contractual rent increases, partially offset by the reduction of rent from the sale of the Kennedy Lands (as defined below).

Rental Revenue and Property Costs

Rental revenue is primarily based on net leases with tenants. As such, rental revenue also includes recoverable realty taxes and straight-line adjustments. For Q3 2025, rental revenue totaled \$25,397, an increase of \$1,864, or 7.9%, as compared to Q3 2024, reflecting the properties acquired subsequent to Q3 2024 and contractual rent increases, partially offset by the reduction of rent from the sale of the Kennedy Lands.

For YTD 2025, rental revenue totaled \$73,900, an increase of \$3,439, or 4.9%, as compared to YTD 2024, reflecting the properties acquired subsequent to Q3 2024 and contractual rent increases, partially offset by the reduction of rent from the sale of the Kennedy Lands.

Property costs for Q3 2025 and YTD 2025 were \$625 and \$797 higher than Q3 2024 and YTD 2024, respectively. The increases are attributable to the properties acquired subsequent to Q3 2024. Straight-line adjustments decreased in Q3 2025 compared to Q3 2024, primarily due to the addition of leases in the property portfolio that contain CPI-related adjustments.

General and Administrative Expenses

The table below illustrates the breakdown of general and administrative expenses incurred in Q3 2025 and YTD 2025 as compared to the corresponding periods in 2024:

	Q3 2025	Q3 2024	Variance	YTD 2025	YTD 2024	Variance
Human resource costs	\$1,201	\$907	\$294	\$3,303	\$2,690	\$613
Public entity and other costs	315	332	(17)	1,007	1,008	(1)
Independent Trustee fees	174	163	11	517	486	31
General and administrative expenses	\$1,690	\$1,402	\$288	\$4,827	\$4,184	\$643

Human resource costs reflect the expenses related to the management, operating and administrative support of the REIT. Human resource costs also include accruals for short-term incentive awards for management and accruals for IDUs and the vesting of long-term DUs, PDUs and RDUs. The increase in human resource costs in Q3 2025 and YTD 2025 of approximately \$294 and \$613, respectively, are primarily a result of an increase in the accrual for short-term incentive awards for management.

Public entity and other costs reflect the expenses related to ongoing operations of the REIT, including professional fees for legal and audit services, depreciation expense for ROU assets and transaction costs associated with transactions not completed. Public entity costs will fluctuate from quarter-to-quarter depending on when such expenses are incurred. There was a decrease in public entity costs of \$17 and \$1 in Q3 2025 and YTD 2025, respectively, as compared to Q3 2024 and YTD 2024, respectively.

During Q3 2025, all independent Trustees of the REIT ("Independent Trustees") elected to receive board and committee fees in the form of DUs. The non-cash Unit-based compensation expense relates to DUs and IDUs granted in accordance with the REIT's Equity Incentive Plan (the "Plan"). The fair value of each DU granted is measured based on the volume-weighted average trading price of the REIT Units for the five trading days immediately preceding the grant date. For Q3 2025 and YTD 2025, the REIT paid the Independent Trustees \$174 and \$517, respectively, related to the granting of DUs and IDUs, as compared to \$163 and \$486 in Q3 2024 and YTD 2024, respectively.

Interest Expense and Other Financing Charges

Interest expense includes amounts payable to lenders under the REIT's Credit Facilities and Mortgages (each as defined in Section 7 "Liquidity and Capital Resources" below), as well as amortization of upfront costs and costs to hedge the applicable Credit Facilities and Mortgages at fixed rates. For Q3 2025 and YTD 2025, interest expense and other financing charges were \$6,468 and \$18,823, respectively, representing a decrease of \$29 and \$333 as compared to Q3 2024 and YTD 2024, respectively. The decrease in Q3 2025 and YTD 2025 is due to lower floating interest rates.

Changes in Fair Values of Investment Properties and Investment Properties Held for Sale

The REIT valued the investment properties using a discounted cash flow approach whereby a current discount rate was applied to the projected net operating income and residual value that a property can reasonably be expected to produce in the future. Property under development is measured using both a comparable sales method and a discounted cash flow method, net of costs to complete. For Q3 2025 and YTD 2025, the fair value adjustment on investment properties was (\$2,319) and (\$3,575), respectively, as compared to \$5,074 for Q3 2024 and \$29,105 for YTD 2024. The Q3 2025 and Q3 YTD fair adjustment was primarily due to the write-off of the transaction costs related to the property acquisition completed during 2025.

On July 26, 2024, the REIT entered into an agreement (the “Sale Agreement”) to sell the automotive dealership property located at 8210 and 8220 Kennedy Road and 7 and 13/15 Main Street, in Markham, Ontario (collectively, the “Kennedy Lands”) to a member of the Dilawri Group for \$54,000 (the “Sale Transaction”). Accordingly, the property was classified as an investment property held for sale during the three and nine months ended September 30, 2024. The fair value adjustment on investment properties (including investment properties held for sale) for the nine months ended September 30, 2024 included a fair value gain of \$23,760 as a result of entering into the Sale Agreement. The Sale Transaction was completed on October 1, 2024.

The weighted average discount rate applicable to the entire portfolio as at September 30, 2025 was 7.58% (December 31, 2024 – 7.53%). The weighted average terminal capitalization rate applicable to the entire portfolio as at September 30, 2025 was 7.25% (December 31, 2024 – 7.16%).

The fair value adjustments for Q3 2025 were a result of the following factors:

- NOI increases from investment properties resulted in a fair value increase for Q3 2025;
- As a result of market conditions, the REIT adjusted valuation inputs for Q3 2025; and
- The write-off of the transaction costs related to the property acquisition completed during Q3 2025.

The overall capitalization rate applicable to the REIT’s entire investment property portfolio increased to 6.74% as at September 30, 2025 (December 31, 2024 – 6.69%). The REIT’s valuation inputs are supported by quarterly market reports from an independent appraiser. The historical book value of the investment properties owned by the REIT as at September 30, 2025 was \$1,232,324 (December 31, 2024 – \$1,122,019).

In accordance with the REIT’s valuation policy, an independent appraiser is engaged to prepare valuations on a portion of the portfolio annually, such that the entire portfolio is appraised at least once every three years. In addition, any investment property which represents greater than 15% of the overall portfolio value will be appraised annually.

A 25 basis point decrease or increase in capitalization rates or discount rates would result in an increase or decrease in the fair value of investment properties of approximately \$50,900 or \$(47,300), respectively, as of September 30, 2025.

A 50 basis point decrease or increase in capitalization rates or discount rates would result in an increase or decrease in the fair value of the investment properties of approximately \$105,900 or \$(91,300), respectively, as of September 30, 2025.

Other Changes in Fair Values

The Class B LP Units, Unit-based compensation, interest rate hedges and foreign exchange forward contracts (see Section 7 “Liquidity and Capital Resources” in this MD&A) are required to be presented under relevant accounting standards at fair value on the balance sheet. The resulting changes in these items are recorded in net income and comprehensive income.

Under IFRS, the Class B LP Units and Unit-based compensation are classified as financial liabilities and measured at fair value through profit and loss (FVTPL). The fair value of the Class B LP Units and Unit-based compensation will be measured every period by reference to the traded value of the REIT Units, with changes in measurement recorded in net income and comprehensive income. Distributions on the Class B LP Units will be recorded in interest expense and other financing charges in the period in which they become payable.

On June 21, 2024, Dilawri converted all outstanding 9,327,487 Class B LP Units held by it on a one-for-one basis into an equal number of REIT Units. On September 25, 2025, in connection with the acquisition of the Île-Perrot Properties, the REIT, through the Partnership, issued 833,333 Class B LP Units to the vendor at a deemed price per Class B LP Unit equal to \$12.00 for aggregate consideration equal to \$10,000.

As a result of the impact of the movement in the traded value of the REIT Units, the fair value adjustment on Unit-based compensation resulted in a gain of \$237 in Q3 2025 (Q3 2024 – fair value adjustment for Class B LP Units and Unit-based compensation resulted in a loss of \$(2,821)) and a loss of \$(527) in YTD 2025 (YTD 2024 – fair value adjustment for Class B LP Units and Unit-based compensation resulted in a gain of \$7,514).

The REIT enters into interest rate swaps to limit its exposure to fluctuations in the interest rates on variable rate financings for certain of its Credit Facilities. Gains or losses arising from the change in the fair value of the interest rate derivative contracts are recognized in the consolidated statements of income and comprehensive income. See Section 7 “Liquidity and Capital Resources” in this MD&A for further details. To mitigate the REIT’s exposure to fluctuations in the Canadian and U.S. dollar exchange rate, in connection with the closings of the acquisitions of the Tampa Property and the Columbus Tesla Property, the REIT entered into and fulfilled certain foreign exchange forward contracts. There are no foreign exchange forward contracts as at September 30, 2025.

The fair value adjustment of the interest rate swaps represented a loss of \$(1,881) in Q3 2025 (Q3 2024 – loss of \$(12,485) and the fair value adjustment of the interest rate swaps was \$4,250 and the foreign exchange translation adjustment was \$491, totaling a loss of \$(4,741) in YTD 2025 (YTD 2024 – loss of \$(9,763)). This was primarily the result of a decrease in interest rates in the derivative market as at September 30, 2025.

SECTION 6 — NON-IFRS FINANCIAL MEASURES

Reconciliation of NOI, Cash NOI, FFO and AFFO to Net Income

The REIT uses the following non-IFRS key performance indicators and ratios: NOI, Cash NOI, FFO, AFFO, FFO payout ratio and AFFO payout ratio. The REIT believes these non-IFRS measures and ratios provide useful supplemental information to both management and investors in measuring the financial performance and financial condition of the REIT. These measures and ratios do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures and ratios presented by other publicly traded real estate investment trusts and should not be construed as an alternative to other financial measures determined in accordance with IFRS (see Section 1 “General Information and Cautionary Statements – Non-IFRS Financial Measures”). The calculations of these measures and the reconciliation to net income and comprehensive income are set out in the following table:

(\$000s, except per Unit amounts)	Three Months Ended September 30,			line Months Ended September 30,		
	2025	2024	Variance	2025	2024	Variance
Calculation of NOI						
Property revenue	\$25,397	\$23,533	\$1,864	73,900	70,461	\$3,439
Property costs	(4,261)	(3,636)	(625)	(11,694)	(10,897)	(797)
NOI (including straight-line adjustments)	\$21,136	\$19,897	\$1,239	62,206	59,564	\$2,642
Adjustments:						
Land lease payments	(99)	(86)	(13)	(198)	(259)	61
Straight-line adjustment	(78)	(131)	53	(297)	(582)	285
Cash NOI	\$20,959	\$19,680	\$1,279	61,711	58,724	\$2,988
Reconciliation of net income to FFO and AFFO						
Net income	\$8,958	\$1,766	\$7,192	29,656	59,955	\$(30,299)
Adjustments:						
Change in fair value – Interest rate swaps and foreign exchange translation adjustment	1,881	12,485	(10,604)	4,741	9,763	(5,022)
Distributions on Class B LP Units	57	-	57	57	3,125	(3,068)
Change in fair value – Class B LP Units and Unit-based compensation	(237)	2,821	(3,058)	527	(7,514)	8,041
Change in fair value — investment properties and investment properties held for sale	2,319	(5,074)	7,393	3,575	(29,105)	32,680
ROU asset net balance of depreciation/interest and lease payments	(74)	(78)	4	(225)	(220)	(5)
FFO	\$12,904	\$11,920	\$984	\$38,331	\$36,004	\$2,327
Adjustments:						
Straight-line adjustment	(78)	(131)	53	(297)	(582)	285
Capital expenditure reserve	(105)	(99)	(6)	(310)	(295)	(15)
AFFO	\$12,721	\$11,690	\$1,031	\$37,724	\$35,127	\$2,597
Number of Units outstanding (including Class B LP Units)	49,950,446	49,090,142	860,304	49,950,446	49,090,142	860,304
Weighted average Units Outstanding — basic	49,162,403	49,072,488	89,915	49,124,867	49,060,783	64,084
Weighted average Units Outstanding — diluted	50,576,101	50,286,264	289,837	50,469,603	50,232,596	237,007
FFO per Unit – basic⁽¹⁾	\$0.262	\$0.243	\$0.019	\$0.780	\$0.734	\$0.046

FFO per Unit – diluted ⁽²⁾	\$0.255	\$0.237	\$0.018	\$0.759	\$0.717	\$0.042
AFFO per Unit – basic ⁽¹⁾	\$0.259	\$0.238	\$0.021	\$0.768	\$0.716	\$0.052
AFFO per Unit – diluted ⁽²⁾	\$0.252	\$0.233	\$0.019	\$0.747	\$0.699	\$0.048
Distributions per Unit	\$0.204	\$0.201	\$0.003	\$0.606	\$0.603	\$0.003
FFO payout ratio ⁽³⁾	80.0%	84.8%	4.8%	79.8%	84.1%	4.3%
AFFO payout ratio ⁽³⁾	81.0%	86.3%	5.3%	81.1%	86.3%	5.2%

- (1) FFO and AFFO per Unit — basic is calculated by dividing total FFO and AFFO by the amount of the total weighted-average number of outstanding REIT Units and Class B LP Units.
- (2) FFO and AFFO per Unit — diluted is calculated by dividing total FFO and AFFO by the amount of the total weighted-average number of outstanding REIT Units, Class B LP Units and Unit-based compensation granted to Independent Trustees and management of the REIT.
- (3) FFO payout ratio and AFFO payout ratio excludes the cash portion of the Special Distribution.

FFO, AFFO and Cash NOI

In Q3 2025, FFO increased by 8.3% to \$12,904, or \$0.255 per Unit (diluted), as compared to \$11,920, or \$0.237 per Unit (diluted), in Q3 2024. The increase was primarily attributable to higher rental revenue from properties acquired subsequent to Q3 2024 and contractual rent increases, partially offset by the reduction of rent from the sale of the Kennedy Lands.

In YTD 2025, FFO increased by 6.5% to \$38,331, or \$0.759 per Unit (diluted), as compared to \$36,004, or \$0.717 per Unit (diluted), in YTD 2024. The increase was primarily attributable to higher rental revenue, lower interest expense, partially offset by the reduction of rent from the sale of the Kennedy Lands and higher G&A.

In Q3 2025, AFFO increased by 8.8% to \$12,721, or \$0.252 per Unit (diluted), as compared to \$11,690, or \$0.233 per Unit (diluted), in Q3 2024. Cash NOI in Q3 2025 was \$20,959 on revenue of \$25,397, compared to Cash NOI of \$19,680 on revenue of \$23,533 in Q3 2024. The increases were primarily due to the properties acquired subsequent to Q3 2024 and contractual rent increases, partially offset by the reduction of rent from the sale of the Kennedy Lands. Straight-line rent adjustment is excluded from the calculation of AFFO.

In YTD 2025, AFFO increased by 7.4% to \$37,724, or \$0.747 per Unit (diluted), as compared to \$35,127, or \$0.699 per Unit (diluted), in YTD 2024. Cash NOI in YTD 2025 was \$61,711 on revenue of \$73,900, compared to Cash NOI of \$58,724 on revenue of 70,461 in YTD 2024. The increases were primarily due to the properties acquired subsequent to Q3 2024, contractual rent increases and lower interest costs, partially offset by the reduction of rent from the sale of the Kennedy Lands. Straight-line rent adjustment is excluded from the calculation of AFFO.

In Q3 2025, the REIT declared distributions to Unitholders of \$10,077 or \$0.204 per Unit and paid distributions to Unitholders of \$9,946 (Q3 2024 – declared and paid \$9,865). For YTD 2025, the REIT declared distributions to Unitholders of \$29,817 or \$0.606 per Unit and paid distributions to Unitholders of \$33,662 which includes the Special Distribution (YTD 2024 – declared and paid \$29,585). This resulted in an AFFO payout ratio of 81.0% in Q3 2025 (Q3 2024 – 86.4%) and 81.1% in YTD 2025 (YTD 2024 – 86.3%). The AFFO payout ratio was lower in Q3 2025 and YTD 2025 primarily due to the properties acquired subsequent to Q3 2024 and contractual rent increases, partially offset by the reduction of rent from the sale of the Kennedy Lands.

Same Property Cash Net Operating Income

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Variance	2025	2024	Variance
Same property base rental revenue	\$19,734	\$19,289	\$445	\$58,893	\$57,633	\$1,260
Land lease payments	(99)	(99)	-	(298)	(285)	(13)
Same Property Cash NOI	\$19,635	\$19,190	\$445	\$58,595	\$57,348	1,247

Same Property Cash NOI increased by 2.3% to \$19,635 in Q3 2025, compared to \$19,190 in Q3 2024, and increased by 2.2% to \$58,893 in YTD 2025, from \$57,348 in YTD 2024. The increases were primarily a result of contractual rent increases.

Reconciliation of Cash Flow from Operating Activities to ACFO

The REIT uses the following non-IFRS key performance indicator and ratio: ACFO and ACFO payout ratio. The REIT calculates its ACFO in accordance with the Real Property Association of Canada's *White Paper on Adjusted Cash Flow from Operations (ACFO) for IFRS* issued in January 2022. The REIT believes that ACFO provides useful supplemental information to both management and investors in measuring the financial performance and financial condition of the REIT. ACFO does not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures utilized by other publicly traded real estate investment trusts and should not be considered as an alternative to other financial measures determined in accordance with IFRS (see Section 1 "General Information and Cautionary Statements – Non-IFRS Financial Measures"). To date, the REIT has not incurred capital expenditure costs. The capital expenditure reserve of 0.5% of base rent is based on the lease terms, assumed renewal retention rates, the primarily triple-net lease structure and management's best estimate of cost on a per square foot basis related to sustaining/maintaining existing space that the REIT may incur. The calculation of ACFO and the reconciliation to cash flow from operating activities are set out in the table below:

(\$000s)	Three Months Ended September 30,			Nine Months Ended September 30,		
	2025	2024	Variance	2025	2024	Variance
Cash flow from operating activities	\$19,032	\$18,590	\$442	\$57,263	\$57,029	\$234
Change in non-cash working capital	1,203	(242)	1,445	1,153	(1,065)	2,218
Interest paid	(6,158)	(6,290)	132	(17,887)	(18,604)	717
Amortization of financing fees	(298)	(235)	(63)	(872)	(636)	(236)
Amortization of indemnification fees	(6)	(36)	30	(20)	(108)	88
Net interest expense and other financing charges in excess of interest paid	(12)	28	(40)	(64)	84	(148)
Capital expenditure reserve	(105)	(99)	(6)	(310)	(295)	(15)
ACFO	\$13,656	\$11,717	\$1,939	\$39,263	\$36,405	\$2,858
ACFO payout ratio	73.8%	84.2%	(10.4%)	75.9%	81.3%	(5.40%)

ACFO increased to \$13,656 in Q3 2025, as compared to \$11,717 in Q3 2024. In YTD 2025, ACFO increased to \$39,263, as compared to \$36,405 in YTD 2024. This resulted in an ACFO payout ratio of 73.8% in Q3 2025 (Q3 2024 – 84.2%) and 75.9% in YTD 2025 (YTD 2024 – 81.3%). The increases in ACFO in Q3 2025 and YTD 2025 were primarily attributable to properties acquired subsequent to Q3 2024 and contractual rent increases, partially offset from a reduction of rent from the sale of the Kennedy Lands. The REIT's Q3 2025 distributions were funded from cash flows from operating activities as well as cash on hand. The REIT believes that future distributions, except for any special distributions, will be funded through cash flows from operating activities. As at September 30, 2025, the REIT had a Debt to GBV ratio of 47.4% and \$21,000 of undrawn capacity under its Credit Facilities, cash on hand of \$636 and ten unencumbered properties with an aggregate value of approximately \$153,830. As the result of the successful completion of the Offering and the acquisition of the Quebec Properties, the REIT's Debt to GBV ratio as of the date of this MD&A has decreased to approximately 45.7%. As at the date of this MD&A, the REIT has approximately \$7,500 cash on hand, approximately \$90,000 of undrawn capacity under its Credit Facilities and eight unencumbered properties with an aggregate value of approximately \$116,997.

SECTION 7 — LIQUIDITY AND CAPITAL RESOURCES

Capital Structure

Debt	Key Terms					Outstanding as at September 30, 2025	Outstanding as at December 31, 2024
	Term (yrs)	Hedged Term (yrs)	Interest Rate	Payments & Interest/Amortization	Effective Interest Rate (fixed)		
Facility 1	1.7 ⁽¹⁾	0.2 to 8.4	CORRA ⁽¹²⁾ + 150 bps, Prime +25	(1)	4.63%	\$248,283 ⁽⁴⁾	\$237,117 ⁽⁴⁾
Facility 2	3.4 ⁽²⁾	0.8 to 5.2	CORRA ⁽¹²⁾ + 150 bps, Prime +25 bps	(2)	4.21%	123,476 ⁽²⁾	76,820
Facility 3	2.5 ⁽³⁾	0.3 to 7.3	CORRA ⁽¹²⁾ + 150 bps, Prime +25 bps	(3)	4.35%	221,447 ⁽³⁾	153,821
Mortgages	1.5 to 5.6	n/a	Fixed 2.21% to 5.73 %	P&I, 20 yrs and 25yrs	3.90%	32,897	33,874
						\$626,103	\$501,632
Financing fees						(3,026)	(2,564)
Weighted Average /Total	2.4	4.0⁽⁷⁾			4.44%⁽⁷⁾	\$623,077	\$499,068

Unit-based compensation

\$14,374 **\$11,942**

Cash Balance

\$636 **\$336**

Key Financing Metrics and Debt Covenants⁽¹¹⁾	Debt Covenant⁽⁵⁾	Declaration of Trust⁽⁶⁾	As at September 30, 2025	As at December 31, 2024
Interest coverage	-	-	3.0	2.9
Debt to GBV	<60% ⁽⁸⁾	<60% ⁽⁸⁾	47.4% ⁽¹⁰⁾	42.4% ⁽¹⁰⁾
Unitholders' Equity (including Unit-based compensation)	>\$120,000	-	\$687,044 ⁽¹³⁾	\$675,344
Debt Service Coverage Ratio	>1.35 ⁽³⁾	-	1.55	1.49
AFFO payout ratio	(9) ⁽¹⁰⁾	-	81.0%	86.6%

(1) Facility 1 and the associated revolving facility matures in June 2027.

(2) In September 2025, the REIT increased the amount of the non-revolving portion of Facility 2 by \$40,000 and, the maturity date was extended from January 2028 to March 2029 at the same credit spread.

(3) On June 30, 2025, the maturity date of Facility 3 was extended from June 2026 to March 2028 and the REIT's Debt Service Coverage Ratio was reduced to 1.30. On October 17, 2025, the REIT increased the amount of the non-revolving portion of Facility 3 by \$40,000.

(4) In December 2024, the REIT increased the amount of the non-revolving portion of Facility 1 by \$15,000.

(5) The debt agreements for Facility 1, Facility 2 and Facility 3 have other covenants that do not directly relate to the REIT's consolidated financial position. Management believes that the REIT is in compliance with all such covenants and with the debt agreement covenants for Facility 1, Facility 2, Facility 3 and the Mortgages. The debt service coverage ratio represents rolling four quarters.

(6) The Declaration of Trust contains other operating covenants that do not relate to leverage or debt service/coverage. The Declaration of Trust is available on SEDAR+ at www.sedarplus.ca and is described in the AIF. Management believes that the REIT is in compliance with these operating covenants.

(7) In June 2024, the REIT also amended and extended an interest rate swap for \$9,452 under Facility 2, for a term of four years at an interest rate of 5.40%, effective July 2024. In December 2024, the REIT renewed a \$11,400 swap for a term of six years at an interest rate of 4.60% within Facility 1. On February 6, 2025, the REIT entered into a floating-to-fixed interest rate swap within Facility 1 in the amount of \$7,000 for a term of six years at an interest rate of 4.46%, and also entered into a floating-to-fixed interest rate swap in the amount of \$8,000 for term of eight years at an interest rate of 4.56%. On March 3, 2025, the REIT entered into a floating-to-fixed interest rate swap within Facility 1 in the amount of \$10,000 for a term of nine years at an interest rate of 4.53%. On April

16, 2025, the REIT renewed a floating-to-fixed interest rate swap within Facility 1 in the amount of \$8,681 for a term of six years at an interest rate of 4.50%, effective March 31, 2025. On July 2, 2025 (but effective June 30, 2025), the REIT renewed a \$9,875 floating-to-fixed interest rate swap within Facility 3 for a term of six years at an interest rate of 4.58%. On July 4, 2025, the REIT renewed a \$9,287 floating-to-fixed interest rate swap within Facility 2 for a term of five years at an interest rate of 4.58%. On September 11, 2025, the REIT renewed a floating-to-fixed interest rate swap within Facility 1 in the amount of \$10,000 for a term of six years at an interest rate of 4.60%. On October 16, 2025, the REIT renewed a floating-to-fixed interest rate swap within Facility 2 in the amount of \$15,000 for a term of six years at an interest rate of 4.50%.

- (8) Including convertible debentures, the maximum ratio is 65%.
- (9) The AFFO payout ratio in respect of Facility 1 may exceed 100% so long as (i) the REIT's Debt to GBV ratio is less than 55% or (ii) the REIT's 12 month retrospective rolling AFFO payout ratio is less than 100%.
- (10) The AFFO payout ratio in respect of Facility 3 may exceed 100% (four quarter rolling) so long as (i) the REIT's Debt to GBV ratio is less than 55% and (ii) the REIT's cash on hand plus the cumulative amount available to be drawn under the revolving Credit Facilities exceeds \$17,000.
- (11) The calculations of these ratios, which are non-IFRS measures, are set out under "Financing Metrics and Debt Covenants" below. See also Section 1 "General Information and Cautionary Statements – Non-IFRS Financial Measures".
- (12) Effective July 1, 2024, Facility 1, 2 and 3 bearing interest at BA have been converted to Canadian Overnight Repo Rate Average ("CORRA").
- (13) Includes Class B LP Units

Facility 1, Facility 2 and Facility 3 described above are collectively referred to as the "Credit Facilities" and the mortgages described above are referred to as the "Mortgages".

The AFFO payout ratio debt covenant is based on the rolling average of the last four fiscal quarters. For the trailing four quarters ended September 30, 2025, the AFFO payout ratio was approximately 82.4%.

To mitigate the REIT's exposure to fluctuations in the Canadian to U.S. dollar exchange rate, (i) in connection with the acquisition of the Columbus Tesla Property, the REIT entered into a foreign exchange forward contract on February 7, 2025 to purchase US\$17,000 at a fixed rate of 1.430, which was fulfilled on March 11, 2025, and (ii) in connection with the acquisition of the Tampa Property, the REIT entered into a foreign exchange forward contract to purchase US\$12,000 at a fixed rate of 1.394, which was fulfilled on April 11, 2025. There are no foreign exchange forward contracts as at September 30, 2025.

In order to maintain or adjust its capital structure, the REIT may increase or decrease the amount of distributions paid to Unitholders, issue new REIT Units and debt, or repay debt. Factors affecting such decisions include:

- complying with the guidelines set out in the REIT's Declaration of Trust;
- complying with debt covenants;
- ensuring sufficient liquidity is available to support the REIT's financial obligations and to execute its operating and strategic plans;
- maintaining financial capacity and flexibility through access to capital to support future development; and
- minimizing the REIT's cost of capital while taking into consideration current and future industry, market and economic risks and conditions.

As at September 30, 2025, principal repayments are as follows:

Remainder of 2025	\$6,753
2026	27,050
2027	259,453
2028	216,456
Thereafter.....	<u>116,391</u>
Total	<u>\$626,103</u>

The REIT's liquidity position as at September 30, 2025 includes approximately \$21,000 of undrawn capacity under its revolving Credit Facilities, which management believes is sufficient to carry out its obligations, discharge liabilities as they come due and fund distributions to Unitholders. Capital requirements in the next two years are low and capital expenditure requirements are expected to be insignificant. Nonetheless, the current economic, operating and capital market environment, including an uncertain inflationary and interest rate environment has led to an increased emphasis

on liquidity. While the REIT has not changed its objectives in managing its capital structure, the current focus has been on ensuring that the REIT retains sufficient liquidity.

As at the date of this MD&A, the REIT has approximately \$7,500 of cash on hand, approximately \$90,000 of undrawn capacity under its Credit Facilities and eight unencumbered properties with an aggregate value of approximately \$116,997. Capital required for investing activities will be addressed through additional borrowings or issuances of equity as acquisition and development opportunities arise.

Debt Financing

The REIT's overall borrowing policy is to obtain secured credit facilities, principally on a fixed rate or effectively fixed rate basis, which will allow the REIT to: (i) achieve and maintain staggered maturities to lessen exposure to re-financing risk in any particular period; (ii) achieve and maintain fixed rates to lessen exposure to interest rate fluctuations; and (iii) extend loan terms and fixed rate periods as long as possible when borrowing conditions are favourable. Subject to market conditions and the growth of the REIT, management currently intends to target Indebtedness of approximately 50%-53% of GBV. As at September 30, 2025, the REIT's Debt to GBV ratio was 47.4% (December 31, 2024 – 42.4%; September 30, 2024 – 43.6%). The increase as compared to December 31, 2024 is primarily attributable to property acquisitions in YTD 2025. As the result of the successful completion of the Offering and the acquisition of the Quebec Properties, the REIT's Debt to GBV ratio as of the date of this MD&A has decreased to approximately 45.7%. Management expects that the ratio of Debt to GBV may increase, at least temporarily, following an acquisition by the REIT of additional properties. Interest rates and loan maturities will be reviewed on a regular basis to ensure appropriate debt management strategies are implemented.

Pursuant to the Declaration of Trust, the REIT may not incur or assume any Indebtedness, if after giving effect to the incurring or assumption of such Indebtedness, the total Indebtedness of the REIT would exceed 60% of GBV (or 65% of GBV including convertible debentures).

Secured Credit Facilities, Mortgages and Interest Rate Swap Arrangements

All of the REIT's Credit Facilities and Mortgages are with Canadian Schedule 1 banks and one life insurance company and are secured by all but ten of the REIT's investment properties as at September 30, 2025 (all but eight as of the date of this MD&A).

As at September 30, 2025, the REIT had total revolving Credit Facilities of \$90,000 (\$30,000 in Facility 1, \$20,000 in Facility 2, and \$40,000 in Facility 3), of which \$21,000 was undrawn (approximately \$90,000 as of the date of this MD&A).

Financing Fees

During Q3 2025 and YTD 2025, the REIT incurred financing fees of \$445 and \$1,333, respectively (\$534 for Q3 2024 and \$693 for YTD 2024). The amounts are accounted for using the effective interest method. As at September 30, 2025, \$3,026 remains unamortized (December 31, 2024 – \$2,802).

Interest Rate Swaps

The REIT enters into interest rate derivative contracts to limit its exposure to fluctuations in the interest rates payable on its variable rate financings under Facility 1, Facility 2 and Facility 3. Gains or losses arising from changes in the fair value of the interest rate derivative contracts are recognized in the consolidated statements of income and comprehensive income.

The REIT's weighted average interest rate swap term as of September 30, 2025 was 4.1 years.

The following table sets out the combined borrowings under Facility 1, Facility 2 and Facility 3 and the remaining expected term to maturity of the related interest rate swaps as at September 30, 2025.

Remaining Term Range (yrs)	Amount (\$000s)	Total Swapped Fixed Rate Debt (%)
Less than 1 Year	55,071	12.3
1-2 Years	7,882	1.8
2-5 Years	223,379	49.9
5-7 Years	97,780	21.8
Greater than 7 Years	63,886	14.2
4.1	447,997	100.0

As at September 30, 2025, the notional principal amount of the interest rate swaps was \$447,997 (December 31, 2024 – \$431,064) and the fair value adjustment of the interest rate swaps was \$(1,881) and \$(4,741) for Q3 2025 and YTD 2025, respectively, as compared to \$(12,485) and \$(9,763) for Q3 2024 and YTD 2024, respectively. As at September 30, 2025, the net liability balance of interest rate swaps in the aggregate amount of \$(3,162) was comprised of an asset balance of \$446, offset by a net liability of \$(3,608) related to interest rate swaps (September 30, 2024 – asset of \$1,626).

The weighted average interest rate swap term and Mortgage term remaining was 4.0 years as at September 30, 2025.

Unitholders' Equity (including Class B LP Units and Unit-based compensation)

Unitholders' equity consists of the Units described below:

REIT Units

The REIT is authorized to issue an unlimited number of REIT Units.

Each REIT Unit is transferable and represents an equal, undivided beneficial interest in the REIT and any distributions from the REIT. All REIT Units rank equally among themselves without discrimination, preference or priority and entitle the holder thereof to receive notice of, to attend and to one vote at all meetings of holders of REIT Units and holders of Special Voting Units (as defined below) or in respect of any written resolution thereof.

Holders of REIT Units are entitled to receive distributions from the REIT if, as and when declared by the board of trustees of the REIT (the "Board"). Upon the termination or winding-up of the REIT, holders of REIT Units will participate equally with respect to the distribution of the remaining assets of the REIT after payment of all liabilities. Such distribution may be made in cash, as a distribution in kind, or both, all as the Board in its sole discretion may determine. REIT Units have no associated conversion or retraction rights. No person is entitled, as a matter of right, to any pre-emptive right to subscribe for or acquire any REIT Units.

On March 17, 2025, 43,445 DUs and 12,305 IDUs were converted into an aggregate of 55,750 REIT Units by members of management in accordance with the terms of the Plan. On March 17, 2025, 28,779 REIT Units were surrendered and cancelled by the REIT in order to fulfill certain tax payment obligations in accordance with applicable tax rules.

As at September 30, 2025, the total number of REIT Units outstanding was 49,117,113 (54,259,404 as of the date of this MD&A).

Class B LP Units

In conjunction with the IPO, and as partial consideration for the Initial Properties, the REIT, through the Partnership, issued Class B LP Units to certain members of the Dilawri Group. The Class B LP Units are economically equivalent to REIT Units, and are exchangeable at the option of the holder for REIT Units on a one-for-one basis (subject to certain anti-dilution adjustments), are accompanied by a special voting unit (a "Special Voting Unit"), and will receive distributions of cash from the Partnership equal to the distributions to which a holder of the number of REIT Units that may be obtained upon the exchange of the Class B LP Unit to which such Special Voting Unit is attached would be entitled.

Under IFRS, the Class B LP Units are classified as financial liabilities and measured at fair value through profit and loss (FVTPL). The fair value of the Class B LP Units will be measured every period by reference to the traded value of the REIT Units, with changes in measurement recorded in net income. Distributions on the Class B LP Units will be recorded in interest expense and other financing charges in the period in which they become payable.

On June 21, 2024, Dilawri converted all 9,327,487 previously outstanding Class B LP Units held by it into an equal number of REIT Units.

On September 25, 2025, in connection with the purchase of the Île-Perrot Properties, the REIT, through the Partnership, issued 833,333 Class B LP Units to the vendor at a deemed price per Class B LP Unit equal to \$12.00 for aggregate consideration of \$10,000.

Unit-based compensation

The REIT offers a Plan whereby DUs, PDUs and RDUs may be granted to Trustees, officers and employees of the REIT and other eligible persons (collectively, "Participants") on a discretionary basis by the Governance, Compensation and Nominating Committee of the Board. The maximum number of REIT Units approved for issuance under the Plan is 1,750,000. Each DU, PDU and RDU is economically equivalent to one REIT Unit, however, under no circumstances shall they be considered REIT Units nor entitle a Participant to any rights as a Unitholder, including, without limitation, voting rights or rights on liquidation. Each DU, PDU and RDU shall receive a distribution of additional IDUs equal to the amount of distributions paid per REIT Unit by the REIT on its REIT Units. Upon vesting of the DUs, PDUs, RDUs and IDUs, a Participant may elect, prior to their expiry, to exchange such vested DUs, PDUs, RDUs and IDUs (subject to satisfaction of any applicable withholding taxes) for an equal number of REIT Units. The holder of such DUs, PDUs, RDUs and IDUs cannot settle these instruments in cash. DUs, PDUs, RDUs and IDUs issued to management must be converted to REIT Units no later than seven years from the grant date.

Certain DUs and RDUs awarded under the Plan will vest over time. PDUs awarded under the Plan will vest upon the achievement of applicable performance vesting conditions, which may include but are not limited to, financial or operational performance of the REIT, total unitholder return or individual performance criteria, measured over a performance period.

On March 17, 2025, 43,445 DUs and 12,305 IDUs were converted into an aggregate of 55,750 REIT Units by members of management in accordance with the terms of the Plan.

During the nine-month period ended September 30, 2025, a total of 208,732 DUs, PDUs, RDUs and IDUs were granted, of which 133,904 DUs, PDUs, RDUs and IDUs were accounted for in accordance with the vesting schedule. As at September 30, 2025, a total of 1,436,903 DUs, PDUs, RDUs and IDUs have been granted, of which 1,267,574 were accounted as outstanding and vested.

Distributions

Holders of REIT Units are entitled to receive distributions from the REIT (whether of net income, net realized capital gains or other amounts) if, as and when declared by the Board. Upon the termination or winding-up of the REIT, holders of REIT Units will participate equally with respect to the distribution of the remaining assets of the REIT after payment of all liabilities. Such distribution may be made in cash, as a distribution in kind, or both, all as the Board in its sole discretion may determine. REIT Units have no associated conversion or retraction rights.

The Board regularly reviews the REIT's rate of distributions to ensure an appropriate level of cash distributions. In determining the amount of the monthly cash distributions paid to holders of REIT Units, the Board applies discretionary judgment to forward-looking information, which includes forecasts, budgets and many other factors including provisions in the Declaration of Trust, the macro-economic and industry-specific environment, debt maturities and covenants, and taxable income.

The REIT is currently paying monthly cash distributions to Unitholders of \$0.0685 per Unit, representing \$0.822 per Unit on an annualized basis. On August 14, 2025, the Trustees approved a \$0.018 per Unit, or 2.2%, increase to the REIT's annual cash distribution, from \$0.804 per Unit to \$0.822 per Unit. The monthly distribution will be \$0.0685 per Unit, up

from \$0.0670 per Unit. The increase became effective as of the REIT's August 2025 cash distribution, which was paid on September 15, 2025 to Unitholders of record on August 29, 2025. The increase of the distribution reflects management's and the Trustees' confidence in the REIT's stability and cash flow. See Section 1 "General Information and Cautionary Statements – Forward-Looking Statements". The Board regularly reviews the REIT's rate of distributions to ensure an appropriate level of cash distributions.

Principally to distribute to Unitholders a portion of the taxable income generated by the sale of the Kennedy Lands in October 2024, the REIT paid a special distribution to Unitholders of \$0.55 per Unit, which was comprised of \$0.081 per Unit paid in cash on January 6, 2025 and \$0.469 per Unit paid by the issuance of Units, to Unitholders of record as at December 31, 2024 (the "Special Distribution"). Immediately following payment of the Unit portion of the Special Distribution, the outstanding Units of the REIT were consolidated such that each Unitholder held, after the consolidation, the same number of Units as held immediately prior to the Special Distribution.

Net income prepared in accordance with IFRS recognizes certain revenues and expenses at time intervals that do not match the receipt or payment of cash. Therefore, in applying judgment, consideration is given to AFFO (which is the product of the earnings performance) and other factors when establishing cash distributions to holders of REIT Units.

Financing Metrics and Debt Covenants

The calculations of financial metrics and debt covenants are set out in the table below. Except where otherwise expressly indicated, the information that follows as at and for the three and nine months ended September 30, 2025 does not give effect to the acquisition of the Quebec Properties nor the Offering as these transactions had not closed by September 30, 2025.

<i>Calculations of financial metrics and debt covenants</i>		As at September 30, 2025	As at December 31, 2024
Net Asset Value			
Investment properties, IFRS value		\$1,325,019	\$1,187,364
Cash, prepaid and other assets		2,628	3,369
Accounts payable and accrued liabilities		(14,364)	(16,321)
Credit Facilities, Mortgages and interest rate swaps		<u>(626,239)</u>	<u>(499,068)</u>
Total Net Asset Value		\$687,044	\$675,344
Total Net Asset Value excluding interest rate swaps and forward exchange forward contracts		\$690,206	\$673,765
REIT Units and Class B LP Units outstanding		49,950,446	49,090,142
Debt to GBV			
<i>Indebtedness outstanding:</i>			
Credit Facilities & Mortgages (excludes deferred financing costs)	A	\$626,103	\$501,632
Lease Liability	A1	2,931	3,168
<i>Gross Book Value</i>			
Total assets	B	1,327,647	1,190,733
Debt to GBV ⁽¹⁾	((A+A1)/B) X 100	47.4%	42.4%
Unitholders' Equity & Unit-based compensation			
Unitholders' Equity		\$663,220	\$663,402
Value of Unit-based compensation		14,374	11,942
Value of Class B LP Units		<u>9,450</u>	<u>-</u>
Total Unitholders' Equity & Unit-based compensation		\$687,044	\$675,344

Calculations of financial metrics and debt covenants

Interest Coverage Ratio		Q3 2025	Q3 2024	YTD 2025	YTD 2024
Cash NOI ⁽²⁾		\$20,959	\$19,680	61,711	58,724
General and administrative expenses		<u>(1,690)</u>	<u>(1,402)</u>	<u>(4,827)</u>	<u>(4,184)</u>
Income before interest expense and fair value adjustments	C	19,269	18,278	56,884	54,540
Interest expense and other financing charges	D	(6,468)	(6,497)	(18,823)	(19,156)
Interest Coverage Ratio⁽³⁾	C/D	3.0X	2.8X	3.0X	2.8X

Debt Service Coverage Ratio

Net income		\$8,958	\$1,766	\$29,656	\$59,955
Interest expense and other financing charges		6,468	6,497	18,823	19,156
Distribution expense on Class B LP Units		57	-	57	3,125
Amortization of other assets		20	46	60	140
Fair value adjustments, net		<u>3,963</u>	<u>10,232</u>	<u>8,843</u>	<u>(26,856)</u>
EBITDA ⁽²⁾	E	19,466	18,541	57,439	55,520
Principal payments on (pay down of) debt		6,387	6,118	18,994	19,010
Interest payments on debt (excludes other financing charges)		<u>6,158</u>	<u>6,236</u>	<u>17,887</u>	<u>18,443</u>
Debt Service	F	12,545	12,354	36,881	37,453
Debt Service Coverage Ratio⁽⁴⁾	E/F	1.55X	1.50X	1.56X	1.48X

AFFO payout ratio

AFFO ⁽²⁾		<u>12,721</u>	<u>11,690</u>	<u>37,724</u>	<u>35,127</u>
Distributions on REIT Units		10,020	9,865	29,760	26,460
Distributions on Class B LP Units		<u>57</u>	<u>-</u>	<u>57</u>	<u>3,125</u>
		10,077	9,865	29,817	29,585
AFFO payout ratio⁽²⁾⁽⁵⁾		81.0%	86.3%	81.1%	86.3%

Notes:

- (1) The Debt to GBV ratio as at September 30, 2025 increased as compared to December 31, 2024, due to the increase in debt as a result of property acquisitions completed during YTD 2025. As the result of the successful completion of the Offering and the acquisition of the Quebec Properties, the REIT's Debt to GBV ratio as of the date of this MD&A has decreased to approximately 45.7%.
- (2) Cash NOI, EBITDA, AFFO and AFFO payout ratio are non-IFRS measures or non-IFRS ratios, as applicable. See Section 1 "General Information and Cautionary Statements – Non-IFRS Financial Measures" and Section 6, "Non-IFRS Financial Measures" of this MD&A.
- (3) The Interest Coverage Ratio for Q3 2025 has increased from Q3 2024 due to increased Cash NOI.
- (4) The Debt Service Coverage Ratio for Q3 2025 has increased as compared to Q3 2024 due to increased Cash NOI from contractual rent increases, property acquisitions completed subsequent to Q3 2024 and lower interest expense and other financing charges, partially offset by the reduction of rent from the sale of the Kennedy Lands.
- (5) The AFFO payout ratio is calculated as distributions per REIT Unit divided (excluding Special Dividend) by the AFFO per Unit – diluted.

SECTION 8 — RELATED PARTY TRANSACTIONS

The REIT's largest Unitholder and lead tenant is the Dilawri Group, which as at September 30, 2025 held an approximate 30.7% (September 30, 2024 – 31.3%) effective interest in the REIT, on a fully diluted basis, through its ownership of 15,748,507 REIT Units (September 30, 2024 – 15,748,507 REIT Units). As of the date of this MD&A, the Dilawri Group holds an approximate 30.8% effective interest in the REIT, on a fully diluted basis, through its ownership of 17,392,598 REIT Units.

In the normal course of its operations, the REIT enters into various transactions with related parties and the REIT's policy is to conduct all transactions and settle all balances with related parties on market terms and conditions and in accordance with the Related Party Transaction Policy adopted by the Board and the Declaration of Trust.

In consideration of the applicable Dilawri Tenants leasing the entirety of two of the Initial Properties with third party tenants (and thereby bearing occupancy, rental and other risks associated with the portions of those properties to be subleased to third party tenants for the initial lease terms of 12 and 15 years for those properties), the REIT paid to such Dilawri Tenants an indemnity fee in the aggregate amount of \$1,000 at the time of closing of the IPO (amortizable over the term of the leases).

In addition, on October 24, 2017, Dilawri paid the REIT \$896 in respect of the recoverable land transfer tax associated with the acquisition of the Initial Properties. To defer the land transfer tax, the REIT subsequently issued letters of credit to the land transfer tax authority in the amount of \$753 on behalf of specific members of the Dilawri Group that sold certain of the Initial Properties to the REIT in connection with the IPO. The Dilawri Group held all of the 9,933,253 issued and outstanding Class B LP Units for three years subsequent to the IPO. Consequently, in August 2025, the matter was closed by the applicable tax authorities and the letters of credit were released and are no longer outstanding.

For additional information on related party agreements and arrangements with Dilawri, please refer to the REIT's AIF, which can be found on SEDAR+ at www.sedarplus.ca and on the REIT's website www.automotivepropertiesreit.ca.

Strategic Alliance Agreement

In connection with the IPO, the REIT and Dilawri entered into a strategic alliance agreement (the "Strategic Alliance Agreement") which establishes a preferential and mutually beneficial business and operating relationship between the REIT and the Dilawri Group. The Strategic Alliance agreement will be in effect so long as the Dilawri Organization and the applicable transferors of the Initial Properties own, control or direct, in the aggregate, an effective interest of at least 10% (on a fully diluted basis) in the REIT. Among other things, the Strategic Alliance Agreement provides the REIT with the first right to purchase REIT-Suitable Properties (as defined in the Strategic Alliance Agreement) in Canada or the United States acquired or developed by the Dilawri Group. The purchase price in respect of a REIT-Suitable Property will be mutually agreed by the REIT and Dilawri at the applicable time and supported by an independent appraisal report. The REIT did not acquire any investment properties pursuant to the Strategic Alliance Agreement in 2024 or YTD 2025.

SECTION 9 — OUTLOOK

The REIT is subject to risks associated with inflation, interest rates, currency fluctuations and availability of capital. The REIT is actively monitoring the evolving trade tariffs environment and other trade restrictions, and their impact on cross-border trade, material costs, and overall economic market conditions in Canada and the United States. While the full extent and impact of these trade tariffs and trade restrictions remains uncertain, the REIT is continuing to assess their potential effect on its business, property valuations and financial condition.

As at September 30, 2025, 77.0% of the REIT's debt was fixed with a weighted average interest rate of 4.44%, a weighted average interest swap term and mortgages remaining of 4.0 years and weighted average term to maturity of debt of 2.4 years. As at the date of this MD&A, 84.0% of the REIT's debt is fixed, as the REIT used the net proceeds from the Offering to repay indebtedness under the REIT's credit facilities, including the debt incurred to fund the cash portion of the acquisition of the Des Sources Properties and certain other recently completed property acquisitions.

The REIT's overall borrowing policy is to obtain secured credit facilities, principally on a fixed rate or effectively fixed rate basis. This allows the REIT to achieve and maintain staggered maturities to lessen exposure to re-financing risk in any particular period and achieve and maintain fixed rates to lessen exposure to interest rate increases. The REIT also continues to extend loan terms and fixed-rate periods when borrowing conditions are favourable.

As at September 30, 2025, the REIT had a Debt to GBV ratio of 47.4%, \$21,000 of undrawn capacity under its Credit Facilities, cash on hand of \$636 and ten unencumbered properties with an aggregate value of approximately \$153,830. As the result of the successful completion of the Offering and the acquisition of the Quebec Properties, the REIT's Debt to GBV ratio as of the date of this MD&A has decreased to approximately 45.7%, which provides the REIT with additional acquisition capacity.

As at the date of this MD&A, the REIT has approximately \$7,500 of cash on hand, approximately \$90,000 of undrawn capacity under its Credit Facilities and eight unencumbered properties with an aggregate value of approximately \$116,997.

The financial markets continually fluctuate, and it is therefore difficult for management to quantify the impact that the factors described above will have on the cost and availability of debt and equity capital to the REIT. Management and the Trustees are continuing to closely monitor the impact of inflation and interest rates on the REIT's business and will continue to prudently manage the REIT's available financial resources and strategically move its floating and short-term debt into fixed rate and/or long-term debt in an effort to minimize the impact of any potential future interest rate increases. Management will continue to prudently manage growth of the REIT while also focusing on liquidity and overall capital market and debt financing conditions.

Overall, the REIT believes that the fundamentals of the automotive and other OEM dealership and service businesses remain solid, and that the industry is resilient and essential. While the implementation or escalation of trade tariffs or other trade restrictions may lead to elevated interest rates and inflation and may have an adverse effect on consumer demand and the overall economy, the fluctuation in the interest rate environment, inflation and credit environment may impact rental growth and capitalization rates overall in the real estate industry, which, consequently, could provide attractive buying opportunities for the REIT.

As the only publicly traded Canadian real estate entity focused exclusively on owning automotive and other OEM dealership and automotive service properties, the REIT provides a unique opportunity for owners of these operating businesses to monetize their real estate while retaining ownership and control of their core businesses. This provides dealership owner operators with liquidity to advance their individual strategic objectives, whether it be succession planning, directly investing in upgrading their facilities, or pursuing acquisitions. The Canadian and United States automotive and OEM dealership and service industry is highly fragmented, and the REIT expects continued consolidation over the mid-to-long term due to increased industry sophistication and growing capital requirements for owner operators, which encourages them to pursue increased economies of scale. The REIT plans to continue to grow its portfolio of properties leased to OEMs, OEM dealers and other automotive related uses.

SECTION 10 — OTHER DISCLOSURES

Environmental and Corporate Social Responsibility

The REIT primarily leases its properties using a triple-net lease structure and the REIT adopted a written Environmental and Corporate Social Responsibility Policy in 2023, which was updated by the Board in early 2025 (the "ESG Policy") to formally recognize the REIT's approach to addressing its environmental and social responsibilities as a good corporate citizen. The ESG Policy acknowledges the nature of the REIT's business as an owner of automotive and other OEM dealership and service properties located principally in Canada and the United States and its efforts to promote a culture of improvement with regards to sustainability and social responsibility for the benefit of all its stakeholders, including employees, tenants, suppliers, Unitholders and local communities.

The ESG Policy articulates the REIT's commitment to: (i) protecting its investors by managing sustainability-related risks; (ii) sourcing with integrity; (iii) collaborating on sustainability with industry bodies; (iv) compliance with applicable environmental laws; (v) making or requiring its tenants to make the necessary capital and operating expenditures to

comply with environmental laws and address any material environmental issues; (vi) requiring its officers and other staff to adhere to the REIT’s policies and procedures regarding the environment, sustainability and compliance with environmental legislation, and report any non-compliance with such policies and procedures; and (vii) offering a safe place to work.

Oversight of the ESG Policy is within the mandate of the Governance, Compensation and Nominating Committee (the “GCN Committee”). As part of that oversight, management reports to the GCN Committee at each quarterly meeting of the GCN Committee in respect of, among other things, compliance with the ESG Policy and any environmental and corporate social responsibility (“ESG”) initiatives undertaken by management. Furthermore, commencing in 2022, the GCN Committee and the Board made ESG a stand-alone metric in the REIT’s short-term incentive plan for named executive officers in recognition of the importance of ESG to the REIT. In 2022, the REIT also retained an outside consultant to assist management with the creation of an ESG and sustainability plan and related updates to the REIT’s original ESG Policy, among other things. The REIT’s ESG and sustainability plan was approved by the Board in 2023 and updated in early 2025 and is available on the REIT’s website at www.automotivepropertiesreit.ca. The REIT has also established an ESG committee comprised of REIT management and employees that makes recommendations to management in respect of ESG initiatives and engagement.

Commitments and Contingencies

The REIT, as lessee, is committed under long term land and other leases that are classified as a liability to make lease payments with minimum annual rental commitments as follows:

Within 1 year.....	\$323
After 1 year, but not more than 5 years.....	1,242
More than 5 years.....	<u>1,366</u>
Total.....	<u>\$2,931</u>

Disclosure Controls and Internal Controls over Financial Reporting

The REIT’s certifying officers have designed a system of disclosure controls and procedures (“DC&P”) to provide reasonable assurance that (i) material information relating to the REIT, including its consolidated subsidiaries, is made known to them by others; and (ii) information required to be disclosed by the REIT in its annual filings, interim filings and other reports filed or submitted by the REIT under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. Also, the REIT’s certifying officers have designed a system of internal controls over financial reporting (“ICFR”) to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with IFRS.

There have been no changes to the REIT’s ICFR during Q3 2025 that have materially affected, or are reasonably likely to materially affect, the REIT’s ICFR.

Management recognizes that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance and not absolute assurance of achieving the desired control objectives. In the unforeseen event that lapses in the disclosure or internal controls and procedures occur and/or mistakes happen, the REIT intends to take whatever steps are necessary to minimize the consequences thereof.

Consistent with National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*, the REIT has filed certificates on Form 52-109F2.

SECTION 11 — QUARTERLY RESULTS OF OPERATIONS

The following is a summary of selected consolidated financial information for each of the eight most recently completed quarters:

(\$ thousands except where otherwise indicated)	Third Quarter 2025	Second Quarter 2025	First Quarter 2025	Fourth Quarter 2024	Third Quarter 2024	Second Quarter 2024	First Quarter 2024	Fourth Quarter 2023
Number of Properties	87 ⁽ⁱ⁾	80 ⁽ⁱ⁾	79 ⁽ⁱ⁾	78 ⁽ⁱ⁾	77 ⁽ⁱ⁾	77 ⁽ⁱ⁾	77 ⁽ⁱ⁾	77 ⁽ⁱ⁾
GLA (sq. ft.)	3,205,287 ⁽ⁱ⁾	2,992,417 ⁽ⁱ⁾	2,967,417 ⁽ⁱ⁾	2,873,417	2,872,139 ⁽ⁱ⁾	2,872,139 ⁽ⁱ⁾	2,872,139 ⁽ⁱ⁾	2,872,139 ⁽ⁱ⁾
Rental revenue	25,397	24,601	23,902	23,415	23,533	23,515	23,413	23,291
Net Operating Income	21,136	20,859	20,211	19,765	19,897	19,824	19,843	19,741
Net Income (loss)	8,958	13,003	7,695	12,046	1,766	37,288	20,901	(15,199)
Net Income per Unit — basic ⁽ⁱⁱ⁾	0.182	0.265	0.156	0.245	0.036	0.760	0.426	(0.310)
Net Income per Unit — diluted ⁽ⁱⁱⁱ⁾	0.177	0.258	0.152	0.239	0.035	0.742	0.417	(0.303)
FFO per Unit — basic ^(iv)	0.262	0.261	0.257	0.242	0.243	0.245	0.246	0.243
FFO per Unit — diluted ^(v)	0.255	0.254	0.251	0.236	0.237	0.239	0.241	0.238
AFFO per Unit — basic ^(iv)	0.259	0.256	0.253	0.238	0.238	0.239	0.239	0.235
AFFO per Unit — diluted ^(v)	0.252	0.249	0.247	0.232	0.233	0.233	0.234	0.230
AFFO payout ratio	81.0%	80.7%	81.4%	86.60%	86.3%	86.3%	85.9%	87.4%
Distribution declared per Unit	0.204	0.201	0.201	0.201	0.201	0.201	0.201	0.201
Weighted average Units — basic	49,162,403	49,117,113	49,094,337	49,090,142	49,072,488	49,054,833	49,054,833	49,054,833
Weighted average Units — diluted	50,576,101	50,496,712	50,333,328	50,297,193	50,286,264	50,268,740	50,113,221	50,082,627
Market price per REIT Unit — close (end of period)	\$11.34	\$11.52	\$10.22	\$10.89	\$12.28	\$9.76	\$10.30	\$10.78
Total assets	1,327,647	1,231,857	1,215,487	1,190,733	1,212,514	1,220,323	1,199,959	1,193,907
Debt to GBV	47.4%	44.4%	43.8%	42.40%	43.7%	43.6%	44.6%	45.0%
Debt service coverage ratio	1.55X	1.55X	1.57X	1.53X	1.50X	1.47X	1.48X	1.46X

Notes:

- (i) Includes 100% of the GLA of Taschereau JLR and Volkswagen.
- (ii) Net Income per Unit — basic is calculated in accordance with IFRS by dividing Net Income by the amount of the weighted average number of outstanding REIT Units and Class B LP Units.
- (iii) Net Income per Unit — diluted is calculated in accordance with IFRS by dividing Net Income by the amount of the weighted average number of outstanding REIT Units, Class B LP Units, DUs, PDUs, RDUs and IDUs granted as at September 30, 2025 to certain Trustees and management of the REIT.
- (iv) The FFO and AFFO per Unit — basic is calculated by using the weighted average number of outstanding REIT Units and Class B LP Units. The FFO and AFFO per Unit basic comparable numbers were adjusted in accordance with the Real Property Association of Canada's White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS issued in January 2022. FFO and AFFO per Unit are non-IFRS ratios. See Section 1 "General Information and Cautionary Statements — Non-IFRS Financial Measures" of this MD&A.
- (v) The FFO and AFFO per Unit — diluted is calculated by using the weighted average number of outstanding REIT Units, Class B LP Units, DUs, PDUs, RDUs and IDUs granted as at September 30, 2025 to certain Trustees and management of the REIT. The FFO and AFFO per Unit — diluted comparable numbers were adjusted in accordance with the Real Property Association of Canada's White Paper on Funds from Operations & Adjusted Funds from Operations for IFRS issued in January 2022. FFO and AFFO per Unit are non-IFRS ratios. See Section 1 "General Information and Cautionary Statements — Non-IFRS Financial Measures" of this MD&A.

The increase in rental revenue and NOI is primarily attributable to property acquisitions subsequent to Q3 2024, partially offset by the reduction of rent from the sale of the Kennedy Lands. Net income is also impacted by fluctuations in fair value adjustments of Class B LP Units, investment properties and interest rate swaps.

SECTION 12 — RISKS & UNCERTAINTIES, CRITICAL JUDGMENTS & ESTIMATES

The risks inherent in the REIT's business are identified in the REIT's Management's Discussion and Analysis for the year ended December 31, 2024 and in its AIF, all of which remain unchanged at the date of this MD&A and are available at www.sedarplus.ca.