



Automotive Properties Real Estate Investment Trust
Consolidated Financial Statements
For the year ended December 31, 2025 and 2024



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Independent Auditor's Report

To the Unitholders of Automotive Properties Real Estate Investment Trust

Opinion

We have audited the consolidated financial statements of Automotive Properties Real Estate Investment Trust and its subsidiaries (the "REIT"), which comprise the consolidated balance sheets as at December 31, 2025 and 2024, and the consolidated statements of income and comprehensive income, changes in unitholders' equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the REIT as at December 31, 2025 and 2024, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Fair Value of Investment Properties

Refer to Notes 2(d), 3 and 6 - Investment Properties

As at December 31, 2025, the fair value of the REIT's investment properties totaled \$1,380 million, which accounted for approximately 99% of the REIT's total assets.

The valuation of investment properties is a key audit matter due to the significant estimation involved with the key inputs used in the valuation techniques and the sensitivity of fair value to changes in significant assumptions. The key inputs include net operating income, discount rates and capitalization rates, and are dependent on the nature of each investment property and the current prevailing market conditions.



How the Key Audit Matter was Addressed in the Audit

Our audit included the following procedures, among others:

- assessed the competence and capabilities of external appraisers engaged by the REIT and management who were involved in the valuation process, for a sample of properties;
- obtained an understanding of the techniques used by external appraisers and management in determining the valuation of investment properties, on a sample basis;
- with the assistance of our real estate valuation experts, evaluated the fair value methodology used by external appraisers and management;
- performed an assessment of the internal consistency of significant underlying assumptions such as net operating incomes;
- performed an assessment of significant underlying assumptions such as discount and capitalization rates, including by comparison to market based data; and
- evaluated the adequacy of the disclosures included in the consolidated financial statements relating to the fair value of investment properties.

Because of the estimation involved in determining the fair value of investment properties and the existence of alternative assumptions and valuation methods, we determined a range of fair values that were considered reasonable to evaluate the fair values determined by the external appraisers and management.

Other Information

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

- The information included in Management's Discussion and Analysis for the year ended December 31, 2025.
- The information, other than the consolidated financial statements and our auditor's report thereon, included in the 2025 Annual Report, and

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis for the year ended December 31, 2025, prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The 2025 Annual Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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



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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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



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

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

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

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 4, 2026

Automotive Properties REIT Consolidated Balance Sheets

<i>(in thousands of Canadian dollars)</i>	Note	As at December 31, 2025	As at December 31, 2024
ASSETS			
Cash and cash equivalents		657	336
Accounts receivable and other assets	7	14,776	1,454
Interest rate swaps and foreign exchange forward contracts	8	469	1,579
Investment properties	6	1,380,449	1,187,364
Total assets		\$1,396,351	\$1,190,733
LIABILITIES AND UNITHOLDERS' EQUITY			
Liabilities:			
Accounts payable and accrued liabilities	9	\$16,649	\$16,321
Credit facilities and mortgages payable	8	635,210	499,068
Unit-based compensation	12	14,533	11,942
Class B LP Units	11	9,175	-
Total liabilities		675,567	527,331
Unitholders' equity		720,784	663,402
Total liabilities and unitholders' equity		\$1,396,351	\$1,190,733

See accompanying notes to the consolidated financial statements.

Approved on behalf of the Board of Trustees

"Julie Morin"

Julie Morin
Trustee, Audit Committee Chair

"John Morrison"

John Morrison
Trustee, Lead Independent

Automotive Properties REIT

Consolidated Statements of Income and Comprehensive Income

<i>(in thousands of Canadian dollars)</i>				
For the year ended December 31,		Note		
			2025	
			2024	
Net Property Income				
Rental revenue from investment properties	13		\$101,835	\$93,876
Property costs	13		(15,955)	(14,547)
Net Operating Income			\$85,880	\$79,329
Other Income (Expenses)				
General and administrative expenses			(6,600)	(6,375)
Interest expense and other financing charges			(26,348)	(24,778)
Fair value adjustment on interest rate swaps and foreign exchange forward contracts	8		(1,218)	(9,810)
Distribution expense on Class B LP Units	10		(228)	(3,125)
Fair value adjustment on Class B LP Units and Unit-based compensation	11, 12		(86)	9,096
Fair value adjustment on investment properties and investment properties held for sale	6		(6,821)	27,664
Net Income			\$44,579	\$72,001
Exchange gain (loss) arising on translation of foreign operations			(1,353)	-
Net Income and Other Comprehensive Income			43,226	72,001

See accompanying notes to the consolidated financial statements.

Automotive Properties REIT

Consolidated Statements of Changes in Unitholders' Equity

For the year ended December 31, 2025
(in thousands of Canadian dollars)

	Note	Trust Units	Cumulative Net Income	Cumulative Distributions to Unitholders	Accumulated Other Comprehensive Income	Total
Unitholders' Equity at December 31, 2024		\$496,419	\$391,878	\$(224,895)	-	\$663,402
Units issued, net of costs	11	55,068	-	-	-	55,068
Net Income		-	44,579	-	-	44,579
Distributions	10,11	-	-	(40,912)	-	(40,912)
Exchange loss arising on translation of foreign operations	10,11	-	-	-	(1,353)	(1,353)
Unitholders' Equity at December 31, 2025		\$551,487	\$436,457	\$(265,807)	\$(1,353)	720,784

For the year ended December 31, 2024
(in thousands of Canadian dollars)

	Note	Trust Units	Cumulative Net Income	Cumulative Distributions to Unitholders	Total
Unitholders' Equity at December 31, 2023		\$404,708	\$319,877	\$(184,591)	\$539,994
Units issued, net of costs	11	91,711	-	-	91,711
Net Income		-	72,001	-	72,001
Distributions	10, 11	-	-	(40,304)	(40,304)
Units issued for special distribution	10, 11	-	-	23,023	23,023
Consolidation of Units for special distribution	10, 11	-	-	(23,023)	(23,023)
Unitholders' Equity at December 31, 2024		\$496,419	\$391,878	\$(224,895)	\$663,402

See accompanying notes to the consolidated financial statements.

Automotive Properties REIT

Consolidated Statements of Cash Flow

(in thousands of Canadian dollars)

For the year ended December 31,	Note	2025	2024
OPERATING ACTIVITIES			
Net income		\$44,579	\$72,001
Straight-line rent		(637)	(676)
Non-cash compensation expense		2,426	2,717
Fair value adjustment on interest rate swaps and foreign exchange forward contracts		1,218	9,810
Distribution expense on Class B LP Units		228	3,125
Fair value adjustment on Class B LP Units and Unit-based compensation		86	(9,096)
Fair value adjustment on investment properties and investment properties held for sale		6,821	(27,664)
Interest expense and other charges		25,114	23,904
Financing fees		1,234	874
Amortization of other assets		27	144
Change in non-cash operating accounts	18	(203)	775
Cash Flow from operating activities		80,893	75,914
INVESTING ACTIVITIES			
Acquisitions of investment properties		(154,781)	(32,493)
Deposits for acquisitions of investment properties	19	(13,800)	-
Dispositions of investment properties		-	53,875
Cash Flow (used in) from investing activities		(168,581)	21,382
FINANCING ACTIVITIES			
Net Proceeds from Credit Facilities and Mortgages		131,100	(7,600)
Principal repayment on Credit Facilities and Mortgages		(25,716)	(25,041)
Interest paid		(25,010)	(24,016)
Financing fees paid		(2,039)	(678)
Repayments on lease liabilities		(484)	(473)
Issuance of Units, net of costs		54,787	-
Distributions to REIT unitholders and Class B LP unitholders		(44,629)	(39,450)
Cash Flow from (used in) financing activities		88,009	(97,258)
Net increase (decrease) in cash and cash equivalents during the year		321	38
Cash and cash equivalents, beginning of year		336	298
Cash and cash equivalents, end of year		\$657	\$336

Supplemental cash flow information

Issuance of Units on acquisition of investment property (Note 5)	\$10,000	-
Vendor take-back mortgage (Note 5)	\$31,500	-

See accompanying notes to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the years ended December 31, 2025 and 2024

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

1. NATURE OF OPERATIONS

Automotive Properties Real Estate Investment Trust (the “REIT”) is an internally managed, unincorporated, open-ended real estate investment trust existing pursuant to a declaration of trust dated June 1, 2015, as amended and restated on July 22, 2015 (the “Declaration of Trust”) under, and governed by, the laws of the Province of Ontario. The REIT was formed to own primarily income-producing automotive dealership properties located in Canada and the United States. The principal, registered and head office of the REIT is located at 133 King Street East, Suite 300, Toronto, Ontario M5C 1G6. The REIT’s trust units (“Units”) are listed on the Toronto Stock Exchange and are traded under the symbol “APR.UN”.

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 December 31, 2025 (December 31, 2024 – 31.3%), through the ownership, direction or control of 17,390,998 Units. On June 21, 2024, Dilawri converted all 9,327,487 outstanding Class B limited partnership units (“Class B LP Units”) of Automotive Properties Limited Partnership, the REIT’s operating subsidiary (the “Partnership”), held directly or indirectly by Dilawri, into an equal number of Units. Dilawri and its affiliates, other than its shareholders and controlling persons, are referred to herein as the “Dilawri Group”.

As at December 31, 2025, the total number of issued and outstanding Units and Class B LP Units was 54,259,404 and 833,333, respectively. The Class B LP Units are economically equivalent to Units and are exchangeable generally on a one-for-one basis for Units (see Note 11).

The REIT commenced operations on July 22, 2015 following completion of an initial public offering of Units (the “IPO”). In connection with the completion of the IPO, the REIT indirectly acquired a portfolio of 26 commercial properties from certain members of the Dilawri Group (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 at a REIT property after the IPO, the “Dilawri Tenants”).

As at December 31, 2025, the REIT owned 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. See Note 19. The Dilawri Tenants are the REIT’s major tenant, occupying 40 of the REIT’s income-producing commercial properties and jointly occupying one of the REIT’s 91 income-producing commercial properties as at December 31, 2025.

The subsidiaries of the REIT included in the REIT’s consolidated financial statements include the Partnership, Automotive Properties REIT GP Inc., Automotive Properties US Holdco Inc., APR Britton Parkway Limited Partnership, APR Dale Mabry Limited Partnership and APR Shader Road Limited Partnership.

2. MATERIAL ACCOUNTING POLICY INFORMATION

(a) Statement of Compliance

The consolidated financial statements of the REIT have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

These consolidated financial statements were authorized for issuance by the Board of Trustees of the REIT (the “Board”) on March 4, 2026.

(b) Basis of Presentation

The consolidated financial statements of the REIT have been prepared using the historical cost basis except for the following items that were measured at fair value:

- investment properties as described in Note 6;
- interest rate swaps and foreign exchange forward contracts as described in Note 8;
- Class B LP Units which are exchangeable for Units at the option of the holder as described in Note 11; and
- Deferred Units (“DUs”), Income Deferred Units (“IDUs”), Restricted Deferred Units (“RDUs”) and Performance Deferred Units (“PDUs”, and together with DUs, IDUs and RDUs, “Unit-based compensation”) which are exchangeable for Units in accordance with their terms as described in Note 2(l) and Note 12.

The consolidated financial statements are presented in Canadian dollars, the REIT’s functional and reporting currency. Other Comprehensive Income includes the net foreign exchange impact of the REIT’s US properties, which have a USD functional currency.

(c) Basis of Consolidation

The consolidated financial statements include the accounts of the REIT and the other entities including the newly created US entities, that the REIT controls in accordance with IFRS 10 – *Consolidated Financial Statements*. Control requires exposure or rights to variable returns and the ability to affect those returns through power over an investee. All intercompany transactions and balances have been eliminated on consolidation.

On June 2, 2023, the REIT entered into a 50/50 joint arrangement (the “Joint Arrangement”) with StorageVault Canada Inc. (“StorageVault”) to jointly acquire an automotive dealership property located in Brossard, Québec, from a third party vendor. The Joint Arrangement is accounted for in accordance with IFRS 11 – *Joint Arrangements* (“IFRS 11”). Under IFRS 11, the Joint Arrangement is considered to be joint operations. The accounting treatment for joint operations requires each venturer to recognize its share of assets, liabilities, revenues, and expenses related to the joint operation in proportion to their respective interest therein.

(d) Investment Properties

Investment properties include properties held to earn rental income and/or for capital appreciation, and property under development. Investment properties are initially measured at cost, including directly attributable acquisition costs. Directly attributable acquisition costs include professional fees, land transfer taxes and other transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Fair value is determined based on available market evidence at each balance sheet date. The fair value of investment properties reflects, among other things, rental income from current leases and assumptions about rental income from future leases in light of current market conditions. Related fair value gains and losses are recorded in net income and comprehensive income in the period in which they arise.

(e) Revenue Recognition

The REIT has retained substantially all of the risks and benefits of ownership of its investment properties and, therefore, accounts for its leases with tenants as operating leases.

Rental revenue includes rents earned from tenants under lease agreements and realty tax recoveries.

The REIT follows the straight-line method of recognizing rental revenue, whereby the total amount of basic rent to be received from leases is accounted for on a straight-line basis over the term of the lease. Accordingly, an accrued rent receivable/payable is recorded for the current difference between the straight-line rent recorded as rental revenue and the rent that is contractually due from the tenant and is included as part of investment properties on the consolidated balance sheet. Lease incentives provided to tenants are deferred and amortized on a straight-line basis against revenue over the term of the lease.

(f) Expenses

Property costs and general and administrative expenses are recognized in income in the period in which they are incurred. The indemnity fee is amortized over the average lease term with the Dilawri Tenants that have third party sub-tenants.

(g) Leases

The REIT is the lessee for one land lease and one office lease, which are in the scope of IFRS 16 – *Leases* (“IFRS 16”). For all leases for which the REIT is a lessee of investment properties, the right-of-use assets have been measured at fair value with no straight line depreciation and classified as investment property at the date of initial application on January 1, 2019. The office lease right-of-use asset is recognized in accounts receivable and other assets. The depreciation charge is presented in the general and administrative expense. Amortization is recorded on a straight line basis over the term of the lease.

(h) Income Taxes

The REIT qualifies as a “mutual fund trust” under the *Income Tax Act* (Canada). The Board intends to annually distribute all taxable income directly earned by the REIT to holders of Units (“Unitholders”) and to deduct such distributions for income tax purposes.

Legislation relating to the federal income taxation of Specified Investment Flow Through trusts or partnerships (“SIFT”) provide that certain distributions from a SIFT will not be deductible in computing the SIFT’s taxable income and that the SIFT will be subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to Canadian corporations. However, distributions paid by a SIFT as return of capital should generally not be subject to tax.

Under the SIFT rules, the taxation regime will not apply to a real estate investment trust that meets prescribed conditions relating to the nature of its assets and revenue (the “REIT Exception”). The REIT has reviewed the SIFT rules and has assessed their interpretation and application to the REIT’s assets and revenue. While there are uncertainties in the interpretation and application of the SIFT rules, the REIT believes that it meets the REIT Exception and, accordingly, no net current income tax expense or deferred income tax assets or liabilities have been recorded in the consolidated statements of income and comprehensive income.

(i) Units and Class B LP Units

Units are redeemable at the holder's option subject to certain limitations and restrictions. As a result, the Units are liabilities by definition but qualify for presentation as equity under certain limited exceptions within IAS 32 — *Financial Instruments: Presentation* ("IAS 32"). The Class B LP Units are economically equivalent to Units, receive distributions equal to the distributions paid on Units and are exchangeable at the option of the holder into Units. One special voting unit in the REIT (the "Special Voting Units") has been issued to the holder of each Class B LP Unit issued (such Special Voting Unit does not have any entitlement in the REIT with respect to distributions, but does generally entitle the holder to that number of votes at any meeting of Unitholders to which a holder of the number of Units that are obtained upon the exchange of the Class B LP Unit to which such Special Voting Unit is attached would be entitled). The limited IAS 32 exception for presentation as equity does not extend to the Class B LP Units. As a result, the Class B LP Units have been classified as financial liabilities and are measured at fair value through profit and loss ("FVTPL"). The fair value of the Class B LP Units is measured every period by reference to the traded value of the Units, with changes in value recorded through profit and loss.

Distributions on the Class B LP Units are recorded as an expense in the consolidated statements of income and comprehensive income in the period in which they become payable.

(j) Financial instruments

Financial instruments are classified as one of the following: (i) measured at amortized cost, (ii) fair value through other comprehensive income ("FVTOCI"), or (iii) FVTPL. Financial assets and liabilities classified as FVTPL are measured at fair value with gains and losses recognized in the consolidated statements of income and comprehensive income. Financial instruments classified as amortized cost are measured at amortized cost, using the effective interest method. The REIT recognizes an allowance for expected credit losses ("ECL") for financial assets measured at amortized cost at each balance sheet date. The ECL model requires considerable judgment, including consideration of how changes in economic factors affect ECLs, which are determined on a probability weighted basis. Impairment losses, if incurred, would be recorded as expenses in the consolidated statements of income and comprehensive income with the carrying amount of the financial asset or group of financial assets reduced through the use of impairment allowance accounts. FVTOCI financial instruments are measured at fair value and any unrealized gains and losses will be recognized in other comprehensive income.

The following summarizes the REIT's classification and measurement of financial assets and liabilities:

	Classification/Measurement
Financial assets	
Cash and cash equivalents	Amortized cost
Accounts receivable	Amortized cost
Interest rate swaps and foreign exchange forward contracts	FVTPL
Financial liabilities	
Accounts payable and accrued liabilities	Amortized cost
Credit Facilities and Mortgages	Amortized cost
Class B LP Units and Unit-based compensation	FVTPL
Interest rate swaps	FVTPL

Acquisition costs other than those related to financial instruments classified as FVTPL, which are expensed as incurred, are capitalized to the carrying amount of the instrument and amortized using the effective interest method. These costs primarily include interest and finance fees that are incurred in connection with borrowings.

(k) Unit-Based Compensation

DUs may be granted to members of the Board ("Trustees"), officers, employees and other eligible persons of the REIT (each, a "Participant"). DUs granted to Trustees will generally vest immediately. DUs granted to officers, employees and other eligible persons of the REIT will generally vest as to one-third on each of the third, fourth and fifth anniversary of the applicable grant date. RDUs are granted to officers, employees and other eligible persons of the REIT only and vest over a three-year period following the applicable grant date. PDUs are granted to officers, employees and other eligible persons of the REIT only and cliff vest at the end of the applicable three-year performance period based on the relative performance of the REIT over the performance period. Each DU, PDU and RDU shall receive a distribution of additional IDUs equal to the amount of distributions paid per Unit by the REIT on its Units. Liability in respect of the DUs, PDUs, RDUs and IDUs is adjusted to reflect the change in their fair value at each reporting period with the changes in fair value recognized in the consolidated statements of income and comprehensive income. The holder of such DUs, PDUs, RDUs and IDUs cannot settle their DUs, PDUs, RDUs or IDUs for cash.

(I) Foreign Currency Translation

The assets and liabilities of the Trust's foreign operations are translated into Canadian dollars at the exchange rates prevailing at the reporting date. Income and expense items are translated at average exchange rates for the period. Resulting foreign exchange translation differences are recorded in other comprehensive income (loss) and accumulated in equity.

3. CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the consolidated financial statements requires management to make judgments and estimates in applying the REIT's accounting policies that affect the reported amounts and disclosures made in the consolidated financial statements and accompanying notes. Within the context of these consolidated financial statements, a judgment is a decision made by management in respect of the application of an accounting policy; a recognized or unrecognized financial statement amount and/or note disclosure, following an analysis of relevant information that may include estimates and assumptions. Estimates and assumptions are used mainly in determining the measurement of balances recognized or disclosed in the consolidated financial statements and are based on a set of underlying data that may include management's historical experience, knowledge of current events and conditions and other factors that are believed to be reasonable under the circumstances. Management continually evaluates the estimates and judgments it uses. The following are the accounting policies subject to judgments and key sources of estimation uncertainty that the REIT believes could have the most significant impact on the amounts recognized in the consolidated financial statements. The REIT's material accounting policy information is described in Note 2.

Investment Properties

The REIT assesses whether the properties it acquires are considered to be asset acquisitions or business combinations. The REIT considers all the properties it has acquired to date to be asset acquisitions. The REIT applies judgment when reporting any property under development. The cost of the property under development includes the acquisition of the property, direct development costs and borrowing costs attributable to the development.

Investment properties are valued by management. Valuations are completed by undertaking a discounted cash flow approach, whereby a current discount rate is applied to the projected net operating income that a property can reasonably be expected to produce in the future. These assumptions may not ultimately be achieved.

Income Taxes

The REIT is a mutual fund trust and a real estate investment trust as such terms are defined in the *Income Tax Act* (Canada). The REIT is not liable to pay Canadian income taxes provided that its taxable income is fully distributed to Unitholders each year. The REIT is a real estate investment trust if it meets the prescribed conditions under the *Income Tax Act* (Canada) relating to the nature of its assets and revenue. The REIT uses judgment in reviewing these prescribed conditions and assessing its interpretation and application to the REIT's assets and revenue. The REIT has determined that it qualifies as a real estate investment trust in respect of the current period.

The REIT expects to continue to qualify as a mutual fund trust and real estate investment trust under the *Income Tax Act* (Canada), however, should it no longer qualify, the REIT would not be able to flow through its taxable income to Unitholders and would, therefore, be subject to tax.

4. NEW STANDARDS AND INTERPERTATIONS NOT YET ADOPTED

IFRS 18, Presentation and Disclosure in Financial Statements

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

In May 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7". The amendments clarify the requirements related to the date of recognition and derecognition for a financial asset and financial liability on the settlement date. The amendments are effective for

annual reporting periods beginning on or after January 1, 2026. The adoption is not expected to have a material impact on the REIT's consolidated financial statements.

5. ACQUISITIONS, DISPOSITIONS AND EXPANSIONS

During the year ended December 31, 2025, the REIT completed the following acquisitions:

Property	Location	Date of Acquisition	Total Investment Properties ⁽¹⁾
Columbus Tesla ⁽ⁱ⁾	Dublin, OH	March 11, 2025	\$26,679
Tampa Rivian ⁽ⁱⁱ⁾	Tampa, FL	April 11, 2025	\$18,639
Orlando Rivian ⁽ⁱⁱⁱ⁾	Orlando, FL	September 18, 2025	\$23,742
GM Île-Perrot ^(iv)	Pincourt, QC	September 25, 2025	\$15,072
Île-Perrot Toyota ^(iv)	Pincourt, QC	September 25, 2025	\$13,502
Mazda 2-20 ^(iv)	Pincourt, QC	September 25, 2025	\$14,022
Hyundai Île-Perrot ^(iv)	Pincourt, QC	September 25, 2025	\$8,012
Body Shop CCIP ^(iv)	Pincourt, QC	September 25, 2025	\$4,692
Ford Île-Perrot ^(iv)	Pincourt, QC	September 25, 2025	\$17,351
Subaru Des Sources ^(v)	Dorval, QC	October 16, 2025	\$18,166
Honda Des Sources ^(v)	Dorval, QC	October 16, 2025	\$20,255
Volkswagen Des Sources ^(v)	Dorval, QC	October 16, 2025	\$15,510
Honda Île-Perrot ^(vi)	Pincourt, QC	October 29, 2025	\$5,010
Total Acquisitions			\$200,652

1) Includes acquisition costs.

- (i) On March 11, 2025, the REIT acquired the real estate underlying a Tesla collision center property ("Columbus Tesla") located in Dublin, Ohio, United States, a suburb of Columbus, for a purchase price of US\$17,800 plus acquisition costs of US\$846, translated to a total of C\$26,679. Columbus Tesla is under lease with Tesla and consists of approximately 94,000 square feet of GLA on 6.3 acres of land. The REIT funded the purchase price of Columbus Tesla primarily by drawing on its revolving credit facilities.
- (ii) On April 11, 2025, the REIT acquired the real estate underlying an automotive dealership property located in Tampa Bay, Florida, United States ("Tampa Rivian") for a purchase price of US\$13,075 plus acquisition costs of US\$345, translated to a total of C\$18,639. Tampa Rivian is under lease with Rivian and consists of approximately 25,000 square feet of GLA on 2.7 acres of land. The REIT funded the purchase price of Tampa Rivian primarily by drawing on its revolving credit facilities.
- (iii) On September 18, 2025, the REIT acquired the real estate underlying an automotive dealership property located in Orlando, Florida, United States ("Orlando Rivian") for a purchase price of US\$16,800 plus acquisition costs of US\$405, translated to a total of C\$23,742. Orlando Rivian is under lease with Rivian and consists of approximately 34,938 square feet of GLA on 6.4 acres of land. The REIT funded the purchase price of Orlando Rivian primarily by drawing on its revolving credit facilities.
- (iv) On September 25, 2025, the REIT acquired a portfolio of five automotive dealership properties and one collision centre property located in Île-Perrot, Québec (GM Île-Perrot, Île-Perrot Toyota, Mazda 2-20, Hyundai Île-Perrot, Ford Île-Perrot and a body shop) (collectively, the "Île-Perrot Properties") for an aggregate purchase price of \$70,479, plus acquisition costs of \$2,171. The Île-Perrot Properties consist of an aggregate of approximately 177,932 square feet of GLA situated on approximately 26.4 acres of land and are indemnified by Groupe AutoForce Inc. The REIT funded the acquisition of the Île-Perrot Properties through the issuance by the Partnership of 833,333 Class B LP Units and by drawing on its existing credit facilities.
- (v) On October 16, 2025, the REIT acquired a portfolio of three automotive dealership properties located in Dorval, Québec (Subaru Des Sources, Honda Des Sources and Volkswagen Des Sources) (collectively, the "Des Sources Properties"), for an aggregate purchase price of approximately \$52,500, plus acquisition costs of \$1,431. The Des Sources Properties consist of 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. The REIT funded the purchase price of the Des Source Properties with cash on hand and by drawing on its revolving credit facilities and 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.

- (vi) On October 29, 2025, the REIT acquired an automotive dealership property located in Île-Perrot, Québec (“Honda Île-Perrot”) for a purchase price of \$4,820, plus acquisition costs of \$190. Honda Île-Perrot consists of 18,670 square feet of GLA situated on approximately 1.6 acres of land. The REIT funded the acquisition of Honda Île-Perrot with cash on hand.

During the year ended December 31, 2024, the REIT completed the following acquisitions and expansions:

Property	Location	Date of Acquisition	Total Investment Properties ⁽¹⁾
Strongco (Nors) ⁽ⁱ⁾	Boucherville, QC	November 25, 2024	\$14,530
Brandt Tractor ⁽ⁱ⁾	Brossard, QC	November 25, 2024	\$11,879
McNaught Expansion ⁽ⁱⁱⁱ⁾	Winnipeg, MB	October 15, 2024	\$7,100
Total Acquisitions			\$33,509

(1) Includes acquisition costs.

- (i) On November 25, 2024, the REIT acquired two heavy construction equipment dealership properties located in the Greater Montreal Area (the “Greater Montreal Properties”) for a purchase price of \$25,350, plus acquisition costs of \$1,059. The Greater Montreal Properties consist of (i) a 31,000 square-foot Brandt Tractor Ltd. facility with a John Deere heavy construction equipment dealership that is situated on 6.6 acres of land located in Brossard, Québec, and (ii) a 28,611 square-foot Strongco (Nors) heavy construction equipment dealership (Volvo and other equipment brands) that is situated on 5.1 acres of land located in Boucherville, Québec. The REIT funded the purchase price of the Greater Montreal Properties with cash on hand and by drawing on its revolving credit facilities.

- (ii) On October 15, 2024, the REIT funded the dealership facility expansion at its McNaught Cadillac Buick GMC dealership property located in Winnipeg, Manitoba (the “McNaught Expansion”). The McNaught Expansion added a new Cadillac building of approximately 13,681 square feet of GLA at an investment of approximately \$7,100, resulting in an annual rent increase. The tenant has exercised an early lease renewal and extended the duration of the existing lease term to 2043. The REIT funded the McNaught Expansion with cash on hand.

During the year ended December 31, 2024, the REIT completed the following disposition:

Property	Location	Date of Disposition	Total Investment Properties ⁽¹⁾
Kennedy Lands ⁽ⁱ⁾	Markham, ON	October 1, 2024	\$53,800
Total Dispositions			\$53,800

(1) Net of disposition costs.

- (i) On October 1, 2024, the REIT completed the sale of 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 gross proceeds of \$54,000, less disposition costs of \$200.

6. INVESTMENT PROPERTIES

	Income producing properties	Right-of-use assets	December 31, 2025	December 31, 2024
Balance, beginning of year	\$1,184,572	\$2,792	\$1,187,364	1,179,315
Acquisitions ⁽¹⁾	200,653	-	200,653	33,509
Dispositions ⁽²⁾	-	-	-	(53,800)
Fair value adjustment on investment properties	(6,538)	(284)	(6,822)	27,664
Straight-line rent	637	-	637	676
Foreign currency translation	(1,383)	-	(1,383)	-
Balance, end of year	\$1,377,941	\$2,508	\$1,380,449	\$1,187,364

(1) Includes acquisition costs of \$6,054 (December 31, 2024 – \$1,059).

(2) Includes disposition costs of \$nil (December 31, 2024 – \$200).

Valuation of Investment Properties

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 which 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. The REIT's valuation inputs are supported by quarterly market reports from an independent appraiser. In 2025, the REIT had 23 investment properties (2024 – 35) independently appraised, representing approximately \$453,920 (2024 – \$575,970) of the REIT's fair value of income producing properties. For the year ended December 31, 2025, the nominal fair value adjustments were a result of an increase in value of the properties containing consumer price index escalators offset by the changes in valuation inputs decreasing the value of the properties containing fixed rate escalators. The fair value loss adjustments for the year ended December 31, 2025 resulted in the overall capitalization rate applicable to the REIT's entire portfolio increasing to 6.75% as at December 31, 2025 (December 31, 2024 – 6.69%).

On October 1, 2024, the REIT completed the sale of the Kennedy Lands to a member of the Dilawri Group for gross proceeds of \$54,000 (the "Sale Transaction"), less disposition costs of \$200. The fair value adjustment on investment properties for the year ended December 31, 2024 included a gain of \$23,760 as a result of entering into the sale agreement relating to the Sale Transaction.

The following table highlights the significant valuation inputs used in determining the fair value of the REIT's income producing properties:

Significant Valuation Inputs

Total Income Producing Properties	December 31, 2025		December 31, 2024	
	Range	Weighted average	Range	Weighted average
Discount rate	5.30% - 11.50%	7.57%	5.25% - 11.45%	7.53%
Terminal capitalization rate	5.00% - 10.70%	7.25%	5.00% - 11.20%	7.16%

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 the investment properties of approximately \$53,000 or \$(49,200), respectively, as of December 31, 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 \$110,300 or \$(95,100), respectively, as of December 31, 2025.

Rental Commitments

Minimum rental commitments on non-cancellable tenant operating leases are as follows:

Within 1 year	\$90,316
After 1 year, but not more than 5 years.....	348,356
More than 5 years	469,897
	\$908,569

7. ACCOUNTS RECEIVABLE AND OTHER ASSETS

As at	December 31, 2025	December 31, 2024
Prepaid indemnity fee ⁽¹⁾	\$165	\$218
Right-of-use assets, net of depreciation	33	47
Prepaid and other receivables ⁽²⁾	14,578	1,189
	\$14,776	\$1,454

(1) See Note 17 – Related Party Transactions.

(2) Includes a deposit of \$13,800 in respect of the acquisition of Québec City Hyundai (as defined below). See note 19.

8. CREDIT FACILITIES AND MORTGAGES PAYABLE

(a) Credit facilities and mortgages payable consist of:

As at	December 31, 2025	December 31, 2024
Facility 1 ⁽ⁱ⁾	\$241,437	\$237,117
Facility 2 ⁽ⁱⁱ⁾	113,362	76,820
Facility 3 ⁽ⁱⁱⁱ⁾	219,713	153,821
Mortgages ^(iv)	64,068	33,874
Total	638,580	501,632
Financing fees ^(v)	(3,370)	(2,564)
	\$635,210	\$499,068

(i) Facility 1 includes:

A non-revolving loan in the amount of \$224,737 (December 31, 2024 – \$236,517) bearing interest at the Canadian Overnight Repo Rate Average (“CORRA”) rate plus a credit adjustment, plus 150 basis points (“bps”) or the Canadian Prime rate (“Prime”) plus 25 bps, maturing in June 2027. The principal is repayable in equal quarterly payments based on a 25-year amortization. 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 nine 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%. In March 2025, the REIT renewed a \$10,000 floating-to-fixed interest rate swap for a term of nine years at an interest rate of 4.53%. On April 16, 2025, with an effective date of March 31, 2025, the REIT renewed a \$8,681 floating-to-fixed interest rate swap for a term of six years at an interest rate of 4.50%. In September 2025, the REIT renewed a \$10,000 floating-to-fixed interest rate swap for a term of eight years at an interest rate of 4.60%. The REIT entered into floating-to-fixed interest rate swaps, with remaining terms of 2.5 to 8.2 years as at December 31, 2025, which resulted in a weighted average effective interest rate of 4.66% (December 31, 2024 – 4.57%).

A revolving credit facility in the amount of \$30,000 bearing interest at Prime plus 25 bps or CORRA rate plus a credit adjustment, plus 150 bps, maturing in June 2027, of which \$16,700 was drawn as at December 31, 2025 (December 31, 2024 – \$600). See Note 19.

(ii) Facility 2 includes:

A non-revolving loan in the amount of \$113,362 (December 31, 2024 – \$76,820) bearing interest at the CORRA rate plus a credit adjustment, plus 150 bps or Prime plus 25 bps, maturing in March 2029. The principal is repayable in monthly blended payments based on a 25-year amortization. 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%. In September 2025, the REIT increased the amount of the non-revolving portion of Facility 2 by \$40,000. On October 16, 2025, the REIT entered into a \$15,000 floating-to-fixed interest rate swap within Facility 2 for a term of six years at an interest rate of 4.50%. The REIT entered into floating-to-fixed interest rate swaps with remaining terms of 0.5 to 5.8 years as at December 31, 2025, which resulted in a weighted average effective interest rate of 4.21% (December 31, 2024 – 3.90%).

A revolving credit facility in the amount of \$20,000 bearing interest at Prime plus 25 bps or CORRA rate plus a credit adjustment, plus 150 bps, maturing in March 2029, of which \$nil was drawn as at December 31, 2025 (December 31, 2024 – \$nil).

(iii) Facility 3 includes:

A non-revolving loan in the amount of \$219,713 (December 31, 2024 – \$153,821) bearing interest at the CORRA rate plus a credit adjustment, plus 150 bps or Prime plus 25 bps, maturing in March 2028. On March 31, 2025, the maturity date was extended from June 2026 to March 2028. The principal is repayable in monthly blended payments based on a 20 year amortization. In June 2025, the REIT increased the amount of the non-revolving portion of Facility 3 by \$35,000. On July 2, 2025, with an effective date of June 30, 2025, the REIT renewed a \$9,875 floating-to-fixed interest rate swap for a term of six years at an interest rate of 4.58%. In October 2025, the REIT increased the amount of the non-revolving portion of Facility 3 by \$40,000. On November 26, 2025, the REIT entered into a \$10,000 floating-to-fixed interest rate swap within Facility 3

for a term of five years at an interest rate of 4.47%. The REIT entered into floating-to-fixed interest rate swaps with remaining terms of 0.1 to 7.0 years as at December 31, 2025, which resulted in a weighted average effective interest rate of 4.38% (December 31, 2024 – 4.33%). See Note 19.

A revolving credit facility in the amount of \$40,000 bearing interest at Prime plus 25 bps or the CORRA rate plus a credit adjustment, plus 150 bps, maturing in March 2028, of which \$nil was drawn as at December 31, 2025 (December 31, 2024 – \$nil).

(iv) Mortgages:

The REIT has entered into certain mortgages with Canadian Schedule 1 banks and a life insurance company that have interest rates that range from 2.21% to 5.73% and have maturity dates that range from March 2027 to April 2031 (the “Mortgages”). As at December 31, 2025, the weighted average interest rate of the Mortgages was 3.90% (December 31, 2024 – 3.89%). In addition, the REIT has a vendor take-back mortgage in the principal amount of \$31,500 in connection with the acquisition of the Des Sources Properties. The vendor take-back mortgage bears interest at a rate of 4.5% per annum and matures in October 2030.

(v) During the year ended December 31, 2025, the REIT incurred financing fees of \$2,039 (December 31, 2024 – \$678). The amounts are accounted for using the effective interest method, and \$3,370 remains unamortized at December 31, 2025 (December 31, 2024 – \$2,564).

The credit facilities described above (the “Credit Facilities”) and the Mortgages are secured by the REIT’s investment properties. As of December 31, 2025, the REIT had nine unencumbered properties with an aggregate fair value of approximately \$116,997 (December 31, 2024 – three unencumbered properties with an aggregate fair value of approximately \$43,840).

Principal repayments are as follows:

2026	\$29,050
2027	257,585
2028	213,056
2029	99,929
Thereafter	<u>38,960</u>
Total	<u>\$638,580</u>

(b) Interest Rate Swaps and Foreign Exchange Forward Contracts

The REIT entered into interest rate derivative contracts to limit its exposure to fluctuations in the interest rates payable on variable rate financings for 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 (terms described in Note 8(a)(i), (ii) and (iii) above).

As at December 31, 2025, the notional principal amount of the interest rate swaps was \$443,535 (December 31, 2024 –\$431,064) and the fair value adjustment of the interest rate swaps loss was \$(1,218) (December 31, 2024 – interest rate swaps loss was \$(9,810)). As at December 31, 2025, the net asset balance of interest rate swaps was \$469 (December 31, 2024 –net asset balance of interest rate swaps and foreign exchange forward contracts in the aggregate amount was \$1,579). There are no foreign exchange forward contracts as at December 31, 2025.

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

As at	December 31, 2025	December 31, 2024
Accounts payable and accrued liabilities	\$9,630 ⁽¹⁾	\$5,199
Accrued interest	395	689
Distributions payable (Note 10)	3,774	7,265
Lease liabilities (Note 2(g))	2,850	3,168
	<u>\$16,649</u>	<u>\$16,321</u>

(1) Includes \$825 accrual which is related to the issuance of Class B LP Units (See Note 11).

As at December 31, 2025, 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 (including imputed interest costs):

Within 1 year	\$326
After 1 year, but not more than 5 years	1,249
More than 5 years	<u>1,275</u>
Total	<u>\$2,850</u>

10. DISTRIBUTIONS

	December 31, 2025			December 31, 2024		
	Units	Class B LP Units	Total	Units	Class B LP Units	Total
Paid in Cash	\$44,458	\$171	\$44,629	\$35,700	\$3,750	\$39,450
Declared	40,912	228	41,140	40,304	3,125	43,429
Payable as at year end ⁽¹⁾	3,717	57	3,774	3,289	-	3,289
Payable special distribution cash portion ⁽²⁾	-	-	-	3,976	-	3,976

(1) On December 15, 2025, the REIT declared the regular monthly distribution of \$0.0685 per Unit and payable on January 15, 2026. On December 15, 2024, the REIT declared the regular monthly distribution of \$0.0670 per Unit and payable on January 15, 2025.

(2) On December 16, 2024, the REIT declared a special distribution to Unitholders of record as of December 31, 2024 in the amount of \$0.55 per Unit for a total value of \$26,999, comprised of \$0.081 per Unit payable for a total cash value of \$3,976 and \$0.469 per Unit payable by the issuance of Units (the "Special Distribution") for a total value of \$23,023. See Note 11 – Unitholders' Equity and Class B LP Units.

11. UNITHOLDERS' EQUITY AND CLASS B LP UNITS

Units

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

Each Unit is transferable and represents an equal, undivided beneficial interest in the REIT and any distributions from the REIT, whether of net income, net realized capital gains (other than such gains allocated and distributed to redeeming Unitholders) or other amounts and, in the event of the termination or winding-up of the REIT, in the net assets of the REIT remaining after satisfaction of all liabilities. All 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 Unitholders and holders of Special Voting Units or in respect of any written resolution thereof.

Unitholders 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, Unitholders 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.

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 Unit.

The Unit portion of the Special Distribution was paid at the close of business on December 31, 2024 by the issuance of Units from treasury that had a fair market value equal to the dollar amount of the Special Distribution payable in Units based on the volume-weighted average trading price of the Units on the Toronto Stock Exchange for the five trading days ending on December 30, 2024 for total value of \$23,023. Immediately following 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. The cash portion of the Special Distribution was paid on January 6, 2025 to Unitholders of record as of December 31, 2024.

On March 17, 2025, 55,750 DUs and IDUs were exchanged for Units, of which 28,779 Units were subsequently surrendered and cancelled in order to fulfill tax payment obligations in accordance with applicable tax regulations.

On October 23, 2025, the REIT completed a bought deal public offering of 3,070,000 Units at a price of \$11.11 per 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 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 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 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.

On August 20, 2024, 72,837 DUs and IDUs were exchanged for Units, of which 37,528 Units were subsequently surrendered and cancelled in order to fulfill tax payment obligations in accordance with applicable tax regulations.

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. Each Class B LP Unit is exchangeable at the option of the holder for one Unit (subject to certain anti-dilution adjustments), is accompanied by a Special Voting Unit (which provides the holder with that number of votes at any meeting of Unitholders to which a holder of the number of 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), and will receive distributions of cash from the Partnership equal to the distributions to which a holder of the number of 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. On June 21, 2024, Dilawri converted all 9,327,487 previously outstanding Class B LP Units into an equal number of 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 seller. In the event that the five day volume-weighted average trading price of the REIT Units on the Toronto Stock Exchange (the “VWAP”) is less than \$12.00 per REIT Unit on the date that is two years following September 25, 2025, the REIT has agreed to make a cash payment to the holder in an amount equal to the difference between (i) \$12.00 and (ii) the VWAP as of the date that is two years following the closing date subject to a maximum cash payment of \$1,250. Each Class B LP Unit is exchangeable at the option of the holder for one Unit (as per securities law, subject to four month hold-period), is accompanied by a Special Voting Unit (which provides the holder with that number of votes at any meeting of Unitholders to which a holder of the number of 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), and will receive distributions of cash from the Partnership equal to the distributions to which a holder of the number of 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.

As at December 31, 2025, there are 833,333 Class B LP Units issued and outstanding.

For the year ended December 31, 2025

	Units	Amount
Units, beginning of year	49,090,142	\$496,419
Units issued for vested DUs and IDUs	55,750	581
Units, surrendered and cancelled	(28,779)	(300)
Units issued, net of costs	5,142,291	54,787
Total Units, end of year	54,259,404	\$551,487
Class B LP Units, beginning of year	-	-
Class B LP Units issued	833,333	9,175
Total Class B LP Units, end of year	833,333	9,175
Total Units and Class B LP Units, end of year	55,092,737	\$560,662

For the year ended December 31, 2024

	Units	Amount
Units, beginning of year	39,727,346	\$404,708
Units issued, net of costs	9,327,487	91,316
Units issued for vested DUs and IDUs	72,837	814
Units, surrendered and cancelled	(37,528)	(419)
Units issued for special distribution	2,096,173	23,023
Units consolidated (cancelled) for special distribution	(2,096,173)	(23,023)
Total Units, end of year	49,090,142	\$496,419
Class B LP Units, beginning of year	9,327,487	\$100,550
Class B LP Units converted to Units	(9,327,487)	(91,316)
Fair value adjustment on Class B LP Units	-	(9,234)
Total Class B LP Units, end of year	-	-
Total Units and Class B LP Units, end of year	49,090,142	\$496,419

12. UNIT-BASED COMPENSATION

The REIT offers an Equity Incentive Plan (the “Plan”) whereby DUs, PDUs and RDUs may be granted to eligible participants (each, a “Participant”) on a discretionary basis by the Governance, Compensation and Nominating Committee of the Board. The maximum number of Units approved for issuance under the Plan is 1,750,000. Each DU, PDU and RDU is economically equivalent to one Unit, however, under no circumstances shall they be considered 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 Unit by the REIT on its 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 Units. The holder of such DUs, PDUs, RDUs and IDUs cannot settle them for cash. Under the Plan, the fair value of the DUs, PDUs, RDUs and IDUs is recognized as compensation expense over the vesting period. Fair value is determined with reference to the market price of the Units.

The Units are redeemable at the option of the holder and are considered puttable instruments in accordance with IAS 32 – *Financial Instruments: Presentation* (“IAS 32”). As the exemption under IAS 32 does not apply to IFRS 2 – *Share Based Payments*, Unit-based compensation is accounted for as a liability. The deferred unit liability is adjusted to reflect the change in their fair value at each reporting period with the changes in fair value recognized as compensation expense.

During the year ended December 31, 2025, the REIT accrued short-term incentive awards in the amount of \$980 which will be settled by the granting of DUs and/or cash (December 31, 2024 – \$863).

All independent trustees of the REIT elected to receive board and committee compensation in the form of DUs. The fair value of each DU granted is measured based on the volume-weighted average trading price of the Units for the five trading days immediately preceding the grant date. The amount of DUs, PDUs, RDUs and IDUs vested and outstanding under the Plan is outlined below:

	Units Granted⁽²⁾	Units Outstanding and Vested⁽¹⁾	Outstanding Unit-based compensation End of Year⁽²⁾⁽³⁾
DUs	758,869	753,459	8,296
PDUs	181,230	138,337	1,523
RDUs	155,072	116,415	1,282
IDUs	382,110	311,739	3,432
Total	1,477,281	1,319,950	\$14,533

As at December 31, 2024

	Units Granted⁽²⁾	Units Outstanding and Vested⁽¹⁾	Outstanding Unit-based compensation End of Year^{(2) (3)}
DUs	671,070	666,346	7,256
PDU	142,515	97,722	1,064
RDU	116,418	79,602	867
IDU	298,168	252,974	2,755
Total	1,228,171	1,096,644	\$11,942

(1) Units Granted and Units Outstanding are net of redemption, surrendered and cancelled Units.

(2) For the year ended December 31, 2025, 249,110 DUs, PDUs, RDUs and IDUs were granted, of which 61,995 DUs, 77,369 PDUs and RDUs and 83,942 IDUs were accounted for in accordance with the vesting schedule. On August 20, 2024, 72,837 DUs and IDUs were exchanged for Units. On March 17, 2025, 55,750 DUs and IDUs were exchanged for Units, of which 28,779 Units were subsequently surrendered and cancelled in order to fulfill tax payment obligations in accordance with applicable tax regulations.

(3) Includes a fair value loss of \$86 for the year ended December 31, 2025 (December 31, 2024 – loss of \$138).

13. RENTAL REVENUE AND PROPERTY COSTS**(a) Rental Revenue**

<i>For the year ended December 31,</i>	2025	2024
Base rent	\$85,243	\$78,653
Property tax recoveries	15,955	14,547
Straight line rent adjustment	637	676
Rental revenue	\$101,835	\$93,876

(b) Property Costs

<i>For the year ended December 31,</i>	2025	2024
Property tax expense	\$15,955	\$14,547
Property cost	\$15,955	\$14,547

14. SEGMENT INFORMATION

All of the REIT's assets and liabilities are in, and its revenues are derived from, the Canadian and United States real estate industry segment. The REIT's investment properties are, therefore, considered by management to have similar economic characteristics.

15. CAPITAL MANAGEMENT

The REIT defines its capital as the aggregate of Unitholders' equity, Class B LP Units, Credit Facilities and Mortgages which, as at December 31, 2025, totaled \$1,365,169 (December 31, 2024 – \$1,162,470). The REIT is free to determine the appropriate level of capital in the context of its cash flow requirements, overall business risks and potential business opportunities. The REIT will make adjustments to its capital based on its investment strategies and changes to economic conditions.

In order to maintain or adjust its capital structure, the REIT may increase or decrease the amount of distributions paid to Unitholders, issue new Units and debt, or repay debt. The REIT manages its capital structure with the objective of:

- complying with the guidelines set out in its Declaration of Trust;
- complying with debt covenants;

- ensuring sufficient liquidity is available to support its financial obligations and to execute its operating and strategic plans;
- maintaining financial capacity and flexibility through access to capital to support future growth; and
- minimizing its cost of capital while taking into consideration current and future industry, market and economic risks and conditions.

The REIT has certain key financial covenants in its Credit Facilities and Mortgages, including debt service ratios and leverage ratios, as defined in the respective agreements. These ratios are measured by the REIT on an ongoing basis to ensure compliance with the agreements. As at December 31, 2025, the REIT was in compliance with each of the covenants under these agreements.

16. FAIR VALUES AND FINANCIAL INSTRUMENT RISK MANAGEMENT

The fair value of the REIT's financial assets and financial liabilities, except as noted below, approximate their carrying values due to their short-term nature.

The following table provides the classification and measurement of financial assets and liabilities as at December 31, 2025:

Financial Assets/(Liabilities)	Classification/ Measurement	Carrying Value	Fair Value
Credit Facilities and Mortgages payable	Amortized Cost	\$(635,210)	\$(638,580)
Interest Rate Swaps	FVTPL	469	469
Unit-based compensation	FVTPL	(14,533)	(14,533)
Class B LP Units	FVTPL	(9,175)	(9,175)
		\$(658,449)	\$(661,819)

As at December 31, 2025, the net asset balance of interest rate swaps was \$469.

The following table provides the classification and measurement of financial assets and liabilities as at December 31, 2024:

Financial Assets/(Liabilities)	Classification/ Measurement	Carrying Value	Fair Value
Credit Facilities and Mortgages payable	Amortized Cost	\$(499,068)	\$(501,632)
Interest Rate Swaps and Foreign Exchange Forward Contracts	FVTPL	1,579	1,579
Unit-based compensation	FVTPL	(11,942)	(11,942)
		\$(509,431)	\$(511,995)

As at December 31, 2024, the net asset balance of interest rate swaps was \$1,579.

The REIT uses various methods to estimate the fair values of assets and liabilities that are measured at fair value on a recurring or non-recurring basis in the statement of financial position after initial recognition. The fair value hierarchy reflects the significance of inputs used in determining the fair values.

- Level 1 – quoted prices in active markets for identical assets and liabilities;
- Level 2 – inputs other than quoted prices in active markets or valuation techniques where significant inputs are based on observable market data; and
- Level 3 – valuation technique for which significant inputs are not based on observable market data.

The following summarizes the significant methods and assumptions used in estimating the fair value of the REIT's assets and liabilities measured at fair value:

- Investment Properties

The REIT assessed the valuation of the investment properties using a discounted cash flow approach whereby a current discount rate was applied to the projected net operating income which a property can

reasonably be expected to produce in the future. The fair value of investment properties as at December 31, 2025 is \$1,380,449 (December 31, 2024 – \$1,187,364) (Level 3).

(ii) Credit Facilities and Mortgages

The fair value of the REIT's Credit Facilities and Mortgages is determined based on the present value of future payments, discounted at the yield on Government of Canada bonds, plus an estimated credit spread at the reporting date for a comparable loan. The fair value of Credit Facilities and Mortgages as at December 31, 2025 is \$638,580 (December 31, 2024 – \$501,632) (Level 2).

(iii) Interest Rate Swaps and Foreign Exchange Forward Contracts

The net fair value of the REIT's interest rate swaps which represents an asset balance as at December 31, 2025 is \$469 (December 31, 2024 – \$1,088). The fair value of the REIT's foreign exchange forward contract, which represents an asset balance as at December 31, 2025, is \$nil (December 31, 2024 – \$491). The fair value of an interest rate swap and foreign exchange forward contract is determined using rates observable in the market (Level 2).

(iv) Class B LP Units

The fair value of the Class B LP Units as at December 31, 2025 is \$9,175 (December 31, 2024 – \$nil). The fair value of the Class B LP Units is based on the traded value of the Units as at the reporting date (Level 1).

(v) Unit-based compensation

The fair value of Unit-based compensation as at December 31, 2025 is \$14,533 (December 31, 2024 – \$11,942). The fair value of Unit-based compensation is based on the traded value of the Units as at the reporting date (Level 2).

Financial Risk Management

The REIT's activities expose it to a variety of financial risks. The main risks arising from the REIT's financial instruments are market, liquidity and credit risks. Below is a description of those risks and how the exposures are managed.

Market Risk

The REIT is exposed to market risk as a result of changes in factors such as interest rates and the market price of the Units.

Interest Rate Risk – The majority of the REIT's debt is financed with floating rates. Interest rate swaps (with maturities staggered over 10 years) have been entered into to mitigate interest rate fluctuations, thereby mitigating the exposure to changes in interest rates.

Foreign Exchange Risk – The REIT has minimal exposure to foreign exchange risk. The REIT had previously entered into foreign exchange forward contracts to reduce its exposure to such risk; however, the REIT has no foreign exchange forward contracts as at December 31, 2025.

Tariff Risk – While the full extent and impact of the trade tariffs and trade restrictions remains uncertain, the REIT is continuing to assess the impact and exposure of this risk.

Unit Price Risk – The REIT is exposed to Unit price risk as a result of the issuance of Unit-based compensation. Unit-based compensation negatively impacts net income when the Unit price rises and positively impacts net income when the Unit price declines.

Exchange loss arising on translation of foreign operations – Assets and debt held in U.S. dollars converted to Canadian dollars as at December 31, 2025 may positively or negatively impact net income and other comprehensive income.

Liquidity Risk

Liquidity risk arises from the possibility of an inability to renew maturing debt or not having sufficient capital available to the REIT. Mitigation of liquidity risk is discussed above in Note 15. A significant portion of the REIT's assets have been pledged as security under the REIT's Credit Facilities and Mortgages. Certain of the Credit Facilities allow for an extension of the term in advance of expiration.

Credit Risk

The REIT is exposed to credit risk from the possibility that counterparties could default on their financial obligations to the REIT. Exposure to credit risk arises from the possibility that the REIT's counterparties may experience financial difficulty and be unable to meet their obligations. The REIT's revenues will be dependent on the ability of the tenants to meet their obligations and the REIT's ability to collect rent therefrom.

17. RELATED PARTY TRANSACTIONS

The REIT's largest Unitholder and lead tenant is the Dilawri Group, which as at December 31, 2025 held an approximate 30.7% (December 31, 2024 – 31.3%) effective interest in the REIT on a fully diluted basis, through its ownership of 17,390,998 Units (December 31, 2024 – 15,748,507 Units). The Dilawri Tenants are the REIT's major tenant and accounted for approximately 48.3% of the REIT's rental income for the year ended December 31, 2025 (December 31, 2024 – 52.3%).

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 the two 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).

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.

In connection with the IPO, the REIT and Dilawri entered into the Strategic Alliance Agreement which established a preferential and mutually beneficial business and operating relationship between the REIT and Dilawri. The Strategic Alliance Agreement will be in effect so long as Dilawri and certain other entities related to Dilawri own, control or direct, in the aggregate, an effective interest of at least 10% (on a fully diluted basis) in the REIT. 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 2025.

Key personnel consist of the REIT's executive officers and independent Trustees. Compensation of key personnel are as follows:

<i>For the year ended December 31,</i>	2025	2024
Salaries and benefits paid to executive officers	\$917	\$944
Unit-based compensation and short term incentives paid to executive officers	2,590	2,060
Independent Trustee fees paid in DUs and IDUs	699	657
Compensation of key personnel	\$4,206	\$3,661

18. SUPPLEMENTARY INFORMATION

Changes in non-cash operating accounts

<i>(in thousands of Canadian dollars)</i>	2025	2024
Accounts receivable and other assets	\$1,780	\$1,306
Accounts payable and accrued liabilities	(1,983)	(531)
Change in non-cash operating accounts	\$(203)	\$775

19. SUBSEQUENT EVENTS

On January 1, 2026, the REIT acquired an automotive dealership property located in Québec City, Québec (“Québec City Hyundai”) for a purchase price of \$13,250. Québec City Hyundai consists of 39,044 square feet of GLA situated on approximately 6.0 acres of land. The REIT funded the acquisition of Québec City Hyundai by drawing on its revolving credit facilities.

On February 12, 2026, the REIT entered into a floating-to-fixed interest rate swap within Facility 3 in the amount of \$10,000 for a term of five years at an interest rate of 4.59%.

On February 17, 2026, the REIT entered into a floating-to-fixed interest rate swap within Facility 3 in the amount of \$15,000 for a term of five years at an interest rate of 4.48%.

On February 25, 2026, the REIT entered into a floating-to-fixed interest rate swap within Facility 3 in the amount of \$10,000 for a term of five years at an interest rate of 4.45% and \$10,000 for a term of seven years at an interest rate of 4.59%.

On February 27, 2026, the REIT increased the amount of the revolving portion of Facility 1 by \$25,000 and the maturity date was extended from June 2027 to June 2029 with the same credit spread.

On March 4, 2026, the REIT waived conditions for the purchase of real estate underlying an automotive and service property located in Vista, San Diego County California (the “Vista Property”) from a third party for a purchase price of US\$16,000. The Vista Property is tenanted by Rivian LLC, under a mid-term, net lease that includes contractual fixed annual rent increases with renewal options. The Vista Property consists of an approximately 59,828 square-foot Rivian sales, delivery and service facility that is situated on approximately 3.75 acres of land. The acquisition is expected to close within the first half of 2026. The REIT expects to fund the purchase price of the Vista Property by drawing on its revolving credit facilities.