Ravelin Properties REIT

CONSOLIDATED FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023

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CONSOLIDATED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT

To the Unitholders of Ravelin Properties REIT

Opinion

We have audited the consolidated financial statements of Ravelin Properties REIT (the Entity), which comprise:

- the consolidated statements of financial position as at December 31, 2024 and December 31, 2023 and January 1, 2023
- the consolidated statements of loss for the years ended December 31, 2024 and December 31, 2023
- the consolidated statements of comprehensive loss for the years ended December 31, 2024 and December 31, 2023
- the consolidated statements of changes in equity for the years ended December 31, 2024 and December 31, 2023
- the consolidated statements of cash flows for the years ended December 31, 2024 and December 31, 2023
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024, December 31, 2023 and January 1, 2023, its consolidated financial performance and its consolidated cash flows for the years ended December 31, 2024 and December 31, 2023 in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***“Auditor’s Responsibilities for the Audit of the Financial Statements”*** section of our auditor’s report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the 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 2 (iii) in the financial statements, which indicates that the Entity is subject to significant liquidity pressures resulting from the breach of covenants on certain borrowings along with significant debt coming due in the next 12 months.

As stated in Note 2 (iii) in the financial statements, these events or conditions, along with other matters as set forth in Note 2 (iii) in the financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Entity's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Emphasis of Matter – Comparative Information

We draw attention to Note 3 (xvii and xviii) to the financial statements, which explains that certain comparative information presented:

- for the year ended December 31, 2023 has been restated.
- as at January 1, 2023 has been derived from the financial statements for the year ended December 31, 2022 which have been restated (not presented herein).

Note 3 (xvii and xviii) explains the reasons for the restatement and also explains the adjustments that were applied to restate certain comparative information.

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 financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the 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 of the auditor's report, we have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of the fair value of investment properties

Description of the matter

We draw attention to Note 3 (xvi) and Note 6 to the financial statements. Investment properties are measured at fair value. The fair value is determined by management, and from time to time in conjunction with independent real estate valuation experts using recognized valuation techniques. The Entity has recorded investment properties (including those classified as assets held for sale) at fair value for an amount of $1,147,834 thousand. Significant assumptions in determining the fair value of investment properties include:

- future cash flows to be generated by the investment properties
- the terminal capitalization rates and discount rates applied to these cash flows.

Why the matter is a key audit matter

We identified the evaluation of the fair value of investment properties as a key audit matter. This matter represented an area of significant risk of material misstatement given the high degree of estimation uncertainty in determining the fair value of investment properties. In addition, significant auditor judgement and involvement of those with specialized skills and knowledge were required in evaluating the results of, our audit procedures due to the sensitivity of the fair value of investment properties to minor changes in significant assumptions.

How the matter was addressed in the audit

The following are the primary procedures we performed to address this key audit matter:

For a selection of investment properties, we assessed the Entity's ability to accurately forecast by comparing the future cash flows to be generated by the investment properties used in the prior year's estimate of the fair value of investment properties to actual results.

For a selection of investment properties, we compared the future cash flows to be generated by the investment properties used by management and independent real estate valuation experts to the actual historical cash flows. We took into account the changes in conditions and events affecting the investment properties to assess the adjustments, or lack of adjustments, made by management and independent real estate valuation experts in arriving at those future cash flows.

We involved valuations professionals with specialized skills and knowledge, who assisted in evaluating the appropriateness of the terminal capitalization rates and discount rates of the overall investment properties portfolio used by management and independent real estate valuation experts. These rates were evaluated by comparing them to published reports of real estate commentators and the implied rates from recent sales of similar properties while considering the features of the specific investment property.

We evaluated the competence, capabilities, and objectivity of the independent real estate valuation experts by:

- Inspecting evidence that the independent real estate valuation experts are in good standing with the Appraisal Institute.
- Considering whether the independent real estate valuation experts have the appropriate knowledge in relation to the specific types of investment properties.
- Reading the reports of the independent real estate valuation experts which refers to their independence.

Other Information

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

- the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

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

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

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor's report.

We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 Entity'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 Entity'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 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 Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the 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 auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Chartered Professional Accountants, Licensed Public Accountants
The engagement partner on the audit resulting in this auditor's report is Farah Bundeali.
Toronto, Canada

March 27, 2025

Ravelin Properties REIT
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
(in thousands of Canadian dollars)

	Note	December 31, 2024	December 31, 2023 Restated see note 3 xviii	January 1, 2023 Restated
ASSETS				
Non-current assets				
Investment properties	6	$ 1,131,334	$ 1,362,188	$ 1,754,338
Finance lease receivable	7	35,148	39,401	43,213
Other assets	8	386	2,087	538
Derivatives	12	1,303	12,761	28,951
Restricted cash		10,656	5,856	5,300
		$ 1,178,827	**$ 1,422,293**	**$ 1,832,340**
Current assets				
Assets held for sale		16,500	292,497	—
Finance lease receivable	7	4,253	3,812	3,580
Other assets	8	6,023	2,909	5,668
Derivatives	12	2,780	3,330	1,741
Current tax receivable		—	49	—
Accounts receivable	9	7,738	6,095	10,344
Cash		13,590	11,270	19,905
		$ 50,884	**$ 319,962**	**$ 41,238**
Total assets		**$ 1,229,711**	**$ 1,742,255**	**$ 1,873,578**
LIABILITIES AND UNITHOLDERS' EQUITY				
Non-current liabilities				
Debt	10*	$ 154,666	$ 536,578	$ 779,226
Other liabilities	11	4,556	5,284	5,918
Derivatives	12	2,614	1,061	4,216
Deferred taxes	26	—	254	454
		$ 161,836	**$ 543,177**	**$ 789,814**
Current liabilities				
Debt	10*	920,205	446,434	374,027
Debt held for sale	10	15,153	195,722	—
Other liabilities	11	1,564	1,381	1,222
Derivatives	12	250	—	—
Class B LP units	13	2,854	4,281	22,832
Accounts payable and accrued liabilities	14	67,679	42,556	39,712
Taxes payable		360	—	1,605
		$ 1,008,065	**$ 690,374**	**$ 439,398**
Total liabilities		**$ 1,169,901**	**$ 1,233,551**	**$ 1,229,212**
Unitholders' equity		**$ 59,810**	**$ 508,704**	**$ 644,366**
Total liabilities and unitholders' equity		**$ 1,229,711**	**$ 1,742,255**	**$ 1,873,578**

*Certain adjustments have been made to current and non-current debt as at December 31, 2023 (see note 10).

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

Ravelin Properties REIT
CONSOLIDATED STATEMENTS OF LOSS
(in thousands of Canadian dollars)

	Note	Year ended December 31, 2024	2023 Restated*
Rental revenue	17	$ 196,957	$ 197,621
Property operating expenses		(111,239)	(109,976)
Finance income on finance lease receivable	7	2,608	2,840
Interest income		380	562
Interest and finance costs	18	(75,079)	(64,831)
General and administrative expenses	19	(12,930)	(14,246)
Change in fair value of financial instruments	20	(14,062)	(9,068)
Change in fair value of investment properties	6	(437,770)	(138,217)
Depreciation of hotel asset	6	(998)	(966)
Transaction costs	5	(3,322)	—
Deferred income tax (expense) recovery	26	257	204
Current income tax expense	26	(2,755)	(1,358)
Net loss before Class B LP units		**$ (457,953)**	**$ (137,435)**
Change in fair value of Class B LP units	13	1,427	18,551
Distributions to Class B LP unitholders	16	—	(899)
Net loss		**$ (456,526)**	**$ (119,783)**

*See note 3 xvii.

Ravelin Properties REIT
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands of Canadian dollars)

	Note	Year ended December 31, 2024	2023 Restated*
Net loss		$ (456,526)	$ (119,783)
Other comprehensive income (loss) to be subsequently reclassified to profit or loss:			
Foreign currency translation income (loss)	15	7,342	(2,309)
Total other comprehensive income (loss)		7,342	(2,309)
Comprehensive loss		**$ (449,184)**	**$ (122,092)**

*See note 3 xvii.

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

Ravelin Properties REIT
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands of Canadian dollars)

	Note	Trust units	Retained earnings	Accumulated other comprehensive income	**Total equity**
December 31, 2023*		$ 578,406	$ (72,560)	$ 2,858	**$ 508,704**
Issued pursuant to the Trustee DUP	**15**	290	—	—	**290**
Net loss and comprehensive loss		—	(456,526)	7,342	**(449,184)**
December 31, 2024		**$ 578,696**	**$ (529,086)**	**$ 10,200**	**$ 59,810**

	Note	Trust units	Retained earnings Restated*	Accumulated other comprehensive income	**Total equity** Restated*
December 31, 2022		578,380	60,819	5,167	**$ 644,366**
Issued pursuant to the Trustee DUP	**15**	26	—	—	**$ 26**
Distributions	**16**	—	(13,596)	—	**(13,596)**
Net loss and comprehensive loss		—	(119,783)	(2,309)	**(122,092)**
December 31, 2023		**$ 578,406**	**$ (72,560)**	**$ 2,858**	**$ 508,704**

*See note 3 xvii.

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

Ravelin Properties REIT
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands of Canadian dollars)

	Note	Year ended December 31, 2024	2023 Restated*
OPERATING ACTIVITIES			
Net loss		$ (456,526)	$ (119,783)
Items not affecting cash:			
Depreciation of hotel asset	6	998	966
Change in fair value of investment properties	6	437,770	138,217
Straight-line rent and other changes	6	7,266	11,366
Change in fair value of Class B LP units	13	(1,427)	(18,551)
Change in fair value of financial instruments	20	14,062	9,068
Deferred income tax expense	26	(257)	(204)
Finance income on finance lease receivable	7	(2,608)	(2,840)
Finance interest payments received on finance lease receivable	7	2,608	2,840
Distributions declared to Class B LP unitholders	16	—	899
Distributions paid to Class B LP unitholders	16	—	(1,075)
Interest income		(380)	(562)
Interest received		380	562
Interest and finance costs	18	75,079	64,831
Interest paid		(58,609)	(59,535)
Changes in working capital items		14,419	13,920
		$ 32,775	**$ 40,119**
INVESTING ACTIVITIES			
Acquisitions of investment properties	4	—	(3,979)
Dispositions of investment properties	5	105,023	—
Capital expenditures	6	(7,055)	(9,975)
Leasing costs	6	(18,954)	(17,750)
Proceeds from vendor-take-back loan	8	—	1,763
Principal payments received on finance lease receivable	7	3,812	3,580
		$ 82,826	**$ (26,361)**
FINANCING ACTIVITIES			
Distributions on REIT units	16	—	(16,261)
Mortgage advances	27	3,212	41,108
Mortgage and term loan repayments	27	(96,942)	(57,999)
Financing costs on debt	27	(3,767)	(2,993)
(Repayments) draws on revolving and term facilities, net	27	(16,064)	20,941
		$ (113,561)	**$ (15,204)**
Foreign exchange gain (loss) on cash held in foreign currency		280	(7,189)
Increase (decrease) in cash		**$ 2,320**	**$ (8,635)**
Cash, beginning of period		**11,270**	**19,905**
Cash, end of period		**$ 13,590**	**$ 11,270**

*See note 3 xvii.

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

1. DESCRIPTION OF THE REIT AND OPERATIONS

Ravelin Properties REIT (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 46 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 is 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 aims to continue to address these issues to meet the TSX's requirements. The trading of the REIT's securities will not be impacted during the review process.

The principal and head office of the REIT is 130 Adelaide St W, Suite 3401, Toronto, Ontario, Canada, M5H 3P5. 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 (as defined below), whereby Slate Management ULC ("the Former Manager"), an indirect subsidiary of SLAM (collectively, "Slate"), 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. 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB").

ii. Approval of the consolidated financial statements

The consolidated financial statements were approved by the trustees of the REIT on March 24, 2025 and authorized for issuance on March 27, 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 facility 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 facility, include cross default provisions, generally for defaults on debt in excess of $5.0 million. These covenants are described in more detail in notes 10 and 24.

As at December 31, 2024, the REIT remains in breach of certain covenants on its revolving credit facility, convertible debentures, and certain other mortgages. In certain cases, including that with respect to the revolving credit facility, 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 facility has required that all term borrowings on the facility be converted into Canadian Prime and U.S. Base Rate loans. This has resulted in an increase in the facility's weighted average interest rate to 7.99%. 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 $947.3 million of principal presented as current on the statement of financial position as at December 31, 2024 (see note 23). In addition, pursuant to the trust indentures governing the convertible debentures, due to default letters provided by lenders of the revolving credit facility 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 and December 31, 2024 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 in respect of its outstanding 9.00% convertible unsecured subordinated debentures (collectively, the “Debentures”) (see note 23).

Additionally, changes in interest rates driven by central banks in Canada, the U.S. and Europe seeking to reduce inflationary pressures and the broad market sentiment towards the office sector as a whole have reduced the availability of and increased the cost of financing which gives rise to the risk of the REIT not being able to service its debt costs. Notwithstanding that central banks have begun to ease interest rates, the availability of debt capital remains low and the cost of borrowing continues to be high.

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 have had limited success in raising excess proceeds to repay debt and improve liquidity. Accordingly, the REIT has 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 has 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 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. 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. In addition, based on the REIT's correspondence with the TSX as discussed in note 1, there is a risk the REIT will not be able to obtain further equity financing if it is de-listed from the exchange. 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, 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. If the going concern assumption is not appropriate as of December 31, 2024, material adjustments to the carrying values of assets and liabilities would be necessary.

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.

v. Comparative figures

Certain comparative figures on the statements of financial position have been adjusted to conform to current year presentation. $3,330 of Derivatives have been reclassified from non-current to current assets and $1,061 was reclassified from non-current assets to non-current liabilities on the statement of financial position as at December 31, 2023 (see note 12).

3. MATERIAL ACCOUNTING POLICIES

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

i. Basis of consolidation

The consolidated financial statements include the accounts of the REIT and its subsidiaries in accordance with IFRS 10, Consolidated Financial Statements. Intercompany transactions and balances have been eliminated on consolidation.

A subsidiary is an entity over which the REIT has control. Control exists when the REIT has power over an investee; is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power over the investee to affect its returns. The financial statements of a subsidiary are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of a subsidiary are changed when necessary to align them with the policies applied by the REIT in these consolidated financial statements.

Changes in the REIT's ownership interests in subsidiaries that do not result in the REIT losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the REIT's interests and any non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the unitholders of the REIT. When the REIT loses control of a subsidiary, for example through sale or partial sale, a gain or loss is recognized and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interests.

ii. Joint arrangements

A joint arrangement is a contractual arrangement in which the REIT has joint control, established by contracts requiring unanimous consent for decisions about the activities that significantly affect the return of an arrangement. The REIT classifies joint arrangements as either joint operations or joint ventures.

A joint operation is a joint arrangement wherein the parties have rights to the assets and obligations for the liabilities. The REIT's interest in a joint operation is accounted for based on the REIT's interest in those assets, liabilities, revenues, and expenses.

iii. Investment properties

Investment properties are held primarily to earn rental income for capital appreciation or for both, but are not for sale in the ordinary course of business. The REIT accounts for its investment properties in accordance with IAS 40, Investment Property ("IAS 40"). For acquired investment properties that meet the definition of a business, the acquisition is accounted for as a business combination. Acquisitions of investment properties that do not meet the definition of a business are initially measured at cost including directly attributable transaction costs.

Subsequent to acquisition, investment properties are measured at fair value, which is determined based on available market evidence at the statement of financial position date. The determination of fair value of investment properties requires the use of significant assumptions such as future cash flows from investment properties including, but not limited to tenant profiles, future revenue streams and overall repair and condition of the property, terminal capitalization rates and discount rates applicable to those investment properties. Changes in fair value of investment properties are recognized in income (loss) in the period in which they arise.

The carrying value of investment properties includes the impact of straight-line rent, capital expenditure, tenant inducements, direct leasing costs, and adjustments related to the impact of IFRIC 21, Levies ("IFRIC 21") adjustments.

Direct leasing costs include leasing commissions, lease incentives, and legal fees directly attributable to negotiating and arranging a lease. Lease incentives that are spent on improvements are referred to as tenant improvements and are capitalized. All other lease incentives are referred to as tenant inducements. Lease incentives that do not provide benefits beyond the initial lease term are included in the carrying amount of investment properties and are amortized on a straight-line basis over the term of a lease as a reduction of revenue.

An investment property held under an operating lease that meets the definition of an investment property is recognized in the REIT's consolidated statements of financial position and measured at fair value.

When an investment property is disposed of, the gain or loss is determined as the difference between the sales price and the carrying amount of the property and is recognized in income (loss) in the period of disposal as a change in the fair value of investment property. Sales costs are recorded as disposition costs on the consolidated statement of income (loss).

iv. Assets and liabilities held for sale

The REIT classifies investment properties as held for sale when it is expected that the carrying amount will be recovered through a sale transaction rather than its continued use. In order to be classified as held for sale, the investment property must be available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such property, and its sale must be highly probable. Once classified as held for sale, the investment property continues to be measured at its fair value and is presented separately on the consolidated statement of financial position. Debt to be repaid upon sale or assumed by the purchaser of assets held for sale is classified as liabilities held for sale on the statement of financial position.

v. Revenue recognition

Revenue from investment properties includes rents from tenants under lease agreements, percentage rents, property tax and operating cost recoveries and other incidental income. Lease components, including rents from tenants, percentage rents, and property tax recoveries are accounted for pursuant to IFRS 16, Leases ("IFRS 16") and are therefore outside the scope of IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). Non-lease components, which includes operating costs recoveries, are within the scope of IFRS 15. The REIT has retained substantially all of the risks and benefits of ownership of its investment properties and therefore accounts for leases with its tenants as operating leases. Revenue recognition under a lease commences when the tenant has a right to use the leased asset. This occurs on the lease inception date or, where the REIT is required to make additions to the property in the form of tenant improvements that enhance the value of the property, upon substantial completion of those improvements. The total amount of contractual rent to be received from operating leases is recognized on a straight-line basis over the term of the lease. Straight-line rent, which is included in the carrying amount of the investment property, is the difference between the cumulative rental revenue recorded and the contractual amount received. Operating cost recoveries are recognized in the period that services are performed and are chargeable to tenants.

vi. Income taxes

The REIT is a mutual fund trust and real estate investment trust pursuant to the Income Tax Act (Canada). Under current tax legislation, a real estate investment trust that meets prescribed conditions is entitled to deduct distributions of taxable income such that it is not liable to pay income taxes in Canada provided its taxable income is fully distributed to unitholders. The REIT intends to distribute all of its taxable income to unitholders. The REIT is liable to pay income taxes in foreign countries on earnings from investment properties it owns in those locations.

Current income tax assets and liabilities are measured at the amount expected to be received from or paid to tax authorities based on the tax rates and laws enacted or substantively enacted at the date of the consolidated statement of financial position. Deferred tax liabilities are measured by applying the appropriate tax rate to temporary differences between the carrying amounts of assets and liabilities, and their respective tax basis. The appropriate tax rate is determined by reference to the rates that are expected to apply to the year and the jurisdiction in which the assets are expected to be realized or the liabilities settled. Deferred tax assets are recorded for all deductible temporary differences, carry forwards of unused tax credits and unused tax losses, to the extent that it is probable that deductions, tax credits and tax losses can be utilized. For the determination of deferred tax assets and liabilities where the property is measured using the fair value model, the presumption is that the carrying amount of an investment property is recovered through sale, as opposed to presuming that the economic benefits of an investment property will be substantially consumed through use over time. Current and deferred income taxes are recognized in correlation to the underlying transaction in net income (loss).

vii. Trust units

The REIT's trust units are redeemable at the option of the holder and, therefore, are considered puttable instruments. In accordance with IAS 32, Financial instruments: Presentation ("IAS 32"), puttable instruments are classified as financial liabilities, except where certain conditions are met; in which case, the puttable instruments are classified as equity. The REIT has determined that it has met the conditions set out in IAS 32 that permit instruments that otherwise meet the definition of a financial liability to be classified as equity. Accordingly, the REIT's trust units are classified and accounted for as equity instruments.

Distributions on trust units are recorded in retained earnings in the period they are approved.

viii. Class B LP units

Class B limited partnership units ("Class B LP units") of certain limited partnership subsidiaries of the REIT are exchangeable into trust units of the REIT at the option of the holder. As described above, the REIT's trust units are puttable instruments and, therefore, the Class B LP units meet the definition of a financial liability under IAS 32. The Class B LP units are designated as fair value through profit and loss ("FVTPL"). The fair value of the Class B LP units is remeasured at the end of each reporting period with changes in fair value recorded in net income (loss). Distributions paid on the Class B LP units are recorded in loss when declared as distributions to Class B LP unitholders in net income (loss). Upon exchange into REIT units of the REIT, the carrying amount of the liability representing the fair value of the Class B LP units on exchange date is reclassified to unitholders' equity.

ix. Financial instruments

Financial instruments are classified as follows: (i) amortized cost, (ii) FVTPL, (iii) fair value through other comprehensive income (loss) ("FVTOCI"). The REIT has made the following classifications:

Financial instrument	Classification
Cash	Amortized cost
Restricted cash	Amortized cost
Accounts receivable	Amortized cost
Other assets	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Debt	Amortized cost
Debt held for sale	Amortized cost
Other liabilities	Amortized cost
Derivatives	FVTPL
Hedges of net investments	FVTOCI
Class B LP units	FVTPL

All financial assets and liabilities are measured at fair value on initial recognition.

Transaction costs, other than those related to financial instruments classified as FVTPL, are capitalized to the carrying amount of the instrument. These costs include amortization of discounts or premiums on borrowings, fees and commissions paid to agents, brokers and advisers, transfer taxes, and duties that are incurred in connection with the arrangement of borrowings.

Subsequent to initial recognition, financial instruments are measured at amortized cost, using the effective interest rate method. Financial instruments classified as FVTPL are measured at fair value with gains and losses recognized in net income (loss) and comprehensive income (loss). Hedges of net investments are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) ("OCI").

The REIT derecognizes a financial asset or liability when its contractual rights or obligations expire, or it transfers its rights or obligations in a transaction in which substantially all the risks and rewards of ownership are transferred. Any rights and obligations created or retained by the REIT in a transfer are recognized as separate assets or liabilities.

x. Compound financial instruments

Components of a financial instrument that contain both a financial liability and an equity component are recognized separately. The carrying amount assigned to the equity component on initial recognition is the residual amount after deducting the fair value of the financial liability from the fair value of the financial instrument as a whole.

Transaction costs relating to the issuance of compound instruments are allocated to the liability and equity components in proportion to the allocation of proceeds.

xi. Convertible debentures

Convertible debentures issued by the REIT are convertible into a fixed number of units at the option of the holder and are redeemable by the REIT under certain conditions. The convertible debentures are separated into their debt component and embedded derivative features which are accounted for separately. The debt component of the convertible debentures is recognized initially at the fair value of a similar debt instrument without the embedded derivative features. Subsequent to initial recognition, the debt component is measured at amortized cost using the effective interest method. The embedded derivative features include a holder conversion option at any time and an issuer redemption option under certain conditions. The multiple embedded derivative features are treated as a single compound embedded derivative liability and initially recognized at fair value. Subsequent to initial recognition, changes in fair value are recognized in net income (loss). Upon issuance, any directly attributable costs are allocated to the debt component and embedded derivative liability in proportion to their initial carrying amounts.

For the debt component, the financing costs are reflected in the determination of the effective interest rate. For the embedded derivative liability, the financing costs are immediately expensed. Upon conversion, the carrying amount of the debt component and the related fair value of the derivative liability as of the date of conversion are transferred to equity. Upon redemption, the redemption proceeds are compared to the carrying amount of the debt component and the related fair value of the embedded derivative extinguished as of the date of redemption, and any gain or loss on redemption is recognized in net income (loss).

xii. Fair values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the REIT considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date, unless otherwise noted.

Except as noted, the carrying value of the REIT's financial assets and short term financial liabilities approximate their fair values because of the short period until receipt or payment of cash. The fair values of other financial liabilities are estimated based on discounted future cash flows using discount rates that reflect current market conditions for instruments with similar terms and risks. Fair value measurements recognized in the statements of financial position are categorized using a fair value hierarchy that reflects the significance of inputs used in determining the fair values:

- Level 1: Quoted prices in active markets for identical assets or liabilities that the REIT can access at the measurement date.
- Level 2: Inputs other than quoted prices included in level 1, which are observable for the asset or liability, either directly or indirectly.
- Level 3: Inputs that are not based on observable market data.

Each type of fair value is categorized based on the lowest level input that is significant to the fair value measurement in its entirety.

Class B LP units and deferred units are measured at fair value based on the market trading price of REIT units consistent with level 1. The fair values of derivative instruments are calculated using quoted rates. An interest rate valuation methodology, which is a level 2 input, is used to value interest rate swaps and interest rate caps. When such prices are not available, a discounted cash flow analysis is performed using the applicable yield curve for the duration of the instruments. Investment properties and all other fair value measurements for non-derivative financial instruments are measured using level 3 inputs.

xiii. Deferred unit incentive plan

The REIT has a deferred unit incentive plan (“Trustee DUP”) whereby Trustees of the REIT may elect to receive all or a portion of their Trustee fees in the form of deferred units that vest immediately upon grant. The deferred units are equivalent in value to REIT units and accumulate additional deferred units at the same rate that distributions are paid on REIT units in relation to the market value of REIT units, as defined by the Trustee DUP. 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 REIT units. The value of deferred units when converted to cash will be equivalent to the market value of REIT units on the date of the redemption request. Deferred units have been classified as a liability and measured at fair value. Changes in the fair value of deferred units is recorded as a gain or loss in net loss and comprehensive loss in the period of the change.

The REIT also has a deferred unit plan for officers of the REIT ("Officer DUP"). The Officer DUP provides officers of the REIT the opportunity to receive deferred units of the REIT. 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 REIT unit. During the years ended December 31, 2024 and 2023, any units issued under the Officer DUP would result in an equal reduction in the asset management fee payable to the Former Manager, based on the trading price of units on the day of issuance. 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 REIT units. The value of the deferred units when converted to cash will be equivalent to the market value of REIT units on the date of the redemption request. Deferred units have been classified as a liability and measured at fair value. Changes in the fair value of deferred units is recorded as a gain or loss in net loss in the period of the change.

xiv. Foreign exchange

The REIT accounts for its investment in its U.S. wholly owned subsidiaries as U.S. dollar functional currency foreign operations and for its Irish wholly owned subsidiaries as Euro functional currency operations. Assets and liabilities of foreign operations are translated into Canadian dollars at the exchange rates in effect at the consolidated statement of financial position dates and revenue and expenses are translated at the average exchange rates for the reporting periods. The foreign currency translation adjustment is recorded as a separate component of accumulated other comprehensive income until there is a reduction in the REIT’s net investment in the foreign operations.

Assets and liabilities denominated in a currency other than the functional currency are translated into the functional currency at the exchange rates in effect at the consolidated statement of financial position dates and revenue and expenses are translated at the actual exchange rate on the date incurred, with any gain (loss) recorded in net income (loss), unless the asset or liability is designated as a hedge of the REIT's net investment in its U.S. or Irish subsidiaries, in which case the related gain (loss) is also included as a foreign currency translation adjustment in accumulated other comprehensive income.

xv. Levies

Under IFRS Interpretations Committee Interpretation 21, Levies (“IFRIC 21”) realty taxes payable by the REIT are considered levies. IFRIC 21 provides guidance on when to recognize a liability for levies that are accounted for in accordance with the requirements of IAS 37, Provisions, Contingent Liabilities and Contingent Assets, and those where the timing and amount of the levy are certain. Levies are outflows from an entity imposed by a government in accordance with legislation. The REIT has assessed property taxes as being within the scope of IFRIC 21, given that property taxes are non-reciprocal charges imposed by a government, in accordance with legislation, and are based on the assessed value of property. IFRIC 21 confirms that an entity recognizes a liability for a levy when, and only when, the triggering event specified in the legislation occurs. The REIT has determined that the liability to pay property taxes on its investment properties should be recognized at a point in time, being the start of the fiscal year. This resulted in the REIT recognizing the annual property tax liability and expense on its investment properties.

xvi. Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the amounts reported in the consolidated financial statements and accompanying disclosures. Although these estimates are based on management’s knowledge of current events and actions the REIT may undertake in the future, actual results may differ from these estimates.

Judgments

Information about critical judgments in applying accounting policies that have the most significant effect on amounts recognized in the consolidated financial statements are discussed below:

- **Orderly transactions**

  Judgment is required when determining whether a disposition transaction reflects fair value. When an asset disposition may have to be conducted in an accelerated basis with limited time for marketability and limited buyers available, judgment needs to be assessed if such a sale represents fair value. Management further assesses its ability to accept or reject offers and what if any other conditions may require a sales process that would not be done in a customary process.

- **Income taxes**

  The REIT has determined that it qualifies as a mutual fund trust under the Income Tax Act (Canada). Therefore it is not subject to Canadian income taxes as it intends to continue to meet prescribed conditions under the Income Tax Act (Canada) and make distributions not less than the amount necessary to ensure that it is not liable to pay income taxes under current Canadian tax legislation. The REIT is subject to foreign taxes in respect of its earnings from investment properties held in jurisdictions outside of Canada.

- **Consolidation**

  The REIT controls an entity when the REIT has the existing rights that give it the current ability to direct the activities that significantly affect the entity's returns. The REIT consolidates all of its wholly owned subsidiaries. Judgment is applied in determining whether the REIT has the substantive rights to have the power to govern. This judgment is re-assessed whenever there is an indication that the rights could change, including during an event of default.

Estimates

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Estimates that have the most significant impact on the consolidated financial statements include:

- **Valuation of investment properties**

  The fair value of investment properties is determined by management, and from time to time in conjunction with independent real estate valuation experts using recognized valuation techniques. The determination of the fair value of investment property requires the use of significant assumptions such as future cash flows from investment properties including, but not limited to tenant profiles, future revenue streams and overall repair and condition of the property, terminal capitalization rates, and discount rates applicable to those investment properties. These estimates are based on market conditions existing at the reporting date.

  The discounted cash flow method is used by management, together with independent real estate valuation experts, in their determination of the fair value of the investment properties. Fair values are primarily determined by discounting future cash flows, generally over a term of 10 years, including a terminal value based on the application of a terminal capitalization rate to estimated year 11 net operating income.

  Future cash flows, terminal capitalization rates, and discount rates are the most significant assumptions in determining fair value. The REIT uses leasing history, market reports, tenant profiles and available appraisals, among other things, in determining the most appropriate assumptions.

  The fair values of investment properties are measured individually without consideration to their aggregate value on a portfolio basis. No consideration is given to diversification benefits related to single property tenant risk and geography, the value of assembling a portfolio or to the utilization of a common management platform, amongst other benefits. As a result, the fair value of the REIT's investment properties taken in aggregate may differ from the fair value of investment properties measured individually in the REIT's consolidated statements of financial position.

xvii Restatement of the comparative period as at and for the year ended December 31, 2023

The REIT has restated the comparative period for an error identified that resulted in an under-statement to the change in fair value of investment properties and an over-statement of assets held for sale of $6.7 million.

(in thousands of Canadian dollars)

As a result of this error, debt of $543 million would have had a breach of covenants resulting in the need to reclassify these amounts to current liabilities. Of the $543 million that would have been in breach, $438 million was already classified as a current liability either as current debt or as debt held for sale and thus the REIT has restated the comparative period statement of financial position to reclassify an additional $105 million to current liabilities. This results in the following impact to the consolidated financial statements:

Statement of financial position:	As previously reported at December 31, 2023	Other adjustments*	Correction of error	**As restated as at December 31, 2023**
ASSETS				
Non-current assets:				
Derivatives	$ 15,030	$ (2,269)	$ —	**$ 12,761**
Current assets:				
Assets held for sale	299,163	—	(6,666)	**292,497**
Derivatives	—	3,330	—	**3,330**
Total assets	**$ 1,747,860**	**$ 1,061**	**$ (6,666)**	**$ 1,742,255**
LIABILITIES AND UNITHOLDERS' EQUITY				
Non-current liabilities:				
Debt	$ 647,175	$ (5,633)	$ (104,964)	**$ 536,578**
Derivatives	—	1,061	—	**1,061**
Class B LP units	4,281	(4,281)	—	**—**
Current liabilities:				
Debt	335,837	5,633	104,964	**446,434**
Class B LP units	—	4,281	—	**4,281**
Unitholders' equity	515,370	—	(6,666)	**508,704**
Total liabilities and unitholders' equity	**$ 1,747,860**	**$ 1,061**	**$ (6,666)**	**$ 1,742,255**

*See Note 2(v), Note 3(xviii), and Note 10

Statement of loss:	As previously reported for the year ended December 31, 2023	Correction of error	**As restated for the year ended December 31, 2023**
Change in fair value of investment properties	$ (131,551)	$ (6,666)	**$ (138,217)**
Net loss	(113,117)	(6,666)	**(119,783)**
Net comprehensive loss	$ (115,426)	$ (6,666)	**$ (122,092)**

Statement of changes in equity:	As previously reported - December 31, 2023	Correction of error	**As Restated - December 31, 2023**
Retained earnings, December 31, 2023	$ (65,894)	$ (6,666)	**$ (72,560)**
Total equity	$ 515,370	$ (6,666)	**$ 508,704**

Statement of cash flows:	As previously reported for the year ended December 31, 2023	Correction of error	**As restated for the year ended December 31, 2023**
Net loss	$ (113,117)	$ (6,666)	**$ (119,783)**
Operating activities:			
Change in fair value of investment properties	$ (131,551)	$ (6,666)	**$ (138,217)**

xviii. Application of new and revised IFRSs

The REIT has adopted the following new accounting standards:

Amendments to IAS 1

In January 2020 and October 2022, the IASB issued amendments to IAS 1 – Classification of Liabilities as Current or Non-Current to specify the requirements for the classification of liabilities as either current or non-current. The amendments clarified the following:

- Right to defer settlement – that if an entity's right to defer settlement is subject to compliance with future covenants, the entity has a right to defer settlement of the liability regardless of compliance with such covenants at the end of the reporting period.
- Expected deferrals – that the classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer the settlement of the liability for at least twelve months following the reporting period even if settlement occurs prior to the authorization of the issuance of the financial statements.
- Settlement by way of own instruments – that settlement by way of an entity's own equity instruments is considered settlement for classification purposes with the exception of a conversion option that itself is classified as an equity instrument.

The amendment also provided for additional disclosures surrounding non-current liabilities for which a right to defer settlement is subject to compliance with future covenants within twelve months. The REIT adopted the amendments retrospectively for the year ended December 31, 2024. The amendment was adopted as of January 1, 2024 and applied retrospectively and thus $4,281 and $22,832 of Class B LP units have been reclassified on the statement of financial position as at December 31, 2023 and January 1, 2023 retrospectively from non current to current.

xix. 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. ACQUISITIONS

In the year ended December 31, 2024, the REIT did not acquire any investment properties.

In the year ended December 31, 2023, the REIT completed an acquisition on August 23, 2023, whereby the REIT acquired the remaining 25% interest of an office property located in Toronto, Ontario, of which it owned 75%. The purchase price of the property was $28.4 million and the acquisition was partially funded by cash and a vendor-take-back loan of $2.9 million as described in note 10.

(in thousands of Canadian dollars)

A summary of the acquisition completed in 2023 is as follows:

	West Metro Corporate Centre
Acquisition date	August 23, 2023
Location	Toronto, ON
Number of properties	1
REIT's interest	25 %
Purchase price	$ 28,375
Transaction costs	239
Investment properties	$ 28,614
Working capital	(657)
Debt principal amount assumed	(23,978)
Investment	**$ 3,979**

Consideration provided for the acquisition during the year ended December 31, 2023 was comprised of the following:

	West Metro Corporate Centre
Cash	$ 1,093
Vendor-take-back loan	2,886
Total investment	**$ 3,979**

5. DISPOSITIONS

2024 Dispositions

During the year ended December 31, 2024, the REIT made the following investment property dispositions:

	Disposition Date	Location	Sale price	Capital adjustments	Working capital	Transaction cost	Capital gains tax	Discharge of mortgage	Repayment on revolver facility	**Net proceeds (loss)**
Sheridan Exchange [1]	February 1	Mississauga, ON	$ 19,200	$ (345)	$ (493)	$ (350)	$ —	$ (16,703)	$ —	**$ 1,309**
Airways Units 7 & 8	February 28	Dublin, Dublin	11,028	—	(61)	(174)	(1,707)	(7,212)	—	**$ 1,874**
84-86 Chain Lake	May 1	Halifax, NS	10,415	(53)	(445)	(443)	—	—	(9,474)	**$ —**
Walmart Flin Flon	May 10	Flin Flon, MB	3,950	—	(46)	(165)	—	—	(3,739)	**$ —**
570 Queen Street	July 31	Fredericton, NB	5,220	—	(9)	(160)	—	—	(5,051)	**$ —**
114 Garry	October 16	Winnepeg, MB	14,250	(348)	(89)	(553)	—	(10,439)	—	**$ 2,821**
Woodbine Complex [1]	November 5	Toronto, ON	39,000	(522)	(1,465)	(1,063)	—	(37,500)	—	**$ (1,550)**
365 Hargrave	November 21	Winnepeg, MB	11,000	(100)	(35)	(414)	—	(8,990)	—	**$ 1,461**
Total			**$ 114,063**	**$ (1,368)**	**$ (2,643)**	**$ (3,322)**	**$ (1,707)**	**$ (80,844)**	**$ (18,264)**	**$ 5,915**

[1]Values reflects the REIT's proportional 75% interest.

2023 Dispositions

During the year ended December 31, 2023, the REIT did not dispose of any investment properties.

(in thousands of Canadian dollars)

6. INVESTMENT PROPERTIES

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

	Note	Year ended December 31, 2024	2023 Restated*
Beginning of period		$ 1,362,188	$ 1,754,338
Acquisitions [1]	4	—	28,614
Capital expenditures		7,055	9,975
Leasing costs		18,954	17,750
Dispositions [1]	5	(112,695)	—
Depreciation of hotel asset		(998)	(966)
Foreign exchange		25,869	(5,443)
Change in fair value		(437,770)	(138,217)
Straight-line rent and other changes		(7,266)	(11,366)
Transfer from (to) assets held for sale		275,997	(292,497)
End of period		**$ 1,131,334**	**$ 1,362,188**

*See note 3 xvii.
[1]Represents the purchase price and capital adjustments.

Investment properties as at December 31, 2024 are comprised of the REIT's interests in 44 (December 31, 2023: 39) properties, which includes one mixed-use hotel asset, and excludes 1 asset held for sale (December 31, 2023: 14) (described below) and a data centre in Winnipeg, Manitoba (the "Data Centre"), which is classified as a finance lease (note 7). 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, 2023: four office properties).

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 December 31, 2024, the REIT classified 1 investment property with a total estimated fair value of $16.5 million and outstanding debt principal of $15.2 million as held for sale. The REIT classified 14 investment properties with a total estimated fair value of $292.5 million and outstanding debt principal of $195.7 million as held for sale as at December 31, 2023. 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 has ended its Portfolio Realignment Plan, which has resulted in a significant reduction 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:

	December 31, 2024		December 31, 2023	
	Discount rate	Terminal capitalization rate	Discount rate	Terminal capitalization rate
Minimum	7.50%	7.00%	6.75%	6.75%
Maximum	11.50%	10.50%	11.50%	10.50%
Weighted average	8.78%	7.93%	7.99%	7.43%

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 December 31, 2024:

		Discount Rate				
		50 bps-	25 bps-	No change	25 bps+	50 bps+
TCR	50 bps-	$ 93,311	$ 71,410	$ 49,987	$ 29,030	$ 8,526
	25 bps-	66,396	45,051	24,171	3,743	(16,242)
	No change	41,197	20,372	—	(19,931)	(39,431)
	25 bps+	17,555	(2,782)	(22,678)	(42,143)	(61,188)
	50 bps+	(4,672)	(24,550)	(43,997)	(63,025)	(81,642)

The following table presents the estimated change to fair value of the REIT's investment properties when there is an increase or decrease to the REIT's projected net operating income over the term of the discounted cash flows:

	December 31, 2024
1% increase	$ 7,648
1% decrease	(7,648)

The following table summarizes the number of independent appraisals obtained and the aggregate fair value represented by such appraisals:

Three months ended	Number of investment properties	Fair Value
March 31, 2024	—	$ —
June 30, 2024	5	$ 255,095
September 30, 2024	—	$ —
December 31, 2024	—	$ —

7. 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.

(in thousands of Canadian dollars)

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

	Year ended December 31,	
	2024	2023
Beginning of period	$ 43,213	$ 46,793
Lease payments received	(6,420)	(6,420)
Finance income on finance lease receivable	2,608	2,840
End of period	**$ 39,401**	**$ 43,213**

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**

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, 2023:

	Future minimum lease payments	Interest portion of minimum lease payments	Principal portion of minimum lease payments
Less than one year	$ 6,420	$ 2,608	$ 3,812
Greater than one year but less than 5 years	26,882	7,660	19,222
Greater than 5 years	21,654	1,475	20,179
Total			**$ 43,213**

8. OTHER ASSETS

Other assets are comprised of the following:

	December 31, 2024	December 31, 2023
Prepaid expenses	$ 2,340	$ 2,733
Costs related to the Recapitalization Plan	1,947	—
Mortgage interest reserves	1,622	1,622
Investment tax credit receivable	465	538
Utilities deposits	35	103
Total	**$ 6,409**	**$ 4,996**

(in thousands of Canadian dollars)

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

	December 31, 2024	December 31, 2023
Current	$ 6,023	$ 2,909
Non-current	386	2,087
Total	**$ 6,409**	**$ 4,996**

Included in other assets are mortgage interest reserves totaling $1.6 million held by two of the REIT's lenders. The REIT expects the reserves of $0.7 million and $0.9 million to be repaid upon maturity, in May and December 2025, respectively.

During the the year ended December 31, 2024, the REIT incurred $1.9 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 provided a $2.7 million vendor-take-back loan as partial consideration in connection with the disposition of certain investment properties. The vendor-take-back loan bearing interest at 8.0% annually was partially repaid on July 19, 2023, with a net repayment of $1.8 million after related professional fees. The REIT realized a credit loss of $0.9 million on the balance of the loan.

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 11).

9. ACCOUNTS RECEIVABLE

Accounts receivable is comprised of the following:

	December 31, 2024	December 31, 2023
Rent receivable	$ 3,800	$ 2,000
Accrued recovery income	1,377	904
Other amounts receivable	3,415	3,248
Allowance	(854)	(57)
Total	**$ 7,738**	**$ 6,095**

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:

	Year ended December 31,	
	2024	2023
Beginning of period	$ (57)	$ (886)
Change in allowance	(951)	(529)
Bad debt write-off	154	1,358
End of period	**$ (854)**	**$ (57)**

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.

(in thousands of Canadian dollars)

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

	December 31, 2024	December 31, 2023
Up to 30 days	$ 1,708	$ 951
31 to 90 days	661	443
Greater than 90 days	577	549
Total	**$ 2,946**	**$ 1,943**

10. DEBT

Debt held by the REIT as at December 31, 2024 is 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 9]	Apr. 5, 2027	5.8%	22	238,172	132,012	132,012
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			**46**	**$ 1,147,154**	**$ 1,106,738**	**$ 1,106,738**

[1]The weighted average remaining term to maturity of mortgages is 0.9 years with maturities ranging from overheld 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).

[2]Security 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.

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

[4]The REIT's revolving credit facility, 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.

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

[6]Principal 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 facility 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 overheld 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 facility is contractually due on demand (discussed further in notes 23 and 24).

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

[8]The term loan facility is secured by 22 properties in Ireland.

[9]On 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.

(in thousands of Canadian dollars)

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

	Principal	Mark-to-market ("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	—
Total	**$1,106,738**	**$ (24,827)**	**$ 8,113**	**$ 1,090,024**	**$ 935,358**	**$ 154,666**

[1]Included in current liabilities and shown as debt held for sale on the consolidated statement of financial position is $15.2 million of principal associated with assets held for sale as described in note 6. Of the $15.2 million debt associated with assets held for sale, all of this is contractually current debt.

[2]Total debt of $889.7 million was in default due to being overheld 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 overheld and $343.0 million was both in breach of a financial covenant and overheld. 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.

[3]Represents 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.

[4]Due 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).

On January 27, 2023, the REIT amended the terms of its 5.25% convertible unsecured subordinated debentures, due February 28, 2023. The amendments: (i) increased the interest rate of the convertible debentures from 5.25% to 9.00%, effective February 28, 2023; (ii) decreased the conversion price of the convertible debentures from $10.53 per trust unit of the REIT to $5.50 per unit; (iii) extended the maturity date of the convertible debentures from February 28, 2023 to February 28, 2026; and (iv) provided that the convertible debentures are not redeemable prior to February 28, 2025 and, at any time after February 28, 2025, the REIT will be permitted to redeem the amended 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.

On August 23, 2023, in connection with the acquisition of West Metro Corporate Centre, the REIT assumed the remaining $24.0 million of debt associated with this property. Following this acquisition, the REIT refinanced the total outstanding debt of $95.9 million to a one year $82.3 million mortgage. On August 28, 2024 the REIT further refinanced the debt whereby the maturity date was amended to April 30, 2026 and the spread was reduced by 30 bps. The REIT also obtained a vendor-take-back loan of $2.9 million for the purchase of this property interest. On August 28, 2024, G2S2 Capital Inc. provided the REIT with credit support in the aggregate of up to $13.4 million and a letter of credit in favour of a tenant of the property for certain obligations that the REIT has undertaken in connection with its pursuit of leasing opportunities, such as leasing costs and tenant inducements. As at December 31, 2024, $3.2 million has been advanced to the REIT.

On November 14, 2023, the REIT amended its revolving credit facility. The amended revolving credit facility provided certain financial covenant relief in addition to increased borrowing base availability through to March 31, 2024. The Canadian revolving credit commitment was initially reduced from $260.0 million to $252.0 million and the U.S. dollar revolving credit commitment was reduced from $76.2 million to $59.3 million, with further reductions required at certain dates during the year ended December 31, 2024. Concurrently with the amendment, the REIT repaid $7.3 million on the U.S. dollar revolving credit commitment. The drawn amount on the Canadian revolving credit commitment was unaffected.

(in thousands of Canadian dollars)

Debt held by the REIT as at December 31, 2023 was as follows:

	Maturity	Coupon	Properties provided as security	Fair value of security	Maximum available	Principal	Available to be drawn [1]
				Restated*			
Mortgages [2 3 4 5]	Various	Various	16	$ 913,847	$ 595,571	$ 595,571	$ —
Revolving facilities [4 5 6 7 8]	Oct. 14, 2024	Various	15	476,918	309,872	307,672	2,200
Term Loan [4 5 9]	Apr. 5, 2027	Euribor+265 bps	23	263,240	136,658	136,658	—
Convertible debentures	Feb. 28, 2026	9.00%	—	—	28,750	28,750	—
Convertible debentures	Dec. 31, 2026	5.50%	—	—	84,200	84,200	—
Convertible debentures	Dec. 31, 2027	7.50%	—	—	45,000	45,000	—
Total			**54**	**$1,654,005**	**$1,200,051**	**$1,197,851**	**$ 2,200**

*See note 3 xvii.

[1]Debt is only available to be drawn subject to certain covenants and other requirements.

[2]The weighted average remaining term to maturity of mortgages is 1.5 years with maturities ranging from one overheld mortgage that matured on December 31, 2023 to October 1, 2030 and the weighted average interest rate of mortgages is 6.30% with coupons ranging from 2.53% to 10.00%.

[3]Security 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.

[4]Certain amounts have been translated from U.S. dollars and Euros to Canadian dollars using the prevailing exchange rates on December 31, 2023.

[5]The REIT's revolving credit facility, 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. These covenants are described further in note 24.

[6]Stand-by fees incurred on the unused portion of the revolving credit facility are 50.63 bps, charged and paid quarterly.

[7]Principal balance includes $249,800 and U.S. $43,700 of revolving facilities. During the year ended December 31, 2023, the REIT amended the terms for calculating its borrowing base as follows: The maximum availability of the revolving facilities is the lesser of (i) $252,000 and U.S. $43,700, (ii) the sum of the margined fair value of the property securing the facility and (iii) the amount which can be serviced (both monthly principal and interest) by the quotient obtained by dividing the net operating income by 1.25 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%. From March 31, 2024, the maximum availability of the revolving facilities is calculated on an individual property basis and the net operating income divisor increases from 1.25 to 1.30. From June 30, 2024, the maximum availability of the revolving facilities reduces to $150,000 and U.S. $38,000 and the net operating income divisor increases from 1.30 to 1.40. From September 30, 2024, while maintaining the same calculation, the maximum availability of the revolving facility's Canadian dollar tranche reduced to $100,000. The calculation of the maximum capacity on a property by property basis, a greater net operating income divisor from March 31, 2024 and changes in prevailing interest rates are collectively expected to reduce the maximum drawings available by $34.8 million. The change in the maximum available drawings is highly sensitive to changes in property valuations and changes in applicable prevailing interest rates. The contractual remaining term to maturity of revolving facilities is 0.8 years and the weighted average interest rate is 8.18%.

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

[9]The term loan facility is secured by 23 properties in Ireland.

The carrying value of debt held by the REIT as at December 31, 2023 is as follows:

	Principal	MTM adjustments and costs	Accumulated amortization of MTM adjustments, costs and other	Carrying amount	Current [1]	Non-current
					Restated*	Restated*
Mortgages	$ 595,571	$ (5,114)	$ 3,005	$ 593,462	$ 335,795	$ 257,667
Revolving facilities	307,672	(7,224)	5,913	306,361	306,361	—
Term loan	136,658	(5,013)	1,634	133,279	—	133,279
Convertible debentures [2]	28,750	(1,464)	—	27,286	—	27,286
Convertible debentures [2]	84,200	(6,479)	1,429	79,150	—	79,150
Convertible debentures [2]	45,000	(6,252)	448	39,196	—	39,196
	$ 1,197,851	**$ (31,546)**	**$ 12,429**	**$ 1,178,734**	**$ 642,156**	**$ 536,578**

*See note 3 xvii.

(in thousands of Canadian dollars)

[1]Included in current liabilities and shown as debt held for sale on the consolidated statement of financial position is $195.7 million of principal associated with assets held for sale as described in note 6. Of the $195.7 million debt associated with assets held for sale, $125.0 million is current debt and $70.7 million was reclassified to current.
[2]Represents 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.

Future contractual repayments of mortgages payable by year of maturity as at December 31, 2024 are as follows:

	Weighted average interest rate of principal maturities [1]	Amortizing principal payments	Principal repayments on maturity	Total repayments
2025	5.52%	$ 9,208	$ 393,219	$ 402,427
2026	6.10%	3,899	77,512	81,411
2027	5.14%	2,918	20,012	22,930
2028	4.38%	2,662	—	2,662
2029	4.38%	2,548	—	2,548
Thereafter	4.38%	2,310	5,895	8,205
	5.56%	**$ 23,545**	**$ 496,638**	**$ 520,183**
Unamortized financing costs				(3,102)
Total				**$ 517,081**

[1]The weighted average interest rate of principal maturities is calculated using the rates in effect at December 31, 2024.

Future contractual principal payments and maturities for all debt as at December 31, 2024 are as follows:

2025	$ 699,021
2026	214,912
2027	179,390
2028	2,548
2029	2,662
Thereafter	8,205
	$ 1,106,738
Unamortized financing costs	(16,714)
Total	**$ 1,090,024**

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 proactively 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 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 may 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.

Adjustments to the comparative statement of financial position as at December 31, 2023

On March 29, 2024, the REIT was notified of a breach of a covenant with a determination date of December 31, 2023 in respect of a mortgage with a borrowed amount of $13.8 million. This breach resulted in $5.6 million being repayable by the borrower within 30 days of the REIT receiving notice of a demand for repayment. At December 31, 2024, the REIT is working with the lender to amend the breach. Accordingly, the REIT has reclassified this $5.6 million of debt from non-current to current liabilities as at December 31, 2023.

(in thousands of Canadian dollars)

11. OTHER LIABILITIES

Other liabilities are comprised of the following:

	Note	December 31, 2024	December 31, 2023
Security deposits		$ 5,694	$ 5,907
Deferred units	15	193	489
Investment tax credit payable		233	269
Total		**$ 6,120**	**$ 6,665**

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

	December 31, 2024	December 31, 2023
Current	$ 1,564	$ 1,381
Non-current	4,556	5,284
Total	**$ 6,120**	**$ 6,665**

The REIT is eligible to receive a Manitoba data processing investment tax credit in connection with the development of the Data Centre (see note 8). 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.

12. 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:

	December 31, 2024	December 31, 2023
Fair value of conversion option on convertible debentures	$ (31)	$ (435)
Fair value of interest rate swaps	3,317	13,613
Fair value of cross currency swap	(2,138)	(626)
Fair value of interest rate caps	71	2,478
Derivatives, net	**$ 1,219**	**$ 15,030**

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

	Year ended December 31,	
	2024	2023
Fair value, beginning of period	$ 15,030	$ 26,476
Initial recognition of embedded derivatives on issuance of convertible debentures	—	(1,464)
Fair value change of convertible debenture embedded derivatives	403	5,245
Fair value change of interest rate swaps	1,183	4,643
Receipts on interest rate swaps	(11,754)	(16,196)
Foreign exchange gain (loss) on U.S. interest rate swap	276	(123)
Fair value change of cross currency interest rate swap	(1,512)	(2,196)
Fair value change of interest rate caps	(2,451)	(1,372)
Foreign exchange gain on U.S. and Euro interest rate caps	44	17
Fair value, end of period	**$ 1,219**	**$ 15,030**

(in thousands of Canadian dollars)

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.

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:

			Notional amount [2]		Fair value	
Maturity date	Floating interest rate [1]	Fixed interest rate	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
February 1, 2024	1 month U.S. SOFR	1.80%	$ —	$ 66,215	$ —	$ 318
March 22, 2024	1 month CDOR	1.90%	—	100,000	—	858
April 20, 2024	1 month CDOR	5.61%	—	81,300	—	(97)
March 3, 2025	1 month CORRA [3]	0.94%	62,500	62,500	369	2,670
March 3, 2025	1 month CORRA [3]	0.94%	10,000	10,000	59	427
March 3, 2025	1 month CORRA [3]	4.01%	8,000	8,000	(13)	44
May 1, 2025	1 month CORRA [3]	4.06%	59,003	59,003	(206)	227
September 10, 2025	1 month U.S. SOFR	2.22%	145,386	133,854	2,281	4,839
April 30, 2026	1 month CORRA [3]	3.30%	78,300	—	(476)	—
October 30, 2026	1 month CORRA [3]	2.00%	100,000	100,000	1,303	4,327
Total			**$ 463,189**	**$ 620,872**	**$ 3,317**	**$ 13,613**

[1]"CORRA" means the Canadian Overnight Repo Rate Average, "SOFR" means the Secured Overnight Financing Rate and "CDOR" means the Canadian Dollar Offered Rate.
[2]The notional amount of the U.S. dollar pay-fixed receive-float interest rate swaps, maturing September 10, 2025 is U.S. $101.1 million.
[3]On July 2, 2024, the floating interest rate benchmark was converted from 1 month Bankers' Acceptances rate or Canadian Dollar Offered Rate to 1 month term CORRA.

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 year ended December 31, 2024, the REIT recorded a fair value loss of $1.5 million (December 31, 2023: $2.2 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:

			Notional amount [1]		Fair value	
Maturity date	Pay Euro interest rate	Receive $ interest rate	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
December 31, 2026	3.72%	5.50%	$ 75,000	$ 75,000	$ (2,138)	$ (626)
Total			**$ 75,000**	**$ 75,000**	**$ (2,138)**	**$ (626)**

[1]The 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.

(in thousands of Canadian dollars)

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

			Notional amount[1]		Fair value	
Maturity date	Reference	Cap rate	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
July 8, 2024	3 month Euribor	1.60%	$ —	$ 136,658	$ —	$ 2,251
November 1, 2025	1 month U.S. SOFR	3.75%	16,809	15,737	71	227
Total			**$ 16,809**	**$ 152,395**	**$ 71**	**$ 2,478**

[1]The notional amount of the pay Euro and U.S. dollar interest rate caps are €93.6 million and US. $11.9 million, respectively.

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

	Year ended December 31,	
	2024	2023
Beginning of the period	$ 2,478	$ 3,833
Fair value changes	(2,451)	(1,372)
Foreign exchange gain	44	17
End of period	**$ 71**	**$ 2,478**

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 entered into one derivative contract and no foreign exchange contracts during the year ended December 31, 2024 and two derivative contract and no foreign exchange contracts during the year ended December 31, 2023.

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

	December 31, 2024	December 31, 2023
Current assets	$ 2,780	$ 3,330
Non-current assets	1,303	12,761
Current liabilities	(250)	—
Non-current liabilities	(2,614)	(1,061)
Total	**$ 1,219**	**$ 15,030**

13. 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.

(in thousands of Canadian dollars)

The change in Class B LP units for the years ended December 31, 2024 and 2023 is as follows:

	2024		2023	
	Units	Amount	Units	Amount
Beginning of period	5,285,160	$ 4,281	5,285,160	$ 22,832
Fair value changes	—	(1,427)	—	(18,551)
End of period	**5,285,160**	**$ 2,854**	**5,285,160**	**$ 4,281**

14. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities are comprised of the following:

	December 31, 2024	December 31, 2023
Accounts payable and accrued liabilities	$ 60,666	$ 32,263
Prepaid rent	6,755	7,970
Tenant improvements payable	258	2,323
Total	**$ 67,679**	**$ 42,556**

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

15. 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 years ended December 31, 2024 and 2023 is as follows:

	2024		2023	
	Units	Amount	Units	Amount
Beginning of period	80,049,062	578,406	80,023,409	578,380
Issued pursuant to the Trustee DUP	454,936	290	25,653	26
End of period	**80,503,998**	**$ 578,696**	**80,049,062**	**$ 578,406**

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.

(in thousands of Canadian dollars)

As at December 31, 2024, the liability associated with the deferred units issued under the Trustee DUP was $0.2 million (December 31, 2023: $0.5 million), and the number of outstanding deferred units was 342,337 (December 31, 2023: 588,311 units). During the year ended December 31, 2024, 674,196 units were redeemed for trust units under the Trustee DUP by five former Trustees of the REIT (December 31, 2023: 30,555 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 December 31, 2024, the liability associated with deferred units issued under the Officer DUP was $8 thousand (December 31, 2023: $12 thousand), and the number of deferred units was 14,294 units (December 31, 2023: 14,294 units).

The change in Trustee and Officer DUP units during the years ended December 31, 2024 and 2023 is as follows:

		2024		2023	
	Note	Units	Amount	Units	Amount
Beginning of period		602,606	489	273,502	1,182
Issued		428,221	206	329,998	486
Reinvested distributions		—	—	29,661	66
Redemption of units		(674,196)	(433)	(30,555)	(31)
Fair value adjustment	20	—	(69)	—	(1,214)
End of period		**356,631**	**$ 193**	**602,606**	**$ 489**

Weighted average diluted units outstanding

The following is the weighted average diluted number of units outstanding during the years ended December 31, 2024 and 2023. 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:

	Year ended December 31,	
	2024	2023
Basic weighted average units outstanding	80,258,496	80,025,307
Class B LP units	5,285,160	5,285,160
Basic weighted average deferred units outstanding	444,269	370,260
Diluted weighted average units outstanding	**85,987,925**	**85,680,727**

Diluted units outstanding

The following is the diluted number of units outstanding as at December 31, 2024 and 2023. 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:

	December 31, 2024	December 31, 2023
Trust units outstanding	80,503,998	80,049,062
Class B LP units	5,285,160	5,285,160
Deferred units	356,631	602,606
Diluted units outstanding	**86,145,789**	**85,936,828**

(in thousands of Canadian dollars)

Accumulated other comprehensive income consists of the below:

	Year ended December 31, 2024			Year ended December 31, 2023		
	Foreign currency translation	Net investment hedges	Total	Foreign currency translation	Net investment hedges	Total
Beginning of period	$ 7,678	$ (4,820)	$ 2,858	$ 9,987	$ (4,820)	$ 5,167
Currency translation	7,342	—	7,342	(2,309)	—	(2,309)
End of period	**$ 15,020**	**$ (4,820)**	**$ 10,200**	**$ 7,678**	**$ (4,820)**	**$ 2,858**

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

16. 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. Beginning April 2023, the REIT decreased monthly distributions from $0.0333 to $0.0100 per unit and in November 2023, the REIT suspended its monthly cash distribution to unitholders and holders of Class B LP units. All distributions settled during the year ended December 31, 2023 were paid in cash.

The REIT did not declare or pay distributions during the year ended December 31, 2024.

The following table presents the distributions during the year ended December 31, 2023:

	Year ended December 31, 2023	
	Trust units	LP units
Distributions declared during the period	$ 13,596	$ 899
Add: Distributions payable, beginning of period	2,665	176
Less: Distributions payable, end of period	—	—
Distributions paid during the period	**$ 16,261**	**$ 1,075**

17. RENTAL REVENUE

Rental revenue is comprised of the following:

	Year ended December 31,	
	2024	2023
Property base rent [1]	$ 103,609	$ 110,359
Operating cost recoveries	60,389	59,613
Tax recoveries	27,649	27,343
Hotel	12,576	11,672
Straight-line rent and other changes	(7,266)	(11,366)
Total	**$ 196,957**	**$ 197,621**

[1]Includes parking revenue earned at properties.

(in thousands of Canadian dollars)

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

	December 31, 2024	December 31, 2023
Not later than one year	$ 107,684	$ 113,231
Later than one year and not later than five years	347,408	335,349
Later than five years	158,278	178,570
Total	**$ 613,370**	**$ 627,150**

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 7.

18. INTEREST AND FINANCE COSTS

Interest and finance costs are comprised of the following:

	Year ended December 31,	
	2024	2023
Mortgage interest	$ 36,008	$ 32,601
Interest on other debt	22,174	16,512
Amortization of financing costs	6,309	5,335
Amortization of debt mark-to-market adjustments	(35)	(39)
Interest on convertible debentures [1] [2] [3]	10,623	10,422
Total interest expense	**$ 75,079**	**$ 64,831**
Non-cash interest expense	(6,274)	(5,296)
Unpaid convertible debenture interest	(10,196)	—
Total interest paid	**$ 58,609**	**$ 59,535**

[1]The 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 and/or paid.
[2]The 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.
[3]The 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.

Financing costs associated with financial liabilities measured at amortized cost such as mortgages payable and the revolving credit facility 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.

19. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses are comprised of the following:

		Year ended December 31,	
	Note	2024	2023
Asset management fees	**21**	$ 4,766	$ 5,589
Management Agreement termination fee	**21**	2,000	—
Professional fees	**21**	3,508	4,890
Trustee fees		317	566
Bad debt expense, net		951	1,419
Other		1,388	1,782
Total		**$ 12,930**	**$ 14,246**

(in thousands of Canadian dollars)

20. CHANGE IN FAIR VALUE OF FINANCIAL INSTRUMENTS

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

		Year ended December 31,	
	Note	2024	2023
Interest rate swaps	12	$ 1,183	$ 4,643
Net receipts on interest rate swaps	12	(11,754)	(16,196)
Interest rate caps	12	(2,451)	(1,372)
Convertible debenture embedded derivatives	12	403	5,245
Deferred units	15	69	1,214
Cross currency swap	12	(1,512)	(2,196)
Loss on extinguishment of debt		—	(406)
Total change in fair value of financial instruments recognized in net loss		**$ (14,062)**	**$ (9,068)**

21. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2024 and 2023, 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 Internalization which was effective December 31, 2024.

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. The REIT's key personnel include trustees and officers of the REIT.

Slate held the following interests in the REIT:

	December 31, 2024	December 31, 2023
REIT units	3,329,040	3,302,040
Class B LP units	5,285,160	5,285,160
Total	**8,614,200**	**8,587,200**
Economic interest	10.0%	10.0%

During the year ended December 31, 2024, Slate purchased 27,000 REIT units (December 31, 2023: 430,989).

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]

[1]Gross revenue is 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.
[2]Gross book value is defined as the book value of the REIT's assets as shown on the previous quarter's consolidated financial statements, less restricted cash.
[3]Leasing fees are charged to the REIT net of any third party brokerage fees paid to leasing agents retained by the REIT. No fee is charged to the REIT where such third party fees are equal to or greater than the lease fee payable to Slate.

(in thousands of Canadian dollars)

[4]Acquisition fees are 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 are recorded as property operating and general and administrative expenses, respectively, in the period incurred. Acquisition, construction and leasing fees are recorded as additions to investment properties when payable to the Former Manager. Financing fees are 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:

	Year ended December 31,	
	2024	2023
Fees charged by the Former Manager per Management Agreement:		
Property management	$ 5,338	$ 5,600
Management Agreement termination fee	2,000	—
Asset management	4,766	5,589
Leasing, financing and construction management	2,963	2,493
Acquisition	—	43
	$ 15,067	**$ 13,725**
Other amounts charged by Slate [1]:		
SLAM asset manager salary recoveries [2]	815	830
SLAM asset management software [3]	293	283
Other property operating expenses	—	21
Property operating expenses	1,108	1,134
General and administrative expenses	785	1,253
	$ 1,893	**$ 2,387**
Total charged by Slate	**$ 16,960**	**$ 16,112**

[1]The Management Agreement provided for the 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.
[2]Included in property administrative fees as shown below.
[3]Asset management software developed by Slate.

Property administration fees are generally recoverable under the tenants' leases relating to assets or resources of the Manager that are directly attributable to the management of the REIT's investment properties. Property administration fees were $11.1 million for the year ended December 31, 2024 (December 31, 2023: $10.5 million). Administrative fees are recovered from most tenants by the REIT in accordance with the terms of the leases.

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

	Year ended December 31,	
	2024	2023
Property administration fees	$ 11,120	$ 10,531
Less: administrative fees recovered from tenants	(6,243)	(5,830)
Property administration fees not recovered	**$ 4,877**	**$ 4,701**

The REIT entered into an agreement to lease approximately 6,000 square feet of office space to Slate at one of its properties at market rents which expires October 31, 2029. In 2022, the REIT agreed to lease approximately 4,000 additional square feet to Slate at the same property and at the same rent rate and expiration. Total rent received under this lease for the year ended December 31, 2024 was $0.6 million (year ended December 31, 2023: $0.6 million). There were no amounts receivable related to this lease as at December 31, 2024 and December 31, 2023.

(in thousands of Canadian dollars)

The following are the assets and liabilities included in the consolidated statements of financial position of the REIT related to the Former Manager and SLAM:

	December 31, 2024	December 31, 2023
Accounts receivable	$ 199	$ 13
Accounts payable and accrued liabilities	—	(178)
Class B LP units	(2,854)	(4,281)

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

	December 31, 2024	December 31, 2023
REIT units	15,110,200	15,110,200
Deferred units	160,866	35,839
Total	**15,271,066**	**15,146,039**
Economic interest	17.7%	17.6%

G2S2 also held an aggregate principal amount of $12.1 million (December 31, 2023: $12.1 million) of the REIT's convertible debentures as at December 31, 2024. If G2S2 was the sole convertible debenture holder to convert convertible debentures to trust units, it would indirectly own a total of 17,407,192 trust units (December 31, 2023: 17,282,165), representing an economic interest of approximately 19.7% (December 31, 2023: 19.6%) on a diluted basis.

The REIT entered into an agreement to lease approximately 17,000 square feet of office space to G2S2 at one of its properties at market rents which expired June 30, 2023. G2S2 vacated the property subsequent to June 30, 2023. Total rent received under this lease for the year ended December 31, 2023 was $118 thousand. There were no amounts receivable related to this lease as at December 31, 2024 and December 31, 2023. In connection with a settlement agreement signed on February 16, 2023, between the REIT and G2S2, the REIT agreed to reimburse G2S2 for out-of-pocket fees and expenses including legal fees relating to the agreement. During the year ended December 31, 2023, the REIT reimbursed G2S2's legal fees of $161 thousand and recorded the cost to professional fees.

On January 12, 2024, the REIT announced that the REIT and G2S2 agreed to amend the settlement agreement 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 December 31, 2024, $3.2 million has been advanced to the REIT. During the year ended December 31, 2024, the REIT 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.

22. 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.

(in thousands of Canadian dollars)

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 technique 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 facility 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.

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:

			Fair value		
December 31, 2024	Note	Carrying amount	Level 1	Level 2	Level 3
Assets					
Investment properties	6	$ 1,131,334	$ —	$ —	$ 1,131,334
Assets held for sale	6	16,500	—	—	16,500
Derivatives	12	4,083	—	4,083	—
Restricted cash		10,656	10,656	—	—
Total assets		**$ 1,162,573**	**$ 10,656**	**$ 4,083**	**$ 1,147,834**
Liabilities					
Derivatives	12	(2,864)	—	(2,864)	—
Class B LP units	13	(2,854)	(2,854)	—	—
Debt	10	(1,074,871)	—	(1,088,440)	—
Debt held for sale	10	(15,153)	—	(15,153)	—
Total liabilities		**$ (1,095,742)**	**$ (2,854)**	**$ (1,106,457)**	**$ —**

			Fair value		
December 31, 2023	Note	Carrying amount Restated*	Level 1	Level 2	Level 3
Assets					
Investment properties	6	$ 1,362,188	$ —	$ —	$ 1,362,188
Assets held for sale	6	292,497	—	—	292,497
Derivatives	12	16,091	—	16,091	—
Restricted cash		5,856	5,856	—	—
Total assets		**$ 1,676,632**	**$ 5,856**	**$ 16,091**	**$ 1,654,685**
Liabilities					
Derivatives	12	(1,061)	—	(1,061)	—
Class B LP units	13	(4,281)	(4,281)	—	—
Debt	10	(983,012)	—	(993,720)	—
Debt held for sale	10	(195,722)	—	(192,780)	—
Total liabilities		**$ (1,184,076)**	**$ (4,281)**	**$ (1,187,561)**	**$ —**

*See note 3 xvii.

23. 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.

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, disposition of investment properties 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 24. Compliance with the requirements of the revolving facility, which became more restrictive as of March 31, 2024 and are described in note 10 and note 24, and the covenants applicable to the REIT's term loans and mortgages are dependent on the REIT achieving its financial forecasts. As at December 31, 2024, the REIT remains in breach of financial leverage, debt service coverage and minimum unitholders' equity covenants pertaining to the revolving credit facility and certain mortgage agreements, and failed to repay principal due on maturity, totaling $889.7 million of breached debt. In certain cases, including with respect to the revolving credit facility 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 another case, on March 29, 2024, the REIT received another default letter relating to debt outstanding as of December 31, 2023 requiring a principal payment of $5.6 million to cure such default (see note 10).

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 and December 31, 2024 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.

(in thousands of Canadian dollars)

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, changes in interest rates driven by central banks in Canada, the U.S. and Europe seeking to reduce inflationary pressures and broad market sentiment towards the office sector as a whole have reduced the availability of and increased the cost of financing. The risk associated with any refinancing of maturing debt is mitigated, in part, by matching debt maturities on mortgages with lease renewals to optimize the value of the assets with the leverage to achieve the best value for pricing. However, as a result of certain event of default notices received as at and subsequent to December 31, 2024, the REIT is now subject to various additional restrictions. These include limitations on acquiring new debt and distributing profits related to certain properties.

During the year ended December 31, 2024, the REIT's financial condition has 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. In addition, based on the REIT's correspondence with the TSX as discussed in note 1, there is a risk the REIT will not be able to obtain further equity financing if it is de-listed from the exchange. 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 it's debt obligations.

The following table summarizes the estimated future contractual maturities of the REIT's financial liabilities as at December 31, 2024:

	Note	Total contractual cash flow	2025	2026-2027	2028-2029	Thereafter
Accounts payable and accrued liabilities	14	$ 67,679	$ 67,679	$ —	$ —	$ —
Amortizing principal repayments on debt	10	50,946	9,208	34,218	5,210	2,310
Principal repayments on maturity of debt	10	1,055,792	689,813	360,084	—	5,895
Interest on debt [1]		61,629	34,658	25,760	952	259
Interest rate swaps [2]		(6,387)	(5,246)	(1,141)	—	—
Other liabilities	11	6,120	1,501	649	801	3,169
Total		**$ 1,235,779**	**$ 797,613**	**$ 419,570**	**$ 6,963**	**$ 11,633**

[1]Interest amounts on floating rate debt have been determined using rates as at December 31, 2024.
[2]Interest 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 December 31, 2024.

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 mortgages 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.

(in thousands of Canadian dollars)

At December 31, 2024, after the impact of interest rate swaps and caps, the REIT had floating rate debt of $260.0 million (December 31, 2023: $132.3 million). The following table presents the annualized impact of a change in floating interest rates of 25 bps on finance costs:

	December 31, 2024	December 31, 2023
Change of 25 bps	$ 650	$ 331

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 12 and 20 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.

24. 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 December 31, 2024, the REIT is now subject to various additional restrictions beyond those disclosed in note 23. 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:

	December 31, 2024	December 31, 2023 Restated*
Debt	$ 1,090,024	$ 1,178,734
Class B LP units	2,854	4,281
Equity	59,810	508,704
Total	**$ 1,152,688**	**$ 1,691,719**

*See note 3 xvii.

(in thousands of Canadian dollars)

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 December 31, 2024 was 89.4% (December 31, 2023: 67.9%) and calculated as follows:

	December 31, 2024	December 31, 2023 Restated*
Total assets	$ 1,229,711	$ 1,742,255
Less: Restricted cash	(10,656)	(5,856)
Gross book value	**$ 1,219,055**	**$ 1,736,399**
Debt	1,090,024	1,178,734
Leverage ratio	**89.4%**	**67.9%**

*See note 3 xvii.

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 further exceed 65% of the REIT's gross book value.

Financial covenants

The REIT's revolving credit facility, 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 facility, 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 facility:

- Total debt to gross book value 65% or less. At December 31, 2024 the REIT's total debt to gross book value was 89.4%.
- Senior debt, which is total debt excluding the REIT's convertible debentures to gross book value, of 55% or less. At December 31, 2024 the REIT's senior debt to gross book value was 77.4%.
- Debt service coverage ratio not less than 1.25:1. At December 31, 2024 the REIT's debt service coverage ratio was 1.05:1.
- Minimum unitholders' equity, which includes the REIT's Class B LP Units of $350.0 million. At December 31, 2024 the REIT's unitholders' equity was $62.9 million.

(in thousands of Canadian dollars)

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 facility, includes cross default provisions, generally for defaults on debt in excess of $5.0 million.

At December 31, 2024, as discussed above, the REIT exceeded the financial leverage and debt service coverage covenants on its revolving credit facility 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 23. 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).

25. 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:

	December 31, 2024	December 31, 2023 Restated*
Canada	$ 699,254	$ 1,072,824
United States	210,408	318,621
Ireland	238,172	263,240
Total	**$ 1,147,834**	**$ 1,654,685**

*See note 3 xvii.

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

	Year ended December 31, 2024			
	Canada	United States	Ireland	**Total**
Property revenue	$ 132,351	$ 47,740	$ 24,132	**$ 204,223**
Property operating expenses	(74,882)	(30,614)	(5,743)	**(111,239)**
Net operating income	**$ 57,469**	**$ 17,126**	**$ 18,389**	**$ 92,984**
Straight-line rent and other changes				**(7,266)**
Finance income on finance lease receivable				**2,608**
Interest income				**380**
Interest and finance costs				**(75,079)**
General and administrative				**(12,930)**
Change in fair value of financial instruments				**(14,062)**
Change in fair value of investment properties				**(437,770)**
Depreciation of hotel asset				**(998)**
Transaction costs				**(3,322)**
Deferred income tax expense				**257**
Current income tax expense				**(2,755)**
Net loss before Class B LP units				**$ (457,953)**
Change in fair value of Class B LP units				**1,427**
Net loss				**$ (456,526)**

(in thousands of Canadian dollars)

	Year ended December 31, 2023 Restated*			
	Canada	United States	Ireland	**Total**
Property revenue	$ 133,240	$ 53,500	$ 22,247	**$ 208,987**
Property operating expenses	(74,527)	(30,637)	(4,812)	**(109,976)**
Net operating income	**$ 58,713**	**$ 22,863**	**$ 17,435**	**$ 99,011**
Straight-line rent and other changes				**(11,366)**
Finance income on finance lease receivable				**2,840**
Interest income				**562**
Interest and finance costs				**(64,831)**
General and administrative				**(14,246)**
Change in fair value of financial instruments				**(9,068)**
Change in fair value of investment properties				**(138,217)**
Depreciation of hotel asset				**(966)**
Deferred income tax recovery				**204**
Current income tax expense				**(1,358)**
Net loss before Class B LP units				**$ (137,435)**
Change in fair value of Class B LP units				**18,551**
Distributions to Class B LP unitholders				**(899)**
Net loss				**$ (119,783)**

*See note 3 xvii.

26. INCOME TAXES

The REIT has reviewed the specified investment flow-through trust ("SIFT") 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 REIT Conditions for the years ended December 31, 2024, 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 December 31, 2024 and 2023, 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:

	December 31, 2024	December 31, 2023
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:

	Year ended December 31,	
	2024	2023
Beginning of period	$ (254)	$ (454)
Deferred income tax expense	257	204
Foreign exchange	(3)	(4)
End of period	**$ —**	**$ (254)**

(in thousands of Canadian dollars)

A reconciliation of the expected income taxes based upon the 2024 statutory rates and the income tax recovery recognized during the years ended December 31, 2024 and 2023 are as follows:

	Year ended December 31,	
	2024	2023 Restated*
Net loss before Class B LP units and taxes	$ (455,455)	$ (136,281)
Canadian statutory tax rate	26.5%	26.5%
	$ (120,696)	$ (36,114)
Income not subject to tax	76,219	23,090
Valuation allowance	51,338	15,956
Tax rate differential	(4,363)	(1,778)
Current and deferred income tax expense	**$ 2,498**	**$ 1,154**

*See note 3 xvii.

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 year ended December 31, 2024.

The Income Tax Act (Canada) contains legislation affecting the tax treatment of SIFT which include publicly-listed income trusts (the “SIFT Rules”). Under the SIFT Rules, certain distributions from a SIFT are not deductible in computing a SIFT’s taxable income, and the SIFT is subject to tax on such distributions at a rate that is substantially equivalent to the general tax rate applicable to a Canadian corporation. However, distributions paid by a SIFT as returns of capital are generally not subject to tax. The SIFT Rules do not apply to a real estate investment trust that meets prescribed conditions relating to the nature of its assets and revenue (the “REIT Conditions”). Instead, a real estate investment trust that meets the REIT Conditions is not liable to pay Canadian income taxes provided that its taxable income is fully distributed to unitholders during the period.

At December 31, 2024 and December 31, 2023, the REIT had tax losses carried forward available to reduce future years' taxable income, which expire as follows:

Year of expiry	December 31, 2024	December 31, 2023
2037	$ 268	$ 268
2038	2,751	2,751
2042	5,619	—
2043	5,730	—
Total non-capital losses	**$ 14,368**	**$ 3,019**

At December 31, 2024, a subsidiary of the REIT had U.S. $11.7 million of U.S. federal and state losses carried forward available to reduce future years' taxable income. These federal losses do not expire, but are limited to 80% of the subsidiary's taxable income in a given year. Any losses limited by the 80% threshold continue to carry over to the following tax year without expiration.

At December 31, 2024, a subsidiary of the REIT in Ireland had deductible interest carried forward of €5.5m available to reduce future years' taxable income. These deductions do not expire but can be limited due to Interest Limitation Rules governing deductibility of interest.

(in thousands of Canadian dollars)

27. SUPPLEMENTAL CASH FLOW INFORMATION

Changes in liabilities arising from financing activities for the year ended December 31, 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	December 31, 2024
Derivatives, net	$ (15,030)	$ —	$ 11,754	$ —	$ (320)	$ 2,377	$ —	$ (1,219)
Mortgages [1]	593,462	3,212	(89,674)	(3,762)	11,037	—	2,806	517,081
Facilities [1]	306,361	2,200	(18,264)	(5)	4,979	—	1,322	296,593
Term loan	133,279	—	(7,268)	—	2,561	—	1,020	129,592
Convertible debentures	145,632	—	—	—	—	—	1,126	146,758
Class B LP units	4,281	—	—	—	—	(1,427)	—	2,854
Total	**$ 1,167,985**	**$ 5,412**	**$ (103,452)**	**$ (3,767)**	**$ 18,257**	**$ 950**	**$ 6,274**	**$ 1,091,659**

[1]Changes in financial instruments that hedge the REIT's liabilities arising from financing activities include the REIT's interest rate swaps. Refer to note 12 for more detail.

Changes in liabilities arising from financing activities for the year ended December 31, 2023 are as follows:

		Cash flows			Non-cash changes				
	December 31, 2022	Proceeds	Payments	Financing costs and other	Assumptions	Foreign exchange	Fair value changes	Amortization of MTM adjustments and costs	December 31, 2023
Derivatives, net	$ (26,476)	$ —	$ 16,196	$ —	$ —	$ 106	$ (4,856)	$ —	$ (15,030)
Mortgages [1]	589,850	41,108	(57,999)	(2,119)	23,978	(3,088)	—	1,732	593,462
Facilities [1]	286,189	30,029	(9,088)	(894)	—	(1,377)	—	1,502	306,361
Bridge loan	131,600	—	—	(198)	—	909	—	968	133,279
Convertible debentures [2]	145,614	—	—	218	—	—	(1,294)	1,094	145,632
Class B LP units	22,832	—	—	—	—	—	(18,551)	—	4,281
Total	**$ 1,149,609**	**$ 71,137**	**$ (50,891)**	**$ (2,993)**	**$ 23,978**	**$ (3,450)**	**$ (24,701)**	**$ 5,296**	**$ 1,167,985**

[1]Changes in financial instruments that hedge the REIT's liabilities arising from financing activities include the REIT's interest rate swaps. Refer to note 12 for more detail.
[2]Changes in fair value consist of $1.3 million as the equity option on the amendment to the 2018 Convertible Debentures.