



Ravelin Properties REIT

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

For the three and six months ended June 30, 2025
(unaudited)

Management's Report

The accompanying condensed consolidated unaudited interim financial statements (the "consolidated financial statements") of Ravelin Properties REIT (the "REIT") are the responsibility of management and have been approved by the trustees of the REIT. The REIT prepares its consolidated financial statements in accordance with the International Accounting Reporting Standards ("IFRS"). The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards applicable to the preparation of interim financial statements under IAS 34 Interim Financial Reporting. In accordance with IFRS, the consolidated financial statements do not include all the financial statement disclosures required for annual financial statements and should be read in conjunction with the REIT's annual consolidated financial statements for the year ended December 31, 2024. In management's opinion, the consolidated financial statements reflect all adjustments that are necessary for a fair presentation of the results for the interim period presented. The consolidated financial statements include certain amounts and assumptions that are based on management's best estimates and have been derived with careful judgment.

In fulfilling its responsibilities, management has developed and maintains a system of internal accounting controls. These controls are designed to provide reasonable assurance that the financial records are reliable for the preparation of the consolidated financial statements. The Audit Committee of the trustees of the REIT reviewed and approved the consolidated financial statements and recommended their approval by the trustees of the REIT.

The consolidated financial statements have not been reviewed by the external auditors of the REIT.

Shant Poladian
Chief Executive Officer
Toronto, ON

Robert Hibberd
Chief Financial Officer
Toronto, ON

Ravelin Properties REIT

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

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Ravelin Properties REIT

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

(in thousands of Canadian dollars)

(unaudited)

	Note	June 30, 2025	December 31, 2024
ASSETS			
Non-current assets			
Investment properties	5	\$ 1,135,400	\$ 1,131,334
Finance lease receivable	6	32,844	35,148
Other assets	7	401	386
Derivatives	11	—	1,303
Restricted cash		10,989	10,656
		\$ 1,179,634	\$ 1,178,827
Current assets			
Assets held for sale	5	—	16,500
Finance lease receivable	6	4,536	4,253
Other assets	7	9,544	6,023
Derivatives	11	805	2,780
Current tax receivable		109	—
Accounts receivable	8	10,813	7,738
Cash		17,803	13,590
		\$ 43,610	\$ 50,884
Total assets		\$ 1,223,244	\$ 1,229,711
LIABILITIES AND UNITHOLDERS' EQUITY			
Non-current liabilities			
Debt	9	\$ 166,516	\$ 154,666
Other liabilities	10	4,525	4,556
Derivatives	11	8,211	2,614
Deferred taxes	25	—	—
		\$ 179,252	\$ 161,836
Current liabilities			
Debt	9	912,496	920,205
Debt on assets held for sale	9	—	15,153
Other liabilities	10	1,185	1,564
Derivatives	11	561	250
Class B LP units	12	1,850	2,854
Accounts payable and accrued liabilities	13	81,549	67,679
Taxes payable		—	360
		\$ 997,641	\$ 1,008,065
Total liabilities		\$ 1,176,893	\$ 1,169,901
Unitholders' equity		\$ 46,351	\$ 59,810
Total liabilities and unitholders' equity		\$ 1,223,244	\$ 1,229,711

The accompanying notes are an integral part of the consolidated financial statements

Ravelin Properties REIT

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS

(in thousands of Canadian dollars)
(unaudited)

		Three months ended June 30,		Six months ended June 30,	
	Note	2025	2024	2025	2024
Rental revenue	16	\$ 45,161	\$ 49,567	\$ 91,929	\$ 99,828
Property operating expenses		(23,009)	(23,428)	(61,773)	(62,892)
Finance income on finance lease receivable	6	599	659	1,214	1,334
Interest income		52	92	126	187
Interest and finance costs	17	(17,730)	(18,872)	(35,571)	(37,178)
General and administrative expenses	18	(1,318)	(2,355)	(2,670)	(4,539)
Change in fair value of financial instruments	19	(2,590)	(2,982)	(8,342)	(3,467)
Change in fair value of investment properties	5	(11,695)	(154,405)	(6,305)	(165,197)
Depreciation of hotel asset	5	(107)	(249)	(212)	(498)
Transaction costs	4	(712)	(614)	(712)	(1,132)
Deferred income tax recovery (expense)	25	3	(42)	—	(14)
Current income tax expense	25	(163)	(244)	(276)	(2,193)
Net loss before Class B LP units		\$ (11,509)	\$ (152,873)	\$ (22,592)	\$ (175,761)
Change in fair value of Class B LP units	12	1,110	2,828	1,004	3,145
Net loss		\$ (10,399)	\$ (150,045)	\$ (21,588)	\$ (172,616)

Ravelin Properties REIT

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE LOSS

(in thousands of Canadian dollars)

		Three months ended June 30,		Six months ended June 30,	
	Note	2025	2024	2025	2024
Net loss		\$ (10,399)	\$ (150,045)	\$ (21,588)	\$ (172,616)
Other comprehensive income to be subsequently reclassified to profit or loss:					
Foreign currency translation income	14	3,242	1,801	8,106	4,869
Total other comprehensive income		3,242	1,801	8,106	4,869
Comprehensive loss		\$ (7,157)	\$ (148,244)	\$ (13,482)	\$ (167,747)

The accompanying notes are an integral part of the consolidated financial statements

Ravelin Properties REIT

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY

(in thousands of Canadian dollars)

(unaudited)

	Note	Trust units	Retained earnings	Accumulated other comprehensive income	Total equity
December 31, 2024		\$ 578,696	\$ (529,086)	\$ 10,200	\$ 59,810
Issued pursuant to the Trustee DUP	14	23	—	—	23
Net loss and comprehensive loss		—	(21,588)	8,106	(13,482)
June 30, 2025		\$ 578,719	\$ (550,674)	\$ 18,306	\$ 46,351

	Note	Trust units	Retained earnings	Accumulated other comprehensive income	Total equity
December 31, 2023		578,406	(65,894)	2,858	\$ 515,370
Issued pursuant to the Trustee DUP	14	166	—	—	\$ 166
Net loss and comprehensive loss		—	(172,616)	4,869	(167,747)
June 30, 2024		\$ 578,572	\$ (238,510)	\$ 7,727	\$ 347,789

The accompanying notes are an integral part of the consolidated financial statements

Ravelin Properties REIT

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars)
(unaudited)

		Three months ended June 30,		Six months ended June 30,	
	Note	2025	2024	2025	2024
OPERATING ACTIVITIES					
Net loss		\$ (10,399)	\$ (150,045)	\$ (21,588)	\$ (172,616)
Items not affecting cash:					
Depreciation of hotel asset	5	107	249	212	498
Change in fair value of investment properties	5	11,695	154,405	6,305	165,197
IFRIC 21 property tax adjustment	5	(3,476)	(3,349)	6,589	6,848
Straight-line rent and other changes	5	1,690	1,929	3,254	4,112
Change in fair value of Class B LP units	12	(1,110)	(2,828)	(1,004)	(3,145)
Change in fair value of financial instruments	19	2,590	2,982	8,342	3,467
Deferred income tax expense	25	(3)	42	—	14
Finance income on finance lease receivable	6	(599)	(659)	(1,214)	(1,334)
Finance interest payments received on finance lease receivable	6	599	659	1,214	1,334
Interest income		(52)	(92)	(126)	(187)
Interest received		52	92	126	187
Interest and finance costs	17	17,730	18,872	35,571	37,178
Interest paid	17	(8,121)	(12,470)	(22,108)	(29,040)
Changes in working capital items		1,687	2,503	(1,024)	5,095
		\$ 12,390	\$ 12,290	\$ 14,549	\$ 17,608
INVESTING ACTIVITIES					
Dispositions of investment properties	4	15,481	13,204	15,481	40,312
Capital expenditures	5	(4,277)	(2,631)	(6,177)	(4,624)
Leasing costs	5	(5,249)	(6,994)	(6,720)	(11,065)
Principal payments received on finance lease receivable	6	1,031	946	2,021	1,876
		\$ 6,986	\$ 4,525	\$ 4,605	\$ 26,499
FINANCING ACTIVITIES					
Proceeds from issuance of units	14	—	166	—	166
Mortgage advances	26	2,730	—	5,780	—
Mortgage and term loan repayments	26	(2,454)	(4,699)	(5,056)	(33,532)
Financing costs on debt	26	(316)	(68)	(352)	(127)
Repayments on revolving and term facilities, net	26	(16,169)	(13,213)	(16,169)	(11,013)
Proceeds from the disposition of interest rate swaps	11	688	—	688	—
		\$ (15,521)	\$ (17,814)	\$ (15,109)	\$ (44,506)
Foreign exchange gain (loss) on cash held in foreign currency		(51)	54	168	37
Increase (decrease) in cash		\$ 3,804	\$ (945)	\$ 4,213	\$ (362)
Cash, beginning of period		13,999	11,853	13,590	11,270
Cash, end of period		\$ 17,803	\$ 10,908	\$ 17,803	\$ 10,908

The accompanying notes are an integral part of the consolidated financial statements

1. DESCRIPTION OF THE REIT AND OPERATIONS

The REIT is an unincorporated, open-ended real estate investment trust governed by the laws of the Province of Ontario pursuant to an amended and restated Declaration of Trust dated as of December 31, 2024, as it may be further amended, supplemented or amended and restated from time to time (the "Declaration of Trust"). The REIT's portfolio consists of 45 commercial properties located in Canada, the United States, and Ireland. The units of the REIT trade on the Toronto Stock Exchange ("TSX") under the symbol "RPR.UN".

On December 27, 2024, the TSX approved a 90-day extension of the remedial delisting review for the REIT, following an initial 120-day review period that began on July 4, 2024 and a subsequent 60-day extension. The review was a response to the REIT's financial condition. The extension was granted based on materials submitted by the REIT in relation to the REIT's plan and activities to restructure the majority of its debt. During this period, the REIT addressed these issues to meet the TSX's requirements. The trading of the REIT's securities was not impacted during the review process. On April 25, 2025, the TSX announced the completion of its review and confirmed that the REIT has met the TSX's continued listing requirements.

The principal and head office of the REIT is 401 The West Mall, Suite 620, Toronto, Ontario, Canada, M9C 5J5. The registered office of the REIT is 100 King Street West, Suite 3400, Toronto, Ontario, Canada, M5X 1A4.

During 2024, key management personnel of the REIT were employed by Slate Asset Management L.P. ("SLAM"). The REIT had a management agreement (the "Management Agreement") with Slate Management ULC (the "Former Manager"), an indirect subsidiary of SLAM (collectively, "Slate"). Under the Management Agreement, the Former Manager provided the REIT with the strategic, administrative, property management, leasing, acquisition, financing and construction management services necessary to manage the strategy and day-to-day operations of the REIT and its assets. On December 24, 2024, the REIT amended its Management Agreement with the Former Manager to, among other things, accelerate the termination of the Management Agreement and internalize the REIT's management (the "Internalization") which was effective December 31, 2024. As part of the Internalization, the REIT changed its name from Slate Office REIT to Ravelin Properties REIT.

2. BASIS OF PREPARATION

i. Statement of compliance

These consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting. Certain information and note disclosures normally included in the annual consolidated financial statements prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") have been omitted or condensed. As a result, these consolidated 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, 2024.

ii. Approval of the consolidated financial statements

The consolidated financial statements were approved by the trustees of the REIT and authorized for issuance on August 11, 2025.

iii. Basis of measurement and going concern

These consolidated financial statements have been prepared on a going concern basis and measured at historical cost except for investment properties, assets held for sale and certain financial instruments including derivatives and Class B LP units, which are measured at fair value.

The application of the going concern basis of presentation assumes that the REIT will continue in operation for the foreseeable future and be able to realize its assets and discharge its liabilities and commitments in the normal course of business.

The REIT's borrowings provided by its revolving facilities and other debt require compliance with covenants, which if breached could lead to lenders demanding repayment and reducing availability of drawings available to the REIT. Additionally, certain of the REIT's debt, including the REIT's revolving credit facilities, include cross default provisions, generally for defaults on debt in excess of \$5.0 million. These covenants are described in more detail in notes 9 and 23.

Ravelin Properties REIT

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(in thousands of Canadian dollars)
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As at June 30, 2025, the REIT remains in breach of certain covenants on its revolving credit facilities, convertible debentures, and certain other mortgages. In certain cases, including that with respect to the revolving credit facilities, the lenders have provided a formal event of default notice expressing their right to demand repayment of the borrowings at their discretion. The REIT does not have sufficient liquidity or plans to make such payment should lenders exercise their rights to demand payment. In addition, the event of default on the revolving credit facilities have required that all term borrowings on the facilities be converted into Canadian Prime and U.S. Base Rate loans. This has resulted in an increase in the facilities's weighted average interest rate to 7.61%. The REIT also has other debt arrangements that have become or will become contractually due within the next 12 months. As a result of the aforementioned covenant breaches, cross defaults, and other borrowings due and coming due within the next 12 months, the REIT has \$910.7 million of principal presented as current on the statement of financial position as at June 30, 2025 (see note 22). In addition, pursuant to the trust indentures governing the convertible debentures, due to default letters provided by lenders of the revolving credit facilities and certain other mortgages ("senior lenders"), the REIT is currently restricted from making payments of interest in respect of the convertible debentures so long as such defaults have not been cured or waived. The REIT has determined that based on the information currently available to it, there can be no assurance if or when a cure or waiver in respect of such defaults will be obtained, and as such, the REIT did not make the cash interest payments due on June 30, 2024, December 31, 2024 and June 30, 2025 in respect of its 7.50% convertible unsecured subordinated debentures and 5.50% convertible unsecured subordinated debentures, and did not make the cash interest payment due on August 31, 2024 and February 28, 2025 in respect of its outstanding 9.00% convertible unsecured subordinated debentures (collectively, the "Debentures") (see note 22).

The REIT has undertaken various actions in order to increase liquidity and reduce its financial leverage and borrowings. These actions include a program to dispose of certain investment properties (the "Portfolio Realignment Plan"), working with lenders and related parties to provide additional flexibility and liquidity to the REIT, a suspension of its cash distribution to unitholders, and a program to reduce capital investment and general and administrative expenses. The REIT's disposition activities under the Portfolio Realignment Plan had limited success in raising excess proceeds to repay debt and improve liquidity. Accordingly, the REIT ended its Portfolio Realignment Plan, which has resulted in a significant reduction of assets classified as held-for-sale.

During the year ended December 31, 2024, the REIT's financial condition continued to deteriorate. The REIT now requires additional funding in the near term and amendments to its existing indebtedness in order to continue as a going concern. Accordingly, during the six months ended June 30, 2025, and with the assistance of professional restructuring advisors, the REIT continued to seek a restructuring of a majority of its outstanding indebtedness and to raise additional capital (collectively, the "Recapitalization Plan"). The potential Recapitalization Plan may involve, among other things, amendments to the REIT's existing secured indebtedness (including amendments to covenants and extensions of maturities, among other potential amendments), conversion of all or a portion of the REIT's convertible debentures into equity, additional subscriptions for units, additional interim secured funding and/or a potential rights offering to raise additional equity capital. On March 28, 2025, the secured lenders party to the REIT's Second Amended and Restated Credit Agreement dated November 14, 2023 as amended (the "Syndicated Credit Agreement") completed a sale and assignment of all the indebtedness and obligations under the Syndicated Credit Agreement to G2S2 Capital Inc. ("G2S2 Capital") in the aggregate principal amount of \$233.1 million and U.S. \$43.7 million. Additionally, on March 31, 2025, a senior secured lender of the REIT completed a sale of all the indebtedness and obligations under certain mortgages to G2S2 Capital, in the aggregate principal amount of \$295.5 million. The completion of the sale and assignment of the Syndicated Credit Agreement and mortgages required the consent of the REIT under the agreements governing the loans. In connection with providing consent to the sale and assignment, an independent committee of trustees of the REIT sought and obtained a six-month forbearance from G2S2 Capital to allow the REIT additional time to negotiate the terms of a Recapitalization Plan. The REIT is currently in discussions with G2S2 Capital and other lenders regarding the terms of an acceptable potential Recapitalization Plan. As of the date hereof, no agreement has been reached with any of the REIT's stakeholders with respect to a potential Recapitalization Plan, and there can be no assurance that the REIT will be successful in negotiating a potential Recapitalization Plan, or in raising the additional funding needed for the REIT to continue as a going concern. If the REIT is unsuccessful in negotiating a potential Recapitalization Plan, the REIT will be unable to continue as a going concern, and, in that case, the market price of the units and the convertible debentures would be materially adversely affected or extinguished.

As a result, these events and conditions indicate that a material uncertainty exists that may cast significant doubt on the REIT's ability to continue as a going concern. The outcome is dependent on the successful execution of the potential Recapitalization Plan described above. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported revenues and expenses, and the balance

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(in thousands of Canadian dollars)
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sheet classifications that would be necessary if the going concern assumption was not appropriate and the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments would be material to the consolidated financial statements

iv. Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars, which is the REIT's functional currency and the functional currency of all of its subsidiaries, except for subsidiaries directly or indirectly holding property in the United States of America (the "United States" or the "U.S.") for which the functional currency is U.S. dollars and the Republic of Ireland ("Ireland") for which the functional currency is Euros.

3. MATERIAL ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with the significant accounting policies described below.

i. Material accounting policies

These consolidated financial statements have been prepared using the same accounting policies and methods disclosed in the REIT's audited annual consolidated financial statements for the year ended December 31, 2024.

ii. Future accounting policies

IFRS 18, Presentation and Disclosure in Financial Statements

In April 2024, IFRS 18 - Presentation and Disclosure in Financial Statements ("IFRS 18") was issued to replace IAS 1 - Presentation of Financial Statements with the aim to provide users with more transparent and comparable information. It requires companies to present separate categories of income and expense for operating, investing, and financing activities with prescribed subtotals for each new category and disclose certain management-defined performance measures within its consolidated financial statements.

IFRS 18 is effective for annual reporting periods beginning on or after January 1, 2027, including interim financial statements, and is required to be applied retrospectively. The REIT is currently in the process of assessing the impact of adopting the new standard on its consolidated financial statements.

4. DISPOSITIONS

2025 Dispositions

During the six months ended June 30, 2025, the REIT made the following investment property disposition:

	1189 Colonel Sam Drive
Disposition date	April 1, 2025
Location	Oshawa, ON
Number of properties	1
Interest disposed	100 %
Sale price	\$ 16,450
Working capital	(257)
Transaction costs	(712)
Repayment on revolving facility	(15,481)
Net proceeds	\$ —

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NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

(in thousands of Canadian dollars)
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2024 Dispositions

During the six months ended June 30, 2024, the REIT made the following investment property dispositions:

	The Sheridan Exchange	Airways Units 7 & 8	84-86 Chain Lake	Walmart Flin Flon
Disposition date	February 1, 2024	February 28, 2024	May 1, 2024	May 10, 2024
Location	Mississauga, ON	Dublin, Dublin	Halifax, NS	Flin Flon, MB
Number of properties	1	1	1	1
Interest disposed	75 %	100 %	100 %	100 %
Sale price	\$ 19,200	\$ 11,028	\$ 10,415	\$ 3,950
Capital adjustments	(345)	—	(53)	—
Working capital	(493)	(60)	(445)	(46)
Transaction costs	(349)	(175)	(443)	(165)
Capital gains tax	—	(1,707)	—	—
Discharge of mortgage	(16,703)	(7,212)	—	—
Repayment on revolving facility	—	—	(9,474)	(3,739)
Net proceeds	\$ 1,310	\$ 1,874	\$ —	\$ —

5. INVESTMENT PROPERTIES

The change in the carrying value of the REIT's investment properties is as follows:

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Beginning of period		\$ 1,139,144	\$ 1,277,574	\$ 1,131,334	\$ 1,362,188
Capital expenditures		4,277	2,631	6,177	4,624
Leasing costs		5,249	6,994	6,720	11,065
Dispositions ¹	4	—	(14,312)	—	(44,195)
Depreciation of hotel asset		(107)	(249)	(212)	(498)
Foreign exchange		(3,304)	4,041	7,479	11,383
Change in fair value		(11,695)	(154,405)	(6,305)	(165,197)
IFRIC 21 property tax adjustment		3,476	3,349	(6,589)	(6,848)
Straight-line rent and other changes		(1,690)	(1,929)	(3,254)	(4,112)
Transfer from (to) assets held for sale ²		50	(33,381)	50	(78,097)
End of period		\$ 1,135,400	\$ 1,090,313	\$ 1,135,400	\$ 1,090,313

¹Represents the purchase price and capital adjustments.

²During the six months ended June 30, 2025, represents a purchase price adjustment to an asset disposed of in the period that was previously transferred to assets held for sale in 2024.

Investment properties as at June 30, 2025 are comprised of the REIT's interests in 44 (December 31, 2024: 44) properties, which includes one mixed-use hotel asset and excludes a data centre in Winnipeg, Manitoba (the "Data Centre"), which is classified as a finance lease (note 6). The REIT owns an undivided interest in all investment properties with the exception of two office properties in the Greater Toronto Area in which the REIT owns a 75% interest (December 31, 2024: two office properties).

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The hotel portion of the REIT's mixed-use asset does not meet the definition of an investment property under IAS 40, *Investment Property*, and accordingly is measured at cost less depreciation and any accumulated impairment losses, with depreciation charged to income over the estimated useful life of the components of the hotel asset. In accordance with IAS 16, *Property Plant and Equipment*, the REIT has determined this is not material to separate for classification purposes on the consolidated statement of financial position.

At the balance sheet date there exists a limited number of observable comparable transactions and certain of the observable comparable transactions may have occurred by seller distress, financing pressure or other factors specific to those particular market participants and transactions. Accordingly, estimation uncertainty with determining the fair value of investment properties remains high.

In 2023, the REIT initiated a Portfolio Realignment Plan to dispose of certain of its properties to raise capital in order to increase liquidity and reduce its outstanding borrowings. As at June 30, 2025, the REIT had no investment properties classified as held for sale. The REIT classified one investment property with a total estimated fair value of \$16.5 million and outstanding debt principal of \$15.2 million as held for sale as at December 31, 2024. The REIT's disposition activities under the Portfolio Realignment Plan have had limited success in raising excess proceeds to repay debt and improve liquidity. Accordingly, the REIT suspended its Portfolio Realignment Plan, which has resulted in the elimination of assets classified as held-for-sale.

The following table presents a summary of the discount and terminal capitalization rates for the fair value of the REIT's investment properties:

	June 30, 2025		December 31, 2024	
	Discount rate	Terminal capitalization rate	Discount rate	Terminal capitalization rate
Minimum	7.50%	7.00%	7.50%	7.00%
Maximum	11.50%	10.50%	11.50%	10.50%
Weighted average	8.75%	7.91%	8.78%	7.93%

The following table presents the estimated change to fair value of the REIT's investment properties in thousands when there is an increase or decrease to the discount and terminal capitalization rates ("TCR") at June 30, 2025:

		Discount Rate				
		50 bps-	25 bps-	No change	25 bps+	50 bps+
TCR	50 bps-	\$ 93,597	\$ 71,489	\$ 49,861	\$ 28,703	\$ 8,003
	25 bps-	66,749	45,194	24,108	3,480	(16,703)
	No change	41,614	20,579	—	(20,133)	(39,832)
	25 bps+	18,035	(2,514)	(22,617)	(42,286)	(61,530)
	50 bps+	(4,130)	(24,222)	(43,877)	(63,109)	(81,927)

A 1% increase or decrease in the REIT's projected net operating income over the term of the discounted cash flows would result in a corresponding estimated increase or decrease of approximately \$7.6 million in the fair value of the REIT's investment properties

6. FINANCE LEASE RECEIVABLE

The Data Centre owned by the REIT is fully leased. The tenant occupying the Data Centre has a lease with an initial term to maturity of 15 years, which commenced on June 5, 2015, with the option to extend for three additional five year terms. The tenant has a one-time option to acquire the property after the initial term of the lease for \$12.0 million. At its inception, the lease met the requirements for classification as a finance lease, as the minimum lease payments amounted to substantially all of the fair value of the leased asset and the tenant has the right to acquire the Data Centre for a price expected to be below the fair value of the property at maturity.

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A reconciliation of the change in the finance lease receivable is as follows:

	Six months ended June 30, 2025	Year ended December 31, 2024
Beginning of period	\$ 39,401	\$ 43,213
Lease payments received	(3,235)	(6,420)
Finance income on finance lease receivable	1,214	2,608
End of period	\$ 37,380	\$ 39,401

The following is a summary of the undiscounted future minimum lease payments receivable and the imputed interest and principal portions thereof. The principal portion represents the amount recorded on the consolidated statement of financial position at June 30, 2025:

	Future minimum lease payments	Interest portion of minimum lease payments	Principal portion of minimum lease payments
Less than one year	\$ 6,757	\$ 2,221	\$ 4,536
Greater than one year but less than 5 years	38,544	5,700	32,844
Total			\$ 37,380

The following is a summary of the undiscounted future minimum lease payments receivable and the imputed interest and principal portions thereof. The principal portion represents the amount recorded on the consolidated statement of financial position at December 31, 2024:

	Future minimum lease payments	Interest portion of minimum lease payments	Principal portion of minimum lease payments
Less than one year	\$ 6,612	\$ 2,359	\$ 4,253
Greater than one year but less than 5 years	27,027	6,409	20,618
Greater than 5 years	14,897	367	14,530
Total			\$ 39,401

7. OTHER ASSETS

Other assets are comprised of the following:

	June 30, 2025	December 31, 2024
Prepaid expenses	\$ 6,310	\$ 2,340
Costs related to the Recapitalization Plan	3,117	1,947
Mortgage interest reserves	—	1,622
Investment tax credit receivable	483	465
Utilities deposits	35	35
Total	\$ 9,945	\$ 6,409

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Other assets have been classified between current and non-current as follows:

	June 30, 2025	December 31, 2024
Current	\$ 9,544	\$ 6,023
Non-current	401	386
Total	\$ 9,945	\$ 6,409

During the six months ended June 30, 2025, two of the REIT's lenders returned mortgage interest reserves, totaling \$1.6 million to the REIT. One lender released the reserve in connection with a subsequent advance made available under the mortgage's earnout provision, while the other lender returned the reserve as part of an assignment of their debt position to another lender (described further in note 9).

The REIT incurred \$3.1 million of legal and professional restructuring advisor costs related to the potential Recapitalization Plan. The REIT expects to net these expenditures against the related debt instrument upon execution of the potential Recapitalization Plan.

The REIT is eligible for a Manitoba data processing investment tax credit as a result of its development of the Data Centre. The REIT expects to receive the tax credit in installments through to 2029. Half of the tax credit is payable to the Data Centre tenant as the credits are received. The tax credit payable is included in other liabilities (see note 10).

8. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	June 30, 2025	December 31, 2024
Rent receivable	\$ 3,663	\$ 3,800
Accrued recovery income	1,392	1,377
Other amounts receivable	6,897	3,415
Allowance	(1,139)	(854)
Total	\$ 10,813	\$ 7,738

Rent receivable consists of base rent and operating expense recoveries receivable from tenants.

Accrued recovery income represents amounts that have not been billed to tenants and are generally billed and paid in the period following the period to which they relate.

Included in other amounts receivable are capital expenditures recoverable from tenants.

The change in allowance is as follows:

	Six months ended June 30, 2025	Year ended December 31, 2024
Beginning of period	\$ (854)	\$ (57)
Change in allowance	(481)	(951)
Bad debt write-off	11	154
Bad debt recovery	185	—
End of period	\$ (1,139)	\$ (854)

The REIT measures the allowance at an amount equal to lifetime expected losses by taking into account past default experience and considering both current and potential bankruptcy, abandonment by tenants and certain tenant disputes.

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The aging analysis of rents receivable past due but not impaired, net of allowance is as follows:

	June 30, 2025	December 31, 2024
Up to 30 days	\$ 1,858	\$ 1,708
31 to 90 days	511	661
Greater than 90 days	155	577
Total	\$ 2,524	\$ 2,946

9. DEBT

Debt held by the REIT as at June 30, 2025 is as follows:

	Maturity	Coupon	Properties provided as security	Fair value of security	Maximum available	Principal
Mortgages ^{1 2 3 4}	Various	Various	12	\$ 596,503	\$ 514,522	\$ 514,522
Revolving facilities ^{3 4 5 6}	Oct. 14, 2024	Various	11	281,726	278,822	278,822
Term loan ^{3 4 7}	Apr. 5, 2027	5.8%	22	256,491	142,207	142,207
Convertible debentures	Feb. 28, 2026	9.0%	—	—	28,750	28,750
Convertible debentures	Dec. 31, 2026	5.5%	—	—	84,200	84,200
Convertible debentures	Dec. 31, 2027	7.5%	—	—	45,000	45,000
Total			45	\$ 1,134,720	\$ 1,093,501	\$ 1,093,501

¹The weighted average remaining term to maturity of mortgages is 0.5 years with maturities ranging from overhauled debt that matured on April 20, 2024 to October 1, 2030 and the weighted average interest rate of mortgages is 5.56% with coupons ranging from 2.53% to 15.00%. Due to covenant violations and in some cases, failure to repay on maturity, certain mortgages are contractually due on demand (discussed further in notes 20, 22 and 23).

²Security includes the Data Centre, which is accounted for as a finance lease receivable which is not included in the REIT's investment properties.

³Certain amounts have been translated from U.S. dollars and Euros to Canadian dollars using the prevailing exchange rates on June 30, 2025.

⁴The REIT's revolving credit facilities, term loan, construction facility and some mortgages are subject to financial and other covenants, including customary maximum leverage ratios, interest service coverage ratios, minimum debt service coverage ratios, and minimum unitholders' equity. These covenants are described further in note 23.

⁵Stand-by fees incurred on the unused portion of the revolving credit facilities are 50.63 bps, charged and paid quarterly.

⁶Principal balance includes \$218,850 and U.S. \$44,071 of revolving facilities. The maximum availability of the revolving facilities is the lesser of (i) \$100,000 and U.S. \$38,000, (ii) the sum of the margined fair value of the property securing the revolving facilities and (iii) the amount which can be serviced (both monthly principal and interest) by the quotient obtained by dividing the net operating income by 1.40 and assuming (a) a 25 year amortization period, and (b) an interest rate compounded semi-annually, equal to the greater of (y) 4.5%, and (z) the relevant five year government bond yield plus 2.50%. The revolving facilities matured on October 14, 2024 and were overhauled as at June 30, 2025, and the weighted average interest rate is 7.61%. Due to covenant violations and failure to pay on maturity, the revolving credit facilities are contractually due on demand (discussed further in notes 22 and 23). In connection with providing consent to the sale and assignment of the Syndicated Credit Agreement (see note 2), the REIT obtained a six-month forbearance from G2S2 Capital to allow the REIT additional time to negotiate the terms of a Recapitalization Plan.

⁷On July 26, 2024, the REIT amended its term loan facility to replace the interest rate cap that matured on July 8, 2024 (see note 12). The amendment fixed the coupon on the term loan at 5.78%, effective until January 7, 2026. After January 7, 2026, the coupon reverts to Euribor plus 265 bps.

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The carrying value of debt held by the REIT as at June 30, 2025 is as follows:

	Principal	Mark-to-market ("MTM") adjustments and costs	Accumulated amortization of MTM adjustments, costs and other	Carrying amount	Current ¹	Non-current
Mortgages	\$ 514,522	\$ (5,521)	\$ 3,714	\$ 512,715	\$ 478,953	\$ 33,762
Revolving facilities	278,822	—	—	278,822	278,822	—
Term loan	142,207	(5,541)	3,467	140,133	7,379	132,754
Convertible debentures ^{2 3}	28,750	(1,464)	—	27,286	27,286	—
Convertible debentures ^{2 3}	84,200	(6,479)	2,521	80,242	80,242	—
Convertible debentures ^{2 3}	45,000	(6,252)	1,066	39,814	39,814	—
Total	\$1,093,501	\$ (25,257)	\$ 10,768	\$ 1,079,012	\$ 912,496	\$ 166,516

¹Total debt of \$851.5 million was in default due to being overhauled or in breach of financial covenants as at June 30, 2025, all of which has been presented in current liabilities. Of the defaulted debt, \$343.5 million was impacted due to financial covenant breaches, \$0.5 million was overhauled and \$507.5 million was both in breach of a financial covenant and overhauled. Of the \$851.5 million defaulted debt, \$722.3 million is contractually current and \$129.2 million was reclassified to current debt. The REIT remains in the process of seeking an amendment to, or renewal of the above defaulted debt as of the authorization date of the consolidated financial statements.

²Represents the debt component of the convertible debentures. The embedded derivative features, which are the holder conversion options and the issuer redemption options, originally recorded in the aggregate amount of \$8.3 million, are accounted for separately. These embedded derivative features are included within derivatives on the REIT's consolidated statements of financial position.

³Due to default letters provided by senior lenders, the REIT is currently restricted from making payments of accrued interest in respect of the convertible debentures so long as such defaults have not been cured or waived. On July 15, 2024 and September 15, 2024, the REIT triggered event of defaults on the outstanding convertible debentures due to failure to pay interest due. The REIT has therefore reclassified the debentures as current debt (described further in note 22).

On March 28, 2025, the secured lenders party to the REIT's Syndicated Credit Agreement completed a sale and assignment of all the indebtedness and obligations under the Syndicated Credit Agreement to G2S2 Capital in the aggregate principal amount of \$233.1 million and U.S. \$43.7 million. Additionally, on March 31, 2025, a senior secured lender of the REIT completed a sale of all the indebtedness and obligations under certain mortgages to G2S2 Capital, in the aggregate principal amount of \$295.5 million. The completion of the sale and assignment of the revolving facilities and mortgages required the consent of the REIT under the agreements governing the loans. In connection with providing consent to the sale and assignment, an independent committee of trustees of the REIT sought and obtained a six-month forbearance from G2S2 Capital to allow the REIT additional time to negotiate the terms of a Recapitalization Plan.

On May 31, 2025, and June 30, 2025, G2S2 Capital and the REIT agreed to capitalize the interest payable for the months of May and June 2025, respectively for a total of \$5.5 million to G2S2 Capital under the revolving credit facilities and related mortgages. The accrued interest for May 2025 was capitalized to the principal balance of the revolving credit facilities and the respective mortgages as of May 31, 2025. The accrued interest for June 2025, which was due and payable on July 1, 2025, was capitalized to the debt principal subsequent to June 30, 2025.

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Debt held by the REIT as at December 31, 2024 was as follows:

	Maturity	Coupon	Properties provided as security	Fair value of security	Maximum available	Principal
Mortgages ^{1 2 3 4}	Various	Various	12	\$ 616,035	\$ 520,183	\$ 520,183
Revolving facilities ^{3 4 5 6 7}	Oct. 14, 2024	Various	12	292,947	296,593	296,593
Term Loan ^{3 4 8}	Apr. 5, 2027	5.8%	22	238,172	132,012	132,012
Convertible debentures - A	Feb. 28, 2026	9.0%	—	—	28,750	28,750
Convertible debentures - B	Dec. 31, 2026	5.5%	—	—	84,200	84,200
Convertible debentures - C	Dec. 31, 2027	7.5%	—	—	45,000	45,000
Total			46	\$1,147,154	\$1,106,738	\$1,106,738

¹The weighted average remaining term to maturity of mortgages is 0.9 years with maturities ranging from overhauled debt that matured on April 20, 2024 to October 1, 2030 and the weighted average interest rate of mortgages is 5.56% with coupons ranging from 2.53% to 10.00%. Due to covenant violations and in some cases, failure to repay on maturity, certain mortgages are contractually due on demand (discussed further in notes 21, 23 and 24).

²Security includes assets held for sale and the Data Centre, which is accounted for as a finance lease receivable all of which are not included in the REIT's investment properties.

³Certain amounts have been translated from U.S. dollars and Euros to Canadian dollars using the prevailing exchange rates on December 31, 2024.

⁴The REIT's revolving credit facilities, term loan, construction facility and some mortgages are subject to financial and other covenants, including customary maximum leverage ratios, interest service coverage ratios, minimum debt service coverage ratios, and minimum unitholders' equity. These covenants are described further in note 24.

⁵Stand-by fees incurred on the unused portion of the revolving credit facilities are 50.63 bps, charged and paid quarterly.

⁶Principal balance includes \$233,735 and U.S. \$43,700 of revolving facilities. From September 30, 2024, the maximum availability of the revolving facilities is the lesser of (i) \$100,000 and U.S. \$38,000, (ii) the sum of the margined fair value of the property securing the revolving facilities and (iii) the amount which can be serviced (both monthly principal and interest) by the quotient obtained by dividing the net operating income by 1.40 and assuming (a) a 25 year amortization period, and (b) an interest rate compounded semi-annually, equal to the greater of (i) 4.5%, and (ii) the relevant five year government bond yield plus 2.50%. The revolving facilities matured on October 14, 2024 and was overhauled as at December 31, 2024, and the weighted average interest rate is 7.99%. Due to covenant violations and failure to pay on maturity, the revolving credit facilities is contractually due on demand (discussed further in notes 23 and 24).

⁷Security includes assets held for sale, which are not included in the REIT's investment properties on the consolidated statement of financial position.

⁸On July 26, 2024, the REIT amended its term loan facility to replace the interest rate cap that matured on July 8, 2024 (see note 12). The amendment fixed the coupon on the term loan at 5.78%, effective until January 7, 2026. After January 7, 2026, the coupon reverts to Euribor plus 265 bps.

The carrying value of debt held by the REIT as at December 31, 2024 is as follows:

	Principal	MTM adjustments and costs	Accumulated amortization of MTM adjustments, costs and other	Carrying amount	Current ^{1 2}	Non-current
Mortgages	\$ 520,183	\$ (5,521)	\$ 2,419	\$ 517,081	\$ 492,007	\$ 25,074
Revolving facilities	296,593	—	—	296,593	296,593	—
Term loan	132,012	(5,111)	2,691	129,592	—	129,592
Convertible debentures ^{3 4}	28,750	(1,464)	—	27,286	27,286	—
Convertible debentures ^{3 4}	84,200	(6,479)	2,151	79,872	79,872	—
Convertible debentures ^{3 4}	45,000	(6,252)	852	39,600	39,600	—
	\$ 1,106,738	\$ (24,827)	\$ 8,113	\$ 1,090,024	\$ 935,358	\$ 154,666

¹Included in current liabilities and shown as debt on assets held for sale on the consolidated statement of financial position is \$15.2 million of principal associated with assets held for sale. Of the \$15.2 million debt associated with assets held for sale, all of this is contractually current debt.

²Total debt of \$889.7 million was in default due to being overhauled or in breach of financial covenants as at December 31, 2024, all of which has been presented in current liabilities. Of the defaulted debt, \$546.3 million was impacted due to financial covenant breaches, \$0.5 million was overhauled and \$343.0 million was both in breach of a financial covenant and overhauled. Of the \$889.7 million defaulted debt, \$638.9 million is contractually current and \$250.8 million was reclassified to current debt. Additionally, of the defaulted debt, \$14.4 million is also debt associated with assets held for sale. The REIT remains in the process of seeking an amendment to, or renewal of the above defaulted debt as of the authorization date of the consolidated financial statements.

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³Represents the debt component of the convertible debentures. The embedded derivative features, which are the holder conversion options and the issuer redemption options, originally recorded in the aggregate amount of \$8.3 million, are accounted for separately. These embedded derivative features are included within derivatives on the REIT's consolidated statements of financial position.

⁴Due to default letters provided by senior lenders, the REIT is currently restricted from making payments of accrued interest in respect of the convertible debentures so long as such defaults have not been cured or waived. On July 15, 2024 and September 15, 2024, the REIT triggered event of defaults on the outstanding convertible debentures due to failure to pay interest due. The REIT has therefore reclassified the debentures as current debt (described further in note 23).

Future contractual repayments of mortgages payable by year of maturity as at June 30, 2025 are as follows:

	Weighted average interest rate of principal maturities ¹	Amortizing principal payments	Principal repayments on maturity	Total repayments
Remainder of 2025	5.48%	\$ 3,742	\$ 390,967	\$ 394,709
2026	6.23%	3,880	80,243	84,123
2027	5.08%	2,900	19,375	22,275
2028	4.38%	2,548	—	2,548
2029	4.38%	2,662	—	2,662
Thereafter	4.38%	2,310	5,895	8,205
	5.56%	\$ 18,042	\$ 496,480	\$ 514,522
Unamortized financing costs				(1,807)
Total			\$	512,715

¹The weighted average interest rate of principal maturities is calculated using the rates in effect at June 30, 2025.

Future contractual principal payments and maturities for all debt as at June 30, 2025 are as follows:

Remainder of 2025	\$ 912,725
2026	25,018
2027	142,344
2028	2,548
2029	2,662
Thereafter	8,204
	\$ 1,093,501
Unamortized financing costs	(14,489)
Total	\$ 1,079,012

Convertible Debentures

On October 24, 2022, the REIT issued \$45.0 million of 7.50% extendible convertible unsecured subordinated debentures of the REIT (the "2022 Convertible Debentures"). The proceeds from the issuance of the 2022 Convertible Debentures were used to pay down secured mortgage debt and partially fund the acquisition of 275 North Field.

The 2022 Convertible Debentures are convertible into freely tradable units at the option of the holder at any time prior to the close of business on the earliest of: (i) the last business day before the final maturity date; or (ii) if called for redemption, the business day immediately preceding the date specified by the REIT for redemption of the debentures, at a conversion price of \$5.50 per unit. 2022 Convertible Debenture holders converting their debentures will, in addition to the applicable number of units to be received on conversion, receive accrued and unpaid interest, if any, for the period from the last interest payment date on their convertible debentures (or the date of the offering closing if no interest has yet been paid on the convertible debentures) to and including the last record date set by the REIT occurring prior to the date of conversion for determining the unitholders entitled to receive a distribution on the units.

The 2022 Convertible Debentures may not be redeemed by the REIT prior to December 31, 2025. On and from December 31, 2025, and prior to December 31, 2026, the 2022 Convertible Debentures may be redeemed by the REIT, in whole at any time, or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice provided that the volume

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weighted-average trading price of the units on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the conversion price. On and from December 31, 2026, and prior to December 31, 2027, the 2022 Convertible Debentures may be redeemed by the REIT, in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice.

On November 19, 2021, the REIT issued \$84.2 million of 5.50% extendible convertible unsecured subordinated debentures of the REIT (the "2021 Convertible Debentures"). The proceeds from the issuance of the 2021 Convertible Debentures were received on February 7, 2022 and were used to partially fund the acquisition of Yew Grove.

The 2021 Convertible Debentures are convertible into freely tradable units at the option of the holder at any time prior to the close of business on the earliest of: (i) the last business day before the final maturity date; or (ii) if called for redemption, the business day immediately preceding the date specified by the REIT for redemption of the debentures, at a conversion price of \$6.50 per unit. 2021 Convertible Debenture holders converting their debentures will, in addition to the applicable number of units to be received on conversion, receive accrued and unpaid interest, if any, for the period from the last interest payment date on their convertible debentures (or the date of the offering closing if no interest has yet been paid on the convertible debentures) to and including the last record date set by the REIT occurring prior to the date of conversion for determining the unitholders entitled to receive a distribution on the units.

The 2021 Convertible Debentures could not be redeemed by the REIT prior to December 31, 2024. On and from December 31, 2024, and prior to December 31, 2025, the 2021 Convertible Debentures may be redeemed by the REIT, in whole at any time, or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice provided that the volume weighted-average trading price of the units on the TSX for the 20 consecutive trading days ending five trading days preceding the date on which notice of redemption is given is not less than 125% of the conversion price. On and from December 31, 2025, and prior to December 31, 2026, the convertible debentures may be redeemed by the REIT, in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice.

On January 26, 2018, the REIT issued \$28.8 million of 5.25% convertible unsecured subordinated debentures of the REIT (the "2018 Convertible Debentures").

On January 27, 2023, the REIT amended the terms of its 2018 Convertible Debentures. The amendments: (i) increased the interest rate of the 2018 Convertible Debentures from 5.25% to 9.00%, effective February 28, 2023; (ii) decreased the conversion price of the 2018 Convertible Debentures from \$10.53 per trust unit of the REIT to \$5.50 per unit; (iii) extended the maturity date of the 2018 Convertible Debentures from February 28, 2023 to February 28, 2026; and (iv) provided that the 2018 Convertible Debentures are not redeemable at the option of the REIT prior to February 28, 2025 and, at any time after February 28, 2025, the REIT will be permitted to redeem the amended 2018 Convertible Debentures, in whole or in part at a price equal to the principal amount thereof plus accrued and unpaid interest to, but excluding, the date of the redemption. 2018 Convertible Debentures holders converting their debentures will, in addition to the applicable number of units to be received on conversion, receive accrued and unpaid interest, if any, for the period from the last interest payment date on their convertible debentures to and including the last record date set by the REIT occurring prior to the date of conversion for determining the unitholders entitled to receive a distribution on the units. On and from February 28, 2025, and prior to February 28, 2026, the 2018 Convertible Debentures may be redeemed by the REIT, in whole at any time or in part from time to time, at a price equal to the principal amount thereof plus accrued and unpaid interest on not more than 60 days' and not less than 30 days' prior written notice.

10. OTHER LIABILITIES

Other liabilities are comprised of the following:

	Note	June 30, 2025	December 31, 2024
Security deposits		\$ 5,292	\$ 5,694
Deferred units	14	177	193
Investment tax credit payable		241	233
Total		\$ 5,710	\$ 6,120

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Other liabilities have been classified between current and non-current as follows:

	June 30, 2025	December 31, 2024
Current	\$ 1,185	\$ 1,564
Non-current	4,525	4,556
Total	\$ 5,710	\$ 6,120

The REIT is eligible to receive a Manitoba data processing investment tax credit in connection with the development of the Data Centre (see note 7). Half of the tax credit to be received is payable to the tenant of the Data Centre, the amount for which is recorded as an other liability. The credit is expected to be received through to 2029 and has been recorded in other liabilities at its discounted amount determined upon establishment of the liability.

11. DERIVATIVES

Derivatives include interest rate protection instruments, including interest rate swaps and caps, foreign exchange instruments, and derivative features embedded in the REIT's convertible debentures, which include the convertible debenture holder conversion option and the REIT's redemption option.

Derivatives are comprised of the following:

	June 30, 2025	December 31, 2024
Fair value of conversion option on convertible debentures	\$ (36)	\$ (31)
Fair value of interest rate swaps	249	3,317
Fair value of cross currency swap	(8,211)	(2,138)
Fair value of interest rate caps	31	71
Derivatives, net	\$ (7,967)	\$ 1,219

The following is a reconciliation of the change in the fair value of derivatives:

	Six months ended June 30,	
	2025	2024
Fair value, beginning of period	\$ 1,219	\$ 15,030
Fair value change of convertible debenture embedded derivatives	(5)	275
Fair value change of interest rate swaps	(892)	3,324
Receipts on interest rate swaps	(2,103)	(3,724)
Foreign exchange (loss) gain on U.S. interest rate swap	(73)	109
Fair value change of cross currency interest rate swap	(6,073)	251
Fair value change of interest rate caps	(37)	(645)
Foreign exchange (loss) gain on U.S. and Euro interest rate caps	(3)	9
Fair value, end of period	\$ (7,967)	\$ 14,629

Interest rate protection instruments

The REIT enters into interest rate derivatives to reduce the impact of interest rate risk of certain debt with floating interest rates. The REIT currently has in place certain pay-fixed receive-float interest rate swaps and an interest rate cap. Swaps are derivative financial instruments that require a periodic exchange of payments with counter-parties without the exchange of the notional amount on which the payments are based. The recorded interest expense on the underlying mortgages payable reflects payments made and received under the interest rate swaps.

Interest rate derivatives are measured at fair value with fair values estimated as the present value of contractual cash flows based on forward curves and an applicable discount rate.

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The following are the terms and fair values of the REIT's interest rate swaps where the REIT pays fixed and receives floating interest rates:

Maturity date	Floating interest rate ¹	Fixed interest rate	Notional amount ²		Fair value	
			June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
March 3, 2025	1 month CORRA	0.94%	—	62,500	—	369
March 3, 2025	1 month CORRA	0.94%	—	10,000	—	59
March 3, 2025	1 month CORRA	4.01%	—	8,000	—	(13)
May 1, 2025	1 month CORRA	4.06%	—	59,003	—	(206)
September 10, 2025	1 month U.S. SOFR	2.22%	137,543	145,386	774	2,281
April 30, 2026	1 month CORRA	3.30%	78,300	78,300	(525)	(476)
October 30, 2026 ³	1 month CORRA	2.00%	—	100,000	—	1,303
Total			\$ 215,843	\$ 463,189	\$ 249	\$ 3,317

¹"CORRA" means the Canadian Overnight Repo Rate Average and "SOFR" means the Secured Overnight Financing Rate.

²The notional amount of the U.S. dollar pay-fixed receive-float interest rate swaps, maturing September 10, 2025 is U.S. \$101.1 million.

³In connection with providing consent to the sale and assignment of all the indebtedness and obligations under the Syndicated Credit Agreement to G2S2 Capital (see note 9), the interest rate swap previously in place to mitigate interest rate risk on the Canadian revolving credit facility was unwound effective April 1, 2025. The proceeds of \$0.7 million from the sale of the interest rate swap was used as a paydown on the Canadian revolving credit facility.

In connection with a previous acquisition, the REIT entered into a cross currency interest rate swap transaction on November 16, 2021 to pay a fixed rate of 3.72% and receive a fixed rate of 5.50%, effective on January 31, 2022 and maturing on December 31, 2026. Interest payments are payable semi-annually on or around June 30 and December 30, commencing June 30, 2022. During the six months ended June 30, 2025, the REIT recorded a fair value loss of \$6.1 million (June 30, 2024: \$0.3 million), which is recorded in the consolidated statement of loss.

The following are the terms and fair values of the REIT's cross currency interest rate swap:

Maturity date	Pay Euro interest rate	Receive \$ interest rate	Notional amount ¹		Fair value	
			June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
December 31, 2026	3.72%	5.50%	\$ 75,000	\$ 75,000	\$ (8,211)	\$ (2,138)
Total			\$ 75,000	\$ 75,000	\$ (8,211)	\$ (2,138)

¹The notional amount of the pay Euro interest rate of 3.72% is €52.5 million and the notional amount of the receive Canadian dollar interest rate of 5.50% is \$75.0 million.

The following are the terms and fair values of the REIT's interest rate cap:

Maturity date	Reference	Cap rate	Notional amount ¹		Fair value	
			June 30, 2025	December 31, 2024	June 30, 2025	December 31, 2024
November 1, 2025	1 month U.S. SOFR	3.75%	\$ 15,902	\$ 16,809	\$ 31	\$ 71
Total			\$ 15,902	\$ 16,809	\$ 31	\$ 71

¹The notional amount of the pay U.S. dollar interest rate cap is US. \$11.9 million.

The following is a summary of the REIT's interest rate caps:

	Six months ended June 30,	
	2025	2024
Beginning of the period	\$ 71	\$ 2,478
Fair value changes	(37)	(1,456)
Foreign exchange gain	(3)	17
End of period	\$ 31	\$ 1,039

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Foreign exchange rate protection instruments

From time to time, the REIT may use forward foreign exchange contracts to hedge against fair value changes in the REIT's U.S. dollar net investment in its U.S. operations arising from fluctuations in the U.S. and Canadian dollar exchange rates, and its Euro net investment in its Irish operations arising from fluctuations in the Euro and Canadian dollar exchange rates. Sources of hedge ineffectiveness include instances where the net investments in U.S. and Irish operations are less or greater than outstanding hedge instruments and potential misalignment between the term of the hedging instrument and the holding term of the REIT's net investment in U.S. and Irish operations.

The REIT did not enter into any derivative or foreign exchange contracts during the six months ended June 30, 2025 and 2024.

Derivatives have been classified between asset and liabilities and current and non-current as follows:

	June 30, 2025	December 31, 2024
Current assets	\$ 805	\$ 2,780
Non-current assets	—	1,303
Current liabilities	(561)	(250)
Non-current liabilities	(8,211)	(2,614)
Total	\$ (7,967)	\$ 1,219

12. CLASS B LP UNITS

Class B LP units are exchangeable at the option of the holder into trust units of the REIT on a one-for-one basis subject to normal anti-dilution adjustments and are entitled to distributions of cash, as applicable, equal to the cash distributions paid to holders of units by the REIT.

Each Class B LP unit is attached to a special voting unit of the REIT, providing Class B LP unitholders voting rights in the REIT. Special voting units have no economic entitlement in the REIT but entitle the holder to one vote per special voting unit at any meeting of the unitholders of the REIT. Special voting units are not transferable separately from the Class B LP units to which they are attached. Upon the exchange or surrender of a Class B LP unit for a unit of the REIT, the special voting unit attached to a Class B LP unit will automatically be redeemed and cancelled.

The Class B LP units are remeasured based on the quoted closing price of REIT units into which they are exchangeable with changes in fair value recognized in net loss.

The change in Class B LP units for the three and six months ended June 30, 2025 is as follows:

	Three months ended June 30, 2025		Six months ended June 30, 2025	
	Units	Amount	Units	Amount
Beginning of period	5,285,160	\$ 2,960	5,285,160	\$ 2,854
Fair value changes	—	(1,110)	—	(1,004)
End of period	5,285,160	\$ 1,850	5,285,160	\$ 1,850

The change in Class B LP units for the three and six months ended June 30, 2024 is as follows:

	Three months ended June 30, 2024		Six months ended June 30, 2024	
	Units	Amount	Units	Amount
Beginning of period	5,285,160	\$ 3,964	5,285,160	\$ 4,281
Fair value changes	—	(2,828)	—	(3,145)
End of period	5,285,160	\$ 1,136	5,285,160	\$ 1,136

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13. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	June 30, 2025	December 31, 2024
Accounts payable and accrued liabilities	\$ 52,289	\$ 50,469
Convertible debenture interest	15,450	10,197
Salaries and employee costs payable	83	—
Prepaid rent	10,691	6,755
Interest payable in kind ¹	2,707	—
Tenant improvements payable	329	258
Total	\$ 81,549	\$ 67,679

¹ The accrued interest for June 2025, which was due and payable on July 1, 2025, was capitalized to the debt principal subsequent to June 30, 2025 (see note 20)

Included in accounts payable and accrued liabilities are property operating expenses, property taxes, accrued interest payable and capital and leasing expenses.

14. UNITHOLDERS' EQUITY

The REIT is authorized to issue an unlimited number of trust units. Each trust unit represents a proportionate undivided beneficial interest and voting right in the REIT and entitles the holder to an equal participation in distributions of the REIT. The trust units are redeemable at the option of the holder at any time, with certain limitations on the quantity of trust units that may be redeemed for cash.

The REIT is also authorized to create and issue an unlimited number of preferred units, in one or more classes comprised of unlimited series, having terms and conditions as may be determined by the Board of Trustees from time to time. No preferred units have been issued.

The change in trust units during the six months ended June 30, 2025 and 2024 is as follows:

	Six months ended June 30, 2025		Six months ended June 30, 2024	
	Units	Amount	Units	Amount
Beginning of period	80,503,998	578,696	80,049,062	578,406
Issued pursuant to the Trustee DUP	58,463	23	242,626	166
End of period	80,562,461	\$ 578,719	80,291,688	\$ 578,572

Trustee deferred unit plan

Trustees who are not employees of the REIT or SLAM, or any of their subsidiaries, are eligible to participate in the REIT's trustee deferred unit plan ("the Trustee DUP"). Participants may elect to receive all or a portion of their annual retainer, meeting fees and additional compensation (including travel fees), in deferred units. One deferred unit, which vests immediately on the grant date, is equivalent to one trust unit. Additional deferred units accumulate at the same rate that distributions are paid on the trust units.

The deferred units may be redeemed by a participant for a period of two years after the participant ceases to be a trustee of the REIT in whole or in part for cash or trust units. The value of the deferred units when converted to cash will be equivalent to the market value of trust units on the date of the redemption request.

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As at June 30, 2025, the liability associated with the deferred units issued under the Trustee DUP was \$0.2 million (December 31, 2024: \$0.2 million), and the number of outstanding deferred units was 489,488 (December 31, 2024: 342,337 deferred units). During the three and six months ended June 30, 2025, 74,734 deferred units were redeemed for trust units under the Trustee DUP by a former Trustee of the REIT (three and six months ended June 30, 2024: 400,740 deferred units).

Officer deferred unit plan

The Officer deferred unit plan ("the Officer DUP") provides officers of the REIT the opportunity to receive deferred units of the REIT through the Officer DUP. The maximum number of deferred units reserved for issuance under the Officer DUP is 1% of total units outstanding. One deferred unit, which vests immediately on the grant date, is equal to one trust unit.

The deferred units may be redeemed by a participant after two years following the date the units were issued in whole or in part for cash or trust units. The value of the deferred units when converted to cash will be equivalent to the market value of trust units on the date of the redemption request. If a participant ceases to be an officer of the REIT, the deferred units must be redeemed no later than two years following that date.

As at June 30, 2025, the liability associated with deferred units issued under the Officer DUP was \$5 thousand (December 31, 2024: \$8 thousand), and the number of deferred units was 14,294 units (December 31, 2024: 14,294 units).

The change in Trustee and Officer DUP units during the three and six months ended June 30, 2025 is as follows:

Note	Three months ended June 30, 2025		Six months ended June 30, 2025	
	Units	Amount	Units	Amount
Beginning of period	342,877	192	356,631	193
Issued	160,905	57	221,885	94
Redemption of units	—	—	(74,734)	(30)
Fair value adjustment	19	(72)	—	(80)
End of period	503,782	\$ 177	503,782	\$ 177

The change in Trustee and Officer DUP units during the three and six months ended June 30, 2024 is as follows:

Note	Three months ended June 30, 2024		Six months ended June 30, 2024	
	Units	Amount	Units	Amount
Beginning of period	712,330	535	602,606	489
Issued	141,068	51	250,792	131
Redemption of units	(400,740)	(275)	(400,740)	(275)
Fair value adjustment	19	(213)	—	(247)
End of period	452,658	\$ 98	452,658	\$ 98

Weighted average diluted units outstanding

The following is the weighted average diluted number of units outstanding during the three and six months ended June 30, 2025 and 2024. The diluted weighted average trust units outstanding is determined as if all of the Class B LP units and deferred units have been converted to units of the REIT:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Basic weighted average units outstanding	80,562,461	80,171,708	80,557,616	80,110,385
Class B LP units	5,285,160	5,285,160	5,285,160	5,285,160
Basic weighted average deferred units outstanding	342,878	452,510	316,479	527,558
Diluted weighted average units outstanding	86,190,499	85,909,378	86,159,255	85,923,103

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Diluted units outstanding

The following is the diluted number of units outstanding as at June 30, 2025 and 2024. The diluted number of units outstanding is determined as if all of the Class B LP units and deferred units had been converted to units of the REIT:

	June 30, 2025	June 30, 2024
Trust units outstanding	80,562,461	80,291,688
Class B LP units	5,285,160	5,285,160
Deferred units	503,782	452,658
Diluted units outstanding	86,351,403	86,029,506

Accumulated other comprehensive income consists of the below:

	Six months ended June 30, 2025			Six months ended June 30, 2024		
	Foreign currency translation	Net investment hedges	Total	Foreign currency translation	Net investment hedges	Total
Beginning of period	\$ 15,020	\$ (4,820)	\$ 10,200	\$ 7,678	\$ (4,820)	\$ 2,858
Currency translation	8,106	—	8,106	4,869	—	4,869
End of period	\$ 23,126	\$ (4,820)	\$ 18,306	\$ 12,547	\$ (4,820)	\$ 7,727

Other comprehensive income represents changes in the REIT's equity during a period arising from transactions and other events with non-owner sources.

15. DISTRIBUTIONS

Pursuant to the Declaration of Trust, the income of the REIT is distributed on dates and in amounts as determined by the Board of Trustees. Distributions to Class B LP unitholders are recorded in net loss. In November 2023, the REIT suspended its monthly cash distribution to unitholders and holders of Class B LP units.

The REIT did not declare or pay distributions during the three and six months ended June 30, 2025 and 2024.

16. RENTAL REVENUE

Rental revenue is comprised of the following:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Property base rent ¹	\$ 22,956	\$ 26,062	\$ 47,325	\$ 52,965
Operating cost recoveries	14,008	15,068	29,218	31,158
Tax recoveries	6,299	6,610	12,896	14,000
Hotel	3,588	3,756	5,744	5,817
Straight-line rent and other changes	(1,690)	(1,929)	(3,254)	(4,112)
Total	\$ 45,161	\$ 49,567	\$ 91,929	\$ 99,828

¹Includes parking revenue earned at properties.

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The REIT has contracted to receive the following future minimum lease payments under non-cancellable operating leases:

	June 30, 2025	December 31, 2024
Not later than one year	\$ 97,200	\$ 107,684
Later than one year and not later than five years	306,805	347,408
Later than five years	144,860	158,278
Total	\$ 548,865	\$ 613,370

Future minimum lease payments for the Data Centre are excluded from the above as the lease is classified as a finance lease. Future minimum lease payments for the Data Centre are disclosed in note 6.

17. INTEREST AND FINANCE COSTS

Interest and finance costs are comprised of the following:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Mortgage interest	\$ 7,880	\$ 9,177	\$ 15,928	\$ 18,197
Interest on other debt	5,719	5,509	11,658	10,418
Amortization of financing costs	1,498	1,553	2,748	3,299
Amortization of debt mark-to-market adjustments	(8)	(8)	(16)	(18)
Interest on convertible debentures ^{1 2 3}	2,641	2,641	5,253	5,282
Total interest expense	\$ 17,730	\$ 18,872	\$ 35,571	\$ 37,178
Non-cash interest expense	(1,490)	(1,545)	(2,732)	(3,281)
Unpaid convertible debenture interest	(2,641)	(4,857)	(5,253)	(4,857)
Interest paid in kind ⁴	(5,478)	—	(5,478)	—
Total interest paid	\$ 8,121	\$ 12,470	\$ 22,108	\$ 29,040

¹The convertible debentures issued on January 26, 2018 and amended on January 27, 2023 pay interest at 9.00%. Payments are due semi-annually on or about February 28th and August 30th. The amount above represents the interest accrued but not paid.

²The convertible debentures issued on November 19, 2021 pay interest at 5.50%. Payments are due semi-annually on or about June 30th and December 31st. The amount above represents the interest accrued but not paid.

³The convertible debentures issued on October 24, 2022 pay interest at 7.50%. Payments are due semi-annually on or about June 30th and December 31st. The amount above represents the interest accrued but not paid.

⁴On May 31, 2025, and June 30, 2025, G2S2 Capital and the REIT agreed to capitalize the interest payable to G2S2 Capital under the revolving credit facilities and related mortgages for the months of May and June 2025, respectively. The accrued interest for May 2025 was capitalized to the principal balance of the revolving credit facilities and the respective mortgages as of May 31, 2025. The accrued interest for June 2025, which was due and payable on July 1, 2025, was capitalized to the principal balance of the revolving credit facilities and the respective mortgages subsequent to June 30, 2025.

Financing costs associated with financial liabilities measured at amortized cost such as mortgages payable and the revolving credit facilities are netted against the carrying amount of the related debt instrument and amortized using the effective interest method over the term of the related debt.

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18. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are comprised of the following:

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Salaries, benefits and employee costs		\$ 1,296	\$ —	\$ 2,306	\$ —
Less: Salaries allocated to recoverable operating expenses		(920)	—	(1,815)	—
Asset management fees	20	—	1,271	—	2,586
Professional fees	20	350	355	1,073	773
Trustee fees		94	73	151	185
Bad debt expense, net		143	332	296	358
Other		355	324	659	637
Total		\$ 1,318	\$ 2,355	\$ 2,670	\$ 4,539

19. CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

The change in fair value of financial instruments is comprised of the following:

	Note	Three months ended June 30,		Six months ended June 30,	
		2025	2024	2025	2024
Interest rate swaps	11	\$ 357	\$ 819	\$ (892)	\$ 4,143
Net receipts on interest rate swaps	11	(708)	(3,068)	(2,103)	(6,792)
Interest rate caps	11	(12)	(811)	(37)	(1,456)
Convertible debenture embedded derivatives	11	405	(5)	(5)	270
Deferred units	14	72	213	80	247
Cross currency swap	11	(3,392)	(130)	(6,073)	121
Total change in fair value of financial instruments recognized in net loss		\$ (2,590)	\$ (2,982)	\$ (8,342)	\$ (3,467)

20. RELATED PARTY TRANSACTIONS

During the three months ended June 30, 2024, the REIT had a Management Agreement with Slate (as defined in note 1), whereby the Former Manager as the REIT's manager provided the REIT with the strategic, administrative, property management, leasing, acquisition, financing and construction management services necessary to manage the strategy and day-to-day operations of the REIT and its assets. Key management personnel of the REIT were employed by SLAM. On December 24, 2024, the REIT amended its Management Agreement with the Former Manager to, among other things, accelerate the termination of the Management Agreement and implement the Internalization which was effective December 31, 2024. Following the implementation of the Internalization, Slate ceased to be a related party.

These transactions were in the normal course of operations and were in accordance with the Management Agreement and were measured at the exchange amount. The exchange amount is the consideration established under contract and approved by the REIT's Board of Trustees.

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The Management Agreement provided for the following fees:

Type	Basis
Property management	3% of gross revenue ¹
Asset management	0.3% of gross book value ²
Leasing	5% on new leases, 2% on renewals ³
Financing	0.25% of debt financed
Construction	5.0% of costs
Acquisition	Variable ⁴

¹Gross revenue was defined as all revenues received by and/or on behalf of the REIT from the leasing and/or licensing of the REIT's investment properties.

²Gross book value was defined as the book value of the REIT's assets as shown on the previous quarter's consolidated financial statements, less restricted cash.

³Leasing fees were charged to the REIT net of any third party brokerage fees paid to leasing agents retained by the REIT. No fee was charged to the REIT where such third party fees are equal to or greater than the lease fee payable to Slate.

⁴Acquisition fees were 1.00% on the first \$100.0 million of acquisitions; 0.75% on the next \$100.0 million of acquisitions and 0.50% for acquisitions in excess of \$200.0 million.

Property and asset management fees were recorded as property operating and general and administrative expenses, respectively, in the period incurred. Acquisition, construction and leasing fees were recorded as additions to investment properties when payable to the Former Manager. Financing fees were capitalized to debt placed at the time of closing and amortized to interest expense over the term to maturity of the related debt.

Amounts charged by Slate were as follows:

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Fees charged by the Former Manager per Management Agreement:				
Property management	\$ —	\$ 1,129	\$ —	\$ 2,572
Asset management	—	1,271	—	2,586
Leasing, financing and construction management	—	458	—	2,119
	\$ —	\$ 2,858	\$ —	\$ 7,277
Other amounts charged by Slate ¹:				
SLAM asset manager salary recoveries ²	—	247	—	404
SLAM asset management software ³	—	78	—	149
Property operating expenses	—	325	—	553
General and administrative expenses	—	109	—	281
	\$ —	\$ 434	\$ —	\$ 834
Total charged by Slate	\$ —	\$ 3,292	\$ —	\$ 8,111

¹The Management Agreement provided for the Former Manager to be reimbursed by the REIT for all reasonable third-party costs and out-of-pocket expenses incurred by the Manager. These amounts are included in the REIT's consolidated statement of loss and represent expenses payable to the Former Manager, SLAM or vendors engaged by the Former Manager or SLAM.

²Included in property administrative fees as shown below.

³Asset management software developed by Slate.

Prior to January 1, 2025, property administration fees were generally recoverable under the tenants' leases relating to assets or resources of the Former Manager that were directly attributable to the management of the REIT's investment properties. During the six months ended June 30, 2024, property administration fees were \$5.5 million. Administrative fees are recovered from most tenants by the REIT in accordance with the terms of the leases.

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The following table summarizes property administration fees paid on behalf of the Former Manager and related recoveries included in the REIT's consolidated statement of loss:

	Six months ended June 30, 2025	
	2025	2024
Property administration fees	\$ —	\$ 5,533
Less: administrative fees recovered from tenants	—	(3,040)
Property administration fees not recovered	\$ —	\$ 2,493

A trustee of the REIT and a corporation controlled by the trustee, G2S2 Capital, through its wholly-owned subsidiary, Armco Alberta Inc. (collectively, "G2S2"), held the following interests in the REIT:

	June 30, 2025	December 31, 2024
REIT units	15,110,200	15,110,200
Deferred units	271,521	160,866
Total	15,381,721	15,271,066
Economic interest	17.8%	17.7%

G2S2 also held an aggregate principal amount of \$12.1 million (December 31, 2024: \$12.1 million) of the REIT's convertible debentures as at June 30, 2025. If G2S2 was the sole convertible debenture holder to convert convertible debentures to trust units, it would indirectly own a total of 17,517,847 trust units (December 31, 2024: 17,407,192), representing an economic interest of approximately 19.8% (December 31, 2024: 19.7%) on a diluted basis.

On January 12, 2024, the REIT announced that the REIT and G2S2 agreed to amend the parties' settlement agreement regarding appointments to the Board of Trustees to, among other things, (i) reduce the size of the Board of Trustees from eight to six trustees at the REIT's next annual general meeting, and (ii) to terminate certain restrictions applicable to G2S2 including restrictions on G2S2 acquiring additional securities of the REIT. G2S2 also agreed to provide credit support and a letter of credit in favour of a tenant of the REIT for certain obligations that the REIT has undertaken in connection with its pursuit of leasing opportunities, such as leasing costs and tenant inducements. On August 28, 2024, G2S2 provided the REIT with credit support in the aggregate of up to \$13.4 million and the letter of credit. As at June 30, 2025, \$5.9 million has been advanced to the REIT. During the six months ended June 30, 2025, the REIT has triggered an event of default under a mortgage that includes cross-default provisions with the credit support provided by G2S2. As a result, the REIT has also triggered an event of default on the credit support and therefore, the advance from the credit support has been classified as a current debt.

On March 28, 2025, the secured lenders party to the Syndicated Credit Agreement completed a sale and assignment of all the indebtedness and obligations under the Syndicated Credit Agreement to G2S2 Capital in the aggregate principal amount of \$233.0 million and U.S. \$43.7 million. Additionally, on March 31, 2025, a senior secured lender of the REIT completed a sale of all the indebtedness and obligations under certain mortgages to G2S2 Capital, in the aggregate principal amount of \$295.5 million. For further information, see note 2.

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The REIT's indebtedness to G2S2 Capital as at June 30, 2025 is as follows:

	Properties provided as security	Principal
Gross mortgages	8	\$ 302,225
Less: 25% interest of two office properties co-owned with third party	—	(31,137)
Mortgages - REIT's interest	8	\$ 271,088
Convertible debentures	—	12,107
Revolving facilities	11	278,822
Total	19	\$ 562,017

On May 31, 2025, and June 30, 2025, G2S2 Capital and the REIT agreed to capitalize the interest payable for the months of May and June 2025, respectively for a total of \$5.5 million to G2S2 Capital under the revolving credit facilities and related mortgages. The accrued interest for May 2025 was capitalized to the principal balance of the revolving credit facilities and the respective mortgages as of May 31, 2025. The accrued interest for June 2025, which was due and payable on July 1, 2025, was capitalized to the debt principal subsequent to June 30, 2025 (see note 13).

21. FAIR VALUES

The REIT uses various methods in estimating the fair values of assets and liabilities recognized and measured at fair value in its consolidated financial statements. The REIT has a management team that has overall responsibility for overseeing all significant fair value measurements. Significant unobservable inputs and valuation adjustments are reviewed on a regular basis. In addition, when third party information is used to measure fair values, supporting evidence is obtained and reviewed to ensure compliance with the IFRS requirements.

The following categories in the fair value hierarchy reflect the significance of inputs used in determining fair values:

- Level 1: Quoted prices in active markets;
- 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 techniques for which significant inputs are not based on observable market data.

The fair values of the REIT's cash, accounts receivable, other assets and accounts payable and accrued liabilities and other liabilities approximate their carrying amounts due to the relatively short periods to maturity of these financial instruments. The fair value of the REIT's revolving credit facilities and term loan approximates their carrying value since the facilities bear interest at floating market interest rates. Mortgages are measured at amortized cost, and their fair values are based on discounted future cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks.

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The following tables summarize the fair value measurements recognized on the consolidated statements of financial position or disclosed in the REIT's consolidated financial statements, categorized by fair value hierarchy, excluding current assets and liabilities measured at amortized cost:

June 30, 2025	Note	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Assets					
Investment properties	5	\$ 1,135,400	\$ —	\$ —	\$ 1,135,400
Derivatives	11	805	—	805	—
Restricted cash		10,989	10,989	—	—
Total assets		\$ 1,147,194	\$ 10,989	\$ 805	\$ 1,135,400
Liabilities					
Derivatives	11	(8,772)	—	(8,772)	—
Class B LP units	12	(1,850)	(1,850)	—	—
Debt	9	(1,079,012)	—	(1,091,974)	—
Total liabilities		\$ (1,089,634)	\$ (1,850)	\$ (1,100,746)	—

December 31, 2024	Note	Carrying amount	Fair value		
			Level 1	Level 2	Level 3
Assets					
Investment properties	5	\$ 1,131,334	\$ —	\$ —	\$ 1,131,334
Assets held for sale	5	16,500	—	—	16,500
Derivatives	11	4,083	—	4,083	—
Restricted cash		10,656	10,656	—	—
Total assets		\$ 1,162,573	\$ 10,656	\$ 4,083	\$ 1,147,834
Liabilities					
Derivatives	11	(2,864)	—	(2,864)	—
Class B LP units	12	(2,854)	(2,854)	—	—
Debt	9	(1,074,871)	—	(1,088,440)	—
Debt on assets held for sale	9	(15,153)	—	(15,153)	—
Total liabilities		\$ (1,095,742)	\$ (2,854)	\$ (1,106,457)	—

22. RISK MANAGEMENT

In the normal course of business, the REIT is exposed to financial risks that arise from its financial instruments. Other than the use of interest rates and foreign exchange derivatives related to its floating rate mortgages and revolving facilities payable and net investment in foreign operations, the REIT does not use hedging transactions to manage risk. As a part of the overall operation of the REIT, management takes steps to avoid undue concentrations of risks. The following describes the types of risks that the REIT is exposed to and its objectives and policies for managing those risk exposures:

Liquidity risk

Liquidity risk is the risk that the REIT will encounter difficulty in meeting its debt and other financial obligations as they mature.

The principal liquidity needs of the REIT arise from working capital requirements; debt servicing and repayment obligations; obligations to redeem outstanding puttable trust units at the option of the unitholders; and planned funding of maintenance capital expenditures and leasing costs.

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The liquidity needs of the REIT are funded by cash flows from operating the REIT's investment property portfolio and available credit facilities, with the exception of debt repayment obligations, investment property acquisition funding requirements and obligations to redeem puttable trust units. These are funded by refinancing the REIT's maturing debt and future issuances of REIT units and debentures. The particular features and quality of the underlying assets being financed and the debt market parameters existing at the time will affect the success of this strategy.

The REIT's liquidity is impacted by various covenants, certain of which are described in note 23. Compliance with the requirements of the revolving facilities, which became more restrictive as of March 31, 2024 and are described in note 9 and note 23, and the covenants applicable to the REIT's term loans and mortgages are dependent on the REIT achieving its financial forecasts. As at June 30, 2025, the REIT remains in breach of financial leverage, debt service coverage and minimum unitholders' equity covenants pertaining to the revolving credit facilities and certain mortgage agreements, and failed to repay principal due on maturity, totaling \$851.5 million of breached debt. In certain cases, including with respect to the revolving credit facilities and mortgages, the lenders have provided the REIT with a formal event of default notice expressing their right to demand repayment of the borrowings at their discretion. In connection with providing consent to the sale and assignment of the revolving credit facilities and certain mortgages to G2S2 Capital (see note 2), an independent committee of trustees of the REIT sought and obtained a six-month forbearance from G2S2 to allow the REIT additional time to negotiate the terms of a recapitalization plan.

On March 29, 2024, the REIT received a default letter relating to debt outstanding as of December 31, 2023 requiring a principal payment of \$5.6 million to cure such default. On March 31, 2025, the REIT and the lender agreed to modify the loan agreement. As part of the modification, the REIT deposited U.S. \$1.0 million into a restricted account which is additive in the debt service coverage ratio calculation, allowing the REIT to cure the default.

In addition, pursuant to the trust indentures governing the REIT's convertible debentures, due to default letters provided by senior lenders, the REIT is currently restricted from making payments of accrued interest in respect of its convertible debentures so long as such defaults have not been cured or waived. The REIT has determined that based on the information currently available to it, there can be no assurance regarding if or when a cure or waiver in respect of such defaults will be achieved. As such, the REIT did not make the cash interest payments due on June 30, 2024, December 31, 2024 and June 30, 2025 in respect of its 7.50% convertible unsecured subordinated debentures and 5.50% convertible unsecured subordinated debentures, and did not make the cash interest payments due on August 31, 2024 and February 28, 2025 in respect of its outstanding 9.00% convertible unsecured subordinated debentures. Failure to pay interest on the convertible debentures for 15 days following such interest being due gave rise to an event of default under the terms of the trust indentures. On July 15, 2024 and September 15, 2024, the REIT triggered event of defaults on its outstanding debentures. However, the trust indentures also provide that the convertible debenture holders will not be entitled to demand or institute proceedings for the collection of indebtedness represented by the convertible debentures at any time when a default has occurred under senior indebtedness and is continuing and which permits the holder of the senior indebtedness to demand payment or to accelerate the maturity thereof, and the notice of such event of default has been given by or on behalf of the holders of senior indebtedness to the REIT, unless the senior indebtedness has been cured, waived or repaid in full. The REIT has presented the convertible debentures as current on the statement of financial position.

The REIT seeks to maintain collaborative relationships with its financing counterparties to minimize the impact economic and property markets may have on the REIT's current and future debt. However, beginning in 2024, the REIT began receiving event of default notices, with certain notices remaining outstanding as at June 30, 2025. As a result, the REIT is subject to various additional restrictions, including limitations on incurring new debt and distributing profits related to certain properties.

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During the year ended December 31, 2024, the REIT's financial condition continued to deteriorate. The REIT now requires additional funding in the near term and amendments to its existing indebtedness in order to continue as a going concern. Accordingly, during the year ended December 31, 2024, and with the assistance of professional restructuring advisors, the REIT initiated a process in respect of the potential Recapitalization Plan. The potential Recapitalization Plan may involve, among other things, amendments to the REIT's existing secured indebtedness (including amendments to covenants and extensions of maturities, among other potential amendments), conversion of all or a portion of the REIT's convertible debentures into equity, additional subscriptions for units, additional interim secured funding and/or a potential rights offering to raise additional equity capital. The REIT is currently in discussions with certain of its lenders and related parties regarding the terms of an acceptable potential Recapitalization Plan. As of the date hereof, no agreement has been reached with any of the REIT's stakeholders with respect to a potential Recapitalization Plan, and there can be no assurance that the REIT will be successful in negotiating a potential Recapitalization Plan, or in raising the additional funding needed for the REIT to continue as a going concern. If the REIT is unsuccessful in negotiating a potential Recapitalization Plan and raising additional capital in the near term, the REIT will be unable to continue as a going concern, and, in that case, the market price of the units and the convertible debentures would be materially adversely affected or extinguished. As a result of challenges in meeting debt service requirements, the REIT may require equity issuances to fulfill its debt obligations.

The following table summarizes the estimated future contractual maturities of the REIT's financial liabilities as at June 30, 2025:

	Note	Total contractual cash flow	2025	2026-2027	2028-2029	Thereafter
Accounts payable and accrued liabilities	13	\$ 81,549	\$ 81,549	\$ —	\$ —	\$ —
Amortizing principal repayments on debt	9	47,559	3,742	36,298	5,210	2,309
Principal repayments on maturity of debt	9	1,045,942	669,790	370,257	—	5,895
Interest on debt ¹		43,424	15,751	26,462	952	259
Interest rate swaps ²		7,967	(244)	8,211	—	—
Other liabilities	10	5,710	1,193	677	572	3,268
Total		\$ 1,232,151	\$ 771,781	\$ 441,905	\$ 6,734	\$ 11,731

¹Interest amounts on floating rate debt have been determined using rates as at June 30, 2025.

²Interest rate swap obligations have been calculated as the difference between the pay-fixed rate and receive-float rate based on the forward rates determined as at June 30, 2025.

Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows or fair values of the REIT's financial instruments.

Interest rate cash flow risk is minimized by the REIT by having a portion of its debt on fixed term arrangements. In addition, the maturity dates of mortgages are staggered over a number of years to mitigate the exposure in any one year. The REIT also uses interest rate swaps to fix interest rates on a portion of its floating rate debt.

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At June 30, 2025, after the impact of interest rate swaps and caps, the REIT had floating rate debt of \$484.7 million (December 31, 2024: \$260.0 million). The following table presents the annualized impact of a change in floating interest rates of 25 bps on finance costs:

	June 30, 2025	December 31, 2024
Change of 25 bps	\$ 1,212	\$ 650

Credit risk

Credit risk is the risk that the REIT incurs a loss as a result of a counterparty not fulfilling its financial obligation. Credit risk is associated with the REIT's accounts receivable and finance lease receivable. The REIT controls risks by avoiding undue concentration of assets in any geographic location, in any industry or with any specific tenants. This risk is further mitigated by signing long-term leases with tenants who have investment-grade credit ratings and investing cash and cash equivalents in large financial institutions with strong credit ratings. The REIT has credit policies to address credit risk, which are applied during lease negotiations and may include the analysis of the financial position of the debtor, and a review of credit limits, credit history and credit performance.

Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows of an exposure will fluctuate due to changes in foreign exchange rates. Foreign currency forwards may be used from time-to-time to hedge the REIT's net investment in foreign operations. Refer to notes 11 and 19 for details of the REIT's forward currency transactions. The REIT is exposed to foreign currency risk on its cross currency swap which was set to mitigate the foreign exchange risk of its Irish assets as well as monetary assets and liabilities denominated in Euros. In order to mitigate a portion of this risk, the REIT has financed its U.S. operations with U.S. dollar denominated debt and its Irish operations with Euro denominated debt, acting as a natural hedge.

23. CAPITAL MANAGEMENT

The REIT's capital management objectives are to (i) ensure compliance with the REIT's Declaration of Trust, (ii) ensure compliance with restrictions in debt agreements, and (iii) provide sufficient liquidity to operate the REIT's investment properties, fund obligations as they become due and build unitholder value. Procedures to monitor compliance with the Declaration of Trust and debt agreements are performed as a part of the overall management of operations and periodically by review of the REIT's Board of Trustees and reporting to the REIT's lenders. In order to maintain or adjust the capital structure, the REIT may issue trust units, increase the amount of distributions paid to unitholders, return capital to unitholders, or reduce debt. However, as a result of certain event of default notices received as at June 30, 2025, the REIT is now subject to various additional restrictions beyond those disclosed in note 22. These include limitations on acquiring new debt and distributing profits related to certain properties.

The REIT considers its debt and equity instruments to be its capital as follows:

	June 30, 2025	December 31, 2024
Debt	\$ 1,079,012	\$ 1,090,024
Class B LP units	1,850	2,854
Equity	46,351	59,810
Total	\$ 1,127,213	\$ 1,152,688

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In order to provide for greater flexibility, and while management pursued the Portfolio Realignment Plan to decrease leverage, on January 15, 2024, the REIT amended the REIT's Declaration of Trust for the purposes of removing the restriction imposed on the REIT not to incur or assume additional indebtedness (being certain defined obligations set out in the REIT's Declaration of Trust) that would cause the REIT to achieve financial leverage in excess of 65% of its gross book value, which is defined in the Declaration of Trust as the REIT's total assets less restricted cash (the "Restriction"). The Board of Trustees exercised their discretion to implement the amendment to the declaration of trust in the form of a waiver of the Restriction until December 31, 2025, rather than implement the proposed amendment as a blanket removal of the Restriction. Additional investment and operating guidelines are provided for by the Declaration of Trust. The REIT is in compliance with these guidelines. After December 31, 2025, the Declaration of Trust provides that the REIT is not permitted to incur or assume additional indebtedness that would cause (as at the time of incurrence or assumption, as applicable) the REIT to achieve financial leverage in excess of 65% of its gross book value. For certainty, under the REIT's Declaration of Trust, the measurement of any indebtedness against the REIT's gross book value is completed only at the time of the incurrence or assumption of the indebtedness in question (which would exclude the refinancing of existing debt that is outstanding) and is not a determination that is continually assessed over time against the REIT's gross book value. The REIT's indebtedness ratio at June 30, 2025 was 89.0% (December 31, 2024: 89.4%) and calculated as follows:

	June 30, 2025	December 31, 2024
Total assets	\$ 1,223,244	\$ 1,229,711
Less: Restricted cash	(10,989)	(10,656)
Gross book value	\$ 1,212,255	\$ 1,219,055
Debt	1,079,012	1,090,024
Leverage ratio	89.0%	89.4%

Management's target is to reduce the REIT's total indebtedness below 65% of its gross book value by executing on the potential Recapitalization Plan to decrease leverage and generate equity to pay down the REIT's revolving credit and operating facilities. However, if such plan is unsuccessful and other financing is not available, and the REIT's gross book value declines further, total indebtedness may exceed 65% of the REIT's gross book value.

Financial covenants

The REIT's revolving credit facilities, term loan, construction facility and some mortgages are subject to financial and other covenants, including customary maximum leverage ratios, interest service coverage ratios, minimum debt service coverage ratios, minimum unitholders' equity and mutual performance conditions among others which may impact the available capacity based on the financial results of the REIT. For the REIT's revolving credit facilities, financial covenants include a maximum leverage ratio, minimum debt service coverage ratio, and minimum unitholders' equity, with calculations conducted quarterly. Similarly, the REIT's term loan is subject to financial covenants, including a maximum leverage ratio and minimum historical and forecasted interest coverage ratios, also calculated quarterly. Additionally, the construction facility and some mortgages are subject to financial covenants, including a maximum leverage ratio, minimum debt service coverage ratio, and minimum unitholders' equity, calculated quarterly or annually.

The REIT's debt is subject to financial leverage, debt service coverage, debt yield, minimum unitholders equity and liquidity covenants, the following relate to the revolving credit facilities:

- Total debt to gross book value 65% or less. At June 30, 2025 the REIT's total debt to gross book value was 89.0%.
- Senior debt, which is total debt excluding the REIT's convertible debentures to gross book value, of 55% or less. At June 30, 2025 the REIT's senior debt to gross book value was 76.9%.
- Debt service coverage ratio not less than 1.25:1. At June 30, 2025 the REIT's debt service coverage ratio was 0.98:1.
- Minimum unitholders' equity, which includes the REIT's Class B LP Units of \$350.0 million. At June 30, 2025 the REIT's unitholders' equity was \$48.4 million.

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The REIT is also subject to additional covenants associated with various mortgages. Additionally, certain of the REIT's debt, including the REIT's revolving credit facilities, includes cross default provisions, generally for defaults on debt in excess of \$5.0 million.

As at June 30, 2025, as discussed above, the REIT exceeded the financial leverage and debt service coverage covenants on its revolving credit facilities and certain other mortgages resulting in other mortgages being in breach due to cross-default clauses. The convertible debentures were also in default due to restrictions imposed by default of the debt from senior lenders as discussed in note 22. The REIT is in active discussions with its lenders to amend, renew or consider alternate arrangements to reach amendable terms on conditions that are acceptable to the REIT.

Although the REIT continues to proactively work with its lenders to achieve positive outcomes for the REIT, including the potential Recapitalization Plan, there is a risk that current and future covenant violations will result in its lenders demanding repayment of such borrowings. The REIT does not have sufficient liquidity to satisfy material demands for repayment (see note 2).

24. SEGMENTED DISCLOSURES

The REIT operates in Canada, the United States, and Ireland. The following is a summary of investment properties and assets held for sale by geographic location:

	June 30, 2025	December 31, 2024
Canada	\$ 692,136	\$ 699,254
United States	186,773	210,408
Ireland	256,491	238,172
Total	\$ 1,135,400	\$ 1,147,834

The following is a summary of rental revenue and property operating expenses by geographic location:

	Six months ended June 30, 2025			
	Canada	United States	Ireland	Total
Property revenue	\$ 59,923	\$ 23,952	\$ 11,308	\$ 95,183
Property operating expenses	(36,146)	(15,952)	(3,086)	(55,184)
Net operating income	\$ 23,777	\$ 8,000	\$ 8,222	\$ 39,999
Straight-line rent and other changes				(3,254)
IFRIC 21 property tax adjustment				(6,589)
Finance income on finance lease receivable				1,214
Interest income				126
Interest and finance costs				(35,571)
General and administrative				(2,670)
Change in fair value of financial instruments				(8,342)
Change in fair value of investment properties				(6,305)
Depreciation of hotel asset				(212)
Transaction costs				(712)
Deferred income tax expense				—
Current income tax expense				(276)
Net loss before Class B LP units			\$	(22,592)
Change in fair value of Class B LP units				1,004
Net loss			\$	(21,588)

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	Six months ended June 30, 2024				
	Canada	United States	Ireland	Total	
Property revenue	\$ 67,898	\$ 24,739	\$ 11,303	\$ 103,940	
Property operating expenses	(38,328)	(15,103)	(2,613)	(56,044)	
Net operating income	\$ 29,570	\$ 9,636	\$ 8,690	\$ 47,896	
Straight-line rent and other changes				(4,112)	
IFRIC 21 property tax adjustment				(6,848)	
Finance income on finance lease receivable				1,334	
Interest income				187	
Interest and finance costs				(37,178)	
General and administrative				(4,539)	
Change in fair value of financial instruments				(3,467)	
Change in fair value of investment properties				(165,197)	
Depreciation of hotel asset				(498)	
Transaction costs				(1,132)	
Deferred income tax recovery				(14)	
Current income tax expense				(2,193)	
Net loss before Class B LP units			\$	(175,761)	
Change in fair value of Class B LP units				3,145	
Net loss			\$	(172,616)	

25. INCOME TAXES

The REIT has reviewed the specified investment flow-through trust ("SIFT") regime imposed by the *Income Tax Act* (Canada) which include publicly-listed income trusts (the "SIFT Rules") and has assessed their application to the REIT's assets and revenues. While there are uncertainties in the interpretation and application of the SIFT Rules, the REIT believes that it has met the prescribed conditions relating to the nature of its assets and revenue for the six months ended June 30, 2025, and accordingly is not subject to current income taxes in Canada. Accordingly, no provision for current income taxes payable is required, except for amounts incurred by the U.S. and Irish subsidiaries.

As at June 30, 2025 and 2024, there were no taxes payable for the Canadian entity.

The REIT's U.S. and Irish subsidiaries are subject to income tax on taxable income from U.S. and Irish operations respectively. The REIT recognizes deferred tax assets and liabilities at prevailing tax rates when such differences are expected to settle. Based on tax laws enacted at the applicable dates the REIT is subject to the following tax rates:

	June 30, 2025	December 31, 2024
U.S. (combined Federal & State)	28.51 %	28.51 %
Ireland - rental income	25.0 %	25.0 %
Ireland - capital gains	33.0 %	33.0 %

The following is a reconciliation of deferred tax liabilities during the period:

	Six months ended June 30,	
	2025	2024
Beginning of period	\$ —	\$ (254)
Deferred income tax expense	—	(14)
End of period	\$ —	\$ (268)

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A reconciliation of the expected income taxes based upon the 2025 statutory rates and the income tax recovery recognized during the six months ended June 30, 2025 and 2024 are as follows:

	Six months ended June 30,	
	2025	2024
Net loss before Class B LP units and taxes	\$ (22,316)	\$ (173,554)
Canadian statutory tax rate	26.5%	26.5%
	\$ (5,914)	\$ (45,992)
(Loss) income not subject to tax	(8,847)	46,996
Valuation allowance	15,607	2,735
Tax rate differential	(551)	(1,532)
Current and deferred income tax expense	\$ 295	\$ 2,207

Deferred tax assets are recognized to the extent that realization of the related tax benefit through future taxable profits is probable. Management has determined that it is probable that not all the deferred tax assets will be realized through one or a combination of future reversals of temporary differences and taxable income. A valuation allowance has been recorded for the three months ended June 30, 2025.

26. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in liabilities arising from financing activities for the six months ended June 30, 2025 are as follows:

	Cash flows				Non-cash changes				
	December 31, 2024	Proceeds	Payments	Financing costs and other	Interest paid in kind	Foreign exchange	Fair value changes	Amortization of MTM adjustments and costs	June 30, 2025
Derivatives, net	\$ (1,219)	\$ —	\$ 2,103	\$ —	\$ —	\$ 76	\$ 7,007	\$ —	\$ 7,967
Mortgages ¹	517,081	5,780	(5,056)	(290)	965	(7,341)	—	1,576	512,715
Facilities ¹	296,593	—	(16,169)	(27)	1,807	(3,409)	—	27	278,822
Term loan	129,592	—	—	(35)	—	10,031	—	545	140,133
Convertible debentures	146,758	—	—	—	—	—	—	584	147,342
Class B LP units	2,854	—	—	—	—	—	(1,004)	—	1,850
Total	\$ 1,091,659	\$ 5,780	\$ (19,122)	\$ (352)	\$ 2,772	\$ (643)	\$ 6,003	\$ 2,732	\$ 1,088,829

¹Changes in financial instruments that hedge the REIT's liabilities arising from financing activities include the REIT's interest rate swaps. Refer to note 11 for more detail.

Changes in liabilities arising from financing activities for the six months ended June 30, 2024 are as follows:

		Cash flows				Non-cash changes				
	December 31, 2023	Proceeds	Payments	Financing costs and other	Foreign exchange	Fair value changes	Amortization of MTM adjustments and costs	June 30, 2024		
Derivatives, net	\$ (15,030)	\$ —	\$ 6,792	\$ —	\$ (298)	\$ (2,957)	\$ —	\$ (11,493)		
Mortgages ¹	593,462	—	(26,328)	(103)	4,293	—	1,380	572,704		
Facilities ¹	306,361	2,200	(13,213)	(24)	1,898	—	841	298,063		
Bridge loan	133,279	—	(7,204)	—	461	—	502	127,038		
Convertible debentures ²	145,632	—	—	—	—	—	558	146,190		
Class B LP units	4,281	—	—	—	—	(3,145)	—	1,136		
Total	\$ 1,167,985	\$ 2,200	\$ (39,953)	\$ (127)	\$ 6,354	\$ (6,102)	\$ 3,281	\$ 1,133,638		

¹Changes in financial instruments that hedge the REIT's liabilities arising from financing activities include the REIT's interest rate swaps. Refer to note 11 for more detail.