

NOTE TO READER

These audited consolidated annual financial statements have been re-filed to replace the version filed earlier today, April 30, 2026, in order to include the independent auditor's report and to update the date of board approval to April 30, 2026.

AIP Realty Trust
Consolidated Financial Statements
For the years ended December 31, 2025 and 2024
(stated in U.S. Dollars)

To the Unitholders of AIP Realty Trust:

Opinion

We have audited the consolidated financial statements of AIP Realty Trust and its subsidiaries (the "Trust"), which comprise the consolidated statements of financial position as at December 31, 2025 and December 31, 2024, and the consolidated statements of loss and total comprehensive loss, changes in unitholders' deficit and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

Basis for Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to Note 1 in the consolidated financial statements, which indicates that the Trust generated a net loss and had cash flows used in operating activities during the year ended December 31, 2025 and, as of that date, the Trust has a working capital deficiency. As stated in Note 1, these events or conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt on the Trust's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

In addition to the matter described in the Material Uncertainty Related to Going Concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Fair Value of Investment Property

Key Audit Matter Description

Investment properties are measured at fair value and totaled approximately \$6 million as at December 31, 2025, which represented approximately 44% of total assets.

Fair value is determined by applying the direct capitalization valuation technique and by using assumptions which consider, in most cases, estimates of adjusted cash flows from the properties and estimates of suitable capitalization rates for these cash flows. These assumptions include, among others, adjusted rental income, vacancy levels, and a capitalization rate. Because the valuation of investment properties is complex and requires significant judgement and estimates, we consider the valuation of investment properties as a key audit matter in our audit.

Refer to Note 1 - Basis of Preparation and Note 4 - Investment Property, for disclosures regarding the Trust's policy for accounting for investment properties and further information on the composition of investment properties.

Audit Response

We responded to this matter by performing procedures over the fair value of investment properties. Our audit work in relation to this included, but was not restricted to, the following:

- Obtained an understanding of the Trust's controls related to management's process for developing the estimates used in the determination of fair value of investment properties and tested the design and implementation of those controls.
- Assessed management's estimate of the fair value of investment properties, which included assessing management's direct capitalization model for reasonability and testing the underlying data, such as capitalization rate, net rental income and vacancy levels and mathematical accuracy.
- Involved an auditor's real estate appraisal specialist to assist with the audit of the valuation of the investment properties based on their specific experience and knowledge in local markets.
- Evaluated management's real estate appraisal specialist's report, expertise, independence and methodology used for the valuation.
- Evaluation and assessment of the key assumptions included in the valuations (such as capitalization rate, net rental income and vacancy levels).
- Agreeing significant data applied for valuation purposes to supporting documentation, such as lease agreements and the capitalization rate.
- Assessing of the appropriateness of the disclosures relating to the assumptions used in the valuations and sensitivity analysis in the notes to the consolidated financial statements.

Other Information

Management is responsible for the other information. The other information comprises Management's Discussion and Analysis.

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

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated. We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Trust as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Calgary, Alberta

April 30, 2026

MNP LLP

Chartered Professional Accountants

AIP Realty Trust

Consolidated Statements of Financial Position (In U.S. Dollars)

As at:

	<u>Notes</u>	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Assets			
Non-current assets			
Investment property	4	\$ 6,063,173	\$ 5,992,598
Due from related parties, non-current	14	6,631,780	-
		<u>12,694,953</u>	<u>5,992,598</u>
Current assets			
Cash		83,748	569,601
Due from related parties	14	806,916	1,707,118
Prepaid expenses		14,358	10,279
Other current		179,606	6,325
		<u>1,084,628</u>	<u>2,293,323</u>
Total assets		\$ 13,779,581	\$ 8,285,921
Liabilities and Unitholders' Capital			
Non-current liabilities			
Tenant deposits		\$ 40,000	\$ 50,000
Project debt, net of current portion	5	-	2,814,200
Series A preferred share liability	7	125,000	125,000
		<u>165,000</u>	<u>2,989,200</u>
Current liabilities			
Lease liability, current portion	6	-	605
Project debt, current portion	5	2,824,331	106,152
Series A-1 preferred share liability	7	2,200,000	1,328,096
Accounts payable and accrued expenses	8,9	8,673,789	6,670,515
Due to related parties	14	1,066	5,261
		<u>13,699,186</u>	<u>8,110,629</u>
Total liabilities		13,864,186	11,099,829
Unitholders' deficit			
Unitholders' capital	12	6,952,850	6,952,850
Series B convertible preferred units	12	8,491,029	1,459,560
Contributed surplus		222,159	222,159
Accumulated deficit		(15,750,643)	(11,448,477)
		<u>(84,605)</u>	<u>(2,813,908)</u>
Total liabilities and unitholders' deficit		\$ 13,779,581	\$ 8,285,921

The Notes form an integral part of the consolidated financial statements

Going concern (Note 1)

Proposed transaction (Note 18)

Subsequent events (Note 19)

Approved on behalf of the Trustees:

"signed Nathan Smith"

Nathan Smith, Chairman of Audit Committee

"signed Bruce Hall"

Bruce Hall, Chief Financial Officer

AIP Realty Trust

Consolidated Statements of Loss and Total Comprehensive Loss (In U.S. Dollars)

	<u>Notes</u>	For the Year Ended	
		<u>December 31, 2025</u>	<u>December 31, 2024</u>
Investment property revenue	10	\$ 524,250	\$ 552,699
Investment property operating expense		(194,773)	(205,176)
Investment property net rental income		<u>329,477</u>	<u>347,523</u>
Trust expense			
Professional fees		1,403,987	799,506
Interest and finance	5,6,7,14	1,126,245	400,312
General, administrative, and other		64,036	39,791
Trustee fees and management compensation	14	2,100,000	1,897,416
Property exclusivity fee	12	-	750,000
		<u>4,694,268</u>	<u>3,887,025</u>
Loss before other items		(4,364,791)	(3,539,502)
Fair value adjustment to investment property	4	62,625	170,598
Fair value adjustment to preferred share liability	7	-	124,926
Net Loss and Total Comprehensive Loss		<u>\$ (4,302,166)</u>	<u>\$ (3,243,978)</u>
Net Loss per Unit, Basic and Diluted		<u>\$ (0.87)</u>	<u>\$ (0.73)</u>
Weighted Average Units		<u>4,924,448</u>	<u>4,432,645</u>

The Notes form an integral part of the consolidated financial statements

AIP Realty Trust

Consolidated Statements of Unitholder Deficit (In U.S. Dollars)

	Unitholder Capital	Series B Preferred Units	Contributed Surplus	Accumulated Deficit	Total Unitholder Deficit
Balance at December 31, 2023	\$ 6,202,850	\$ -	\$ 222,159	\$ (8,204,499)	\$ (1,779,490)
Issuance of Series B convertible preferred units	-	1,459,560	-	-	1,459,560
Issuance of Class A units for debt	750,000	-	-	-	750,000
Net loss and comprehensive loss	-	-	-	(3,243,978)	(3,243,978)
Balance at December 31, 2024	\$ 6,952,850	\$ 1,459,560	\$ 222,159	\$ (11,448,477)	\$ (2,813,908)
Issuance of Series B convertible preferred units	-	7,031,469	-	-	7,031,469
Net loss and comprehensive loss	-	-	-	(4,302,166)	(4,302,166)
Balance at December 31, 2025	\$ 6,952,850	\$ 8,491,029	\$ 222,159	\$ (15,750,643)	\$ (84,605)

The Notes form an integral part of the consolidated financial statements

AIP Realty Trust
Consolidated Statements of Cash Flows (In U.S. Dollars)

		For the Year Ended	
	Notes	December 31, 2025	December 31, 2024
CASH FLOWS USED IN OPERATING ACTIVITIES			
Net loss		\$ (4,302,166)	\$ (3,243,978)
Adjustments to reconcile net loss to net cash used in operating activities:			
Unrealized foreign exchange loss	8	131	(162)
Amortization	5,6,7	882,508	249,585
Straight-line rent adjustment		714	4,198
Fair value adjustment to investment property	4	(62,625)	(170,598)
Fair value adjustment to preferred share liability		-	(124,926)
Property exclusivity fee	12	-	750,000
Changes in operating assets and liabilities:			
Due from related parties	14	1,600,202	(1,651,268)
Prepaid expenses		(4,079)	(3,838)
Other current assets		(174,477)	(9,334)
Accounts payable and accrued expenses	8,9	2,003,159	2,031,319
Due to related parties	14	(4,195)	3,595
Tenant deposits		(10,000)	-
Net cash used in operating activities		(70,828)	(2,165,407)
CASH FLOWS USED IN INVESTING ACTIVITIES			
Purchase of equipment		-	(11,265)
Investment in building improvements	4	(7,950)	-
Net cash used in investing activities		(7,950)	(11,265)
CASH FLOWS PROVIDED BY FINANCING ACTIVITIES			
Repayment of project debt	5	(106,143)	(106,853)
Due from related parties	14	(7,331,780)	-
Issuance of Series A-1 redeemable preferred units	7	-	2,200,000
Finance costs from issuance of Series A-1 redeemable preferred units	7	-	(972,449)
Issuance of Series B convertible preferred units	12	7,522,000	1,845,000
Finance costs from issuance of Series B convertible preferred units	12	(490,531)	(385,440)
Net decrease in lease liability	6	(605)	(2,604)
Net cash provided by financing activities		(407,059)	2,577,654
Effect of foreign exchange rates on cash and cash equivalents		(16)	(23)
NET (DECREASE) INCREASE IN CASH		(485,853)	400,959
CASH - BEGINNING OF YEAR		569,601	168,642
CASH - END OF YEAR		\$ 83,748	\$ 569,601

The Notes form an integral part of the consolidated financial statements

AIP Realty Trust
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024
(Stated in USD)

1. Description of the business

AIP Realty Trust and its subsidiaries (the "Trust") is an unincorporated, open-ended mutual fund trust established by the Declaration of Trust and governed by the laws of the Province of British Columbia.

The Trust's units (the "Units") trade under the ticker symbol "AIP.U" on the TSX Venture Exchange (the "TSXV").

The Trust is a "mutual fund trust" as defined in the Tax Act but is not a "mutual fund" within the meaning of applicable Canadian securities legislation. The principal registered and head office of the Trust is located at Suite 2200, RBC Place, 885 West Georgia St. Vancouver, British Columbia, V6C 3E8.

The Trust has been established to act as purchaser and long-term owner of Serviced Industrial Business Suites ("SIBS") constructed by AllTrades Industrial Properties, Inc. ("AllTrades"). AllTrades is an entity related through a common executive management team. The AllTrades SIBS are designed with Workspace Shops™, Workspace Studios™ and Workspace Secured Parking™ with a target market of trades, service companies and small operating businesses. The Trust holds the exclusive rights to purchase all completed AllTrades SIBS across North America. See Note 18 – Proposed Transaction.

The Trust has the following United States-based wholly owned and indirect subsidiaries:

- AIP Realty USA, Inc. ("Realty USA"), a Nevada corporation, wholly owned by the Trust.
- AIP Realty, LLC ("Realty LLC"), a Nevada limited liability company and wholly owned by Realty USA.
- AIP Realty Management, LLC ("Realty Management"), a Nevada limited liability company and wholly owned by Realty LLC.
- AIP Eagle Court, LLC ("AIPEC"), a Texas limited liability company and wholly owned by Realty Management.
- AIP OP, LP ("OP LP"), a Delaware limited partnership and wholly owned by Realty USA.

Going concern

These consolidated financial statements have been prepared on a going concern basis, which implies the Trust will continue to realize its assets and discharge its liabilities in the normal course of business. During the year ended December 31, 2025, the Trust generated a net loss of \$4,302,166 and had cash flows used in operating activities of \$70,828 and as of December 31, 2025, the Trust had a working capital deficit of \$12,614,558. These amounts include accrued management compensation of \$6,840,635 at December 31, 2025, of which \$5,535,635 was payable in Trust Units and \$1,305,000 was payable in cash. As such, there is a material uncertainty related to these events and conditions that may cast significant doubt on the Trust's ability to continue as a going concern, and therefore, it may be unable to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Trust as a going concern is dependent on the ability of the Trust to achieve positive cash flow from operations and/or obtain necessary equity or other financing to meet its business objectives. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Trust be unable to continue as a going concern.

AIP Realty Trust
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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As discussed in Note 12 – Unitholders’ equity, from April 19, 2024 to February 12, 2025, the Trust completed a total of four tranches of a non-brokered private placement (the “Financing”) and issued 8,890,000 Preferred Units – Series B Convertible (each a “Preferred Unit”), at a price of \$0.50 per Preferred Unit for aggregate gross proceeds of \$4,445,000. Between September 19, 2025 and December 31, 2025, a fifth tranche of the Financing was initiated that resulted in the issuance of 9,844,00 Preferred Units for aggregate gross proceeds of \$4,922,000. The fifth tranche of the financing continued into the first quarter of 2026. See Note 19 – Subsequent Events.

The Trust is utilizing the proceeds of the Financing for working capital and general corporate purposes. Based up the above, the Trust has developed and maintains financial projections for the next twelve (12) months that show sufficient cash flows to cover forecasted operating expenses. As a result, management of the Trust believes it has sufficient cash resources to meet its obligations for the next twelve (12) months.

2. Basis of preparation

Statement of compliance

These consolidated financial statements have been prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee.

These consolidated financial statements were reviewed by the Audit Committee and approved and authorized for issue by the Board of Trustees on April 30, 2026.

Basis of presentation and measurement

These consolidated financial statements were prepared on a going concern basis, under the historical cost convention, except for investment properties and certain financial instruments that are to be measured at fair value.

Consolidation

The accompanying consolidated financial statements include the accounts of the Trust and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated on consolidation.

Functional and presentation currency

These consolidated financial statements are presented in United States dollars (“USD”), which is the functional currency of the Trust and its United States subsidiaries.

Use of estimates and judgments

The preparation of financial statements in conformity with IFRS requires management of the Trust to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Although these estimates are based on management’s best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

Key accounting judgments

The following are the critical accounting judgments used in applying the Trust's accounting policies that have the most significant effect on the amounts in the consolidated financial statements.

AIP Realty Trust
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the Years Ended December 31, 2025 and 2024
(Stated in USD)

Going concern

The assessment of the Trust's ability to continue as a going concern involves management judgement about the Trust's resources and future prospects. In assessing whether this assumption is appropriate, management considers all available information about the future, which is at least, but not limited to, 12 months from the end of the reporting period. This assessment is based upon planned actions that may or may not occur for a number of reasons including the Trust's own resources and external market conditions.

Investment properties

Critical judgments are made in respect of the fair values of investment properties. The fair values of these investments are reviewed at least quarterly by management with reference to independent property appraisals and market conditions existing at the reporting date using generally accepted market practices. The independent appraisers are experienced, nationally recognized, and qualified in the professional valuation of investment properties in their respective geographic areas. Judgment is applied in determining the extent and frequency of obtaining independent appraisals. At each reporting period, a select number of properties, as the Trust expands its portfolio, determined on a rotational basis, are valued by independent appraisers. For properties not subject to independent appraisals, valuations are prepared internally during each reporting period.

Key accounting estimates

The following are the key accounting estimates used in applying the Trust's accounting policies that have the most significant effect on the amounts in the consolidated financial statements:

Investment properties

Critical assumptions used in estimating the fair values of investment properties include capitalization rates, discount rates that reflect current market uncertainties, terminal capitalization rates and market rents. Other key assumptions relating to the estimates of fair values of investment properties include components of stabilized net operating income, leasing costs and vacancy rates. The Trust examines the critical and key assumptions at the end of each reporting period and updates these assumptions based on recent leasing activity and external market data available at that time. If there is any change in these assumptions or in regional, national, or international economic conditions, the fair value of investment properties may change materially.

Lease incentives

Management of the Trust makes judgments with respect to whether lease incentives provided in connection with a lease enhance the value of the leased space, which determines whether or not such amounts are treated as tenant improvements and added to investment properties. Lease incentives that do not provide benefits beyond the initial lease term are amortized as a reduction of rental revenue on a straight-line basis over the term of the lease.

Judgment is also applied in determining whether certain costs are additions to the carrying amount of the investment property.

AIP Realty Trust
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Stated in USD)

3. Material accounting policy information

Cash and restricted cash

Cash includes deposits held in financial institutions.

Restricted cash represents security deposits received from tenants and are internally separated by the Trust for accounting purposes from the cash held at banks. Restricted cash amounts are repayable to tenants at the end of the lease term, after any deduction for damages or other agreed-upon costs.

Deposits

Deposits represent tenant security deposits, which are initially recognized at fair value and subsequently measured at amortized cost. Security deposits are made in cash, and thus the fair value of the deposit liability and the amortized cost of the liability at any given time are both equal to the actual cash received.

Distribution reinvestment plan

On December 8, 2022, the Trust implemented a distribution reinvestment plan (“DRIP” or the “Plan”) pursuant to which eligible holders may elect to have their cash distributions reinvested in additional Units at a 3% discount to the Average Market Price of the Units. The Plan provides Unitholders the option to acquire additional Units by reinvesting their distributions without paying any commissions, service charges or brokerage fees. Unitholders resident outside of Canada will not be entitled to participate in the DRIP. Upon ceasing to be a resident of Canada, a unitholder must terminate the unitholder’s participation in the DRIP.

Financial instruments

The following table summarizes the Trust’s financial assets and liabilities and the related classification and measurement:

	Classification and Measurement
Financial assets:	
Cash	Amortized cost
Restricted cash	Amortized cost
Due from related parties	Amortized cost
Financial liabilities:	
Project debt	Amortized cost
Preferred share liability	Amortized cost
Tenant deposits	Amortized cost
Accounts payable and accrued expenses	Amortized cost
Due to related parties	Amortized cost

Financial assets

Classification

The financial assets are classified as subsequently measured at amortized cost. The Trust’s business model related to financial assets is to hold these assets to collect the contractual cash flows.

AIP Realty Trust
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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Measurement

At initial recognition, the Trust measures its financial assets, with the exception of accounts receivable, at fair value plus any transaction costs that are directly attributable to the acquisition of the financial asset. Accounts receivable (presented in other current assets) do not contain a significant financing component and are therefore recognized at the transaction price or original invoiced value.

Financial assets are subsequently measured using the effective interest method and are subject to impairment.

Impairment

The Trust applies the simplified impairment approach for expected credit losses, as lease receivables do not have a significant financing component. The Trust has not made any election to recognize lifetime expected credit losses and therefore qualifies for the exception to the IFRS 9 requirement to apply the expected credit loss model. The recognition of credit loss is delayed until there is objective evidence of impairment, considering only past events and current conditions at the time of the impairment evaluation.

Derecognition

A financial asset is primarily derecognized when the rights to receive cash flows from the asset have expired, or the Trust has transferred its rights to receive cash flows from the asset and has transferred substantially all the risks and rewards of the asset.

Financial liabilities

Initial recognition and measurement

Financial liabilities are recognized initially at fair value, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Amortized cost is calculated by considering any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged, cancelled, or expires. Any gains and losses are recognized in net loss in the Consolidated Statements of Loss and Total Comprehensive Loss when liabilities are derecognized.

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is presented in the Consolidated Statements of Financial Position, only if there is a currently enforceable legal right to offset the recognized amounts and the Trust intends to settle the amounts net. Otherwise, financial assets and financial liabilities are not offset and presented gross.

AIP Realty Trust
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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(Stated in USD)

Investment properties

Investment properties are initially recorded at cost, including related transaction costs in connection with asset acquisitions, and include investment properties held to earn rental income and/or for capital appreciation. Subsequent to initial recognition, investment properties are accounted for at fair value. At the end of each reporting period, the Trust determines the fair value of investment properties by:

- (i) considering current contracted sales prices for properties that are available for sale;
- (ii) obtaining appraisals from qualified external professionals on a rotational basis for select properties; and/or
- (iii) using internally prepared valuations.

Generally, the Trust values its investment properties using the capitalization rate ("cap rate") method. In applying the cap rate method, the stabilized net operating income ("stabilized NOI") of each property is divided by an appropriate cap rate with adjustments for items such as average lease-up costs, vacancy rates, non-recoverable capital expenditures, management fees, straight-line rents and other non-recurring items.

On a quarterly basis, the Trust generally uses the cap rate method to value investment properties and uses the discounted cash flow method on an annual basis to validate the cap rate value on such properties. Where comparable recent market transactions indicate that the price an arm's length purchaser would be willing to pay for an investment property is not fully captured in the values derived under the cap rate method using the current highest and best use for the property, the Trust applies a comparable sales approach to determine the fair value for that investment property.

Building improvements are added to the carrying amount of investment properties only when it is probable that future economic benefits associated with the expenditure will flow to the Trust and the cost of the item can be measured reliably. Repair and maintenance costs are recorded in investment properties operating expenses when incurred. Initial direct leasing costs incurred prior to completion of construction are added to the carrying amount of investment properties. Leasing costs incurred after completion of construction are expensed in the period that they are incurred. Lease incentives that do not provide economic benefit beyond the terms of the lease are not added to the carrying amount of investment properties.

Investment properties, including investment properties held for sale, are derecognized on transfer of control. Any transaction costs arising on derecognition of an investment property are included in the Consolidated Statements of Loss and Total Comprehensive Loss during the reporting period the asset is derecognized.

Acquisitions

When the Trust acquires investment properties, the acquisition is assessed in accordance with IFRS 3, Business Combinations, as to whether an acquisition is an asset acquisition or a business combination. The Trust can utilize an optional concentration test for the assessment of an acquisition being treated as an asset acquisition or a business combination. Under the concentration test, if the purchase meets the definition of a single identifiable asset and the fair value of gross assets acquired is concentrated in a single identifiable asset, it will not meet the definition of a business, and accordingly, the transactions will be accounted for using the acquisition method of accounting.

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When an acquisition is determined to be accounted for as an asset acquisition, the consideration paid is allocated to the identifiable assets and liabilities acquired on the basis of their relative fair values at the acquisition date.

For an acquisition that is determined to be accounted for as a business combination, any excess of the fair value of the identifiable assets acquired or liabilities assumed over the consideration paid is recognized as goodwill. Transaction-related costs are expensed as incurred.

Revenue recognition

The Trust's investment property revenue includes tenant rental revenue and revenue from contracts with tenants including revenues related to common area maintenance.

Tenant rental revenue

The Trust is a lessor, and its tenant rental agreements convey the right to use units in the investment properties over a period of time in exchange for consideration. The leases do not transfer substantially all of the risk and rewards incidental to ownership of the investment properties and are therefore operating leases.

Tenant rental revenue includes base rents, parking revenue, and tenant upgrades. The total amount of contractual rent to be received is recognized on a straight-line basis over the lease term and is included as revenue in the Consolidated Statements of Loss and Total Comprehensive Loss due to the nature of the Trust's operations. When incentives are provided to tenants, the cost of these incentives is recognized on a straight-line basis over the lease term as a reduction to tenant rental revenue. Amounts received from tenants to terminate leases or for deposits relinquished are recognized in other revenue when the right to receive them arises.

Rental payments received in advance of the revenue recognized are presented as deferred revenue in the Consolidated Statements of Financial Position. Revenue recognized in advance of the rental payments is presented as accrued revenue in the Consolidated Statements of Financial Position.

Common area maintenance revenue

The Trust accounts for common area maintenance, a non-lease component, separately from tenant rental revenue. Common area maintenance revenue includes reimbursement for services provided to tenants such as cleaning and security and is charged to tenants on a per square foot basis based on the size of the unit leased. The Trust recognizes revenue for these services over time, when the tenants receive and consume the benefits from these services, in the amount to which the Trust has a right to invoice.

As a component of the lease agreements, the Trust requires a lessee to reimburse it for property taxes and insurance expenses. These payments do not transfer a separate service and therefore, are not accounted for as a separate non-lease component. These payments are variable and are recognized as part of common area maintenance revenue. The Trust also recognizes an expense for the costs incurred for these items.

Fair value measurement

All financial assets and liabilities, for which fair value is disclosed in the consolidated financial statements, are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Unit based payments

Unit options

The Trust applies a fair value-based method of accounting to all unit-based payments. Management and trustee unit options are measured at the fair value of each tranche on the grant date and recognized over its respective vesting period. Non-employee unit options are measured based on the service provided to the reporting date and at their then-current fair values. The cost of unit options is presented as unit-based compensation expense when applicable with a corresponding credit to contributed surplus. On the exercise of unit options, unitholder capital is credited for consideration received and for fair value amounts previously credited to contributed surplus. The Trust uses the Black-Scholes option pricing model to estimate the fair value of unit-based payments.

Incentive unit plan

The Trust has an Incentive Unit Plan under which the Trust may grant restricted security units (“RSUs”) and performance security units (“PSUs”) to its employees.

The PSUs and RSUs are treated as equity-settled unit-based compensation and compensation expense is recognized on issued units as vesting occurs, at fair value, with a corresponding increase in contributed surplus.

The Trust has deferred share units (“DSUs”) to non-employee directors of the Trust. The DSUs are treated as equity-settled compensation and compensation expense is recognized when the DSUs are issued, using fair values, with a corresponding increase in contributed surplus.

Loss per unit

The Trust presents basic loss per share for its units, calculated by dividing the loss attributable to the unitholders by the weighted average number of units outstanding during the year. Diluted earnings or loss per unit is calculated by adjusting the number of units for the effects of dilutive unit options and other dilutive potential units. Diluted loss per unit does not adjust the loss attributable to the unitholders on the weighted average number of units outstanding when the effect is antidilutive.

Unitholder equity

Transaction costs directly attributable to the issue of unitholder capital are recognized as a deduction from unitholder equity, net of any tax effects.

Ordinary units

Ordinary units are redeemable upon unitholders demand and are therefore puttable instruments that are considered as financial liabilities. However, they meet certain conditions under IAS 32 that allow puttable instruments to be presented as equity. Incremental costs directly attributable to the issue of ordinary units are recognized as a deduction from unitholder equity, net of any tax effects.

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Preferred units and shares

Preferred units and shares are classified as unitholder equity if they are non-redeemable, or redeemable only at the Trust's option, and if dividends are discretionary. Dividends thereon are recognized as distributions within unitholder equity.

Preferred units and shares are classified as financial liability if they are redeemable on a specific date or at the option of the unitholder or shareholder, or if dividend payment is not discretionary. Dividends thereon are recognized as a finance cost in profit or loss as accrued.

Taxes

Canadian status

The Trust is a mutual fund trust pursuant to the Income Tax Act (Canada). Under current tax legislation, a mutual fund trust that is not a Specified Investment Flow-Through Trust ("SIFT") pursuant to the Income Tax Act (Canada) is entitled to deduct distributions from taxable income such that it is not liable to pay income taxes provided that its taxable income is fully distributed to unitholders. The Trust intends to continue to qualify as a mutual fund trust that is not a SIFT and to make distributions not less than the amount necessary to ensure that the Trust will not be liable to pay income taxes.

U.S. REIT status

The Trust's U.S. subsidiary, AIP Realty USA, Inc. ("Realty USA") is a U.S. corporation which owns several wholly owned LLCs which are treated as disregarded entities for U.S. federal Income tax purposes. Realty USA elected to be treated as a real estate investment trust for U.S. federal Income tax purposes beginning with its taxable year ending December 31, 2023 and 2022, respectively. A real estate investment trust will generally not be subject to U.S. federal income tax on the portion of its real estate investment trust taxable income or net capital gain that is distributed to holders of its stock as the real estate investment trust will generally be entitled to a dividends-paid deduction. Consequently, a real estate investment trust will generally only be subject to U.S. federal income tax at normal corporate rates on taxable income or net capital gain not distributed. Notwithstanding Realty USA's intended qualification as a real estate investment trust, Realty USA may be subject to corporate taxation should it fail to meet any of the various income or assets tests that real estate investment trusts are subject to under the Internal Revenue Code. Even if Realty USA qualifies for taxation as a real estate investment trust, it may be subject to certain state and local taxes on its income and property and to federal income and excise taxes on its undistributed income. The Trust has reviewed the real estate investment trust requirements and has determined that Realty USA qualifies as a real estate investment trust under the Internal Revenue Code. Accordingly, no provision for U.S. federal income or excise taxes has been made with respect to the income of the subsidiaries.

Future accounting pronouncements

The Trust reviewed new and amended accounting pronouncements that have been issued but are not yet effective and determined that the following amendments are applicable to the Trust but are not expected to have a material impact:

IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures

Effective January 1, 2026, amendments to IFRS 9 and IFRS 7 provide:

- clarifications to the "solely payments of principal and interest" test to ensure consistent application while maintaining the principle-based approach;

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- refinements to the treatment of modifications to financial assets and liabilities upon derecognition;
- guidance for the treatment of financial liabilities settled through electronic payment systems; and
- additional IFRS 7 disclosure requirements to support classification and measurement rules, including derecognition.

IFRS 18 Presentation and Disclosure in Financial Statements

Issued in April 2024 and effective January 1, 2027, IFRS 18 provides guidance to enhance transparency and comparability in financial reporting by introducing requirements for the structured presentation of profit or loss, aggregation and disaggregation of financial data, disclosures of management-defined performance measures (“MPMs”) and clarity in the classification of operating, investing, and financing activities in the statement of cash flows. New disclosures must reconcile MPMs to IFRS measures, explaining their relevance and calculation.

Reclassification

Certain prior year amounts have been reclassified to conform to the fiscal 2025 presentation.

4. Investment property

Balance at December 31, 2023	\$	5,822,000
Fair value adjustment		170,598
Balance at December 31, 2024	\$	5,992,598
Investment in building improvements		7,950
Fair value adjustment		62,625
Balance at December 31, 2025	\$	6,063,173

During the years ended December 31, 2025 and December 31, 2024, the Trust's investment property was valued internally by the Trust, by individuals who are knowledgeable and have specialized industry experience in real estate valuations with support from external valuation professionals, using similar assumptions and valuation principles as used by external appraisers.

The Trust values investment property using Level 3 inputs.

Investment property was valued using the direct cap method. In applying the direct cap method, the stabilized net operating income is capitalized at the overall capitalization rate, which is based on the location and quality of the investment property and considers market data at the valuation date.

Valuation methods require certain key assumptions to be made, including rental income, market rents, operating expenses, vacancies, and capitalization rates. The capitalization rate is determined for the property based on available market information related to the sale of similar buildings within the same geographic location.

The significant assumption made to determine the fair value of the Trust’s investment property is as follows:

	Capitalization rate
Weighted average	6.25%

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The following table outlines the impact of a 0.25% change in the capitalization rate to the fair value of the investment property:

Capitalization rate	Increase (Decrease)	
5.75%	\$	527,232
6.00%	\$	252,632
6.50%	\$	(233,199)
6.75%	\$	(449,124)

5. Project debt

	December 31, 2025		December 31, 2024	
Project debt, net of current portion	\$	-	\$	2,814,200
Project debt, current portion		2,824,331		106,152
Total project debt	\$	2,824,331	\$	2,920,352

The terms of the project debt include a maturity date of February 9, 2026, monthly principal and interest repayments of \$21,021, annual interest at 5% and a debt service coverage ratio of 1.25 to 1.00 at the AIPEC level, with which the Trust was compliant at December 31, 2025 and 2024. During the year ended December 31, 2025, the Trust made principal payments of \$106,143 (2024 - \$106,853) and recorded \$146,117 (2024 - \$145,405) of interest expense.

For the year ended December 31, 2025, the Trust recorded \$10,122 (2024 - \$10,122) for amortization of the debt discount to interest and finance expense, and the debt discount balance is \$0 (2024 - \$10,122) at December 31, 2025.

6. Lease liability

	December 31, 2025		December 31, 2024	
Lease liability, current portion	\$	-	\$	605

Lease liability of \$605 at December 31, 2024 relates to an equipment financing lease for the Eagle Court property. The Trust made principal payments on the lease of \$605 during the year ended December 31, 2025 (2024 - \$2,757) and recorded interest expense of \$7 (2024 - \$152).

The related right-of-use asset is included in other current assets. During the year ended December 31, 2025, the Trust recorded \$482 (2024 - \$2,171) of amortization expense for the amortization of the right-of-use asset, and the right-of-use asset balance is \$0 at December 31, 2025 (2024 - \$482).

7. Preferred share liability, redeemable

	December 31, 2025		December 31, 2024	
Series A preferred share liability	\$	125,000	\$	125,000
Series A-1 preferred share liability		2,200,000		1,328,096
Total preferred share liability	\$	2,325,000	\$	1,453,096

Series A preferred share liability

At December 31, 2025 and 2024, a subsidiary of Trust has \$125,000 in Series A redeemable preferred shares outstanding, redeemable only at the option of the Trust. These non-voting shares receive dividends semi-annually at a per annum rate equal to 12% of the total of the purchase price of \$1,000 per share. As such, these preferred shares are classified as liabilities rather than unitholder equity on the Consolidated Statements Of Financial Position. Consequently, any dividend payments are classified as finance costs on the Consolidated Statements Of Loss And Total Comprehensive Loss.

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Series A-1 preferred share liability

On November 14, 2024, the Trust closed a securities purchase transaction whereby Plymouth Industrial OP, LP, a subsidiary of Plymouth Industrial REIT, Inc. ("Plymouth"), purchased an aggregate of 4,400,000 Series A-1 redeemable Preferred Limited Partnership Interests (the "OP Units") of OP LP at a price of \$0.50 per OP Unit for aggregate cash consideration of \$2,200,000 (the "Plymouth Transaction"). The Plymouth Transaction was carried out pursuant to the terms of an investment agreement among the Trust, the REIT, OP LP and Plymouth, dated November 14, 2024. See Note 18 – Proposed Transaction.

On initial recognition, the fair value of these OP Units was determined to be \$2,075,074, resulting in a debt discount of \$124,926. The fair value was determined based on a put option granted to Plymouth through June 30, 2025, and was calculated using a credit-adjusted rate of 9.4%. The Trust paid \$110,000 of finder's fees to a third party and incurred \$862,449 of legal fees, which were recorded as debt issue costs and applied against the \$2,200,000 of gross receipts. For the year ended December 31, 2025, the Trust recorded \$871,904 for amortization of the debt issue costs and discount to interest and finance expense. The debt discount balance is \$0 at December 31, 2025 (2024 - \$871,904).

In October 2025, the Trust amended the agreement with Plymouth to extend the redemption date to December 31, 2025. Pursuant to the amended agreement, the Trust recorded monthly interest expense on the \$2,200,000 OP Units. Total interest expense recorded during the year ended December 31, 2025, was \$83,178. See Note 19 – Subsequent Events.

8. Accounts payable

At December 31, 2025, the Trust has recorded \$524,457 (2024 - \$789,767) of accounts payable, inclusive of payables due to related parties of \$1,066 (2024 - \$5,261). Accounts payable is comprised primarily of professional fees, including approximately \$340,392 (2024 - \$541,771) of legal services, \$53,252 (2024 - \$43,914) of accounting services, \$45,000 (2024 - \$81,500) of consulting services, and \$23,982 (2024 - \$37,230) of investor relations and shareholder services. Also included in accounts payable at December 31, 2025 is \$59,640 (2024 - \$68,854) of property taxes.

Some of the outstanding amounts included in the accounts payable balance are denominated in Canadian dollars (CAD). During the year ended December 31, 2025, the Trust realized a \$3,331 (2024 - \$2,153) foreign exchange loss on CAD-denominated payables and recorded an unrealized foreign exchange loss of \$115 (2024 - \$185 gain) on the outstanding CAD-denominated accounts payable.

9. Accrued expenses

At December 31, 2025, the Trust has recorded \$8,150,398 (2024 - \$5,885,334) of accrued expenses, which is comprised primarily of \$6,840,635 (2024 - \$5,015,635) of management compensation, \$1,096,699 (2024 - \$821,699) of trustee fees, \$110,037 of accrued accounting and legal fees (2024 - \$48,000), \$75,000 of accrued costs associated with issuance of preferred units (2024 - \$0), and \$28,027 of accrued interest on notes payable (2024 - \$0).

The accrued and unpaid compensation for management was on a non-cash basis for the initial three years through April 14, 2025 and will only be issued in Units of the Trust, upon written approval from the Board of Trustees. At December 31, 2025, accrued and unpaid management compensation consisted of \$5,535,635 accrued compensation payable in Trust Units and \$1,305,000 accrued compensation payable in cash.

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10. Revenue

The Trust's investment property revenue includes tenant rental revenue and revenue from contracts with tenants, specifically for common area maintenance, as follows:

	December 31, 2025	December 31, 2024
Tenant rental income	\$ 320,765	\$ 357,970
Common area maintenance	159,410	167,185
Other	44,075	27,544
	\$ 524,250	\$ 552,699

Common area maintenance revenue for the year ended December 31, 2025 includes \$82,004 (2024 - \$91,527) of variable lease payments for the reimbursement of property taxes and insurance expense.

11. Operating leases - lessor

The Trust is a lessor and leases its investment properties to industrial tenants under operating leases.

The Trust rents nine units and select parking spaces in an industrial property located in Lewisville, Texas to tenants under lease agreements ranging from 22 to 60 months. Lease payments from tenants include base rent, parking rents, tenant upgrades, and common area maintenance payments for the tenants' share of operating expenses, inclusive of property taxes and insurance. The lease agreements typically include a 2.5% annual rent increase of base rent, parking rents, and tenant upgrades (collectively, the tenant rental income) and may be renewed twice, each after three years.

The Trust manages its risk in the investment properties and leases to tenants in the ordinary course of business by assessing prospective tenants based on established criteria; establishing occupancy and use requirements in its lease agreements; providing cleaning, security, and other services; and insuring the investment properties.

Undiscounted operating lease payments to be received annually (including base rent, parking rent, and tenant upgrades) are as follows:

In U.S. dollars	December 31, 2025	December 31, 2024
Within 1 year	\$ 286,471	\$ 322,018
1 – 2 years	242,128	276,210
2 – 3 years	199,030	160,335
3 – 4 years	36,612	115,585
Later than 5 years	-	-
	\$ 764,241	\$ 874,148

12. Unitholders' equity

The Trust is authorized to issue:

- i) an unlimited number of class A units; and,
- ii) unlimited number of Preferred units issuable in series.

The Trust presents units as equity, notwithstanding the fact that the units meet the definition of a financial liability. Under IAS 32, "Financial instruments: Presentation", the Units are considered a puttable financial instrument because of the unitholders' option to redeem units at any time, subject to certain restrictions, at a redemption price per unit determined in accordance with the Declaration of Trust.

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A maximum amount of \$50,000 may be redeemed in cash in any one month unless otherwise waived by the Board of Trustees. Any redemption in excess of \$50,000 will be settled by way of the issuance by the Trust a promissory note equal to the redemption price determined in accordance with the Declaration of Trust.

The Trust has determined that the units can be presented as equity as opposed to a financial liability since they meet the puttable exemption as outlined in IAS 32, which means that they have all of the following features:

- i) The units entitle the holder to a pro-rata share of the Trust's net assets in the event of the Trust's dissolution;
- ii) The units are the class of instruments that is subordinate to all other instruments as they have no priority over other claims to the assets of the Trust on liquidation, and do not need to be converted into another instrument before they are in the class of instruments that is subordinate to all other classes of instruments;
- iii) All instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- iv) Apart from the contractual obligations for the Trust to redeem the units for cash or another financial asset, the units do not include any contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the Trust, and it is not a contract that will or may be settled in the Trust's own instruments; and
- v) The total expected cash flows attributable to the units over their lives are based substantially on the profit or loss, and on the change in the recognized net assets and unrecognized net assets of the Trust over the life of the units.

Unitholders' capital

Unitholders' capital changes are as follows:

	Quantity	Amount
Balance, December 31, 2023	3,424,448	\$ 6,202,850
Units issued from conversion of indebtedness	1,500,000	750,000
Balance, December 31, 2024 and 2025	4,924,448	\$ 6,952,850

Effective April 29, 2024, the Trust completed an issuance of 1,500,000 Class A Trust Units (each, a "Unit") at a market price of \$0.50 per Unit in satisfaction of \$750,000 owed to AllTrades Industrial Development LLC ("AID"), a related party, pursuant to the terms of a property exclusivity fee for a Master Funding and Forward Purchase Agreement dated September 19, 2022 (the "Agreement") between AID and Realty Management. On May 9, 2024, the TSXV approved the offering of Units. The Trust recorded the \$750,000 as a one-time property exclusivity fee for the year ended December 31, 2024.

There was no change to Unitholders' capital from December 31, 2024 to December 31, 2025.

Series B convertible preferred units

From April 19, 2024 to February 12, 2025, the Trust completed a total of four tranches of the Financing and issued 8,890,000 Preferred Units, at a price of \$0.50 per Preferred Unit for aggregate gross proceeds of \$4,445,000. Each of the Preferred Units issued under the Financing is subject to a four-month and one-day holding period from the date of issuance. The Trust paid \$197,250 of finder's fees to a non-related third party and incurred \$408,020 of legal fees in connection with the four tranches of the Financing.

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Between September 19, 2025 and December 31, 2025, a fifth tranche of the Financing was initiated that resulted in the issuance of 9,844,00 Preferred Units for aggregate gross proceeds of \$4,922,000. Between September 19, 2025 and December 31, 2025, the Trust incurred \$252,000 of finder's fees to non-related third parties and incurred \$18,701 of legal fees in connection with the fifth tranche of the Financing. The fifth tranche of the financing continued into the first quarter of 2026. See Note 19 – Subsequent Events.

Escrow

Qualifying Transaction escrow units

Effective April 14, 2022, the Trust issued 1,585,361 Trust units subject to the Qualifying Transaction ("QT") escrow agreement, whereby 10% of these Trust units were released upon completion and approval of the Trust's QT, and an additional 15% will be released on each 6-month anniversary from initial release. Trust units were released in full on April 14, 2025, therefore at December 31, 2025 there were no Trust units (2024 – 237,808 units) held in escrow relating to this escrow agreement.

Unit incentive plan

Effective June 23, 2023, the unitholders of the Trust approved an Incentive Plan to grant equity-based incentive awards in the form of restricted security units ("RSUs"), performance security units ("PSUs") and deferred security units ("DSUs") (collectively, the "Awards") to attract, retain and motivate qualified trustees, officers, employees and consultants of the Trust and its subsidiaries, excluding any persons who perform investor relations activities on behalf of the Trust or any of its subsidiaries (collectively, the "Incentive Plan Participants"). For vesting of RSUs and PSUs, the Board of Trustees will establish the vesting schedule, the performance period, the performance goals and other vesting conditions deemed necessary. For vesting of DSUs, the vesting date shall not be prior to the first anniversary of the date of grant other than when the DSU holder ceases to be a holder due to death or due to a change of control of the Trust.

At December 31, 2025 and 2024, no Awards have been granted under the approved Incentive Plan.

Distribution reinvestment plan

On December 8, 2022, the Trust implemented a Distribution Reinvestment Plan ("DRIP") enabling Canadian holders of Units to reinvest distributions paid on such Units, subject to applicable withholding taxes, into additional Units of the Trust.

Loss per unit

Basic loss per unit amounts are calculated using the weighted average number of units outstanding during the year. The calculation of diluted loss per unit equals basic loss per unit as the effect of outstanding options and warrants are anti-dilutive.

13. Options and warrants

Options

The Trust adopted a unit option plan on April 14, 2022 which provides that the Trust may from time to time, in its discretion, grant to officers, employees and consultants, non-transferable options to purchase Trust units, provided that the number of Trust units reserved for issuance will not exceed 10% of the issued and outstanding Trust units. Such options will be exercisable for a period of up to ten years from the date of grant.

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At December 31, 2025 and 2024, no equity-based incentive awards have been issued by the Trust under the Incentive Plan, respectively.

Effective December 18, 2023, 7,286 options expired, which were erroneously reported as outstanding at December 31, 2023. There were no options outstanding at December 31, 2024 and 2025. There was no trust unit activity during the years ended December 31, 2024 and 2025.

Warrants

Effective April 14, 2023, 74,200 warrants expired and as a result, there are no warrants outstanding at December 31, 2023, 2024 or 2025.

14. Related party disclosures

The executive management team of the Trust is the same executive management team as AllTrades. There were no cash payments made by the Trust to its executive management team during the years ended December 31, 2025 or 2024. During the fourth quarter of 2024, the Trust made cash payments of \$50,000 to each of its independent trustees, for a total cash outflow of \$200,000. No other cash payments to trustees were made during the years ended December 31, 2025 or 2024. At December 31, 2025, the Trust had recorded \$6,840,635 (2024 - \$5,015,635) of accrued and unpaid compensation for the executive management team and \$1,096,699 (2024 - \$821,699) of accrued and unpaid compensation for its independent trustees. The executive management compensation was on a non-cash basis for an initial three-year term through April 14, 2025 and will only be issued in units of the Trust, upon approval from the Board of Trustees. At December 31, 2025, accrued and unpaid management compensation consisted of \$5,535,635 accrued compensation payable in Trust Units and \$1,305,000 accrued compensation payable in cash.

Transactions with the other related parties

The Trust has an executed property management agreement with AIP Property Management, LLC ("AIPM"), an entity controlled by AllTrades. The property management agreement is structured whereby AIPM will provide property management services for the Trust and receive a four percent (4%) management fee based upon triple net lease revenue. During the years ended December 31, 2025 and 2024, the Trust recorded \$13,034 (2024 - \$14,487) of management fees, and at December 31, 2025 and 2024, the Trust had recorded a due to related parties for AIPM of \$1,066 (2024 - \$2,147) for property management services. During the years ended December 31, 2025 and 2024, the Trust paid AIPM \$13,071 (2024 - \$13,723) of management fees for the Eagle Court project.

The Trust had leased three of its Eagle Court Property units and several parking spaces under separate lease agreements to AllTrades and D-8 Services, LLC ("D-8"), for a period of 48 months. D-8 is owned by ATIGC, LLC ("ATIGC"), a Texas based limited liability company owned by AllTrades. Revenue for the years ended December 31, 2025 and 2024 included straight-line base rent, parking rent, common area maintenance and other rent related to these contracts in annual amounts as follows:

	Years ended	
	December 31, 2025	December 31, 2024
AllTrades	\$ 51,652	\$ 54,050
D-8	\$ 0	\$ 96,455

The lease terms included a 2% annual rent increase and two renewal options, each after three years. Effective June 30, 2024, D-8 relocated to another office location and is no longer a tenant at Eagle Court.

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Effective May 31, 2024, the AllTrades lease expired, and they are now renting under a month-to-month lease.

Tenant deposits include \$5,000 for AllTrades (2024 - \$5,000) related to these leases at December 31, 2025.

At December 31, 2025 and 2024, the Trust had the following outstanding balances with related parties:

Due From Related Party (current asset):

	December 31, 2025	December 31, 2024	Description
AIP Frisco, LLC	-	626	Pass-through costs for property maintenance
AIP Carrollton-Briercroft, LLC	-	64	Pass-through costs for property maintenance
AIP Lewisville-Main, LLC	272	18,095	2024 – Short-term loan for project debt interest payment and pass-through costs for tenant expenses 2025 - Pass-through costs for tenant maintenance
AIP Mesquite, LLC	-	99	Pass-through costs for tenant maintenance
AIP Plano, LLC	-	114	Pass-through costs for property maintenance
AIP Keller Hicks, LLC	600	120	Pass-through costs for property maintenance
AIP Roanoke, LLC	223	86	Pass-through costs for property maintenance
AllTrades Five Properties, LLC		2,000	Tax preparation fees
AIP DFW I, LLC	49,038	58,175	Group 2 Properties audit and tax preparation fees
AIP DFW II, LLC	56,175	56,175	Audit for Group 3 Properties
AllTrades	-	\$ 1,498,853	2025 – Converted to a promissory note during year. 2024 - \$258,969 for audit/audit consulting payments, \$1,200,000 for general corporate use, \$5,000 for refund of security deposit held by AllTrades, and \$34,884 for rent
D-8	-	72,711	2025 – Converted to a promissory note during year. 2024 - Rent and pass-through cost for tenant expense
Symfonia	700,000	-	Promissory note with entity controlled by same management team as AllTrades. The Trust accrued \$4,027 of interest in 2025 related to this note.
James Rea	608	-	Refund from expense adjustment
TOTAL	\$ 806,916	\$ 1,707,118	

Due From Related Party (non-current asset):

	December 31, 2025	December 31, 2024	Description
AllTrades	\$ 6,559,069	-	Promissory Note - \$6,467,008 for audit, consulting, and general corporate uses, \$5,000 for refund of security deposit held by AllTrades, and \$87,061 for rent
D-8	72,711	-	Promissory Note - Rent and pass-through cost for tenant expense
TOTAL	\$ 6,631,780	\$ -	

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Due To Related Party:

	December 31, 2025	December 31, 2024	Description
AllTrades	\$ -	\$ 1,733	Leasing commissions, property maintenance, and monthly marketing costs
AIPM	1,066	2,147	Property management services
D-8	-	132	Property maintenance
D-11	-	982	Property maintenance
ATIGC	-	267	Property maintenance
TOTAL	\$ 1,066	\$ 5,261	

Amounts due to and from related parties, excluding amounts recorded as Promissory Notes, are non-interest-bearing, unsecured, and due on demand. Promissory Notes, both current and non-current due from related parties, are interest-bearing, secured promissory notes. Transactions with related parties are incurred in the normal course of operations and initially recorded at fair value.

During the year ended December 31, 2025, the Company entered into financing arrangements with related parties through the issuance of promissory notes.

On November 19, 2025, the Company issued a promissory note to a related party with a principal amount of \$700,000. The note bears interest at a fixed rate of 12% per annum, is unsecured, and matures on November 19, 2026.

On December 31, 2025, the Company issued additional promissory notes to various related parties with an aggregate principal amount of \$6,631,780. These notes bear interest at a fixed rate of 12% per annum, are unsecured and mature on December 31, 2027. The issuance of these notes did not increase the net receivables due from related parties; instead, the issuance of the notes converted previously issued receivables recorded in current assets to non-current assets.

Interest expense related to these promissory notes is recognized in profit or loss using the effective interest method.

15. Financial instruments

Financial risk management

As a result of its normal operating activities, the Trust is exposed to credit risk, liquidity risk, interest rate risk and other price risk related to its financial instruments as detailed below.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, resulting in financial loss. The Trust is exposed to credit risks from its leasing activities (accounts receivable), deposits held with financial institutions (cash and restricted cash) and advances to related parties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset. Tenants are assessed based on the Trust's selection criteria prior to entering into lease arrangements. Credit risk from leasing activities is managed by requiring tenants to make lease payments in advance. The credit quality of the tenant is assessed based on a credit review at the time of entering into a lease agreement. Outstanding tenants' receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis for all tenants. The Trust expects to collect all of its outstanding accounts receivable and due from related parties.

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An aging of current due from related parties, excluding amounts recorded as Promissory Notes, overdue but not impaired, is as follows:

December 31, 2025

Not past due	< 90 days overdue	> 90 days overdue	Total
\$ 106,254	\$ 182	\$ 480	\$ 106,916

December 31, 2024

Not past due	< 90 days overdue	> 90 days overdue	Total
\$ 1,575,319	\$ 27,599	\$ 104,200	\$ 1,707,118

The Trust has not experienced any material fluctuations in rent collections for the Eagle Court property. Nevertheless, there is no assurance that rent collections in future periods will reflect recent trends, and increased government regulations may restrict the ability of the Trust to enforce leases, including the collection of rent, eviction of tenants for payment-related matters and to apply market-based increases to rent, resulting in a higher credit risk for rent collection in future periods.

The Trust manages its credit risk related to cash balances by engaging with a major United States bank. The Company maintains principally all cash with two financial institutions, which, at times, may exceed the amount insured by the Federal Deposit Insurance Corporation. The exposure to the Company is solely dependent upon daily bank balances and the respective strength of the financial institution. The Company has not incurred any losses on these accounts.

Liquidity risk

Liquidity risk is the risk that the Trust will not be able to meet its financial obligations as they come due.

The Trust manages liquidity risk by maintaining sufficient available credit facilities to fund ongoing operational and capital requirements. Refer to Note 5 for details of the project debt. Accounts payable, and accrued interest and current portion of project debt are expected to be repaid within the next twelve months.

At December 31, 2025, the Trust had a working capital deficit of \$12,614,558 (2024 - \$5,817,306). However, these amounts include non-cash accrued management compensation agreed to be paid in Trust units at December 31, 2025 of \$5,535,635 (2024 - \$5,015,635).

In addition, as discussed in Note 12 – Unitholders’ equity, from April 19, 2024 to February 12, 2025, the Trust completed a total of four tranches of a non-brokered private placement and issued 8,890,000 Preferred Units for aggregate gross proceeds of \$4,445,000. Between September 19, 2025 and December 31, 2025, a fifth tranche of the Financing was initiated that resulted in the issuance of 9,844,00 Preferred Units for aggregate gross proceeds of \$4,922,000. The Trust intends to use the proceeds of the Financing for working capital and general corporate purposes. The fifth tranche of the financing continued into the first quarter of 2026. See Note 19 – Subsequent Events.

Based upon the above, the Trust has developed and maintains financial projections for the next twelve (12) months that show sufficient cash flows to cover forecasted operating expenses. As a result, management of the Trust believes it has sufficient cash resources to meet its obligations for the next twelve (12) months.

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Interest rate risk

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial instruments, known as interest rate cash flow risk, or on the fair value of other financial instruments, known as interest rate price risk.

The Trust does not trade in financial instruments, and its interest-bearing debt is a fixed rate of interest at December 31, 2025 and 2024, respectively. The Trust's investment property is valued with key assumptions including appropriate discount and capitalization rates. The discount and capitalization rates are determined for the property based on available market information related to the sale of similar buildings within the same geographic location.

Other price risk

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with financial instruments of the Trust are not exposed to other price risk as of December 31, 2025 and 2024.

Fair values

The carrying value of the Trusts' cash, restricted cash, accounts receivable, due from/to related parties, accounts payable and accrued expenses, and preferred share liability approximate its fair value due to the short-term nature of these financial instruments. The carrying value of the project debt and non-current balances due from related parties approximates fair value due to the market terms and conditions attached to these liabilities.

16. Capital management

The Trust considers its capital management to be unitholder equity, project debt, and preferred share liability.

The Trust sets the amount of capital in relation to risk and manages the capital structure and adjusts it in light of changes to the economic conditions and the risk characteristics of the underlying assets.

The Trust's objectives when managing capital are:

- i. to maintain a flexible capital structure, which optimizes the cost of capital at acceptable risk; and,
- ii. to maintain investor, creditor, and market confidence in order to sustain the future development of the business.

The Trust is dependent upon external financing to fund activities. In order to fulfill future projects and pay operating costs, the Trust will utilize working capital, when available, and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Trust, is reasonable.

The Trust is not subject to any externally or internally imposed capital requirements at either December 31, 2025 or 2024, respectively, apart from covenants on its project debt.

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17. Taxes

As the Trust qualifies for mutual fund trust status in Canada and as a real estate investment trust in the United States, the effective tax rate is nil. The Trust has loss carry-forward balances available to reduce future taxable income prior to distributions in Canada of approximately \$11,818,000 (2024 - \$8,378,000) and in the United States of approximated \$1,043,000 (2024 - \$507,000). These losses, if not utilized, will commence to expire in 2043 for Canadian and in the United States, can be carry forward indefinitely for tax purposes respectively. The tax benefit of these carry-forward balances have not been recognized within these consolidated financial statements.

18. Proposed Transaction

Effective November 14, 2024, the Trust through OP LP, entered into a securities purchase agreement (the "Securities Purchase Agreement") with 2024 ATIP, Inc. ("ATIP") pursuant to which the Trust proposes to acquire (the "AllTrades Transaction") all of the issued and outstanding membership interests ("Membership Interests") of AllTrades Industrial Properties, LLC ("New AllTrades"). In accordance with the results of an independent third-party valuation and fairness opinion (the "Formal Valuation"), the aggregate consideration for the Membership Interests is \$78,700,000 (the "Purchase Price"). The consideration for which is expected to be comprised of the following:

- a) On closing of the AllTrades Transaction:
 - i. OP LP will pay cash consideration equal to an estimated \$20,000,000 of indebtedness owed by New AllTrades and any of its subsidiaries, plus the transaction expenses ("Cash Consideration");
 - ii. OP LP will issue to ATIP an amount equal to 25% of the aggregate Purchase Price in Series B Preferred Partnership Units of OP LP (the "LP Units") to be issued at a price equivalent to the price per Class A Trust Unit of the Trust ("Units") to be issued under a concurrent offering to be completed by the Trust, which LP Units will be convertible into Units. LP Units being issued at the Closing are referred to as the "Closing LP Units"; and
 - iii. Taken together, the Cash Consideration and Closing LP Units are referred to as the "Closing Purchase Price".
- b) The remainder of the Purchase Price ("Additional LP Units") will be paid, if earned, on the first, second, third and fourth anniversaries of the closing date of the AllTrades Transaction by the issuance by OP LP to New AllTrades unitholders of LP Units as of such anniversary dates, with the maximum such number of LP Units to be issued as Additional LP Units equal to the Purchase Price less the Closing Purchase Price. The calculation for Additional LP Units on each anniversary date will take into consideration the number of new building starts approved by the board of trustees of each new AllTrades-branded SIBS building, the receipt of equity financing necessary to build such building, an agreed upon payment amount per new building start, and the volume-weighted average price of the Units for the thirty (30) trading days immediately preceding such payment date.

The AllTrades Transaction remains subject to customary closing conditions, including approval from the TSXV, approval of Trust unitholders, and no material adverse effects, among others.

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19. Subsequent events

Financing Transactions

During the three months ended March 31, 2026, the Trust issued 1,367,946 Preferred Units as part of the fifth tranche of the Financing, at a price of \$0.50 per Preferred Unit for aggregate gross proceeds of \$683,973. During the three months ended March 31, 2026, the Trust incurred \$70,000 of finder's fees to a non-related third party and incurred \$3,873 of legal fees in connection with the fifth tranche of the Financing. In total, between September 19, 2025 and March 31, 2026, the Trust paid \$322,000 of finder's fees to non-related third parties and incurred \$22,574 of legal fees in connection with the fifth tranche of the Financing.

Between January 1, 2026 and March 31, 2026, Realty USA issued convertible notes with an aggregate principal amount of \$1,305,000, and between April 1, 2026 and April 17, 2026, Realty USA issued convertible notes for an additional \$50,000, for aggregate gross proceeds of \$1,355,000. The notes bear interest at a fixed rate of 6% per annum, are unsecured, and mature one year from issuance date. In the event of a reorganization event, as defined within the notes, the principal balance of the notes and any accrued but unpaid interest will automatically convert to shares of Realty USA common stock as part of the consolidation and amalgamation.

Tariff uncertainty

In early 2025, the United States government announced plans to impose a 25% tariff on most Canadian imports. These tariffs, initially set to take effect on February 4, 2025, were subsequently postponed and partially came into effect on March 4, 2025. Additional tariffs took effect on April 2, 2025. The Canadian government then announced retaliatory tariffs on imports from the United States as well as non-tariff measures. While the extent of the impact cannot be quantified at this time, these measures may have an adverse effect on the Trust's operations.