


# Automotive Properties Real Estate Investment Trust
# Unaudited Condensed Consolidated Interim Financial Statements

For the period ended September 30, 2026

# Automotive Properties REIT
# Condensed Consolidated Interim Balance Sheets (Unaudited)

| *(in thousands of Canadian dollars)* | Note | As at September 30, 2026 | As at December 31, 2025 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and cash equivalents | | 552 | 657 |
| Accounts receivable and other assets | **5** | 32,244 | 14,776 |
| Interest rate swaps | **6** | 10,538 | 469 |
| Investment properties | **4** | 1,469,126 | 1,380,449 |
| **Total assets** | | **$1,512,460** | **$1,396,351** |
| **LIABILITIES AND UNITHOLDERS' EQUITY** | | | |
| **Liabilities:** | | | |
| Accounts payable and accrued liabilities | **7** | 14,709 | $16,649 |
| Credit facilities and mortgages payable | **6** | 706,733 | 635,210 |
| Unit-based compensation | **10** | 13,956 | 14,533 |
| Class B LP Units | **9** | 9,650 | 9,175 |
| Total liabilities | | 745,048 | 675,567 |
| Unitholders' equity | | 767,412 | 720,784 |
| **Total liabilities and unitholders' equity** | | **$1,512,460** | **$1,396,351** |

*See accompanying notes to the unaudited condensed consolidated interim 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
## Condensed Consolidated Interim Statements of Income and Comprehensive Income (Unaudited)

| *(in thousands of Canadian dollars)* | Note | Three months ended September 30, **2026** | 2025 | Nine months ended September 30, **2026** | 2025 |
|---|---|---|---|---|---|
| **Net Property Income** | | | | | |
| Rental revenue from investment properties | **11** | **$30,458** | $25,397 | **$89,759** | $73,900 |
| Property costs | **11** | **(5,290)** | (4,261) | **(15,246)** | (11,694) |
| Net Operating Income | | **$25,168** | $21,136 | **$74,513** | $62,206 |
| **Other Income (Expenses)** | | | | | |
| General and administrative expenses | | **$(1,781)** | $(1,690) | **$(5,090)** | $(4,827) |
| Interest expense and other financing charges | | **(8,248)** | (6,468) | **(23,657)** | (18,823) |
| Fair value adjustment on interest rate swaps | **6** | **9,289** | (1,881) | **10,014** | (4,741) |
| Distribution expense on Class B LP Units | **8** | **(172)** | (57) | **(514)** | (57) |
| Fair value adjustment on Class B LP Units and Unit-based compensation | **9, 10** | **944** | 237 | **(1,183)** | (527) |
| Fair value adjustment on investment properties | **4** | **9,631** | (2,319) | **20,642** | (3,575) |
| **Net Income** | | **$34,831** | $8,958 | **$74,725** | $29,656 |
| Exchange gain (loss) arising on translation of foreign operations | | **$213** | $1,459 | **$3,695** | $(358) |
| **Net Income and Other Comprehensive Income** | | **$35,044** | $10,417 | **$78,420** | $29,298 |

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

# Automotive Properties REIT
# Condensed Consolidated Interim Statements of Changes in Unitholders' Equity (Unaudited)

For the nine months ended September 30, 2026
*(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, 2025** | | $551,487 | $436,457 | $(265,807) | $(1,353) | $720,784 |
| Units issued, net of costs | **9** | 1,857 | - | - | - | 1,857 |
| Net Income | | - | 74,725 | - | - | 74,725 |
| Distributions | **8** | - | - | (33,649) | - | (33,649) |
| Exchange gain arising on translation of foreign operations | | - | - | - | 3,695 | 3,695 |
| **Unitholders' Equity at September 30, 2026** | | **$553,344** | **$511,182** | **$(299,456)** | **$2,342** | **$767,412** |

For the nine months ended September 30, 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 | **9** | 281 | - | - | - | 281 |
| Net Income | | - | 29,656 | - | - | 29,656 |
| Distributions | **8** | - | - | (29,761) | - | (29,761) |
| Exchange loss arising on translation of foreign operations | | - | - | - | (358) | (358) |
| **Unitholders' Equity at September 30, 2025** | | **$496,700** | **$421,534** | **$(254,656)** | **$(358)** | $663,220 |

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

## Automotive Properties REIT
## Condensed Consolidated Interim Statements of Cash Flow (Unaudited)

| *(in thousands of Canadian dollars)* | Note | Three months ended September 30, 2026 | 2025 | Nine months ended September 30, 2026 | 2025 |
|---|---|---|---|---|---|
| **OPERATING ACTIVITIES** | | | | | |
| Net income | | **$34,831** | $8,958 | **$74,725** | $29,656 |
| Straight-line rent | | **(215)** | (78) | **(739)** | (297) |
| Non-cash compensation expense | | **(545)** | 557 | **(1,475)** | 1,709 |
| Fair value adjustment on interest rate swaps | | **(9,289)** | 1,881 | **(10,014)** | 4,741 |
| Distribution expense on Class B LP Units | | **172** | 57 | **514** | 57 |
| Fair value adjustment on Class B LP Units and Unit-based compensation | | **(944)** | (237) | **1,183** | 527 |
| Fair value adjustment on investment properties | | **(9,631)** | 2,319 | **(20,642)** | 3,575 |
| Interest expense and other charges | | **7,860** | 6,170 | **22,543** | 17,951 |
| Financing fees | | **388** | 298 | **1,114** | 872 |
| Amortization of other assets | | **22** | 6 | **66** | 20 |
| Change in non-cash operating accounts | 16 | **(695)** | (899) | **(3,163)** | (1,548) |
| **Cash Flow from operating activities** | | **21,954** | 19,032 | **64,112** | 57,263 |
| | | | | | |
| **INVESTING ACTIVITIES** | | | | | |
| Acquisitions of investment properties | 3 | **-** | (84,060) | **(64,079)** | (128,124) |
| Deposit for acquisition | 17 | **(29,507)** | - | **(29,507)** | - |
| Disposition of investment properties | 3 | **16,000** | - | **16,000** | - |
| **Cash Flow used in investing activities** | | **(13,507)** | (84,060) | **(77,586)** | (128,124) |
| | | | | | |
| **FINANCING ACTIVITIES** | | | | | |
| Net Proceeds from Credit Facilities and Mortgages | | **18,800** | 88,100 | **94,100** | 143,400 |
| Principal repayment on Credit Facilities and Mortgages | | **(7,721)** | (6,387) | **(22,599)** | (18,994) |
| Interest paid | | **(7,852)** | (6,158) | **(22,519)** | (17,887) |
| Financing fees paid | | **(161)** | (445) | **(1,087)** | (1,333) |
| Repayments on lease liabilities | | **(121)** | (121) | **(363)** | (363) |
| Distributions to REIT unitholders and Class B LP unitholders | 8 | **(11,499)** | (9,946) | **(34,163)** | (33,662) |
| **Cash Flow from (used in) financing activities** | | **(8,555)** | 65,043 | **13,369** | 71,161 |
| | | | | | |
| Net increase (decrease) in cash and cash equivalents during the period | | **(107)** | 15 | **(105)** | 300 |
| Cash and cash equivalents, beginning of period | | **659** | 621 | **657** | 336 |
| **Cash and cash equivalents, end of period** | | **$552** | $636 | **$552** | $636 |

**Supplemental cash flow information**

| | | | | |
|---|---|---|---|---|
| Issuance of Units on acquisition of investment property (Note 3**)** | **$-** | **$10,000** | **$-** | **$10,000** |

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

## 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 September 30, 2026 (December 31, 2025 – 30.7%), through the ownership, direction or control of 17,390,998 Units. Dilawri and its affiliates, other than its shareholders and controlling persons, are referred to herein as the "Dilawri Group".

As at September 30, 2026, the total number of issued and outstanding Units and Class B limited partnership units ("Class B LP Units") of Automotive Properties Limited Partnership, the REIT's operating subsidiary (the "Partnership"), was 54,418,760 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 9).

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 September 30, 2026, the REIT owned a portfolio of 95 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, Ohio and California, totaling approximately 3.5 million square feet of gross leasable area ("GLA") on approximately 322 acres of land. The Dilawri Tenants are the REIT's major tenant, occupying 40 of the REIT's income-producing commercial properties and jointly occupying two of the REIT's 95 income-producing commercial properties as at September 30, 2026.

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., and the limited partnerships that hold the REIT's investment properties in the United States.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### (a) Statement of Compliance

The unaudited condensed consolidated interim financial statements of the REIT are prepared in accordance with International Accounting Standard ("IAS") 34 — *Interim Financial Reporting*, as issued by the International Accounting Standards Board ("IASB"). These unaudited condensed consolidated interim financial statements should be read in conjunction with the REIT's audited annual consolidated financial statements as at and for the year ended December 31, 2025 and the accompanying notes thereto. These unaudited condensed consolidated interim financial statements do not include all the information required for full financial statements prepared in accordance with IFRS Accounting Standards ("IFRS").

These unaudited condensed consolidated interim financial statements were authorized for issuance by the Board of Trustees of the REIT (the "Board") on November 12, 2026.

### (b) Basis of Presentation

The unaudited condensed consolidated interim 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 4;
- interest rate swaps as described in Note 6;
- Class B LP Units which are exchangeable for Units at the option of the holder as described in Note 9; 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 10.

The unaudited condensed consolidated interim 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 unaudited condensed consolidated interim 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* and joint operations accounted for in accordance with IFRS 11 — *Joint Arrangements*. 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.

**(d) Accounting policies**

The accounting policies applied by the REIT in these unaudited condensed consolidated interim financial statements are the same as those applied by the REIT in its audited consolidated financial statements as at and for the year ended December 31, 2025. In May 2024, the IASB issued "Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7." These amendments specifically clarify the requirements for the recognition and derecognition dates of financial assets and financial liabilities with an exception for derecognition of financial liabilities that are settled via electronic transfer. The amendments became effective on January 1, 2026. The REIT adopted the amendments and there was no material impact on the REIT's unaudited condensed consolidated interim financial statements.

**(e) Critical accounting judgements and estimates**

The REIT will continue to review its discounted cash flow projections, changes in capitalization rates and the impact on the fair value of its investment properties. Valuation inputs and assumptions relating to rental income, rent collection, reserves and discount rates may change over time.

**(f) Future Accounting Changes**

IFRS 18 — *Presentation and Disclosure in Financial Statements* will replace IAS 1 — *Presentation of Financial Statements* and is expected to have an impact on how the REIT presents and discloses its financial statements and notes thereto. The new standard will provide guidance on a more structured income statement presentation, introduce disclosure requirements on management defined performance measures and provide guidance on when additional disaggregation is required for items presented on the face of the financial statements or in the notes thereto. The standard is effective for annual periods beginning on or after January 1, 2027, with early adoption permitted and is to be applied retrospectively. The new standard will affect the REIT's disclosure and presentation of its financial performance but not measurement or recognition.

The REIT is currently evaluating the standard and developing an implementation plan.

## 3. ACQUISITIONS AND DISPOSITIONS

During the nine-month period ended September 30, 2026, the REIT completed the following acquisitions:

| Property | Location | Date of Acquisition | Total Investment Properties[(1)] |
|---|---|---|---|
| Québec City Hyundai[(i)] | Quebec City, QC | January 1, 2026 | $13,605 |
| Vista Rivian[(ii)] | Vista, CA | March 26, 2026 | 22,216 |
| Santa Ana Audi[(iii)] | Santa Ana, CA | April 7, 2026 | 24,414 |
| Santa Ana VW[(iv)] | Santa Ana, CA | April 7, 2026 | 17,666 |
| **Total Acquisitions** | | | **$77,901** |

(1) Includes acquisition costs.

(i) 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 plus acquisition costs of $355. 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.

(ii) On March 26, 2026, the REIT acquired an automotive and service property located in Vista, San Diego County, California, United States ("Vista Rivian") for a purchase price of US$16,000 plus acquisition costs of US$191, translated to a total of C$22,216. Vista Rivian is under lease with Rivian and consists of approximately 59,828

square feet of GLA on 3.75 acres of land. The REIT funded the purchase price of Vista Rivian primarily by drawing on its revolving credit facilities.

(iii) On April 7, 2026, the REIT acquired an automotive and service property located in Santa Ana, Orange County, California, United States ("Santa Ana Audi") for a purchase price of US$17,537 plus acquisition costs of US$85, translated to a total of C$24,414. Santa Ana Audi is under lease with Penske Automotive Group, Inc. ("Penske") and consists of approximately 31,900 square feet of GLA on 3.33 acres of land. The REIT funded the purchase price of Santa Ana Audi primarily by drawing on its revolving credit facilities.

(iv) On April 7, 2026, the REIT acquired an automotive and service property located in Santa Ana, Orange County, California, United States ("Santa Ana VW") for a purchase price of US$12,613 plus acquisition costs of US$85, translated to a total of C$17,666. Santa Ana VW is under lease with Penske and consists of approximately 29,281 square feet of GLA on 2.62 acres of land. The REIT funded the purchase price of Santa Ana VW primarily by drawing on its revolving credit facilities.

During the nine-month period ended September 30, 2026, the REIT completed the following disposition:

| Property | Location | Date of Disposition | Total Investment Properties (1) |
|---|---|---|---|
| Vaughan Property (i) | Vaughan, ON | September 1, 2026 | $15,800 |
| **Total Dispositions** | | | **$15,800** |

(1) Includes disposition costs.

(i) On September 1, 2026, the REIT completed the sale of a 50% interest in the real estate underlying the REIT's 68,874 square-foot automotive dealership property located on 2.98 acres of land at 9088 Jane Street in Vaughan, Ontario (the "Vaughan Property"), to a member of the Dilawri Group for gross proceeds of $16,000 less disposition costs of $200, resulting in net proceeds of $15,800. The REIT has retained the remaining 50% interest in the property under a joint arrangement. The joint arrangement is classified as a joint operation. The Vaughan Property is tenanted by an affiliate of the Dilawri Group as a full-service Kia automotive dealership, under a 16-year, triple-net lease and is subject to a landlord redevelopment option.

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.

## 4. INVESTMENT PROPERTIES

| | **Income producing properties** | **Right-of-use assets** | **September 30, 2026** | December 31, 2025 |
|---|---|---|---|---|
| Balance, beginning of year | $1,377,941 | $2,508 | $1,380,449 | $1,187,364 |
| Acquisitions [(1)] | 77,901 | - | 77,901 | 200,653 |
| Disposition [(2)] | (14,300) | - | (14,300) | - |
| Fair value adjustment on investment properties | 20,900 | (258) | 20,642 | (6,822) |
| Straight-line rent | 739 | - | 739 | 637 |
| Foreign currency translation | 3,695 | - | 3,695 | (1,383) |
| **Balance, end of period** | **$1,466,876** | **$2,250** | **$1,469,126** | **$1,380,449** |

(1) Includes acquisition costs of $572 (December 31, 2025 – $6,054).
(2) Includes disposition costs of $200 (December 31, 2025 – $nil).

### 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 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. The REIT's valuation inputs are supported by quarterly industry market reports. For the nine months ended September 30, 2026, the REIT adjusted the discount rates for properties across all markets to reflect current market conditions. The overall capitalization rate applicable to the REIT's entire portfolio was 6.72% as at September 30, 2026 (December 31, 2025 – 6.75%). The following table highlights the significant valuation inputs used in determining the fair value of the REIT's income producing properties:

**Significant Valuation Inputs**

| | **September 30, 2026** | | December 31, 2025 | |
|---|---|---|---|---|
| **Total Income Producing Properties** | **Range** | **Weighted average** | Range | Weighted average |
| Discount rate | **5.68% - 11.56%** | **7.60%** | 5.30% - 11.50% | 7.57% |
| Terminal capitalization rate | **5.43% - 11.31%** | **7.31%** | 5.00% - 10.70% | 7.25% |

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 $56,700 or $(52,700), respectively, as of September 30, 2026. 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 $118,100 or $(101,700), respectively, as of September 30, 2026.

**Rental Commitments**

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

| | |
|---|---|
| Within 1 year | $95,191 |
| After 1 year, but not more than 5 years | 357,027 |
| More than 5 years | 434,504 |
| | $886,722 |

## 5. ACCOUNTS RECEIVABLE AND OTHER ASSETS

| As at | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Prepaid indemnity fee | **$135** | **$165** |
| Right-of-use assets, net of depreciation | **11** | **33** |
| Prepaid and other receivables [(1)] | **32,098** | **14,578** |
| | **$32,244** | **$14,776** |

(1) The December 31, 2025 balance includes a deposit of $13,800 in respect of the acquisition of Québec City Hyundai acquired on January 1, 2026. The September 30, 2026 balance includes a deposit of $29,507 in respect of the acquisition of Tesla High Point (as defined herein) acquired on October 1, 2026. See Note 17.

## 6. CREDIT FACILITIES AND MORTGAGES PAYABLE

(a) Credit facilities and mortgages payable consist of:

| As at | September 30, 2026 | December 31, 2025 |
|---|---|---|
| Facility 1[(i)] | **$242,902** | $241,437 |
| Facility 2[(ii)] | **148,528** | 113,362 |
| Facility 3[(iii)] | **246,288** | 219,713 |
| Mortgages[(iv)] | **72,359** | 64,068 |
| Total | **710,077** | 638,580 |
| Financing fees[(v)] | **(3,344)** | (3,370) |
| | **$706,733** | $635,210 |

(i) Facility 1 includes:

A non-revolving loan in the amount of $215,902 (December 31, 2025 – $224,737) 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 2029. On February 27, 2026, the maturity date was extended from June 2027 to June 2029 and the REIT increased the amount of the revolving portion of Facility 1 by $25,000. On September 1, 2026, the REIT entered into 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 5.17%. The principal is repayable in equal quarterly payments based on a 25-year amortization. The REIT entered into floating-to-fixed interest rate swaps, with remaining terms of 1.8 to 7.4 years as at September 30, 2026, which resulted in a weighted average effective interest rate of 4.66% (December 31, 2025 – 4.66%).

A revolving credit facility in the amount of $55,000 bearing interest at Prime plus 25 bps or CORRA rate plus a credit adjustment, plus 150 bps, maturing in June 2029, of which $27,000 was drawn as at September 30, 2026 (December 31, 2025 – $16,700).

(ii) Facility 2 includes:

A non-revolving loan in the amount of $144,528 (December 31, 2025 – $113,362) bearing interest at the CORRA rate plus a credit adjustment, plus 150 bps or Prime plus 25 bps, maturing in June 2030. The principal is repayable in monthly blended payments based on a 25-year amortization. In June 2026, the REIT increased the amount of the non-revolving portion of Facility 2 by $35,000 and the maturity date was extended from March 2029 to June 2030. On September 1, 2026, the REIT entered into floating-to-fixed interest rate swaps within Facility 2 in the amount of $10,000 for a term of six years at an interest rate of 5.19% and $10,000 for a term of seven years at an interest rate of 5.17%. The REIT entered into floating-to-fixed interest rate swaps with remaining terms of 0.8 to 6.3 years as at September 30, 2026, which resulted in a weighted average effective interest rate of 4.33% (December 31, 2025 – 4.21%).

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 June 2030, of which $4,000 was drawn as at September 30, 2026 (December 31, 2025 – $nil).

(iii) Facility 3 includes:

A non-revolving loan in the amount of $210,788 (December 31, 2025 – $219,713) bearing interest at the CORRA rate plus a credit adjustment, plus 150 bps or Prime plus 25 bps, maturing in March 2030. The principal is repayable in monthly blended payments based on a 20 year amortization. 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 floating-to-fixed interest rate swaps 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 September 29, 2026, the maturity date was extended from March 2028 to March 2030. The REIT entered into floating-to-fixed interest rate swaps with remaining terms of 1.2 to 6.4 years as at September 30, 2026, which resulted in a weighted average effective interest rate of 4.46% (December 31, 2025 – 4.38%).

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 2030, of which $35,500 was drawn as at September 30, 2026 (December 31, 2025 – $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 September 2031 (the “Mortgages”). In addition, the REIT has a vendor take-back mortgage (“VTB”) 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. In September 2026, the REIT entered into a new mortgage in the amount of $9,300 for a term of 5 years. As at September 30, 2026, the weighted average interest rate of the Mortgages including the VTB was 4.45% (December 31, 2025 – 3.90%).

(v) During the period ended September 30, 2026, the REIT incurred financing fees of $1,087 (December 31, 2025 – $2,039). The amounts are accounted for using the effective interest method, and $3,344 remains unamortized at September 30, 2026 (December 31, 2025 – $3,370).

The credit facilities described above (the “Credit Facilities”) and the Mortgages are secured by the REIT’s investment properties. As of September 30, 2026, the REIT had eleven unencumbered properties with an aggregate fair value of approximately $166,075 (December 31, 2025 – nine unencumbered properties with an aggregate fair value of approximately $116,997).

Principal repayments are as follows:

| | |
|---|---|
| 2026 | $7,627 |
| 2027 | 41,005 |
| 2028 | 40,593 |
| 2029 | 234,119 |
| Thereafter | 386,733 |
| Total | $710,077 |

(b) Interest Rate Swaps

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 unaudited condensed consolidated interim statements of income and comprehensive income (terms described in Note 6(a)(i), (ii) and (iii) above).

As at September 30, 2026, the notional principal amount of the interest rate swaps was $468,960 (December 31, 2025 –$443,535) and the fair value adjustment of the interest rate swaps was $9,289 and $10,014 for the three- and nine-month periods ended September 30, 2026, respectively, compared to $(1,881) and $(4,741) for the three- and nine-month periods ended September 30, 2025, respectively. As at September 30, 2026, the net asset balance of interest rate swaps was $10,538 (December 31, 2025 – net asset balance of interest rate swaps was $469).

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of:

| As at | **September 30, 2026** | December 31, 2025 |
|---|---|---|
| Accounts payable and accrued liabilities[1] | **$7,732** | $9,630 |
| Accrued interest | **510** | 395 |
| Distributions payable (Note 8) | **3,862** | 3,774 |
| Lease liabilities | **2,605** | 2,850 |
| | **$14,709** | $16,649 |

(1) Includes $350 accrual which is related to the issuance of Class B LP Units (December 31, 2025 – $825). (See Note 9). Also, includes a $1,500 tenant inducement for the Vaughan Property.

As at September 30, 2026, 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 (not including imputed interest costs):

| | |
|---|---|
| Within 1 year | $286 |
| After 1 year, but not more than 5 years | 1,045 |
| More than 5 years | 1,274 |
| Total | $2,605 |

## 8. DISTRIBUTIONS

| | **Three months ended September 30, 2026** | | | Three months ended September 30, 2025 | | |
|---|---|---|---|---|---|---|
| | **Units** | **Class B LP Units** | **Total** | Units | Class B LP Units | Total |
| Paid in Cash | **$11,327** | **$172** | **$11,499** | $9,946 | - | $9,946 |
| Declared | **11,327** | **172** | **11,499** | 10,020 | 57 | 10,077 |
| Payable as at period end | **3,804** | **58** | **3,862** | 3,365 | 57 | 3,422 |

| | **Nine months ended September 30, 2026** | | | Nine months ended September 30, 2025 | | |
|---|---|---|---|---|---|---|
| | **Units** | **Class B LP Units** | **Total** | Units | Class B LP Units | Total |
| Paid in Cash [1] | **$33,649** | **514** | **$34,163** | $33,662 | - | $33,662 |
| Declared | **33,649** | **514** | **34,163** | 29,760 | 57 | 29,817 |
| Payable as at period end | **3,804** | **58** | **3,862** | 3,365 | 57 | 3,422 |

(1) On December 16, 2024, the REIT declared a special distribution to Unitholders for total cash value of $3,976 which was paid on January 6, 2025.

## 9. 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.

On September 11, 2026, 125,000 DUs and IDUs were exchanged for Units, of which 65,625 Units were subsequently surrendered and cancelled in order to fulfill tax payment obligations in accordance with applicable tax regulations.

On May 27, 2026, 104,087 DUs and IDUs were exchanged for Units, of which 55,931 Units were subsequently surrendered and cancelled in order to fulfill tax payment obligations in accordance with applicable tax regulations.

On March 13, 2026, 106,460 DUs and IDUs were exchanged for Units, of which 54,635 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 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.

### Class B LP 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 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, 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 September 30, 2026, there are 833,333 Class B LP Units issued and outstanding.

**For the nine months ended September 30, 2026**

| | Units | Amount |
|---|---|---|
| Units, beginning of period | 54,259,404 | $551,487 |
| Units issued for vested DUs and IDUs | 335,547 | 3,925 |
| Units, surrendered and cancelled | (176,191) | (2,068) |
| **Total Units, end of period** | **54,418,760** | **$553,344** |
| Class B LP Units, beginning of period | 833,333 | 9,175 |
| Fair value adjustment on Class B LP Units | - | 475 |
| **Total Class B LP Units, end of period** | **833,333** | **9,650** |
| **Total Units and Class B LP Units, end of period** | **55,252,093** | **$562,994** |

**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** |

## 10. 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 3,500,000. 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 nine months ended September 30, 2026, the REIT accrued short-term incentive awards in the amount of $725 which will be settled by the granting of DUs and/or cash (September 30, 2025 – $706).

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:

**As at September 30, 2026**

| | Units Granted[1][2] | Units Outstanding and Vested[1][2] | Outstanding Unit-based compensation End of Period[2][3] |
|---|---|---|---|
| DUs | **634,774** | **638,426** | **7,393** |
| PDUs | **202,273** | **149,022** | **1,726** |
| RDUs | **195,247** | **144,914** | **1,678** |
| IDUs | **354,987** | **272,798** | **3,159** |
| **Total** | **1,387,281** | **1,205,160** | **$13,956** |

**As at December 31, 2025**

| | Units Granted[1][2] | Units Outstanding and Vested[1][2] | 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** |

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

(2) For the nine-month period ended September 30, 2026, 251,696 DUs, PDUs, RDUs and IDUs were granted, of which 128,654 DUs, 61,218 PDUs and RDUs and 61,824 IDUs were accounted for in accordance with the vesting schedule. On March 13, 2026, 19,132 DUs and 3,845 IDUs were clawed back in respect of the 2023 performance period due to performance conditions not being achieved. 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 March 13, 2026, 106,460 DUs and IDUs were exchanged for Units, of which 54,635 Units were subsequently surrendered and cancelled in order to fulfill tax payment obligations in accordance with applicable tax regulations. On May 27, 2026, 104,087 DUs and IDUs were exchanged for Units, of which 55,931 Units were subsequently surrendered and cancelled in order to fulfill tax payment obligations in accordance with applicable tax regulations. On September 11, 2026, 125,000 DUs and IDUs were exchanged for Units, of which 65,625 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 $1,183 for the nine month period ended September 30, 2026 (December 31, 2025 – loss of $86).

## 11. RENTAL REVENUE AND PROPERTY COSTS

### (a) Rental Revenue

| *For the three months ended September 30,* | **2026** | 2025 |
|---|---|---|
| Base rent | **24,953** | $21,058 |
| Property tax recoveries | **5,290** | 4,261 |
| Straight line rent adjustment | **215** | 78 |
| Rental revenue | **$30,458** | $25,397 |

| *For the nine months ended September 30,* | **2026** | 2025 |
|---|---|---|
| Base rent | **73,774** | $61,909 |

| | | |
|---|---|---|
| Property tax recoveries | **15,246** | 11,694 |
| Straight line rent adjustment | **739** | 297 |
| Rental revenue | **$89,759** | $73,900 |

**(b) Property Costs**

| *For the three months ended September 30,* | **2026** | 2025 |
|---|---|---|
| Property tax expense | **$5,290** | $4,261 |
| Property costs | **$5,290** | $4,261 |

| *For the nine months ended September 30,* | **2026** | 2025 |
|---|---|---|
| Property tax expense | **$15,246** | $11,694 |
| Property costs | **$15,246** | $11,694 |

## 12. 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.

## 13. CAPITAL MANAGEMENT

The REIT defines its capital as the aggregate of Unitholders' equity, Class B LP Units, Credit Facilities and Mortgages which, as at September 30, 2026, totaled $1,483,795 (December 31, 2025 – $1,365,169). 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 September 30, 2026, the REIT was in compliance with each of the covenants under these agreements.

## 14. 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 September 30, 2026:

| **Financial Assets/(Liabilities)** | **Classification/ Measurement** | **Carrying Value** | **Fair Value** |
|---|---|---|---|

| | | | |
|---|---|---|---|
| Credit Facilities and Mortgages payable | Amortized Cost | $(706,733) | $(710,077) |
| Interest Rate Swaps | FVTPL | 10,538 | 10,538 |
| Unit-based compensation | FVTPL | (13,956) | (13,956) |
| Class B LP Units | FVTPL | (9,650) | (9,650) |
| | | **$(719,801)** | **$(723,145)** |

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)** |

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:

(i) 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 September 30, 2026 is $1,469,126 (December 31, 2025 – $1,380,449) (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 September 30, 2026 is $710,077 (December 31, 2025 – $638,580) (Level 2).

(iii) Interest Rate Swaps

The net fair value of the REIT's interest rate swaps which represents an asset balance as at September 30, 2026 is $10,538 (December 31, 2025 – $469). The fair value of an interest rate swap 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 September 30, 2026 is $9,650 (December 31, 2025 – $9,175). 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 September 30, 2026 is $13,956 (December 31, 2025 – $14,533). The fair value of Unit-based compensation is based on the traded value of the Units as at September 30, 2026 (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 seven 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 September 30, 2026.

*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 September 30, 2026 may positively or negatively impact 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 13. 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.

## 15. RELATED PARTY TRANSACTIONS

The REIT's largest Unitholder and lead tenant is the Dilawri Group, which as at September 30, 2026 held an approximate 30.7% (December 31, 2025 – 30.7%) effective interest in the REIT on a fully diluted basis, through its ownership of 17,390,998 Units (December 31, 2025 – 17,390,998 Units). The Dilawri Tenants are the REIT's major tenant and accounted for approximately 44.5% and 45.3% of the REIT's rental income for the three- and nine-month periods ended September 30, 2026, respectively (48.2% and 48.9% for the three- and nine-month periods ended September 30, 2025, respectively).

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).

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 2025 or the nine months ended September 30, 2026.

## 16. SUPPLEMENTARY INFORMATION

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| *(in thousands of Canadian dollars)* | **2026** | 2025 | **2026** | 2025 |
| Accounts receivable and other assets | **$(429)** | $(1,665) | **$(1,337)** | $(3,136) |
| Accounts payable and accrued liabilities | **(266)** | 766 | **(1,825)** | 1,588 |
| Change in non-cash operating accounts | **$(695)** | $(899) | **$(3,163)** | $(1,548) |

## 17. SUBSEQUENT EVENTS

On October 1, 2026, the REIT acquired an automotive dealership property located in High Point, North Carolina ("Tesla High Point") for a purchase price of US$21,000, plus acquisition costs of US$250, translated to a total of approximately C$29,965. Tesla High Point is tenanted by Tesla under a long-term, net lease that includes contractual fixed annual rent increases with renewal options. Tesla High Point consists of an approximately 50,000 square-foot sales, service and delivery center facility that is situated on approximately 5.84 acres of land. The REIT funded the purchase price of the acquisition of Tesla High Point primarily by drawing on its revolving credit facilities.

On November 4, 2026, the REIT entered into a floating-to-fixed interest swap within Facility 3 in the amount of $10,000 for a term of 5.5 years at an interest rate of 5.20%.

On November 6, 2026, the REIT entered into a floating-to-fixed interest swap within Facility 2 in the amount of $10,000 for a term of 7 years at an interest rate of 5.18%.